Public - Private Partnerships in Rural and Northern Canada Study

Final Report

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The Rural Secretariat
Agriculture and Agri-food Canada

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Public - Private Partnerships in Rural and Northern Canada Study

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TABLE OF CONTENTS

EXECUTIVE SUMMARY 3

1 BACKGROUND 5
1.1 Introduction and Objectives of the Study 5
1.2 Definition - Rural, Remote and Northern Communities 5
1.3 Definition - First Nations Communities 6
1.4 Definition – Public-Private Partnerships 6

2 APPROACH AND METHODOLOGY 11
2.1 Desk Research 11
2.2 Identification of Long List of P3 Projects 11
2.3 Short List of Projects for Case Study 12
2.4 Drafting of the Final Report 12
2.5 Limitations and Qualifications 12

3 SUMMARY OF FINDINGS 13
3.1 Current Status of P3s in Rural and Northern Communities 13
3.1.1 Evidence from Research 13
3.1.2 Other Findings Regarding the Status of P3s in Rural and Northern Communities 18
3.2 How P3s Can Be Used to Address Gaps in Service Delivery in Rural and Northern communities 21
3.2.1 Benefits 21
3.2.2 Risks 22
3.2.3 Gaps in Service Delivery 23
3.3 How P3s Can Be Used to Address Gaps in Infrastructure in Rural and Northern Communities 25
3.3.1 Benefits 25
3.3.2 Risks 26
3.3.3 Gaps in Infrastructure Delivery 27

4 OVERALL OBSERVATIONS 29
4.1 The Potential for P3 Arrangements to Respond to Rural and Northern Community Needs 29
4.2 Current Potential for Success of P3s in Rural and Northern Communities 31
4.2.1 Based on Location 31
4.2.2 First Nations Communities 31
4.2.3 Level of Capacity 32

5 CONCLUDING THOUGHTS 34
5.1 Pros and Cons of P3s in Rural and Northern Communities 34
5.2 The Best P3 Scenario in Rural and Northern Communities 35
5.3 P3 Roadmap Concepts 36

Appendix A - Scope of P3 Options Available to Municipalities 39
Appendix B - Literature Review Report 47
Appendix C - List of Projects 57
Appendix D - Project Questionnaire for Case Study 134

EXECUTIVE SUMMARY

P3 Advisors was asked to undertake a review of the current status of P3s in rural, remote, northern and First Nations communities. The objective of this review was to address the following issues

- The benefits and risks of P3s in addressing gaps in:
  - Infrastructure; and
  - Service Delivery.
- The usefulness and appropriateness of P3s for First Nations communities.
- The application of P3s to single communities, and/or regions and communities working together.
- The general usefulness of P3s to rural, remote, northern and First Nations communities.
- The capacity required by a municipality that wants to do a P3

A thorough desk research was conducted, and interviews with selected officials involved in P3s in rural and northern communities were undertaken to determine the level of use of P3s.

Evidence has shown that P3s are being used in rural Canada, more particularly in certain sectors such as Water, Recreation and Culture, Transportation and Accommodation (Housing and Offices). Documented evidence of these examples is very limited, therefore dissemination of information becomes challenging. Most of the respondents to the questionnaires and interviews were very pleased with the P3s they have initiated and cite that services have improved and value for money was achieved.

All levels of government are encouraging the use of P3s or its derivatives for leveraging their investment in public infrastructure and associated public services. But the lack of coordination, guidance, communication and standardization has inhibited the use of P3s as one of the delivery tools for much needed infrastructure renewals.

While issues such as the size of the projects, access, connectivity and lack of knowledge may affect the feasibility of P3 service delivery and infrastructure for rural Canada, the benefits of embarking on the P3 journey out-weigh the risks for well planned initiatives.

The potential for P3 arrangements to respond to rural Canada needs is very high. Location does not seem to be a major factor. It is rather the lack of capacity that is seen as an important factor in the deployment of P3s, specifically the required skills and expertise may not be resident in a community which is contemplating a P3, therefore the import of such skills would be required. The challenge for First Nations is accentuated by the peculiarities of the funding models.

Rural, northern and First Nations communities could benefit greatly from P3s. The road map ahead could include the following concepts:

- The exploration of public ownership of the infrastructure asset or facility may be a determining step to get government backing. Similarly the financing portion of the transaction could be undertaken by the public sector entity independently from the P3 arrangement.

- Several sectors may benefit from government sponsoring the development of pilot projects which would demonstrate the benefits of P3s. Such sectors include Water/Waste Water, Recreation and Culture and Housing where there is evidence of high demand and lack of a planned infrastructure.

- The development of specific roadmaps for sectors or communities by type may facilitate the knowledge transfer, communication, and standardization.

- The development of templates for sectorial analyses, such as business case, financial analysis, legal framework, contractual language, procurement documentation, etc.

- The creation of a clearinghouse environment for the provision of resources and guidance.

- Closer collaboration between all levels of government to promote the use of P3s as one of the tools for the delivery of much needed infrastructure and services, and the establishment of regulatory frameworks to facilitate P3s.

1 BACKGROUND

1.1 Introduction and Objectives of the Study

The objective of this study was to develop a better understanding of how rural, remote, northern and First Nations communities can utilize appropriate public-private partnership (P3) mechanisms to improve the service delivery infrastructure of their community and region. This study identified that public-private partnerships (P3s) can address gaps in service delivery and infrastructure in rural, remote, northern and First Nations communities. This study was not intended to produce a "how to guide", yet it does provide recommendations on how public-private partnership mechanisms are best used. A list of the short-comings of P3s was included, as well as was a list of things that such communities "need to do" in order to implement successful P3s.

The Steering Committee raised the following as their key concerns associated with stimulating P3s within a rural, remote, northern and First Nations context:

- Current status of P3s in rural, remote, northern and First Nations communities.
- Benefits and risks of P3s in addressing gaps in:
  - Infrastructure; and
  - Service Delivery.
- Usefulness and appropriateness of P3s for First Nations communities.
- Application of P3s to single communities, and/or regions and communities working together.
- General usefulness of P3s to rural, remote, northern and First Nations communities.
- The capacity a municipality needs in order to do a P3

These key concerns are addressed in further detail later in this final report.

1.2 Definition - Remote Rural and Northern communities

For the purposes of this study, ***P3s in Rural and Northern Canada***,. an exact definition was not used. The Steering Committee members had agreed that the definition should be as flexible and inclusive as possible. The "rough" guidelines of Rural and Small Town Communities (RST) were taken into consideration when we conducted the research. However, as requested, we concentrated on smaller centres, keeping the definition of "rural" both open and flexible because of the limited amount of literature publicly available for review.

Focused on the smaller centres (using the RST definition as our rough guideline) we addressed questions such as: 'What is the state of public-private partnerships in rural and northern communities?' We found there were only a handful of public-private partnerships in small rural centres that had any literature for us to review, so we expanded the study to include public-private partnerships in centres with a population of under 25,000, and then with a population of under 50,000.

Next, we concentrated on smaller centres (again using the RST definition as a rough guideline). We analyzed how public-private partnerships can be used and applied in rural and northern communities. We made exceptions when there were good or interesting examples of public-private partnerships in rural centres with a population larger than 10,000, and we made exceptions when dealing with northern centres.

Lastly, we studied examples of public-private partnerships in larger rural centres. We found that there were useful lessons that could be learned from these examples.

By definition, the areas referred to as being Rural and Small Town (RST) are areas where the population lives outside of the Census Metropolitan Areas (CMAs) or the Census Agglomerations (CAs). A CMA has an urban core of 100,000 or more and a CA has an urban core of 10,000 to 99,999. CMAs and CAs include all neighbouring municipalities where 50 percent or more of the workforce commutes into the urban core. Thus, RST areas represent the non-CMA and non-CA population.

A drawback of the RST definition is that it considers some of Canada's more remote communities of 10,000 - 20,000 as being "Urban". In addition to the RST definition, there has been some discussion on defining metro-adjacent, non-metro adjacent, and northern and remote. The definitions would be based on the amount of labour income from urban areas and the degree to which the economy of the rural area is integrated into an urban economy. However, specific limits and guidelines have not been set and this definition has not been further developed.

The focus has been therefore placed on smaller centres, with populations under 10,000, and those areas that are not heavily influenced by a larger centre. Some flexibility in the study was required in order to include some northern and remote centres that have a population larger than 10,000.

1.3 Definition - First Nations Communities

It was recommended that for the purposes of this study, we use the term "First Nation community", when referring to our research/literature review. This term includes First Nations, Métis, Inuit and Innu communities.

1.4 Definition – Public-Private Partnerships

P3s are defined as arrangements between public sector and private sector entities which provide public infrastructure, facilities and related services. The most successful partnerships draw on the strengths of both the public and private sector to establish complementary relationships. Typical partnerships involve identifying and appropriately

allocating risk; sharing the responsibilities and associated rewards; and accessing resources (capital, infrastructure and skills) which otherwise would not have been available to the sector standing alone. The contracts are not prescriptive, but provide the opportunity for the private sector partners to introduce innovations which may not have been possible for the public sector institution. Typically, the ability to convert capital funding requirements into a constant expense stream is one of the major driving factors.

P3s should be viewed as an alternative tool for the delivery of public infrastructure and/or services. A P3 will have a specific term, which will be defined in a legal agreement. In many cases, municipally or publicly owned land will be provided as part of the agreement, but this does not define a P3.

P3s should not be confused with economic development initiatives. Economic development could be one of the objectives of a P3, but it will not be the sole objective.

Characteristics of typical P3 projects

A typical P3 project has Design, Build and Operate elements as part of the transaction. Project financing could also be included. Although each P3 project is unique, the following characteristics are usually present in P3 initiatives:

- The development, design, construction, financing, management, operations, maintenance and life cycle renewals of a facility.
- The financing of the initial capital investment and of the ongoing infrastructure needs during the term of the project;
- The development of a long-term relationship between the public and private sector partners (e.g. 25-40 years);
- The costs related to operating the facility and services are the responsibility of the service provider;
- There should be a guaranteed revenue stream from the public institution, typically through both a facility fee (fee for the investment required in the infrastructure) and service fee (ongoing operations fee);
- Results-based needs are identified, tracked and managed in order to meet the public sector's expectations;
- The provision that ownership of the facility is reverted back to the public institution with or without a residual payment at the end; and,
- The land is owned by the public sector partner.

