

Canada

1. Noteworthy practices for project preparation



EXISTING ENABLING ENVIRONMENT

Decentralised planning process with strong collaboration between provincial levels and the national government

Canada's project preparation landscape is driven by collaboration between the federal and provincial governments. Both levels of government work closely to identify and plan Canada's infrastructure development needs, as well as to prepare overarching policies and guidelines for project development.

An outcome of this approach is the federal government's long-term infrastructure planning document, the Investing in Canada Plan, which is being implemented through Integrated Bilateral Agreements (IBAs) executed between the federal and provincial governments.

Through these agreements, provinces identify projects that are in alignment with program outcomes identified for each funding priority in the Investing in Canada Plan. IBAs are monitored by Oversight Committees established between Infrastructure Canada, the federal department for public infrastructure, and representatives from both the federal and provincial or territorial governments.

Specialised agencies to assist in project planning and lead procurement for major projects

- In Canada's institutional set-up, provinces and territories are responsible for leading project development. Some of these provinces have set up apex agencies, which provide specialised capabilities to plan and procure projects, bringing in vast experience of managing multiple complex projects. To further streamline project development, these agencies have also developed standardised documents and tools for use by project proponents. Today, these agencies are focused on complex infrastructure delivery and support to municipalities to build capacity to develop a program of viable PPPs.

Distinct institution to oversee environmental assessments, functioning as a centre of expertise

The federal government's Canada Environmental Assessment Agency supports project development by conducting environmental assessments for projects that require federal support. It functions as a centre of expertise for environmental assessments, providing project proponents with tools to aid in conducting

environmental impact assessments and undertaking training initiatives to help agencies understand the legal requirements and processes to conduct environmental assessments.



PROJECT IDENTIFICATION AND CONCEPT DEFINITION

Integrated planning for infrastructure development, supported by legal mandates and project identification guidelines

Central to Canada's infrastructure development landscape is the focus on preparing multi-year pipelines with a long-term strategic vision for infrastructure development. These pipelines are prepared by the federal, provincial and territorial governments, and are typically steered by specialised agencies, such as Infrastructure Canada at the federal level. The planning activities are further supported by a strong legislative framework, which makes the drafting of long-term plans mandatory for government agencies. Case in point, Ontario's Infrastructure for Jobs and Prosperity Act 2015 requires the Government of Ontario to prepare infrastructure development plans at least every five years, with the planning horizon spanning at least 10 years. Further, the act also provides the initial criteria to identify projects to be included in the plan.



PROJECT APPROVALS AND QUALITY ASSURANCE

Adopting a risk-based, dynamic framework for project approvals and monitoring

Infrastructure projects typically require approvals of the respective Treasury Boards in the jurisdiction, at the pre-feasibility as well as the feasibility stage. However, the criteria for projects which require approvals varies across implementing agencies or ministries and is communicated on an annual basis by the Treasury Board. The criteria are defined factoring in two aspects - the project risk (through aspects such as cost and complexity), as well as the agency's history in undertaking and managing projects. By factoring in the agency's performance in previous years, approvals processes are made more efficient, allowing for Treasury Board oversight where it is required most.

2. Snapshot of project preparation activities

Canada's project preparation landscape has emerged as one of the best globally, for its consistency, comprehensiveness and ability to prepare projects that are bankable. While the federal government provides institutions to support project preparation, it is the provincial governments who drive infrastructure creation and PPP project pipeline development in the country, along with setting the overarching policies and regulations within the province.

INSTITUTIONAL FRAMEWORK

In Canada's decentralised federalist system, the sub-national governments have jurisdictional responsibility for planning and providing infrastructure in key sectors such as transportation, housing, water and waste, and energy services. Typically, project planning and preparation is led by the respective provincial line ministries and local government bodies, who are responsible for project identification, development and implementation. The fiscal impact of undertaking capital infrastructure projects is managed by the Treasury Board's Secretariat of each province, who provide key approvals for project implementation.

A number of provinces in Canada have also established their own apex agencies for project development; these include Alberta's Advisory Committee on Alternative Capital Financing, Partnerships British Columbia, Infrastructure Ontario, and Saskatchewan's SaskBuilds. These apex agencies often function as centres of expertise for procuring major capital projects. Through these agencies, the provincial governments manage the creation of a pipeline of feasible projects, use standardised project preparation processes and foster collaboration with the federal, as well as municipal governments.

