Canadian Perspectives

National Governors Association
P3 Advisory Group
Annapolis, Maryland
Canadian Organizations – Who are the players?

- **Provincial Government** – advisory and delivery agencies
  - Partnerships BC
  - Infrastructure Ontario
  - Alberta Infrastructure
  - SaskBuilds
  - Infrastructure Quebec
  - Partnerships New Brunswick
- **Federal Government** – funding agency
  - PPP Canada Fund
- **Industry** – association for marketing, research and conferences
  - Canadian Council for Public-Private Partnerships
Differences in Provincial Models

• Crown corporation vs Internal
  o Independent governance
• Commercial vs Non-Commercial
  o Hourly fees; grant per project; annual budget
• Overall project delivery vs procurement manager
• Major capital projects vs PPP
PARTNERSHIPS BRITISH COLUMBIA
Institutional Framework in British Columbia

- Political and stakeholder support
- Enabling policy framework
  - Capital Standard
  - No legislation
- Partnerships BC
  - Crown Corporation
  - Reports to Ministry of Finance
  - Serves Governments as clients (hourly rates)
  - 25% of revenue from outside BC
  - Centre of procurement expertise within government
Partnerships BC Commercial Service Model

• Commercial Services
  o VFM and Funding analysis
  o Procurement Manager on project team
    ▪ Embedded in project team
  o Project Oversight

• Value-Add
  o Experienced professionals (45)
  o Utilize PBC Knowledge Bank
    ▪ Templates and guidance
    ▪ Models
    ▪ Communications
Typical Public Sector Owner Project Team

- PROJECT BOARD
  - CHIEF PROJECT OFFICER
    - PROCUREMENT MANAGER
      - FAIRNESS ADVISOR
      - FINANCIAL ADVISOR
      - TECHNICAL ADVISOR
      - FACILITIES MAINTENANCE ADVISOR
      - LEGAL ADVISOR
      - COMMUNICATIONS ADVISOR

Projects in B.C.

$17+ billion invested, 40+ projects, $7 billion private capital

- Acute care
- Outpatient care
- Long-term care
- Schools
- Social housing
- Corrections

- Sports/leisure centre
- Energy
- Water treatment
- Highways
- Bridges
- Rapid transit
INFRASTRUCTURE ONTARIO
Framework for Mandate and Accountability

- Ministry of Infrastructure’s *Building Together* long-term infrastructure plan
- *Ontario Infrastructure and Lands Corporation Act*
- *Bill 141 Long-Term Infrastructure Capital*
- Annual Budget and Fall Economic Statement
- Annual Business Plan
- MOU with the Ministry of Infrastructure
- Letters of Direction
- Quarterly and Annual Reports
Mapping the Relationships

Government Decisions

Cabinet and Treasury Board

Ministerial Direction and Accountability

Minister and Ministry of Infrastructure

Minister and Ministry of Transportation

Minister and Ministry of the Attorney General

Minister and Ministry of Health

Delivery Agency and Client Sponsor

Infrastructure Ontario

Metrolinx Regional Transportation Authority

Ministry of Transportation

Ministry of the Attorney General

Hospital Board
IO Governance Structure

IO Divisional Governance Structure

Board of Directors
- Governance & Compensation Committee: A standing committee appointed by the Board overseeing corporate governance & compensation. (Meets quarterly)
- Audit Committee: A standing committee assisting the Board with its oversight responsibilities relating to risk management, internal controls, and financial reporting processes of IO & GREP and audit. (Meets quarterly)
- Investment Committee: A standing committee consisting in reviewing & assessing Special Projects (proposed new initiatives or projects) and Major Transactions (high value, high profile & high-risk projects or transactions). (Meets quarterly)
- Risk Committee: A standing committee responsible to 1) develop & recommend to the Board for approval policies relating to credit risk, asset liability risk & capital management, and ensure compliance, and 2) monitor IO’s lending functions. (Meets quarterly)

CEO
- Senior Management Team: (Meets bi-weekly)
- Executive Committee: Sits IO’s strategic direction and provides oversight of all major priorities. (Meets bi-weekly)
- Investment & Risk Committee: Reviews Major Transactions at all stages (initiation & approval) and approves major transactions to proceed or recommends to the CEO if the Investment Committee of the Board for final approval. (Meets bi-weekly)

IO Management Committees
- Operations Committee: Provides direction to ensure that IO’s activities support both the corporate and strategic objectives as defined by the Business Plan and the business unit’s goals. Ensures appropriate business processes and information management solutions are in place. (Meets monthly)
- Real Estate Committee: Oversees matters pertaining to Real Estate Management and Planning and Development that impact the government real estate portfolio and public atriums. (Meets monthly)
- AFP Committee: Oversees all business development, delivery, and operations related to AFP Projects. Also oversees Early Works and traditionally delivered projects over $25M. (Meets monthly)
- Commercial Projects Committee: Provides direction to ensure that commercial transactions create value for public sector clients & align with the organization’s ongoing corporate & strategic objectives. (Meets monthly)

Credit Review Committee: Develops IO’s Credit Risk Policy & the Capital Management Policy, ensures that management adheres to the policies, and monitors all lending functions of the organization. (Meets monthly)
Decision-Making Structure on AFP Projects

AFP Committee

- Integrated Template Working Group
- AFP Transaction and Construction Committees
- Delivery Model Working Group
- Continuous Improvement Working Group
Strategic Governance – IO, Client and ProjectCo

Ministry of Infrastructure

Funding Agreement

Ministry Sponsor Client

Project Agreement

Lenders

Debt >> Special Purpose Vehicle

Design Build Agreement

Equity Providers

<< Equity

Facility Maintenance Services Agreement

Builder

FM Provider
Operational Governance – IO and Client

**SPONSOR-CLIENT**
- Sponsor-Client Board
- Sponsor-Client Committees
  - Chief Executive Officer

**PROJECT STRUCTURE**
- WORKS COMMITTEE
- TRANSITION COMMITTEE
- EQUIPMENT COMMITTEE
- FACILITIES MGMT COMMITTEE
- IO Reps
- Project Co Reps
- Client Reps

**PROJECT CO**
- Project Co Governance

**PROJECT MANAGEMENT TEAM**
- IO
- AFP Sponsor-Client

**Sponsor-Client Representative**
- Project Co Representative
- Project Co Management

**JOINT BUILDING COMMITTEE**
- IO
- AFP Sponsor-Client

**IO-Sponsor-Client Governance**
- IO Board and CEO
- AFP Steering Committee
- IO Project Delivery Team

**Consultants and Advisors**