Scope of P3 Options

There are several contractual types that a public sector entity could contemplate when exploring a P3 arrangement. These will range from a simple Operations and Maintenance, to a Build-Own-Operate-Transfer (known as BOOTs), or a Lease-Develop-Operate where the public sector retains ownership. Whichever option is pursued, a thorough review of the advantages and limitations usually takes place during the planning stage to ensure that the ultimate P3 contractual arrangement selected is consistent with the objectives and expectations of the public sector entity.

Most of the successful P3s with infrastructure components have been done as BOOTs, while most of the P3s dealing with services have been Operations and Maintenance agreements. Whichever contractual arrangement is selected, it is the transfer of risk that

truly defines a project as a P3. The more elements that are bundled into one package, the more the risks to the public sector are reduced.

A P3 arrangement is different from a simple contracting out, or outsourcing, of services where the public sector still retains significant control of how the services are delivered. In a P3, the public sector defines outputs and outcomes, and the private sector designs solutions to meets these outputs and outcomes, without having to get approval and consent from the public sector for every decision.

Appendix A provides a comprehensive review of P3 options and their advantages and disadvantages. It is important when choosing the appropriate P3 option to ensure that the public services that will be delivered through a P3 provide value for money to the taxpayers. A value for money test could be as simple as determining the total cost of providing the infrastructure and services throughout the lifetime of the project using traditional versus P3 methods and being able to show that the cost is lower using a P3.

Some of the advantages of using a P3 could be:

- Improved service delivery;
- Access to private sector experience;
- Cost savings;
- Transferring risks to the private sector (for example to cap cost overruns) ;
- Opportunity to develop and deliver complementary services;
- Reduction in design and construction times; and,
- Maintaining assets at a higher level and upon transfer in good working condition.

Some of the disadvantages and limitations of using a P3 could be:

- Collective agreements may prevent it;
- Reduction in public sector control;
- Difficulty in responding to changing public demands and possibly increased costs to make changes;
- More complex procurement processes;
- Lower capital costs may be offset by higher operating and maintenance costs;
- Financing risks may reside with the public entity (on-balance sheet);
- Expertise required to plan, procure and draft legal agreements may be too costly;
- and,
- Setting of user fees may be at the discretion of the private sector.

Concerns about P3s

Over the last several years there have been mixed reports about the success of P3s in creating additional public infrastructure. Some of these concerns arise from misconceptions about P3s, while some are genuine issues of concern. Successful P3s confront and deal with these issues during the planning stages. Some of the concerns that have been identified are as follows:

- "P3s are the same thing as privatization." Privatization means that the public sector entity has decided to stop delivering a particular public service and will allow market forces to determine the type and level of services to be delivered (e.g. Air Canada). In a P3, the public sector retains accountability for, and authority over, the level of services to be provided. Good accountability and

governance structures in place at the outset will prevent the private sector partner from engaging in any unwanted or surprise activities, such as implementing or increasing user fees.

- "Local government will lose control in a P3 arrangement." This could happen if the local government does not establish the ground rules, performance standards and service levels properly.
- "P3s only apply to infrastructure projects." P3s can successfully deliver public services as well as facilities.
- "Governments enter into a P3 to avoid debt." While the debt might be on someone else's books, the ability to do "off-balance sheet" financing should not be the reason to use a P3. The emphasis should be on structuring creative and cost-effective ways for delivering services and related infrastructure, and not on creative accounting.
- "Workers will lose out under a P3". P3s need to reflect the prevailing labour laws of the province or jurisdiction as well as the collective agreements already in place. While there has been some very vocal organized labour opposition to P3s, most of it is ideological. Dealing fairly with the affected staff, and taking into consideration existing collective agreements during the planning stage of a P3 should alleviate the misconception that unionized workers cannot deliver services in a P3, or that the existing workforce will automatically be replaced.
- "Service costs will increase to cover the private sector profit." Value for money testing in terms of affordability will play an important role in determining if a P3 is the right choice. The private sector partner has to earn a return on the risk it has taken, but the return should come from the efficiencies that the private sector is able to make.
- "P3s require specialized skills, in terms of technical, financial and legal expertise, that many communities may not have access to." While every P3 is unique, there are a growing number of consulting firms who can assist communities in the P3 process. Also, several provincial governments have created toolkits and templates that can be used. It is important to budget adequately for such resources, whether they are internal or external, and to have a plan for when to deploy such specialized resources.

P3 Defined for this Study

For the purposes of this study the definition of Public-Private Partnerships was left very flexible and open for interpretation. We were advised by steering committee members to be as inclusive as possible when reviewing the literature that was available from these rural and northern communities. Alternative Service Delivery (ASD) initiatives were added if they fit the established definitions and criteria. The overarching criteria were that the type of project to be included had services provided by a P3 or ASD, and it had to be a public service, and not only an economic development, activity.

P3 Forward

The Canadian P3 marketplace is growing. There are a few large, and several smaller fully operational P3 projects. For example the Highway 407 toll road in Ontario, the Confederation Bridge between Prince Edward Island and the mainland, the Ontario government's joint venture delivery of the land registry system (Teranet) as well as several projects in the water and cultural/recreational market sectors. The creation of Partnerships British Columbia, the former Ontario SuperBuild Corporation and the

Canadian Infrastructure Program have reinforced the public sector's interest in exploring, and implementing, partnerships that allow for the delivery of much needed infrastructure. We have also recently seen the Federal Government show its support for P3s with Prime Minister Paul Martin's appointment of a Parliamentary Secretary whose only focus is Public-Private Partnerships (December 2003).

2 APPROACH AND METHODOLOGY

In conducting this study, P3 Advisors worked in collaboration with the Steering Committee members, and adhered to the following broad steps:

2.1 Desk Research

There were three sources of information categories for the desk research.

Category One: Existing information from within the P3 Advisors Inc. staff and subject matter experts, and from the Steering Committee members.

Category Two: Information collected through desk research from web sources, specifically the sources identified in the study, including public and private sector activities.

Category Three: Information collected from the Steering Committee members and other P3 experts in the market.

The output of this step is presented in Appendix B – Literature Review Results

2.2 Identification of Long List of P3 Projects

Based on the outcome of the desk research and taking into consideration the agreed upon definitions, potential projects were identified, categorized and listed under the following headings:

Sector	Rural	Remote/Northern	First Nations
Water and Wastewater			
Energy			
Transportation			
Health			
Education			
Broadband			
Housing			

A project template was prepared with, and agreed upon by, the Steering Committee. The outcome of this step is included in Appendix C – Long List of Identified P3 Projects.

2.3 Short List of Projects for Case Study

A review by the Steering Committee of the potential P3 projects was conducted, and based on the definitions and objectives of the study, a short list of projects were identified from the aforementioned Long List, and categorized under the same headings as in Step 2.2 above. The Short List included 10 projects, plus an additional 5 projects used as back-ups.

A questionnaire was developed. It was discussed with the Steering Committee members and used to conduct the case studies. Appendix D provides the content of the Questionnaire.

Interviews, where possible and practical, were conducted with a selected number of case study project personnel, and the information gathered during these interviews was incorporated in the next step of this study.

2.4 Drafting of the Final Report

The Final Report was drafted based on the information collected. It addressed the objectives of the study, as identified in Section 1.0 of this document.

The Draft Final Report was discussed with the Steering Committee and their comments were incorporated into the final document.

2.5 Limitations and Qualifications

During the conduct of this study, P3 Advisors relied on publicly available information, and input from various sources. When reading the report the following should be taken into consideration:

- P3 Advisors did not audit, verify or validate the information provided to us, so we cannot guarantee its accuracy.
- Most of the information was sourced from publicly accessible sites, and while a thorough desk research was conducted, there could exist other information that was not included, that may prove to be material to this study.
- The information collected was based on best effort, given the scope of the study, the timeframe, and the level of effort expended.

3 SUMMARY OF FINDINGS

3.1 Current Status of P3s in Rural and Northern Communities

3.1.1 Evidence from Research

Desk Research

A thorough desk research was conducted. All of the publicly available information was reviewed and listed in Appendix B. While keeping in mind the scope and parameters of this study, we found that the documented evidence of Public Private Partnerships in Canadian rural, northern and First Nations communities is very limited, therefore the dissemination of information was challenging.

The only information sources we were able to use for the purpose of this study were found in documents published by the Canadian Council for Public Private Partnerships, or on the Industry Canada website. We found that there was little published which provided relevant information relating directly to rural, northern and First Nations communities in Canada.

The researched material did not provide nor include any high level analysis of the value of P3s in rural and northern communities. There were, however, many documents (identified in Appendix B) that discussed P3s in general terms, and we were able to use these to help formulate some of the statements and opinions provided in this study.

Identification of Projects – Long List

The desk research yielded a total of thirty-six projects that met the criteria used to define P3s and/or Alternative Services Delivery (ASD) in a rural or northern setting. In further discussions with the parties identified in these projects, they were able to give us information regarding other projects that have been implemented, or are in the planning stages which fit into the established criteria, but where there was no published information.

The Steering Committee members acknowledged that additional projects do exist, and that they could number as many as an additional dozen. Therefore we estimate that the number of P3 projects in rural and northern communities, to date, is fifty.

Table 3.1 below summarizes the list of the thirty-six projects that were identified.

Appendix C provides additional information about each of the thirty-six projects.

Table 3.1- Summary of the P3 Identified Projects (Long List)

Sector	Rural	Remote/Northern	First Nation
Water and Waste Water	Canmore Water Goderich Water Norfolk Water Port Hardy Water		
Energy		Sudbury District Energy	James Bay (Five Nations Energy)
Housing/ Office Accommodation	Aurora College	Nunavut Office and Housing	
Health	TeleHealth Ontario		
Recreation	Cape Breton – Centre 200 Collicutt Centre Cranbrook Multi-purpose Complex Cumberland Rec Facility Ingersoll Rec Innisfil Rec Weyburn Rec	Thunder Bay Tournament Centre	
Transportation	Belledune Port Chilliwack Airport Cobequid Pass Goderich Harbour Johnson Mariner Way Overpass Merritt Truck Route (BC)	Quinsam Mine Expansion	Slate Falls First Nation access road
Education	O'Connell Drive School Cambrian College		Campbell River Preschool
Economic Development		Northern Saskatchewan Multi-Party Training	Aboriginal Development Program (Wood Buffalo) Business at the Summit
Other	Lanark Communications CEONET	Sault Ste. Marie Innovation Centre	Little Red River Cree and Tallcree First Nation (Forestry) Rocky Bay First Nation (Fisheries) CEONET

Note: Short List Projects are underlined in this table, as per 3.1.1, sub-heading 'Short List of Identified Projects'

Based on the information collected, it is evident that P3s and ASDs have been used in rural and northern communities and most particularly in the following sectors:

- Water and Waste Water
- Recreation and Culture
- Transportation
- Office Accommodation/Housing
- Education

From the analysis of the thirty-six identified projects, we have made the following observations:

- A significant number of the projects (over 30%) involved only Operations and Maintenance services - the public sector retained all capital decision making (initial capital and life cycle capital). Typical agreements for such projects were for five years with renewable terms.