STATE LEVEL APEX AGENCIES FOR PROJECT PREPARATION

Partnerships British Columbia provides advisory support to government agencies on planning, procuring, and delivering infrastructure projects, along with leading procurement processes for complex infrastructure projects in British Columbia. It also undertakes capacity building initiatives on business case development and project procurement, under its Stakeholder Engagement Plan. Since its inception in 2002, Partnerships British Columbia has participated in 52 projects with a cumulative capital investment of approximately US \$13.4 billion.¹

Infrastructure Ontario (IO) is a crown agency established through the enactment of the Ontario Infrastructure and Lands Corporation Act 2011. It functions primarily as an implementing agency for infrastructure development in the province of Ontario, serving as an interface between the public and private sectors. It delivers results through four business divisions:

- Through its *Major Projects* division, IO manages the procurement for all major infrastructure projects in the province. Through the Alternative Financing and Procurement (AFP) approach, Infrastructure Ontario focuses on PPPs which are paid for by the public sector, rather than through charges levied on users. To assist the procurement of AFP projects, IO helps project owners with project structuring, design and output specifications, implementing the complete procurement process and overseeing the construction of the project.
- The *Real Estate Services* team is responsible for asset planning, facilities contract management and real estate advisory services.

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¹ Exchange Rate: CA \$ 1 = US \$ 0.75 (as of December 2018)

- The *Infrastructure Lending* arm provides long-term loans for infrastructure development.
- The *Commercial Projects* division draws on IO's in-house expertise and provides support to the government on large commercial transactions.

Alberta's *Advisory Committee on Alternative Capital Financing* advises the Ministry of Treasury Board on alternative capital financing options, and the feasibility and desirability of proposed PPP projects. The Government of Alberta has also established an independent committee, the *Government of Alberta P3 Committee*, to provide recommendations and guidance on all aspects relating to PPPs, including policy development, standards and guidelines, and project selection.

SaskBuilds has been set up by the *Government of Saskatchewan* to provide a central focus within the government to coordinate infrastructure planning and delivery. *SaskBuilds* is responsible for developing an integrated infrastructure plan for the province, providing support and guidance to the ministries for implementation of the plan and leading the procurement of large-scale, priority projects.

The provincial institutions are, in turn, further supported by national agencies, who play a central role in policy development and provide strategic inputs to define the project preparation landscape for all states. These institutions include:

Treasury Board Secretariat (TBS), Government of Canada

The TBS in the Government of Canada sets the overall policy on fiscal and expenditure management for the nation. It reviews spending proposals by federal authorities, to assess strategic relevance, value for money and compliance with existing rules and policies. The TBS is also responsible for monitoring government programs and projects for effectiveness and efficiencies, providing information to the parliament on a periodic basis through its Quarterly Reports. To streamline project development in Canada, the TBS has issued a series of directives and has developed tools which help departments to identify and plan departmental expenditure plans, undertake project risk assessment, evaluate and measure departmental capacity to undertake projects, and structure and procure projects.

Infrastructure Canada

Infrastructure Canada works closely with all levels of the government to enable investments in social, green, public transit and other core public infrastructure in Canada. It develops policies, delivers programs and fosters knowledge sharing about public infrastructure in Canada. Infrastructure Canada is also responsible for drafting Canada's long-term vision for infrastructure development, the Investing in Canada Plan, to achieve the identified national objectives and targets.

Canada Infrastructure Bank (CIB)

The CIB was established in 2017, after the phasing out of the PPP Canada institution. PPP Canada had been established in 2008 to improve the delivery of infrastructure projects across all provinces, and to develop tools to assist project preparation and support the procurement of complex projects. Having fulfilled its mandate of establishing PPPs as an effective mechanism of infrastructure development, the Ministry of Infrastructure and Communities within the Government of Canada announced its dissolution in 2017.

