

Executive Summary

Hanscomb Limited was awarded the Cost Estimating assignment (RFP#2015-29) for the Port Lands Flood Protection and Enabling Infrastructure Project in July 2015. This Cost Estimating assignment covers two stages: Stage 1 and Stage 2.

In compliance with Waterfront Toronto requirements and generally accepted capital cost planning methodology, Hanscomb's construction costs include the trades' costs, general conditions\general contractor's general requirements and fee and a design and pricing allowance\contingency. We have excluded an Allowances\Contingencies for Escalation, Phasing, Construction\Post-Contract and Risks as these are covered separately by Waterfront Toronto.

Hanscomb Limited has attended team meetings, team teleconference call coordination meetings and Schedule and Risk Workshops with other consultants organized by Waterfront Toronto. We have been in communication with Waterfront Toronto representatives and other consultants, particularly Michael Van Valkenburgh Associates, Inc., CH2M and Riggs Engineering in gathering information and reviews on the different construction process concepts, phasing, etc.

As part of our early deliverables, Hanscomb has provided an construction cost escalation analysis and made a recommendation to Waterfront Toronto on escalation factors for the project on September 10, 2015, Cost Estimates for Stage 1 (October 8, 2015) and Stage 2 (June 9, 2016). The supporting basis for this recommendation was Statistics Canada's Non-residential Construction Cost Indices.

Scope of the assignment:

- Gap Analysis Report (Not Undertaken)
- Recommendations and Rationale for Construction Cost Escalation Factors
- Preliminary (Stage 1) Project Cost Estimates and Basis of Estimate (Draft)
- Preliminary (Stage 1) Project Cost Estimates and Basis of Estimate (Final)
- Cost Estimating Support for P3/AFP Screening
- Cost Estimating Support for Initial Quantitative Risk Analysis
- Cost Estimating Support for Procurement Options Analysis and Strategy Development
- Supplementary Cost Estimates for Development Driven Infrastructure and Basis of Estimate (Draft)
- Supplementary Cost Estimates for Development Driven Infrastructure and Basis of Estimate (Final)
- Stage 2 Project Cost Estimates and Basis of Estimate (Draft)
- Stage 2 Project Cost Estimates and Basis of Estimate (Final)
- Cost Estimating Support for Stage 2 Quantitative Risk Analysis
- Stage 1: Draft Conceptual Cost Estimate, October 2015
- Stage 2: Conceptual Class Estimate: June 2016

Findings:

Stage 1 Conceptual Estimate October 8, 2015:	\$ 770,567,100 (2015 \$)
Stage 2 Conceptual Estimate June 9, 2016:	\$ 783,408,500 (2016 \$)

Methodology

Hanscomb has prepared this estimate in accordance with generally accepted principles and practices and is in conformance with Waterfront Toronto's requirements. This opinion of probable cost of construction is made on the basis of experience, qualifications and best judgment of the professional consultant familiar with the construction industry. Hanscomb cannot and does not guarantee that proposals, bids or actual construction costs will not vary from this or subsequent cost estimates.

The quantities of all major elements were assessed or measured where possible and priced at rates considered competitive (neither over-conservative nor over-optimistic) for a project of this type from the documentation and information provided. Our pricing reflects probable construction costs obtainable in the Toronto, Ontario area on the effective date of this report. This estimate is a determination of fair market value for the construction of this project. It is not a prediction of low bid. Our quantities and unit rates are unbiased as possible and excluded hidden risk factors.

Hanscomb undertook quality assurance and control checks during the estimate preparation stage. These checks were undertaken by Hanscomb's principal in charge who is familiar with the work and Waterfront Toronto's requirements. Hanscomb participated in the Cost Risk Assessment Workshop on 6th & 7th October, 2015 and 21st March, 2016. We have also made estimate adjustments, where necessary, immediately following workshops and review\comments from other consultants in concert with Waterfront Toronto and other project team members. Our work has been collaborative in nature given the broad team approach. We have enjoyed our involvement and are proud to be part of this complex flood protection and 'city building' project.