- There were very few projects (approximately 10%) that explored the transfer of most of the risks to the private sector as the type of projects included did not lend themselves to additional risk transfer. Typically in P3s, more risks are transferred.

- In most cases where initial capital financing was part of the project, the public sector took a very active role in either providing the capital, or guaranteeing some aspects of the capital funding.

- A few projects (less than 20%) were discontinued or not renewed after the initial contract expired. Reasons given included the difficulty in aligning the labour force behind the P3 (no union buy-in) or the inability of the business cases to move forward with the renewal of the agreements (i.e. the value for money test was not favourable).

- In a few cases (less than 15%), the private sector partner team included not-for profit organizations or provincial Crown Corporations which assisted in one or more aspect of the project.

- Little information was available on projects that were initially explored as P3s, but then did not go forward. This type of information would not usually be readily available, and therefore data mining of municipal council proceedings would be required to find this information.

The following issues and challenges were typically encountered in Urban centres and are likely to be present in Rural Areas as well. Some of the typical characteristics were:

- Having a political champion working hand in hand with an administrative champion enhanced the likelihood that the project would move forward in an expeditious way. Some major cities in Canada and in the UK have enacted P3 policies and created units within their administrative structure to focus on the feasibility of using P3s for public infrastructure and services.
- Enacting legislation or regulation for dealing with affected employees has been a critical step in planning for the possible use of P3s. While most municipalities have had to follow their provincial regulations, there were several collective agreements that prohibited the contracting out of public services. Several

municipalities have used P3s for growth oriented projects so that they do not conflict with existing collective agreements.

- The bankability of P3 projects, including the cost of financing, was a major element in the exploration of the suitability of P3s. In some cases, the public sector had retained the funding of P3 projects internally as they could borrow money at a cheaper rate than could the private sector, but they have transferred the other risks to the private sector partner (those involving the design, construction, operation, maintenance and the provision of life cycle renewals to the facilities). In other cases, it was observed that the bankability of the project was not assessed thoroughly during the planning stages, and at the procurement stage it was discovered that private financing was only available at a rate that made the business case difficult to defend, from a value for money test perspective. The bankability challenge applied to all P3s regardless of whether the setting was Urban or Rural.

Short List of Identified Projects

The short list of P3 projects that were identified in consultation with the steering committee are underlined in Table 3.1 above. As part of the assessment of the status of P3s in rural and northern communities, interviews were conducted with contacts involved in a select number of the Short Listed projects. As of the publication date of this report (March 2004), 8 case study interviews have been conducted. Additional desk research into the short listed projects has also been conducted.

The analysis of the case study interviews could be summarized to date as follows:

- There was overall consensus that the communities received value for money and were able to get infrastructure delivered faster with a P3 delivery model, than if they had used traditional procurement processes. Using a P3 delivery model requires less planning, documentation and other steps than traditional methods. Traditional methods follow established procurement processes, based on historical delivery techniques, such as tendering for the design separately from tendering for the construction or operations. P3 delivery models bundle project delivery components together. They were also able to obtain services not previously offered, or improved the quality of the services delivered to their communities. In all cases, the overall cost of delivering the project as a P3 was lower than with a traditional method. In two cases the capital costs were over 35% lower using a P3 rather than using what the public sector had planned for under traditional methods. The communities reported that the private sector provided innovative ideas, not only to lower the capital costs, but also to devise solutions that were not considered during their own planning stages, and that they were able to deliver all the required functionalities and services. In both cases the facilities were delivered on schedule and within budget. In all cases the ability to operate the facilities at a lower cost was cited as the major contributor in deciding to go forward with a P3.

- Partnering with local business or service providers was identified as a key success factor in some of the cases. Several examples included private sector partners who had a vested interest in ensuring the success of the P3, as they were either a major user of the facility or a major local player.

- Very little difficulty was noted in identifying and attracting the right private sector partner, especially with the projects that were implemented by an elaborate procurement process using several steps (Request for Expressions of Interest, Request for Qualifications, Request for Proposals) to communicate the communities' intentions and provided enough lead time for partners to understand the project scope and make informed decisions to participate.

- In a couple of cases, the procurement process was based on sole source as the public sector decided that this was the best method to obtain value for money. In one case it has worked very well so far, in another, the initial agreement was not renewed due to difficulties encountered with labour issues.

- Where applicable, labour issues were identified as a major consideration in deciding whether or not to embark on a P3 process. Communications and obtaining buy-in, if possible, with affected employees and their bargaining units was paramount to ensuring a smoother process.

- There was recognition that not all the expertise resided within the public entity involved in the project. In some cases external expertise was added at significant cost, but the outcome in most cases was very positive. The type of expertise required is typically legal, financial, labour relations and process advisory.

- In certain cases, not having the right legislative tools created challenges and obstacles to fully realize the stated objectives. For example, not having legislation or regulations on how to deal with affected employees left some communities with the task of having to come up with their own rules, and in some cases it caused serious problems for them. In other cases, municipal legislation, as part of the Municipal Act, did not provide the right context to fully exploit some of the benefits of P3s, such as ownership of public assets by private sector entities. Most provinces have, over the last few years, enacted legislation to remedy this situation and facilitate the exploration of P3s as part of the planning process.

3.1.2 Other Findings Regarding the Status of P3s in Rural and Northern Communities

While the above desk research and interviews revealed important findings, other findings, while anecdotal, could also be drawn:

- There was an acceptance that there was a major infrastructure gap in rural, northern and First Nations communities that P3s could play a role in fulfilling, especially in the Water and Recreation/Cultural sectors. This was evidenced by the number of P3 projects that have been implemented, the innovative solutions that have been provided by the private sector and the abundance of examples in these sectors in major urban centres in Canada, the USA and the UK. The important issue that needs to be further explored on a project by project basis is the value for money test and what elements of the P3 transaction need to be present in the agreements (for example: Is financing a critical element of the transaction?).

- One of the critical aspects in the implementation of P3s was the timeframe to get through the process, and the identification and conclusion of an agreement with a private sector partner. The time it took to carry out this process in rural and northern communities did not seem to be very long as compared with larger urban centres. This may be because the services were more specialized, the bidder community was smaller, the projects were smaller is size, the involvement of local players or maybe the procurement process was not overly complex .Also, the timing to get projects implemented in rural areas by P3 favoured positively compared with more traditional methods.

- There was a lack of readily available information on P3s in rural and northern communities, as well as a lack of published best practices or guidance materials. There was also a lack of involvement and support from all levels of government in Canada. This is as opposed to the UK, where there are very important associations and publications to assist communities to explore P3s. For example the Public-Private Partnership Programmes (4Ps) is an initiative funded by local governments (equivalent to municipalities in Canada) and the central government in the UK.

- There was a high level of enthusiasm shown by the community managers we contacted, even the ones that had experienced challenges with P3s and ASDs. It demonstrated that community managers understood the implications of P3s and their expected outcomes.

- An important point, highlighted by all the parties we interviewed, was how to deal with employees and unions if they were going to be affected by the P3 arrangement. They all agreed that P3s should not be undertaken if there was major opposition to the P3 by staff and unions. Most successful P3s, where there was an impact on the employees, included some provision in the agreements to deal with the employees in an equitable way, typically maintaining the same level of pay and benefits as if the employees were still part of the public sector.

Although the report had identified a number of projects that met the criteria set by the Steering Committee, the amount of literature published on these projects was minimal. Nevertheless, the information gathered from interviews, observations and input from Committee members, as well as the reports cited, indicated that Public-Private Partnerships are a viable and beneficial means of providing necessary infrastructure and services to rural and northern communities. In fact, there is emerging evidence that some kind of private sector participation is becoming an acceptable option, particularly in certain regions of Canada, and especially in the sectors of Water/Wastewater Treatment, Transportation, and Recreation and Culture.

Despite perceived constraints of P3 projects in rural and northern communities, there have been a significant number instituted. It is our conclusion that this number will increase dramatically in the future as there is a perceived willingness on the part of rural and northern communities to join together to overcome the challenges that they face.
There could, however, be some specific barriers or capacity challenges, including:

- Extremely remote communities with impeded access could create challenges for the development of a business with value for money without major subsidization of public infrastructure and services.

- Connectivity constraints, while becoming less of an issue with the latest technological advances, are still a major consideration and challenge for smaller communities.

- Economics of scale to ensure adequate returns for the risks assumed. The size of the project (in terms of capital and operating costs) could play a role in the development of the business case and/or in attracting the right mix of bidders.

- Collective agreements, tax implications, land ownership issues, and legal and provincial impediments could create significant challenges, while not always being issues that need to be dealt with. This is especially so if collective agreements include clauses prohibiting contracting out; if provincial jurisdictions prohibit the private ownership of assets for public service use; or, if provincial legislation imposes a certain type of services corporation to implement P3s.

- Lack of expertise in the area, and lack of funds to acquire external knowledge. As has been evidenced by the literature reviews and case studies, having the right expertise and budgeting adequately for it is a critical step. The expertise could be for specialized legal, financial or procurement services that typically are not readily available in rural and remote communities. This could become an expensive undertaking, especially when obtaining external resources with significant P3 experience.

- Constraints on government funding policies. Most government (federal and provincial) funding for infrastructure projects contributes to the capital costs and not operating expenses. Communities will have to find funding for the operating costs directly from within their own resources or from other government programs, and that too could be a challenging task.

A worthwhile note on the UK model (which was initially adapted in the late eighties and has been continued by the current government) is that the UK centralized the decision making and funding for new infrastructures, enacted regulations to deal with impacted employees (2 years guaranteed employment) during the transition from public to private sectors, and provided funding for the life of the projects, and not just contributed to capital costs. Furthermore, extensive guidance material and training was also provided to support the local governments in exploring the possibilities of using P3s.