CIB was established as part of the Government of Canada's Investing in Canada Plan. In addition to structuring projects, the CIB is also expected to invest in or lend to infrastructure projects, and receive and process unsolicited proposals from the private sector. This, therefore, goes beyond the earlier mandate of PPP Canada, which had been focused on granting funds and providing PPP delivery expertise, since the CIB will function as a procuring authority and an investor, as well as a centre of expertise for all aspects of PPPs.

The CIB has been actively engaging with project proponents and investors with the objective to attract private and institutional investors to new infrastructure opportunities in Canada.

Canada Infrastructure Bank – Driving Canada's Investing in Canada Plan

The CIB has been established to help coordinate the different levels of government (federal, provincial and municipal), to identify a pipeline of projects and potential investment opportunities, to provide low-cost financing for new infrastructure projects, and to act as a centre of expertise on infrastructure projects involving private sector investment.

The CIB will be an important institution in establishing a prosperous and solid foundation for Canada's new infrastructure, focusing on projects that wouldn't otherwise come to market, and establishing a strong and stable pipeline. It will not only complement Canada's PPP efforts, but also help to ensure better use of public funding for a broader range of new projects. While the CIB has a pan-infrastructure focus, it has identified green infrastructure, public transit, and transport and trade as focus areas for the near term. It has the objective of identifying opportunities that provide the greatest economic, social and environmental returns.

The Bank is also being established to act as a centre of expertise on infrastructure projects involving private sector investment and to help identify a pipeline of projects and potential investment opportunities. The CIB shall work between public sector project sponsors or procurement agencies and private sector sponsors. The projects considered (including solicited and unsolicited proposals) shall pass a public interest test to ensure that the project is aligned with the relevant governments' priorities and policies and contributes to economic growth and sustainability. The CIB puts strong emphasis on promoting unsolicited project proposals, market development ideas and other innovative investment requests. The CIB is also working on an inventory of Canadian infrastructure project proposals – content provided by project proponents but managed by the CIB – which is expected to launch by mid-2019².

² For more information on the Canada Infrastructure Bank, please refer to the Global Infrastructure Hub's Guidance Note on National Infrastructure Banks and Similar Financing Facilities (available on the GI Hub website in 2019).

Canada Environmental Assessment Agency

The Canada Environmental Assessment Agency functions as a centre of expertise for environmental assessments within the Government of Canada. It manages the environmental assessments for projects that require environmental assessment at the federal level³, as well as providing platforms and funding support to undertake public consultations on environmental assessment. Owing to Canada's increasing focus on undertaking infrastructure development in a sustainable manner, the agency also conducts capacity building initiatives to assist the federal government agencies in meeting their obligations for environmental assessment and management.

Economic regulators governing infrastructure in Canada

Canada has established independent regulators responsible for maintaining efficiency, affordability and quality in infrastructure services in the country. The regulators have been established at both national and provincial levels depending on the level of delegation of the sectors. Key regulatory agencies include: for the energy sector, the Canadian Energy Regulator at the national level and the provincial electricity regulators like the Ontario Energy Board, the Alberta Utilities Commission etc.; for air, rail and marine transport, the Canada Transportation Agency; and for the water sector, provincial water regulators like Ontario Water Resources Commission and inter-jurisdictional water boards like the Ottawa River Regulation Planning Board, Prairie Provinces Water Board etc. The regulatory agencies play an important role in project preparation in Canada, with responsibilities ranging from setting and reviewing user tariffs, ensuring transparency and quality standards for planning, public engagement and safety, risk allocation between the government and the private partner, dispute resolution and managing sectoral risks. The regulators also ensure that the project preparation studies and approval are aligned with the specific act and rules governing the sector.

PROJECT PREPARATION LANDSCAPE

Canada's project preparation landscape is defined at the sub-national level, with provincial institutions prescribing the overarching policy for project preparation in the province.

Project identification and concept definition.

Project identification is led by integrated planning at the national and sub-national level. Infrastructure planning and project identification in Canada is guided by long-term perspective plans at all tiers of the government. At the federal level, the Investing in Canada Plan is a 12-year planning document for infrastructure development in the country that identifies US \$135 billion of investments across five priorities – public transit, green infrastructure, social development, trade and transportation, and rural and northern communities.

