



Background

January 2012

Understanding Partnerships BC

Importance to Saskatchewan Business: With billions of public sector dollars going into new infrastructure in the province, the potential exists for greater participation by the private sector in many areas of these projects. The Partnership BC model may provide lessons on how Saskatchewan could facilitate these partnerships for the betterment of all.

Partnerships BC was created in May 2002. The company is incorporated and wholly owned by the Province of British Columbia (reporting to the Ministry of Finance). The aim of Partnerships BC is to support the Province's commitment to sound fiscal management in the delivery of affordable, performance-based infrastructure while protecting the public interest and maximizing the value of taxpayer dollars. Primarily, Partnerships BC is responsible for bringing together ministries, agencies and the private sector to develop projects through public-private partnerships (P3s), combining the best of the public and private sectors in the delivery of public services.¹ The company facilitates, and in some cases manages, partnerships on behalf of public sector agencies.²

Since being created, Partnerships BC has been involved in more than 35 partnership projects with an investment value of \$12.5 billion, of which \$5 billion is private finance. Partnerships are designed to deliver major capital projects that meet public needs at minimum life cycle cost with an optimum sharing of responsibilities among the partners. Furthermore, according to Partnerships BC, every project undertaken as a P3 in British Columbia has been completed on time and on budget.³

Partnerships BC's core business is to:

- Provide specialized services identifying opportunities for leveraging infrastructure and developing public-private partnerships;
- Foster a business and policy environment for successful partnerships and related activities by offering a centralized source of knowledge, understanding, expertise and practical experience in these areas; and,
- Manage an efficient and leading edge organization that meets or exceeds performance expectations.

Source: Partnerships British Columbia. Overview of Partnerships BC. February 2007. 12 November 2011
<<http://www.partnershipsbcc.ca/pdf/Corporate%20Overview%20FINAL%20feb07.pdf>>.

¹ Partnerships British Columbia. About Us. 2006. 12 November 2011
<<http://www.partnershipsbcc.ca/files/about.html>>.

² Partnerships British Columbia. Frequently Asked Questions. 2006. 12 November 2011
<<http://www.partnershipsbcc.ca/files/faqs.html>>.

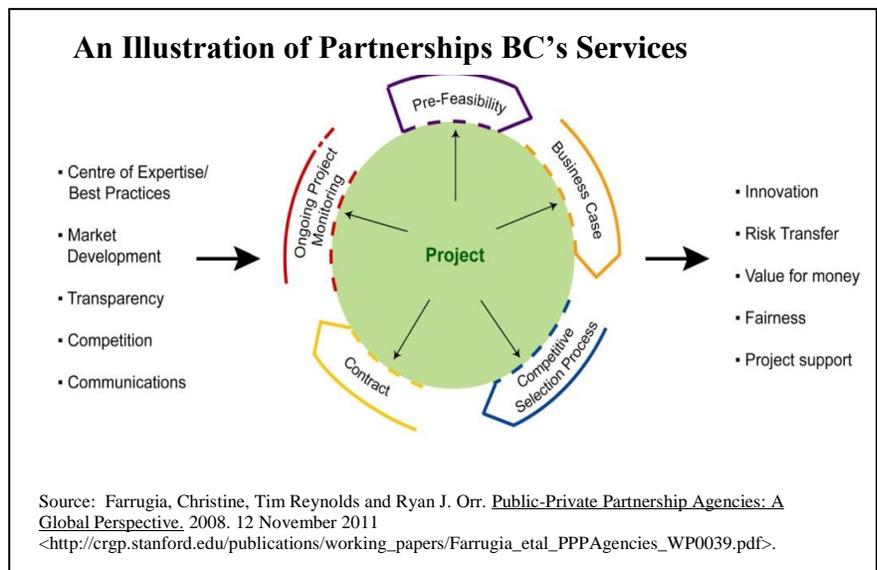
³ Government of British Columbia. Province Raises Capital Standard Threshold for PPPs. 7 November 2009. 15 November 2011 <<http://www.partnershipsbcc.ca/documents/IB-50m-cap-std-update-03nov09.pdf>>.

In 2010/11, Partnerships BC had 12 projects across six different sectors which reached final project agreements.⁴ In addition, three projects in the transportation, health, and corrections sectors were in an active procurement stage and nine projects were in the business planning stage.

In British Columbia all capital projects with a provincial contribution of \$50 million or more have to be considered as a P3 by Partnerships BC unless there is a compelling reason not to. Prior to 2009, the threshold for consideration as a P3 was \$20 million, but the government revised the threshold because all but one of the projects recommended for a P3, since the start of the program, have been worth over \$100 million.⁵

With any P3 infrastructure project, Partnerships BC's involvement can include a variety of roles, including business case analysis to determine the best model for delivering a project,

management of the competitive selection process (including writing and issuing requests for qualifications and requests for proposals), facilitation of the fair evaluation of proposals the final negotiations to reach a contract), and project and contract management throughout the life of the project. To assist Partnerships BC in managing and transferring its knowledge of P3s, the company has developed a comprehensive library of guidance documents, templates, and project examples to support clients with new projects in new sectors.⁶



Partnerships BC is overseen and governed by a ten member Board of Directors, from a variety of industry sectors and technical areas. The Board has significant experience in developing and managing joint-venture projects and partnerships, as well as seasoned knowledge in areas such as finance, law, deal structuring, and real estate development.⁷

Partnerships BC is seen as a leader nationally and internationally in regards to P3 infrastructure arrangements. The company is unique because it acts as both an advisor to government and as a

⁴ Partnerships British Columbia. *2010/2011 Annual Report*. June 2011. 12 November 2011
<http://www.partnershipsbcc.ca/files/documents/psc-annualreport-15jun2011.pdf>.

⁵ Government of British Columbia. *Province Raises Capital Standard Threshold for PPPs*. 7 November 2009. 15 November 2011
<http://www.partnershipsbcc.ca/documents/IB-50m-cap-std-update-03nov09.pdf>.

⁶ Partnerships British Columbia. *Service Plan 2011/12 - 2013/14*. 2011. 12 November 2011
<http://www.bcbudget.gov.bc.ca/2011/sp/pdf/agency/psc.pdf>.

⁷ Partnerships British Columbia. *Overview of Partnerships BC*. February 2007. 12 November 2011
<http://www.partnershipsbcc.ca/pdf/Corporate%20Overview%20FINAL%20feb07.pdf>.

gateway to partnership opportunities for the business sector. The company is a revenue generator earning the majority of its income using a fee-for-service platform.⁸ Partnerships BC also sets its own budget and is responsible for managing its own operations and creating its own business plan. Approximately forty people are employed by Partnerships BC.⁹

Works Cited

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<http://crgp.stanford.edu/publications/working_papers/Farrugia_etal_PPPAgencies_WP0039.pdf>.

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⁸ Farrugia, Christine, Tim Reynolds and Ryan J. Orr. Public-Private Partnership Agencies: A Global Perspective. 2008. 12 November 2011

<http://crgp.stanford.edu/publications/working_papers/Farrugia_etal_PPPAgencies_WP0039.pdf>.

⁹ Ibid.,