Where there has been a concerted policy to embrace P3s as an alternative, and where a community has a champion to drive the initiative forward, there have been a number of successful projects, despite the constraints. The types of partnerships created and the P3 structures vary according to the needs of the community, and the goals of the project.

Anecdotally, where explicit processes exist and good communication plans are in place, where the community and unions are brought on side early in the process, and where there is a definitive leader for the process, the likelihood of success increases dramatically. Some unions have taken the stand against P3s, either for philosophical reasons, or for real or perceived reasons, such as:

- *Employees will be the losers under a P3*. Labour issues could become an obstacle to engaging in a P3 unless they are dealt with fairly and equitably during the process. The situation can be improved by ensuring that the P3 business case does not stand solely on savings from labour costs, but rather from efficiencies, and innovative solutions.

- *Cost of the services will be higher to cover the profit of the private sector*. The business case will demonstrate if value for money is achieved, and how the costs of the services will be impacted.

- *Public sector will be taking additional risks in case of difficulties encountered by the private sector*. While the private sector might be under pressures to cut costs or walk away in difficult situations, it is the responsibility of the public sector to ensure that adequate protection is in place to cover for such an eventuality (in terms of performance guarantees and insurance).

3.2 How P3s Can Be Used to Address Gaps in Service Delivery in Rural and Northern communities

From the research, observations, and input from the Steering Committee members and others, the following outlines the Benefits and Risks of P3s in the service delivery area.

3.2.1 Benefits

Some of the Benefits of P3s could include:

- *Better definition of inputs and outputs, requiring service levels to be more definitive, thereby achieving a more effective and efficient provision of services*. The definition of services (inputs and outputs) under a P3 arrangement becomes a more important task as P3 agreements have long timeframes and spell out the expected outcomes in much greater detail than the traditional delivery methods. P3s typically bring a disciplined approach to delivering services and if services are not delivered as specified, there are usually consequences, and possibly financial remedies. Under a traditional public delivery model, the consequences for not delivering the agreed upon service levels may not be as severe as under a P3.

- *Improved service levels that are more consistent and predictable*. In a P3, the level of services is typically specified under Service Level Agreements (SLAs) detailing expected outcomes and results. Incentives in the form of rewarding the private sector partner if the services delivered are over and above the specifications in the SLAs can be included as well as remedies attached to non-performance.

- *Access to skills, technology and innovation.* Under a P3, the private sector partner who has taken the service delivery risk will be looking for the most innovative solution to bring forward, and access skills and technologies that may not be readily available to local communities. The private sector might have several similar contracts in place to leverage some of these innovations and resources.

- *Appropriate risk allocation and consequences for non-performance*. Under a P3 model, risk is allocated to the party that can manage it better, and can ensure that mitigating strategies are in place. P3s provide a lot more rigour when evaluating the risks of service delivery and create a more efficient environment through SLA and performance measurements.

- *Provides discipline in the community in that all expectations are outlined.* Under a P3, the term of the contractual agreements will dictate the type, frequency and level of services to be delivered. This disciplined approach will benefit communities in terms of expected outcomes, which will not be the subject of other competing priorities.

- *Cost savings and better cost controls through more efficient management*. The business case for a P3 needs to demonstrate value for money, so overall cost

savings will be a key element in a P3. The business case documents are part of the planning phase and are usually found in the justification to move forward to a P3 option. In most cases reviewed, this was well documented in rural and urban settings. The public sector that enters into a P3 will greatly enhance its ability to better manage costs as the contractual agreements will spell out in details the charges by the service provider, allowing the public sector to have predictable costs that are not subject to other competing pressures and priorities.

- *Result-based needs are identified, tracked and managed to meet expectations*. SLAs will provide tools to ensure that the needs meet the stated expectations.

- *Operational efficiencies allow for expansion of services*. In certain cases where efficiencies are achieved, P3s might provide opportunities to expand services to other complementary areas.

- *Flexibility through guaranteed revenue streams*. Sharing a portion of revenues in a P3 arrangement could be the intended benefit in a P3. Projects that may have business cases that are too risky could become more attractive if there is sharing of incremental revenue. While this has not manifested itself greatly in a rural setting, it could promote some additional incentives. Some P3s are designed to enhance the ability to provide additional sources of revenues that otherwise may not be available, especially in the Tourism, Cultural and Recreation fields.

3.2.2 Risks

Some of the Risks could include:

- *Intimacy of rural community may create challenges*. In certain cases P3 service providers may not reside in the communities where the services are to be delivered, and a lack of understanding of the community values and cultures. This could create challenges to private sector firms and might require significant investments to form a thorough understanding of local issues. As was evidenced in the reviewed projects, the chances of success were greatly improved if the service providers were either local or currently involved in the small communities. While local service providers in rural settings may have a better understanding of local issues, they may lack technical expertise. On the other hand, service providers from larger urban centres may bring innovative ideas that have worked well elsewhere. It is therefore critical to weigh these considerations very carefully during the planning stage to ensure that the ultimate solution provides best value.

- *Resistance to change by employees and politicians may create barriers.* In smaller communities, as was evidenced in a few of the case studies, when the P3 arrangement was finalized with very little input from the employees or their representatives, the P3 process became very politicized and in many cases became an election issue. P3s will change the way public entities do their business and it will increase the likelihood of success if elected politicians are supportive of the project.

- *Unions and collective agreements must be accommodated*. As evidenced from the literature review and case studies, labour issues are central to making a P3 work. If collective agreements have no contracting-out clauses for existing services, trying to do a P3 in this environment may be a formula for failure. In all the cases reviewed, impacted employees were dealt with equitably.

- *Economies of scale may not be evident to ensure true value for money*. The size of the project and the service richness of the services to be provided need to be fully explored during the business case development to demonstrate value for money (i.e. less life cycle costs than if traditional methods were used). Most of the P3s in rural settings were economies of scale, which was a factor when technical services were to be delivered, such as Water or Recreation services.

- *Cost of the process to acquire specialized resources may outweigh the benefits achieved*. Local capacity may not be available to conduct a thorough analysis of the advantages and disadvantages of P3s, requiring the community to hire outside expertise at a cost that will make the business case unfavourable. There could be a step early in the process (such as market sounding or vendor consultation), to find out quickly and at a reasonable cost if a P3 could be considered.

- *Tax implications, legal constraints, and provincial statutes may impose difficulties in acquiring services*. Having the right "tools" in place will increase the chances of success. For example, some Municipal Acts may impose restrictions on how the services could be delivered and create challenges to the exploration of using P3s if the municipalities prohibit the ownership of assets used for public services.

- *Competition from the service provider community may be lacking*. This might make it more difficult to ensure best value, thereby having a direct effect on the feasibility and success of the project. Depending on the sector and the type of services that are sought, the service provider community may not be large enough to create competitive forces. We have observed that in some cases, sole sourcing for service providers has worked well in smaller communities.

3.2.3 Gaps in Service Delivery

Due to some of the risks outlined above, a great challenge may be posed in the provision of services to rural and northern communities, particularly those that are extremely remote. Access, transportation and connectivity issues, and a lack of knowledge or expertise could create specific barriers to the provision of services. However, despite a lack of literature on the subject, it is our observation that more remote communities, associations, and not-for-profit organizations, along with other public entities, are more willing and open to collaboration in order to address the service needs of these areas. With creativity, commitment, and determination, service delivery is attainable in rural and northern communities.

P3s can address gaps in service delivery in rural, remote, northern and First Nations communities. The challenge is to create an environment where P3s are one of the

methods explored as part of the planning cycle to demonstrate that the business cases are favourable, and that value for money could be achieved.

The sectors where service gaps exist are consistent with the P3 service provider community capacity. These sectors include Water/Waste Water, Cultural/Recreation, Transportation, Housing/Office Accommodation and Education. In all of these sectors several international, national, and regional firms operate, therefore the major obstacle is not having an insufficient service provider community, but rather having enough suitable projects. This was further evidenced by the rural examples and case studies that were analyzed, where there was not one dominant type of private sector provider, but where some included international firms, others local or regional firms.

Government can assist in providing support and facilitation during the process as well as providing access to specific funding sources promoting P3s.

Examples of successful P3 initiatives in the service sector in more remote areas outlined in the report are: Aboriginal Development Program, Regional Municipality of Wood Buffalo, Northern Alberta (where jobs, training and technical and university education is provided for band members); Nunavut Office Building and Housing Units (where an apprenticeship training program was part of the benefits of the project provided to the community); Town of Espanola/Cambrian College Satellite Campus (where education and training programs were offered to residents of the community); and for the Slate Falls First Nation - Access Road (that improved services and quality of life for the First Nation).

3.3 How P3s Can Be Used to Address Gaps in Infrastructure in Rural and Northern Communities

From the research, observations, and input from Steering Committee members and others, the following outlines the benefits and risks of using P3s in the delivery of infrastructure in rural and northern communities.

3.3.1 Benefits

Some of the Benefits of P3s in rural and urban settings include:

- *Life-cycle cost savings and better planning.* Analyses for P3s for infrastructure projects cover the evaluation of project costs from a life cycle perspective, and not just from a capital and operating angle. While conducting the business case for exploring a P3 option, life cycle investment in the facility is identified and the impact on the operating costs (higher or lower) is taken into account. P3s provide a more disciplined planning tool for asset renewals and force the continuous investment in the facilities to ensure that they are always in good working condition. In all of the P3s examined, where life cycle was part of the scope of work, cost savings were realized in both urban and rural settings.

- *Better utilization of equipment and assets*. P3s can enhance a more efficient use of assets and usually provide for a higher level of preventative and corrective maintenance processes, as the private sector provider needs to ensure that the assets and equipment are well maintained, in order to deliver the contracted services. Given that the P3 service provider is responsible for the maintenance, and in some cases, the replacement of the equipment and assets, a higher level of efficient use of these assets is typically encountered.

- *Quicker project delivery and at a lower cost*. Evidence from the literature review, case studies and general information, is that P3s typically deliver infrastructure faster and at a lower cost than traditional delivery methods. The contractual agreement with the private sector acts as a catalyst to ensure timelines are met, and cost overruns are usually absorbed by the private sector.