Central to this plan are the integrated bilateral agreements (IBAs) that are signed between the federal and provincial governments. These IBAs function as collaborative documents, establishing the terms and conditions through which infrastructure funding would be delivered to the provinces and territories over the period. Planning for projects under IBAs requires provinces and territories to develop and submit multi-year plans that identify potential projects. With emphasis on the outcomes within IBAs, and with predictable, long-term funding, the provinces and territories can structure their investments in a way that achieves meaningful long-term results. In response to the Investing in Canada Plan, provinces and territories have also, in turn, identified their long-term priorities for infrastructure development through exhaustive provincial plans, using, as a reference, the priorities identified in collaboration with the federal government.

³ There are two types of Environmental Assessment conducted under the Canadian Environmental Assessment Act, 2012 – an environmental assessment by a responsible authority is conducted by the Canada Environmental Assessment Agency, and an environmental assessment by review panel is conducted by a panel of individuals appointed by the Minister of Environment and supported by the Agency.

Integrating planning at the sub-national level: The case of Ontario

To further integrate planning, provinces use the Investing in Canada Plan, as well as strategic plans made by other sub-national governments. Ontario's Long-Term Infrastructure Plan 2017 has been prepared based on a suite of plans created by the provincial governments in Ontario, such as the Greater Golden Horseshoe (2017), the Provincial Policy Statement (2014) and the Greenbelt Plan (2017), as well as other plans that are under consideration, such as Metrolinx's draft 2041 Regional Transportation Plan.

Legal framework to mandate infrastructure planning and guide project identification. Canada's legal framework provides sound support to the overall infrastructure planning process, by requiring all governments to prepare long-term strategic plans which are tabled before the respective parliaments. These regulations are mandated by the Treasury Boards at the federal and provincial level. They require governments to prepare plans that cover: audit of the existing infrastructure facilities in the country or province, estimate of the demand for infrastructure over the long-term (at least 10 years), and a strategy to be adopted by the government to meet these requirements. Case in point is Ontario's Infrastructure for Jobs and Prosperity Act 2015, which in addition to mandating the long-term infrastructure planning in the province, also provides the criteria by which projects are screened and prioritised for inclusion in these plans.

Project feasibility and structuring. All governments (federal and provincial) have drafted and mandated specific requirements to undertake project feasibility studies within their jurisdiction. Typically, Treasury Boards of the governments provide guidance and tools that aid project proponents to develop project documents for approval from the Treasury Boards.

PREPARING PROJECT PROPOSALS: THE CASE OF ALBERTA

Under Alberta's PPP Framework and Guidelines, all PPP projects must undergo an Initial Assessment stage, wherein the implementing agency undertakes a preliminary study to assess the PPP suitability of a project, in line with the criteria for Capital Projects defined by the Alternative Capital Financing Office (ACFO). Typically, the ACFO works in collaboration with the implementing agency to undertake the initial study.

After completion of a successful initial assessment, the implementing agency must prepare an Opportunity Paper. The Opportunity Paper is an in-depth analysis of the project and includes: overview and description, strategic alignment, business case and operational impact assessment, preliminary project risk assessment, preliminary cost-benefit analysis and value for money assessment, and details on the preliminary project schedule and team. Depending on the outcome of the initial assessment and other factors such as project size, complexity, and timing etc., some projects could skip the Opportunity Paper stage and proceed directly to the Business Case stage.

The business case is the detailed feasibility stage, which expands on the Opportunity Paper and details the project risks, value for money analysis, project structure and procurement methodology. It serves as an information document for construction approval from the Treasury Board.

In addition to the feasibility study, provincial governments place significant importance on the preparation of a 'value for money report', which evaluates the cost savings of undertaking a project through the PPP route, vis-à-vis traditional procurement. This value for money analysis is based on the 'whole of life cost approach' and should incorporate all costs expected to be incurred over the entire life of the project.

Project approvals and quality assurance. While the approval process for PPPs varies across provinces, almost all provincial PPP projects require provincial Treasury Board approval prior to implementation. Prior to making a submission to the board, projects must be reviewed and approved by the Deputy Head of the ministry responsible for the proposal.

