



*Achieving better value, timeliness and accountability through
Public-Private Partnerships*

Public – Sector Best Practices in P3

Public Private Partnerships Seminar
Embassy of Canada

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May 22, 2014

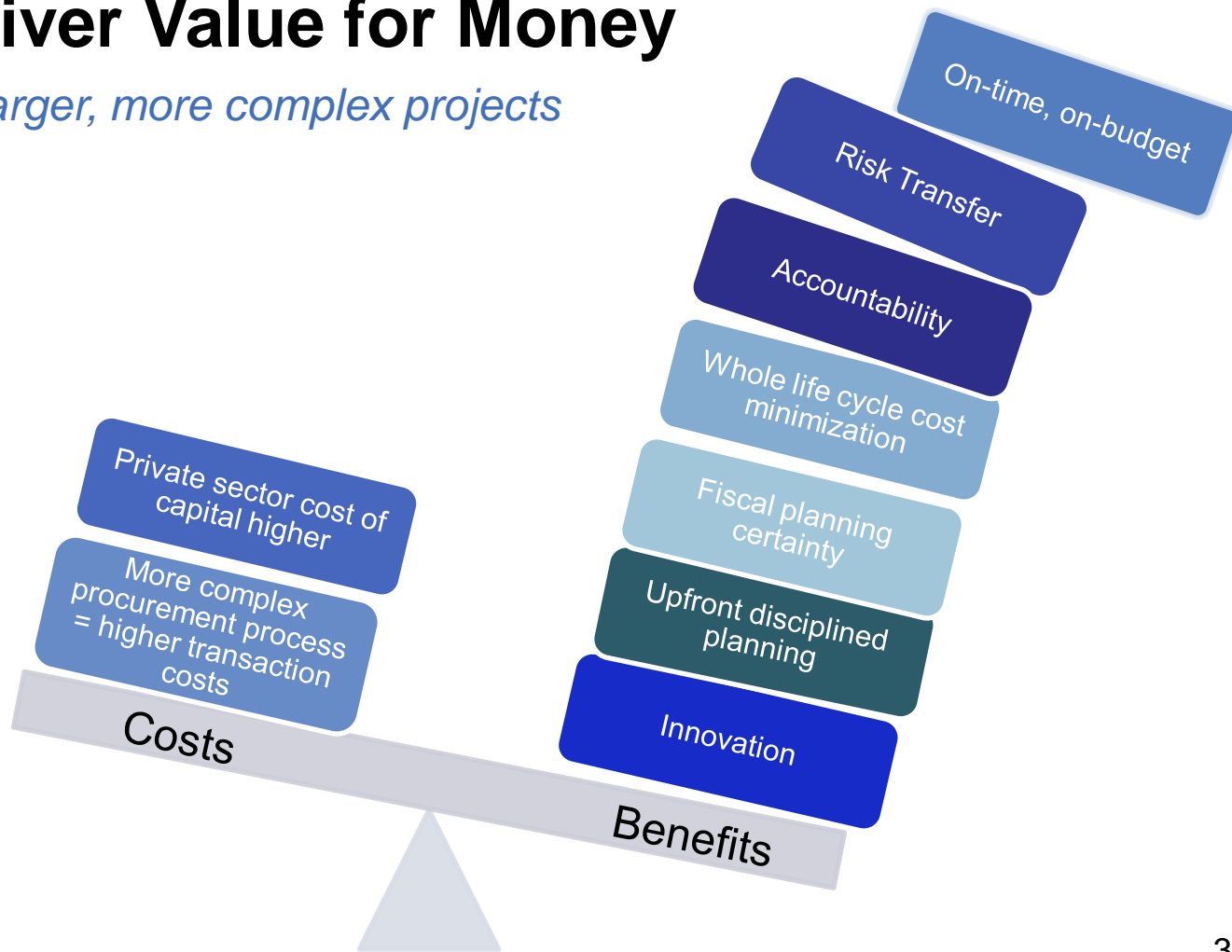


Why P3s

- P3s are a delivery model for large complex infrastructure projects
- P3s are not a funding model
- P3s are designed to address weakness in traditional public sector delivery models

P3s Can Deliver Value for Money

P3s work best for larger, more complex projects





P3s Best for 15-20% of Infrastructure Projects

- Projects with greater risk-larger, complex, not undertaken frequently
- Projects with performance specifications that are stable over time; and
- Projects where risk can be clearly defined and assigned to private sector



Knowledge / Education Critical:

Value for Money

Role of Private Finance

Risk Assessment

Project Development and Execution Skills

Sector Specific / Jurisdiction Specific Tools and Guide



Specialized P3 Agencies Have Played Key Role in Canada

Infrastructure Ontario, Partnerships B.C., PPP Canada

Focal Point for Developing and Maintaining Skills

Market power, knowledge

Continuous learning



P3 Implementation Strategy

Project need and affordability first

Mandatory Screening for P3 Suitability

Defined requirement for P3 Business Case

Project Execution Skills

Addressing Impediments



P3 Canada Fund

\$1.2 Billion Fund

- To stimulate the adoption of P3 procurement by Provinces, Territories, Municipalities and First Nations
- Support useful public infrastructure in 15 categories
- Projects that build the P3 market

Merit Based Program

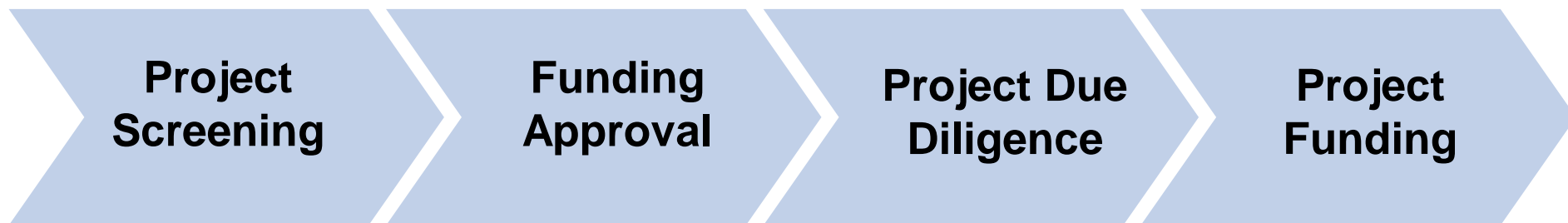
- P3 viability
- Readiness
- P3 Models
- Applicant Capacity

Available Support

- Maximum 25% of eligible capital costs
- Range of potential instruments including contributions, repayable contributions, loans and loan guarantees

P3 Canada Fund Process

PPP Canada Process



Applicant Process





P3 Canada Fund Results

Completed investment of first \$1.2 billion fund to over \$6 billion in projects

\$861 million in VFM

24 projects, 17 to jurisdictions new to P3s

Significant role in opening new markets and sectors



Our Experience: Best Practices

Transparent

- Procurement documentation is standardized; all factors known to players

Competitive

- Multiple firms create competitive tension to leverage innovation / efficiencies; financing availability is key

Fair

- Rules known to all bidders and applied consistently

VfM

- Positive VfM where risk sharing / cost savings off-set marginal costs

Governance

- Strong governance structures are critical

Political Support

- A “political champion to support the project

Costing

- Ensuring your price estimate is accurate

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