- *Appropriate risk allocation*. P3s involving an infrastructure project typically shifts a significant number of risks to the private sector (development, design, construction, commissioning and operation), by bundling all or some of the project elements under one umbrella.

- *Access to skills, technology and innovation*. Under P3s, the private sector partner who has taken the delivery risks will be looking for the most innovative solution to bring forward and access skills and technologies that may not be readily available to local communities. The private sector might have several similar contracts in place to leverage some of these innovations.

- *Access to capital and reduced operating costs*. Most of the P3s reviewed involving infrastructure incorporated financing as part of the transaction. Accessing private sector financing is one of the reasons for contemplating a P3.

A thorough analysis of the financing cost by the private sector versus access to public sector financing is one of the analytical elements of the business case development. Private financing has not proven to be the ideal solution in all cases, therefore a careful examination of this benefit is warranted regarding its applicability in rural settings.

- *Flexibility of design*. Under a P3, the private sector typically proposes, as part of its submission, a design for the facility that will incorporate future expansions and possible other uses.

- *Constant expense stream vs. capital funding*. Under a typical P3 arrangement, the public sector pays regular costs for the provision of the infrastructure and services, through payment mechanisms that are consistent with the SLAs. In many cases the public sector does not have to contribute any capital funding upfront, and can program for the P3 payments from its operating budgets. In most of the rural examples that were examined, the public sector had to contribute part, or the whole, of the capital and relied on service providers for the delivery of public services.

- *Guaranteed revenue streams through shared tenancy and additional profit centres*. Some P3s involve the expansion of facilities to accommodate other activities that might bring additional revenues and share additional profits if they materialize under a sharing of risks and rewards.

- *Community needs and pressures identified, tracked and managed to meet expectations*. P3s bring a discipline in the delivery of public infrastructure that is consistent with community needs and aspirations.

3.3.2 Risks

Some of the Risks in using P3s for infrastructure project could include:

- *Economies of scale may not be large enough to ensure adequate returns for risks assumed, thereby causing an inappropriate level of risk transfer*. The business case will be the planning tool to demonstrate value for money. Evidence from the literature reviewed and case studies suggest that the size of the project was not a critical factor, but rather the quality of the business case.

- *Multi-jurisdictional challenges arise in certain area, with certain projects requiring cooperation and involvement from different levels of government*. This is more evident in certain sectors, such as Water, where other levels of government have indicated a priority to deliver more infrastructure in this sector, therefore requiring closer coordination.

- *Unions, collective agreements, lack of skilled labour force, and access issues create challenges*. In certain cases collective agreements are very explicit about the ability of the public sector to contract-out the delivery of services.

- *Cost of specialized resources due to a lack of capacity within the community*. The skills required to go through the P3 process may not be available from within the local public sector community, and will need to be imported at a cost.

- *Tax implications, legal constraints, and provincial statutes may impose difficulties in acquiring infrastructure*. Having the right "tools" in place will enhance the possibility of success. For example, some Municipal Acts may impose restrictions on how infrastructure and services can be delivered.

- *Government funding policies with respect to limits as to the term and purpose*. This may be the case with funding from federal and provincial programs where the typical funding term is limited to ten years and where funding is only available for certain eligible capital costs. Most P3s for infrastructure projects are longer than ten years and involve the payment of operating costs.

- *Ensuring best value for money when there is a lack of competition*. As was evidenced in the P3s for services, some Rural Communities elect to procure the services of the private sector via a sole sourcing method. This method does not lend itself very favourably for more intensive infrastructure projects involving capital costs.

- *Resistance within the community for the private sector to own particular types of infrastructure*. Recent evidence has begun to emerge that public ownership of a facility is going to be a key factor in moving certain projects ahead. This might impact the benefits that could be realized from a P3.

3.3.3 Gaps in Infrastructure Delivery

Both Federal and Provincial governments have increased their focus on rural Canada in an effort to increase education, training and the connection to information technology for rural Canadians. Gaps in these efforts are linked to areas where their extreme remoteness creates access issues, and where, because of their location, there is a heavy reliance on resource industries that are less dependant on a knowledge based economy. Providing Water and Waste Water treatment facilities has met with some resistance when allowing private companies to own the water system. In the Transportation sector, particularly when roads, and marine infrastructure, multi-jurisdictional boundaries are crossed, these issues have to be resolved. In providing Recreation and Cultural infrastructure there have been fewer issues, primarily due to the fact that there are greater opportunities for revenue generation through user fees. An emerging factor for some P3s in rural communities is retaining the financing in-house and relying on the private sector to bring the design, construction, operations and life cycle renewal expertise.

The sectors where service gaps exist are consistent with the P3 service provider community capacity. These sectors include water/waste water, cultural/recreation, transportation, housing/office accommodation and education. In all of these sectors several international, national, and regional firms operate, therefore the major obstacle is not having a sufficient service provider community, but rather having enough suitable projects.

Evidence has shown that P3 projects relying heavily on Information Technology (IT) as part of the type of infrastructure and services to be delivered have had many challenges. P3s do not lend themselves easily to IT projects, they are more applicable to "bricks and mortar" type projects where innovations in design, construction and operation play a more predominant role than technological innovation.

Despite the barriers of access, transportation issues, and the risks outlined above, there are good examples of P3s creating infrastructure in rural and northern communities. As in the services sector, creativity, vision, commitment and determination have produced successful P3s for infrastructure delivery. Examples include:

Aurora College Family Student Housing, built five years sooner and at a cost 4% lower than through traditional procurement. It is estimated that it will generate $16 million in economic benefits to the community as well as provide local and First Nation employment.

Chilliwack Multiplex ice arena, municipal airport and downtown revitalization projects are other examples of successful P3s for infrastructure. Cranbrook Multi-Purpose Recreation Complex is an example of the City of Cranbrook capitalizing on private sector expertise in the building and operating of a large facility at less cost.

Goderich Harbour Revitalization is an example of overcoming some jurisdictional issues where the port was bought from Transport Canada, the land sold to Sifto, a private company, and a non-profit group was established to improve the port and surrounding areas. The results are lower user fees, a more competitive port, and a long-term plan for improvements to the surrounding area.

Slate Falls First Nation Access Road is an example of the provincial and federal governments partnering with a private company to build a road for the benefit of the company and the community. Although the co-ordination of environmental processes delayed the start-up of the project, construction did move ahead. Harmonization of federal and provincial environmental processes should be addressed to expedite future projects.

4 OVERALL OBSERVATIONS

4.1 The Potential for P3 Arrangements to Respond to Rural and Northern Community Needs

We have seen a surprising number and variety of P3 projects in rural and northern communities covering many sectors. Although we are unable to validate our observations due to the lack of published literature, we can assume that, due to the predominance of projects in the areas of Water, Waste Water Treatment, Transportation (including roads, marine and airports), and Recreation and Culture, P3s have been used to meet these types of needs in these communities. With respect to the truly remote areas, access to the community in terms of efficient transportation means, education, housing, health care and connection to the knowledge based economy seems to be of primary concern. Perhaps a voluntary survey canvassing the priorities of the rural and northern communities would be helpful, but depending on circumstances, needs seem to vary from community to community.

The interest in P3s seems to be increasing as more and more success stories come to light. P3s are seen as a viable alternative, with many benefits in the deliverance of public infrastructure and services. The sharing of risks, rewards and responsibilities, and the creativity of designing a process and structure to meet the requirements of the particular circumstances is being met favourably. As expertise is gained, as trust increases, and as access to private capital grows, the response to P3 initiatives will be more positive.

There are certainly issues that must be addressed, particularly for rural and northern communities. An important characteristic that is detailed further in this section, is the ability to create enough capacity and resources for funding planning tools, such as business cases, the strengthening of organizational structures (such as developing procurement road maps), or the hiring of external resources and expertise as required. While P3s are only one of the possible delivery tools in the toolbox, a thorough analysis of their usefulness and applicability to solve the shortfall in infrastructure and/or services needs to be fully explored before deciding on the best delivery method. These could include conducting stakeholder input sessions, vendor consultations, communication with employees and business case development. In some cases this requires specialized expertise that may not be resident in the smaller communities, or may be expensive to obtain. All levels of government could have a role to play in promoting the study of P3s and their applicability, but they could also assist by providing some “soft costs” during the planning stage.

Typically government grants and contributions have focused primarily on the capital side of projects, however P3s are involved in life cycle analyses and funding commitments. It will be important for the government to fully understand the operational impact of P3 arrangements in order to ensure that their objectives in funding P3s are going to be met, as most of these objectives could be tied to the operational phase of the project. Therefore a review of which project parts governments fund might be an area worth exploring. This should not in any way detract from exploring all funding sources (public

or private) as the more public funding available up-front for the capital expenditure, the easier it will be to justify the business case, and secure partial funding from private sources.

Harmonization of environmental considerations will expedite the process, and clear policies and guidelines will assist. A mechanism to deal with multi-jurisdictional challenges quickly and effectively will also be advantageous to the process. In this regard, consideration for having one level of government (federal or provincial) lead the environmental assessment process or having clear published environmental strategies in place during the planning stage is very helpful.

Governments could play a key and central role in P3 development. Aside from promoting the potential use of P3s through education, training and the provision of funds, there is a real need for governments to champion the P3 process by providing access to expertise (legal, financial, procurement and technical), particularly in the rural and northern communities. The type of expertise will depend on the type of project being considered, the community, the sector, the complexity of the P3 arrangement and the availability of local expertise. Another area where government can provide financial support would be in the advancement or payment of some of the upfront costs to develop the feasibility of conducting the project as a P3.

If governments want to promote the use of P3s for public infrastructure and services, governments could provide a “clearinghouse” function which would help smaller communities join together to create economies of scale and provide enough opportunities to attract the right private sector partners. As part of its funding role, higher levels of government could provide the financial commitments that the private sector market might be looking for in order to create a bankable deal. These commitments could be in the form of grants, contributions, guarantees, interest free loans or “in kind” such as land, property or equipment. When several communities get together to develop infrastructure through P3s or other means, significant governance issues might arise, such as whose interest will be served first, who takes priority in decision making, etc. Government can play a role in facilitating and resolving these types of issues.

Legal impediments, tax considerations, and constraints on funding policies must be addressed. These could include allowable legal arrangements based on Municipal Acts or the tax treatment of certain transactions (e.g. capital leases versus operating leases) or in certain cases an imposition of a certain debt/equity ratio for the project. Finally, funds for adequate communication plans should be considered. The success or failure of many projects, particularly in close knit rural and northern communities will depend upon the perception of a fair, open, and transparent process, and on the information provided to interested stakeholders.