Depending on the specific limits set by the federal government, projects may also require approval from the federal Treasury Board. These limits are typically decided based on an organisation's capability and prior record of undertaking projects of a similar size and complexity. To manage the fiscal impact of PPPs, the federal government mandates all provincial departments to prepare a Capital Plan, which is a three-year estimate of the expenditure to be incurred by the department. This Capital Plan needs to be ratified and approved by the federal Treasury Board, and then presented to the parliament.

Prior to the federal Treasury Board undertaking a detailed review of the project proposal, all proposals are processed for a quality check, to ensure requirements of the board have been incorporated. This quality check is performed by a senior official of the Policy Center in the Treasury Board, and it evaluates the quality of the proposal along four metrics: authoritative review, complete and relevant content, accurate and precise information, and appropriate early engagement with the secretariat, as required.

PROJECT APPROVALS AND MONITORING: THE CASE OF BRITISH COLUMBIA

British Columbia's Capital Asset Management Framework details the project approval process that must be followed for all provincial governments who are involved in the management of public assets. All proposed projects must undergo a strategic options analysis (SAO), which focuses on the services that need to be met and the identified option to achieve them. The decision to undertake an SAO rests with the implementing agency, depending on the perceived complexity and risks of the project. For projects that require an SAO, the Treasury Board reviews the findings and provides the necessary capital approvals to process to the full feasibility analysis at the business case stage. Specific projects require an additional Treasury Board approval at the business case stage as well.

The limits for these approvals are communicated to the ministries on an annual basis by the Treasury Board, set out in the 'Letter of Expectations', and take into account the size and risks of the project, as well as the agency's delivery and management track record.

Typically, as part of the consolidated capital planning process, all implementing agencies must prepare a capital plan which identifies and estimates the capital expenditure to be incurred by the agency during the year. These capital plans are reviewed and approved by the Treasury Board, for consistency with provincial objectives and fiscal prudence.

The performance of the agencies with respect to the capital plans is closely monitored and assessed by the Treasury Board, using a risk-based approach to oversight. Degrees of rigour in approval requirements, monitoring, reporting and other checks and balances will increase in proportion to the cost, complexity and level of risk associated with capital projects or decisions.

3. Guidance for project preparation

Guidance	PROJECT COMPLEXITY AND RISK ASSESSMENT TOOL
Owner	Treasury Board Secretariat, Government of Canada
Project development stage	Project approvals and processes
Details	<p>The Project Complexity and Risk Assessment Tool supports implementing agencies to accurately determine the level of risk and complexity of a project, for the purposes of project approval and expenditure authority. It comprises 64 questions across six dimensions – project characteristics, strategic management risks, procurement risks, human resource risks, business risks, project management integration risks, and project requirements risks.</p> <p>Link for further details: https://www.canada.ca/en/treasury-board-secretariat/services/information-technology-project-management/project-management/project-complexity-risk-assessment-tool.html</p>

Guidance	ORGANIZATIONAL PROJECT MANAGEMENT CAPACITY ASSESSMENT TOOL
Owner	Treasury Board Secretariat, Government of Canada
Project development stage	Project approvals and processes
Details	<p>The Organizational Project Management Capacity Assessment Tool is a forward-looking assessment of an organisation's capacity to manage and deliver the planned portfolio of projects identified in its departmental investment plan over a minimum five-year horizon. It rates the organisational capacity to manage projects across five scoring classifications by evaluating criteria in each of the following project knowledge areas: organisational integration, core project management, supporting project management. To reflect the relative importance of one knowledge area versus another, relative weightings have been defined for each assessment category.</p> <p>Link for further details: https://www.canada.ca/en/treasury-board-secretariat/services/information-technology-project-management/project-management/organizational-project-management-capacity-assessment-tool.html</p>

Guidance	GUIDELINES TO IMPLEMENTING BUDGET 2011 DIRECTION ON PUBLIC-PRIVATE PARTNERSHIPS
Owner	Treasury Board Secretariat, Government of Canada
Project development stage	Overall project lifecycle
Details	<p>The Guidelines to Implementing Budget 2011 Direction on Public-Private Partnerships provides a policy direction for PPPs in Canada, by:</p> <ul style="list-style-type: none"> • Creating a common understanding of what is meant by P3s*¹ in the federal context and providing resources for federal organisations considering P3s; • Providing advice on screening considerations for federal organisations in line with the Budget 2011 policy direction; • Outlining other policy considerations for P3s, including the key policy objective of ensuring value for money; and • Outlining considerations for federal organisations in assessing value for money. <p>Link for further details: http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25576</p>

Guidance	PPP FRAMEWORK AND GUIDELINES
Owner	Treasury Board, Government of Alberta
Project development stage	Overall project lifecycle
Details	<p>Alberta's Public-Private Partnership Framework and Guideline is a guide for assessing and procuring PPP projects. The Framework and Guideline outlines Alberta's principles for PPPs and the assessment and procurement frameworks for PPP projects. It is designed to assist the Government of Alberta public servants and elected officials with assessing potential PPPs and delivering them in accordance with established practices in the province.</p> <p>Link for further details: http://www.infrastructure.alberta.ca/alberta-p3-framework-and-guideline.docx</p>

*1 The term 'P3' is commonly used in Canada and the United States instead of 'public-private partnership'.

Guidance	MANAGEMENT FRAMEWORK: ASSESSMENT PROCESS
Owner	Treasury Board, Government of Alberta
Project development stage	Project approvals and processes
Details	<p>The Management Framework: Assessment Process document is a guide to Alberta Infrastructure and Transportation's approach to assessing and approving public-private partnerships for capital infrastructure projects. It outlines the overall assessment and approval procedures, roles and responsibilities of various stakeholders, policy governing the document, factors or criteria to be evaluated, and disclosure guidelines.</p> <p>Link for further details: http://www.infrastructure.alberta.ca/Content/doctype309/production/ait-p3-assessmentframework.pdf</p>

Guidance	CAPITAL ASSET MANAGEMENT FRAMEWORK
Owner	Government of British Columbia
Project development stage	Overall project lifecycle
Details	<p>The Capital Asset Management Framework describes government objectives and policies for planning and managing publicly-funded capital assets such as schools, hospitals and highways. It covers the following:</p> <ul style="list-style-type: none"> • the roles and responsibilities of various levels of government involved in capital asset management; • minimum standards agencies for planning and managing assets; • the province's policy approach to oversight, including the approval and reporting requirements that may apply, based on agencies' or projects' risk profiles; • capital-related budget processes; and • standards for both alternative and traditional asset procurement. <p>Link for further details: https://www2.gov.bc.ca/gov/content/governments/services-for-government/internal-corporate-services/camf</p>

Note: All provinces have their own specific guidelines, which have not all been included in this snapshot.

* Estimated Exchange Rate: CA \$1 = US \$ 0.75 (as of December 2018)

4. Project case example: Abbotsford Regional Hospital and Cancer Center Project

PROJECT BRIEF

The Abbotsford Regional Hospital and Cancer Center (AHCC) project was designed to upgrade the existing Matsqui-Sumas-Abbotsford (MSA) Hospital in Abbotsford. It includes a state-of-the-art 300-bed facility, along with a specialised cancer treatment centre operated by the BC Cancer Agency.

It was developed on a finance-design-build-operate-maintain model, with the public sector – the Fraser Health Authority (FHA) and the Provincial Health Services Authority (PHSA) – responsible for providing clinical services. The private partner, Access Health Abbotsford (AHA), was responsible for construction, maintenance and facility management services, including housekeeping, food, laundry, and linen services.

The AHCC project was a pioneer for healthcare PPPs in British Columbia – it was the first major healthcare project to be implemented on a PPP basis in the province. Given its successful implementation, on time and on budget, the project has won numerous prestigious awards, including the Project Finance North American PPP of the Year (2005), the Canadian Council for PPPs (CCPPP) 2005 National Award for Innovation and Excellence, and the CCPPP Silver Award for Infrastructure (2008).

Partnerships British Columbia worked closely with the project proponents and the private partner to manage project procurement and delivery.