The provision of financing for infrastructure is typically part of a P3 arrangement, however there have been several examples of small projects where the financing was retained by the public sector entity in order to access financing at a lower cost, or through provincial funding agencies.

4.2 Current Potential for Success of P3s in Rural and Northern Communities

4.2.1 Based on Location

Provided the correct elements are in place, our research shows that the likelihood of success is not dependent on location. P3s that were not a total success were stymied by factors other than location. Union opposition, misinformation, lack of transparency, and the absence of leadership were the primary causes for lack of success. However, it is difficult to categorically assert that location is not a factor, as most reported projects were in relative proximity to larger urban centers. Nevertheless, the success of the projects in Nunavut, James Bay, Slate Falls and the Northwest Territories suggest that location does not play a major factor.

4.2.2 First Nations Communities

Although P3 models are an interesting avenue for delivery of much needed infrastructure in First Nations communities, it is important to ensure that appropriate measures are incorporated in the process so that the stakeholder objectives are achieved. Our observations have led us to acknowledge that to date, the drivers of the successful P3-type projects were the First Nations communities. The methodology was not imposed, but rather was sought out by the communities, as a means to satisfy an actual need.

As a result, we believe that there are two streams of activity that can be followed. Firstly, understanding and communicating information about the projects that have been successfully delivered will provide inspiration for other First Nations communities to follow similar routes. This will include understanding which elements have been present in unsuccessful projects and relaying that information as well. Some of these elements could be collective agreement clauses regarding no contracting-out, the failure of the private sector proponent to secure financing, or the bankruptcy of the private sector. Some of the strategies that could be explored include ensuring that adequate securities are in place (letters of credit, performance bonds etc.) to pay for corrective actions. Secondly, embarking on a concerted effort to establish an environment that is receptive to P3 projects can be accomplished through the following means:

- Establishing what the objectives are, and formulating a clear roadmap on achieving them. Such objectives might include having infrastructure built within a certain time period, or the level of services to the community improved to reduce the number of complaints by half.

- Having a clear vision of the benefits that P3s can have for First Nations communities (faster project delivery, lower costs, innovation, training etc.) and communicating this (through training, communiqués, presentations, etc.). The communication of the benefits should be an ongoing task to keep reminding stakeholders of the positive aspects of the project.

- Understanding how the regulatory parameters may affect the deliverability of projects, including what is allowable under the current laws, regulations and statutes. In some jurisdictions municipal laws have restrictions on the types of ownership that a P3 might be allowed to have.

- Working collaboratively with interested First Nations communities in order to pursue pilot projects. One of the best ways to demonstrate the benefits of P3s is to embark on pilot projects that have a high degree of success. The pilot projects could be small in size and not requiring significant effort and time to bring them to implementation.

- Building tools (e.g. templates) that can be used by the interested communities to evaluate their projects. Having external professional support (legal, financial, procurement, technical etc.) may become extremely expensive each time a new P3 is contemplated. Having standardized procurement tools will benefit both the communities exploring P3s, and the private sector bidders, who will become accustomed to the type of information that will be needed to bid on P3 projects.

- Making sure that there are appropriate checks and balances to guide the project participants through the process. As P3s are only one of the tools in the delivery toolkit, typical processes include decision points for moving the project forward. It is more cost effective to abandon a project in the early stages of the planning than later during the implementation stage. Establishing and communicating these decision points will only enhance the possibility of success of a P3 project.

Given the sophistication and complexity of P3 arrangements, appropriate resource funding should be made available for both First Nations communities, as well as for other rural and northern communities who may not have access to the required expertise or the costs associated therewith. The costs associated with engaging the required expertise should be factored in during the planning stage to ensure that best value will be obtained.

Some of the benefits that were achieved included placing greater emphasis on ensuring the long-term viability of projects both from the public and private sector perspective. The viability of the project stems from an appropriate allocation of project risks, and the establishment of payment mechanisms to reflect the transferred risks. They also enable the project participants to provide safeguards on services and related infrastructures. The discipline and planning which are two of the attributes of the P3 approach may in fact provide for greater accountability.

4.2.3 Level of Capacity

Many rural and northern communities lack the expertise and organizational structures to effectively carry out a P3. Expertise in the form of specialized legal, financial, procurement or technical P3 specialists and having the appropriate knowledge and experience must be imported, and the cost of these resources has the potential of reducing the viability of a project. As the market matures, these resource costs should diminish.

Market interest in P3s is increasing as the understanding of the benefits associated with the methodology are becoming more widely accepted. If the public sector is able to

provide funding for a business case analysis, and if appropriate, based on the business case, funding to cover some of the resource costs, then P3s could proliferate, as typically in a P3, the ultimate business case drives the decision for the most viable service delivery option. Furthermore, another area where rural communities might lack capacity is in their ability to monitor the progress of the P3 implementation. Most smaller communities will conduct very few P3s, and the skills required to monitor the P3 arrangements may not be easily found locally. With a maturing P3 market in Canada, there will eventually be more resources, training and guidance to monitor P3s, but in the interim those skills might have to be imported at a cost. Governments could play a role in creating awareness of the type of monitoring that is typically found in P3s, and subsidize the creation of local capacity to monitor P3s through skills training, guidance and on-the-job training.

Based on the comments of those who participated in the case studies and other research activities undertaken, it is clear that one of the unique characteristics of P3 projects in rural communities is the diversity of the procurement processes that were followed. Several examples in the case studies that were reviewed, especially for Operation and Maintenance P3 arrangements, the process that was followed was a sole source procurement process. In many cases there was a valid reason to use that process. For example, in one case when the private sector was the primary user of the facility, or when the private sector partner was delivering a similar service in another community close by.

The other case studies reviewed that were more typical types of P3 projects, involving infrastructure design and construction, were conducted via a P3 procurement framework that was competitive, open, transparent and fair. While in some smaller communities there is always a fear of attracting enough bidders to ensure a competitive process, marketing the project during the planning phase, either through a formal process or through an informal market sounding exercise, will enhance the likelihood of attracting the right number of bidders. Another advantage of conducting pre-consultation before embarking on the procurement process is to fully understand the risks associated with projects in rural communities and the values attached to mitigate these risks. Typically these activities are part of the development of the business case for moving forward, and it may be conceivable that the results of the market sounding, in terms of the risk profile of a planned P3 project, may prove to be too high for the public sector to bear costs, and a more traditional approach might be more suitable.

Generally local, regional, national and international consortia will analyze the market potential of a particular project and decide if that project meets their objectives. To date, there are an adequate number of companies vying to participate in P3 arrangements. Should measures be instituted as discussed above, and P3s continue to grow, then there will be an even greater number of private sector companies seeking partnership arrangement. Thus the integrity of the process will be ensured.

5 CONCLUDING THOUGHTS

5.1 Pros and Cons of P3s in Rural and Northern Communities

The advantages of P3s, both in service delivery and in the provision of infrastructure, are well documented. Such benefits are equally applicable to rural and northern communities. Despite the difficulties of access, lack of resources and expertise, rural and northern communities can achieve the most important benefit, which is receiving services and infrastructure where often none existed before. The jobs, education, housing and other services generated as a direct result of P3s provide an enormous positive economic impact on the communities.

For a P3 to be successful, both parties engaged in the P3 arrangement must be knowledgeable and have the required expertise, including procurement process specialists and other professional resources, to ensure a fair, open and transparent process. From the research and case studies that were evaluated and the general knowledge relating to this issue, most P3 transactions require expertise that is typically not resident within the local government, especially legal and industrial relations expertise. The cost of importing these resources may be prohibitive for a rural community. Depending on the complexity of the project and the size of the investment required in capital work, technical and financial advisory expertise may also have to be engaged.

The size of the project may prove to be challenging in attracting the right number of interested bidders as the economies of scale may not provide adequate returns. It could be the case that the value for money of the project may not be achievable through a P3, and a more traditional procurement method will have to be selected. Evidence from the research and the case studies suggest that the size of the project was not a determining factor in deciding if a P3 was the right procurement vehicle. Rather it was the type of risks that were transferred from the public sector to the private sector with adequate compensation or return for such risks. We can conclude that P3s, due to their inherent flexibility, may be structured to address most perceived disadvantages.

The procurement process needs to be structured, in as many steps as required, to provide evidence that the best value has been achieved. It is noted that in some instances, based on evidence collected, sole sourcing of P3 arrangements has worked in smaller communities. While sole sourcing may not be seen as a competitive process to achieve the best value, there are circumstances where sole sourcing may be an advantage, as long as the public sector entity retains certain controls to manage the service delivery to the public at large.

P3s require political commitment. The project should be well defined and the expected outcomes well established. There must be a realistic understanding of the benefits attainable, the risk profile and the value of the risk transference. Internal or external resources and the budget to acquire the necessary expertise must be available. Important stakeholders must be committed to the process, and a viable communication strategy planned and implemented. With flexibility, creativity and political will, barriers can be overcome.

Small communities or regions can overcome the difficulty of achieving economies of scale by joining together to contract with one private sector service provider (thereby reducing some of the overhead costs, training and skills transfers) versus contracting for the services for each community separately. Local knowledge and expertise will be found or supplied by relevant public sector authorities, and working collaboratively with the private sector P3 provider, solutions to the technical challenges that a P3 can address will be found.

As this study has shown, the barriers (size of the project, remoteness and distance, return on investment, capacity, etc.) to effective P3s in rural and northern communities could be overcome if a P3 structure is implemented that fully exploits the benefits of risk transference. Embracing the appropriate P3 model and assuming that the business case is sound for moving the project forward as a P3, and as well ensuring that all party and stakeholder issues are addressed in a true spirit of partnership, P3s will yield benefits for all parties involved.

5.2 The Best P3 Scenario in Rural and Northern Communities

As this study has shown, there are many forms of P3 arrangements. There are, however, some procurement methodologies that have been standardized by sector or type of P3 arrangement. This standardization in terms of the number of steps in the process, and the ability to use practical template procurement tools, will create a more efficient environment to address the uniqueness of a P3 procurement. While communities and regions must devise the best possible solution for their particular requirements, studying the available examples will assist them in identifying P3s that may be similar to theirs, on which they can base their community's unique requirements.