QUICK FACTS



VALUE
(IN US \$ MILLION)

266.25*



STATUS

Operational



PROJECT OWNERSHIP

**Abbotsford Hospital and
Cancer Centre Inc.**



SOURCE OF PROJECT
PREPARATORY FINANCING

Government budgets



SUPPORT AGENCIES

**Partnerships British
Columbia**

PROJECT TIMELINE

1990 – 2001	Pre-planning activities for the projects
2001	Preparation and approval of the business case as a traditional procurement project
Early 2002	Evaluation for PPP suitability, revision of business case and cost estimates
Nov-02	Approval of Finance-Build-Operate-Maintain model for the project
Jan-03 – 2004	Procurement process
2004	Commencement of construction
Aug-08	Facility open to operations

LEARNINGS FOR PROJECT PREPARATION

1. Clarity on the project need and focus on the expected outcomes helps to strengthen project proposals.

The origin of the AHCC project was the outcome of intensive pre-planning exercises conducted between 1990 and 2001, focused on identifying the outcomes to be expected from the project. The brief of the project, as identified in FHA's Strategic Plan was precise – to deliver a publicly owned, high quality and well-maintained hospital and cancer centre. The business case of the project involved identifying specific outputs, thereby providing a strategic vision to the project, with at least 80% of the output specifications clearly defined at the planning stage itself. These outputs later helped define the monitoring and success criteria for the project, as well as the metrics for the performance-based incentive payment system for AHA. The output specifications were designed in close consultation with the health authority representatives, and included clinical and non-clinical outcomes, design and technical specifications and requirements for facilities management.

2. Using a unique and bespoke governance structure to monitor project development and construction.

A governance and management structure was put in place to guide project development, procurement and construction, which was subsequently streamlined as project development progressed. The governance structure involved the following entities:

- Ministry of Health Services (MHS), which approved the project scope and budget.
- Ministry of Finance, which approved funding for the project.
- The Project Advisory Committee, comprising members from MHS, FHA, and PHSA. The committee had a significant role in shaping project planning, ensuring that all clinical and service needs identified at the beginning were taken into account. The committee was disbanded at financial close of the project.

- The Hospital Construction Committee, established in 2003, comprised of members of local legislative assemblies (MLAs) and representatives from the Regional Hospital District (RHD). The committee served as an important channel of communication with the community, relaying information and seeking feedback on matters impacting the general public.
- The Partnerships BC Project Team, to manage the procurement process and assist in post-implementation monitoring. Key members of the team were seconded to Partnerships BC from FHA, bringing in knowledge of previous planning processes and health authority facility requirements. Going forward, the project team will also work closely with the MHS and health authorities to undertake high-level oversight of the project, conducting periodic reviews at five-year intervals to establish whether the agreement is functioning as envisaged and the expected benefits have been realised.

3. Incorporating global best practices and stakeholder feedback to build capacity for project development.

Given the limited experience of successfully completing large healthcare projects in British Columbia, the AHCC project widely incorporated learnings from the UK's Private Finance Initiative (PFI) model for healthcare PPPs, which had seen success in encouraging private investment in the UK's healthcare market. The output-based contract form with a performance-based payment mechanism was adopted for AHCC's contract. In the PFI model, the private party also owns the facility for the entire concession period. However, to protect public interest, Partnerships BC modified this structure, instead using a licensing mechanism that kept the ownership with the public sector, with the license giving the private partner specific rights under the contract.

Further, the entire project development process involved a collaborative approach between the ministry, health authorities and private sector partners. Feedback from the investors was sought at an early stage during the project development and on a continuous basis thereafter, up to procurement. Subsequently, the project documents developed as a result of this project actually served as model documents for other PPPs in British Columbia.

4. A specialised and expert agency to manage procurement in a transparent, competitive manner.

Partnerships British Columbia managed the entire procurement process, leveraging on its experience and expertise of procuring complex capital projects. It was involved in the development and implementation of a new and unique four-stage procurement process, which was also reviewed and tailored to factor in market feedback. For instance, Partnerships BC made a concurrent release of the request for proposal (RFP), as well as a draft form of the project agreement to identify and resolve potential deal breakers early during the procurement process. Further, it also ran multiple bilateral and information sharing platforms, to assist the private sector in preparing their proposals.

Partnerships BC also engaged directly with the MHS and the health authorities (FHA and PHSA) in structuring the project and defining procurement objectives. To standardise project documents, Partnerships BC collaborated with a wide array of national and international advisors, including Partnerships UK, legal firms from the UK and Australia, and global consulting organisations to provide advice on the RFP and project agreement.