For example, depending on the sector and type of services required, a procurement process for a new water plant might involve three steps (Request for Qualification, Request for Proposals and Negotiation) while a P3 for just Operations and Maintenance may only require two steps (Request for Proposals, and Negotiations).

The scenario will depend on the expected outcomes, the benefits sought, the risk profile and the value of the risk transference. Stakeholder interests, and being cognizant of the community's values and goals, will also have an effect on the type of P3 arrangement selected. Evidence from the literature review and case studies were consistent with this statement. In one case the P3 private sector partner was a major local user of the facility. In another case, the P3 private partner was a not-for-profit service provider from a community in the same region. A P3 arrangement in rural Canada which failed involved an international organization which was based far away from the local community and had a difficultly overcoming this barrier. It is therefore very important that as part of the planning stage, a thorough identification of the most suitable type of private sector partner is explored and if the ideal partner does not exist, then the community needs to re-think its P3 strategy.

With a concerted Federal Government policy to embrace P3s as a viable alternative for rural and northern communities, much assistance can be provided such as training, dissemination of best practices, funding planning and procurement activities. As a

"clearinghouse", the government may be able to bring communities and regions together to pool their resources in order to embrace a P3 model for their mutual benefit.

5.3 P3 Roadmap Concepts

Evidence to date demonstrates a growing interest in P3s as one of the tools available for the delivery of public infrastructure and services, and governments at all levels have been exploring P3s in some capacity or another. While the research conducted as part of this study may not have confirmed conclusively that P3s are being utilized across all sectors and in all regions of Canada, P3 options are being discussed, evaluated and in some cases utilized, by communities that have ensured that P3s are providing value for money and addressing a much needed shortcoming in public infrastructure and/or services. The following list of concepts may prove to be beneficial for rural, northern and First Nations communities:

- While most Infrastructure P3s involved the private sector financing the capital requirements and taking ownership of the facility during the operational phase, exploring public ownership of the infrastructure asset or facility may be a determining step to get government backing. Similarly the financing portion of the transaction can be undertaken by the public sector entity independently from the P3 arrangement. This will remove the financing risks from the P3 arrangements, but still provide enough risk transference to the private sector in the design, construction, operation, maintenance and renewal of the facility.

- Several sectors may benefit from all levels of government (federal, provincial, regional) sponsoring the development of pilot projects to demonstrate the benefits of P3s. Such sectors include Water/Waste Water, Recreation and Culture and Housing/Office Accommodation where there is evidence of high demand and lack of planned infrastructure. The government's role might include funding feasibility studies, business cases, procurement processes, oversight and monitoring. This will also serve to create lessons learned and templates for use in other sectors or by other jurisdictions.

- Developing specific roadmaps for sectors or communities by type of facilities in order to facilitate the knowledge transfer, communication and standardization. These roadmaps could include guidance on planning tools, procurement processes, templates for sectorial analyses, such as business cases, financial analyses, legal frameworks, contractual language, and procurement documentation. This will assist in the standardization of documentation and in demystifying the use of P3s as one of the tools in the procurement toolbox.

- Creating a clearinghouse environment for the provision of resources and guidance. This will serve to share best practices and provide linkages to individuals that are interested in conducting P3 analysis.

- Development and delivery of training materials covering not only P3 best practices, but also the techniques to analyze whether a project could be explored as a potential P3 and what other tools are available to deliver the required infrastructure and/or services if a P3 does not offer the most effective solution. A 2001 program sponsored by the Ontario Ministry of Municipal Affairs and Housing

involved the development and delivery of P3 workshops across Ontario which were attended by more than 250 municipal officials and employees who came from both urban and rural communities.

- Assist in the development of capacity monitoring to ensure that not only the initial capital funding that went into a P3 was well spent, but also that the benefits identified during the operations stages were realized. This capacity monitoring will be critical to the success of P3s. While contractual arrangements include provisions for periodic reporting, the challenge is to design a process and allocate resources to carry out the performance monitoring function, a challenge shared equally by urban and rural communities.

- Closer collaboration between all levels of government to promote the use of P3s as one of the tools for delivering much needed infrastructure and services, and establishing regulatory frameworks to facilitate P3s. This could include exploring similar models that have been instituted in other countries such as the 4Ps in the UK.

Appendix A - Scope of P3 Options Available to Municipalities

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
Operations and Maintenance	The local government contracts with a private partner to operate and maintain a publicly owned facility.	A broad range of municipal services including water and wastewater treatment plants, solid waste removal, road maintenance, parks maintenance/ landscape maintenance, arenas and other recreation facilities, parking facilities, sewer and storm sewer systems.	• potential service quality and efficiency improvements • cost savings • flexibility in structuring contracts • ownership vests with local government	• collective agreements may not permit contracting out • costs to re-enter service if contractor defaults • reduced owner control and ability to respond to changing public demands
Design-Build	The local government contracts with a private partner to design and build a facility that conforms to the standards and performance requirements of the local government. Once the facility has been built, the local government takes ownership and is responsible for the operation of the facility.	Most public infrastructure and building projects, including roads, highways, water and wastewater treatment plants, sewer and water systems, arenas, swimming pools and other local government facilities.	• access to private sector experience • opportunities for innovation and cost savings • flexibility in procurement • opportunities for increased efficiency in construction • reduction in construction time • increased risk placed on private sector • single point accountability for the owner • fewer construction claims	• reduced owner control • increased cost to incorporate desirable design features or change contract in other ways once it has been ratified • more complex award procedure • lower capital costs may be offset by higher operating and maintenance costs if life-cycle approach not taken.
Turnkey	The local government	This form of public private	• Places construction risk on	• reduced local government

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
Operation	provides the financing for the project but engages a private partner to design, construct and operate the facility for a specified period of time. Performance objectives are established by the public sector and the public partner maintains ownership of the facility.	partnership is applicable where the public sector maintains a strong interest in ownership but seeks to benefit from private construction and operation of a facility. This would include most infrastructure facilities, including water and wastewater treatment plants, arenas, swimming pools, golf courses and local government buildings.	the private partner • proposal call can control design and location requirements as well as operational objectives • transfer of operating obligations can enhance construction quality • potential public sector benefits from increased efficiency in private sector construction • potential public sector benefits from increased efficiency in private sector operation of the facility • construction can occur faster through fast-track construction techniques such as design-build	control over facility operations • more complex award procedure • increased cost to incorporate changes in design and operations once contract is completed • depending on the type of infrastructure, financing risk may be incurred by the local government Type of P3.
Wrap Around Addition	A private partner finances and constructs an addition to an existing public facility. The private partner may then operate the addition to the facility for a specified period of time or until the partner recovers the investment plus a	Most infrastructure and other public facilities, including roads, water systems, sewer systems, water and wastewater treatment plants, and recreation facilities such as ice arenas and swimming pools.	• public sector does not have to provide capital funding for the upgrade • financing risk rests with private partner • public partner benefits from the private partner's experience in construction • opportunity for fast-tracked construction using techniques such as	• future facility upgrades not included in the contract with the private partner may be difficult to incorporate at a later date • expense involved in alteration of existing contracts with the private partner • perceived loss of control • more complex contract award procedure

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
	reasonable return on the investment.		design-build • flexibility for procurement • opportunities for increased efficiency in construction • time reduction in project implementation	
Lease-Purchase	The local government contracts with the private partner to design, finance and build a facility to provide a public service. The private partner then leases the facility to the local government for a specified period after which ownership vests with the local government. This approach can be taken where local government requires a new facility or service but may not be in a position to provide financing.	Can be used for capital assets such as buildings, vehicle fleets, water and wastewater treatment plants, solid waste facilities and computer equipment.	• improved efficiency in construction • opportunity for innovation • lease payments may be less than debt service costs • assignment of operational risks to private sector developer • improve services available to residents at a reduced cost • potential to develop a "pay for performance" lease	• reductions in control over service or infrastructure
Temporary Privatization	Ownership of an existing public facility is transferred to a private	This model can be used for most infrastructure and other public facilities,	• if a contract is well structured with the private partner, the municipality	• perceived or actual loss of control • initial contract must be written

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
	partner who improves and/or expands the facility. The facility is then owned and operated by the private partner for a period specified in a contract or until the partner has recovered the investment plus a reasonable return.	including roads, water systems, sewer systems, water and wastewater treatment plants, parking facilities, local government buildings, airports, and recreation facilities such as arenas and swimming pools.	can retain some control over standards and performance without incurring the costs of ownership and operation • the transfer of an asset can result in a reduced cost of operations for the local government • private sector can potentially provide increased efficiency in construction and operation of the facility • access to private sector capital for construction and operations • operational risks rest with the private partner	well enough to address all future eventualities • private sector may be able to determine the level of user fees, which they may set higher than when under local government control • difficulty replacing private partner in the event of a bankruptcy or performance default • potential for local government to reemerge as the provider of a service or facility in the future • displacement of local government employees • labour issues in transfer of local government employees to the private partner
Lease-Develop-Operate or Buy-Develop-Operate	The private partner leases or buys a facility from the local government, expands or modernizes it, then operates the facility under a contract with the local government. The private partner is expected to invest in	Most infrastructure and other public facilities, including roads, water systems, sewer systems, water and wastewater treatment plants, parking facilities, local government buildings, airports, and recreation facilities such as arenas and swimming	• if the private partner is purchasing a facility, a significant cash infusion can occur for the local government • public sector does not have to provide capital for upgrading • financing risk can rest with the private partner	• Perceived or actual loss of control of facility or infrastructure • difficulty valuing assets for sale or lease • issue of selling or leasing capital assets that have received grant funding • if a facility is sold to a private partner, failure risk exists--if

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
	facility expansion or improvement and is given a specified period of time in which to recover the investment and realize a return.	pools.	• opportunities exist for increased revenue generation for both partners • upgrades to facilities or infrastructure may result in service quality improvement for users • public partner benefits from the private partner's experience in construction • opportunity for fast-tracked construction using techniques such as design-build • flexibility for procurement • opportunities for increased efficiency in construction • time reduction in project implementation	failure occurs, the local government may need to reemerge as a provider of the service or facility • future upgrades to the facility may not be included in the contract and may be difficult to incorporate later
Build-Transfer-Operate	The local government contracts with a private partner to finance and build a facility. Once completed, the private partner transfers ownership of the facility to the local government. The local government then leases the facility back	Most infrastructure and other public facilities, including roads, water systems, sewer systems, water and wastewater treatment plants, parking facilities, local government buildings, airports, and recreation facilities such as arenas and swimming pools.	• public sector obtains the benefit of private sector construction expertise • public sector obtains the potential benefits and cost savings of private sector operations • public sector maintains ownership of the asset • public sector ownership and contracting out of	• possible difficulty in replacing private sector entity or terminating agreements in event of bankruptcy or performance default

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
	to the private partner under a long-term lease during which the private partner has an opportunity to recover its investment and a reasonable rate of return.		operations limits any provincial and federal tax requirements • public sector maintains authority over the levels of service(s) and fees charged • compared to a Build-Operate-Transfer model, avoids legal, regulatory and tort liability issues • under *Occupiers' Liability Act*, tort liability can be avoided • government control of operational performance, service standards and maintenance • ability to terminate agreements if service levels or performance standards not met, although facility would continue to permit repayment of capital contributions and loans and introduction of new private partner • construction, design and architectural savings, and likely long-term operational savings	

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
Build-Own-Operate-Transfer	The private developer obtains exclusive franchise to finance, build, operate, maintain, manage and collect user fees for a fixed period to amortize investment. At the end of the franchise, title reverts to a public authority.	Most public infrastructure services and facilities, including water and wastewater systems, recreation facilities, airports, local government administration and operations buildings, parking facilities and solid waste management facilities.	• maximizes private sector financial resources, including capital cost allowance • ensures the most efficient and effective facility is constructed, based on life-cycle costs • allows for a private sector operator for a predetermined period of time • the community is provided with a facility, without large up-front capital outlay and/or incurring of long-term debt • all "start-up" problems are addressed by the private sector operator • access to private sector experience, management, equipment, innovation and labour relationships may result in cost savings • risk shared with private sector	• facility may transfer back to the public sector at a period when the facility is "work" and operating costs are increasing • public sector loses control over the capital construction and initial mode of operations • initial contract must be written sufficiently well to address all future eventualities • the private sector can determine the level(s) of user fees (unless the public sector subsidizes use) • less public control compared to Build-Transfer-Operate structure • possible difficulty in replacing private sector partner or determining agreements if bankruptcy or performance default
Build-Own-Operate	The local government either transfers ownership and responsibility for an	Most public infrastructure and facilities, including water and wastewater systems, parking facilities,	• no public sector involvement in either providing or operating the facility	• the private sector may not operate/construct the building and/or service "in the public good"

Type of P3	Features	Local Government Applications	Advantages	Disadvantages
	existing facility or contracts with a private partner to build, own and operate a new facility in perpetuity. The private partner generally provides the financing.	recreation facilities, airports, local government administration and operations buildings.	• public sector can "regulate" the private sector's delivery of a "regulated/ monopolistic" service area • private sector operates the service in the most efficient manner, both short-term and long-term • no public sector financing is required • income tax and property tax revenues are generated on private facilities, delivering a "public good" • long-term entitlement to operate facility is incentive for developer to invest significant capital	• the public sector has no mechanism to regulate the "price" of the service, unless it is a specifically regulated commodity • the good/service being delivered is subject to all federal, provincial and municipal tax regulations • no competition, therefore necessary to make rules and regulations for operations and to control pricing

Source: Public Private Partnership: A Guide for Local Government, May 1999 – British Columbia Ministry of Municipal Affairs

Appendix B - Literature Review Report

Thorough desk research was conducted. We did a high level review all of the publicly available information listed below. While keeping in mind the scope and parameters of this study, we found that documented evidence of examples of Public Private Partnerships in rural, northern and First Nations communities in Canada is very limited, therefore dissemination of information becomes challenging.

The only information we were able to use for the purpose of this study was found in publications published by the Canadian Council for Public Private Partnerships or on the Industry Canada website. We found that there was very little published information providing relevant research and information that related directly to rural, northern and First Nations Communities in Canada.

The literature did not provide or include any high level analysis of the value of P3's in rural and northern communities, however, there were many documents identified below that discuss P3's in general terms that we were able to use to help guide some of the statements and opinions provided to you in this report.

The publication ***Private Finance for Public Private Partnerships,*** published by the Canadian Council for Public Private Partnerships, is helpful in clearly providing information about the key success factors for implementing successful P3's. This publication further describes the benefits and alternatives to Private Finance.

Public Private Partnerships – A Guide for Local Government, published by the Ministry of Municipal Affairs in British Columbia, May 1999, is a helpful guide in providing direction about the common misconceptions about Public Private Partnerships, scope of P3 options available to municipalities and risk assessment and allocation for municipalities to consider when determining if P3s are the right tool for their community to use to implement their project.

Public Sector Readiness Guide, Industry Canada, May 2003, This document serves as a guide for Public officials who would like to perform a high level assessment on their preparedness for implementing P3 projects. It is not a "how to" manual and is not positioned to be a substitute for sound professional advice, however we found that it provided a useful checklist and some insight on how to best assess on whether the public sector organization is ready to move forward using Public Private Partnership as the service delivery mechanism/tool for their project. There are other useful sources of information on the Industry Canada's website that helps to define what a P3 is and what it is not. This information was useful in helping us to define P3's as they related to this study.

100 Projects: Selected Public-Private Partnerships Across Canada. This document was published by the Canadian Council for Public Private Partnerships and was very useful in assisting us to identify multiple project examples for the purposes of this study. We also were able to identify other projects in the other publication produced by the Canadian Council entitled, ***1998 National Awards for Innovation & Excellence in Public-Private Partnerships.***

As par of our literature review we also elected to include guidance material, we found that the best guidance material available is provided on the Industry Canada website, the document ***Public-Private Partnerships: A Canadian Guide*** is particularly useful and would be of interest to government officials as well as to the business community at large. This guide helps practitioners to have a better understanding of the processes and procedures required to achieve success in their projects.

Selected C2P3 Publications

A Guide to the Successful Handling of Collective Bargaining Issues (2001)	Reviewed – no information useful for the purpose of identifying projects
Private Finance for Public-Private Partnerships	Reviewed – no information useful for the purpose of identifying projects, we did find this useful for information in helping to identify and define public private partnerships
Transitioning Labour Forces	Reviewed – no information useful for the purpose of identifying projects
Overview of Successful Public-Private Partnerships in the Water Sector	Reviewed – no information useful for the purpose of identifying projects
Case Studies of the 2000 Award Winners for Innovation and Excellence in Public-Private Partnerships	Reviewed – projects identified – see matrix below
2000/2001 Directory of Members	Reviewed – no information useful for the purpose of identifying projects
Case Studies of the 1999 Award Winning Projects for Infrastructure, Service Delivery & Financing	Reviewed – projects identified – see matrix below
1998 National Awards for Innovation & Excellence in Public-Private Partnerships	Reviewed – projects identified – see matrix below
Options for Municipal Emergency Medical Services - A User's Guide (1999)	Reviewed – no information useful for the purpose of identifying projects
Options for Municipal Emergency Medical Services - A User's Guide (Executive Summary)	Reviewed – no information useful for the purpose of identifying projects
National Opinion Survey: "Building Effective Partnerships" (1998)	Reviewed – no information useful for the purpose of identifying projects
Public-Private Review - Highlights from the 1997, 1998 &1999 National Conferences	Reviewed – no information useful for the purpose of identifying projects
National Opinion Survey (1995)	Reviewed – no information useful for the purpose of identifying projects
Best Practice Guidelines - Initiating Contracts & Contracting with Private Sector	Reviewed – no information useful for the purpose of identifying projects
National Project and Activity Inventories (1996 & 1997/98)	Reviewed – projects identified – see matrix below
Human Resource Case Studies (1998)	Reviewed – no information useful for the purpose of identifying projects
Two Case Studies (1997)	Reviewed – no information useful for the purpose of identifying projects

Four Case Studies (1996)	Reviewed – no information useful for the purpose of identifying projects
Unsolicited Bids for Government Functions (1997)	Reviewed – no information useful for the purpose of identifying projects
100 Projects: Selected Public-Private Partnerships Across Canada.	Reviewed – projects identified – see matrix in the main document
Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership	Reviewed – projects identified – see matrix in the main document
Annual Conference Binders for 2002, 2003	Reviewed – projects identified – see matrix in the main document (duplicate information form 100 projects document)

Selected Books on Public Private Partnerships

Allan, John R. (1999), "Public-Private Partnerships: A Review of the Literature and Practice", Public Policy Paper No. 4, Saskatchewan Institute of Public Policy. [With an additional section of case studies prepared by Michael Trottier and Jeffrey Maguire.]	Reviewed – no information useful for the purpose of identifying projects
Boardman, A. and R. Hewitt (2003), "A Transactions Cost Analysis of Contracting Out Orderly Services at Sir Charles Gairdner Hospital", mimeo, University of British Columbia, January.	Reviewed – no information useful for the purpose of identifying projects
Boase, Joan Price (2000), "Beyond Government? The Appeal of Public-Private Partnerships", *Canadian Public Administration*, 43, 75-92.	Reviewed – no information useful for the purpose of identifying projects
Fourie, F. C.v.N. and P. Burger, "An Economic Analysis and Assessment of Public-Private Partnerships (PPPs)" (2000), *South African Journal of Economics*, 68, 693-725.	Reviewed – no information useful for the purpose of identifying projects
McDavid, J.C. and E.G. Clemens (1995), "Contracting Out Local Government Services: The B.C. Experience", *Canadian Public Administration*, 38, 177-193.	Reviewed – no information useful for the purpose of identifying projects
McFetridge, D. (1997), *The Economics of Privatization*, C.D. Howe Institute Benefactors Lecture, Toronto: C.D. Howe Institute.	Reviewed – no information useful for the purpose of identifying projects
Mott MacDonald (2002), *Review of Large Public Procurement in the UK*, Report prepared for HM Treasury, July.	Reviewed – no information useful for the purpose of identifying projects
Nova Scotia, Department of Finance, (1997) *Transferring Risk in the Public/Private Partnerships*, Halifax. Available at: www.gov.ns.ca/fina/minister/p3guide/p3.pdf .	Reviewed – but no information useful for the purpose of identifying projects

Web Sites

http://www.pppcouncil.ca (Canadian Council of Public-Private Partnerships)	Reviewed – projects identified – see matrix in the main document
http://strategis.ic.gc.ca/SSG/ce01414e.html (Industry Canada's Canadian Guide on P3s)	Reviewed – no information useful for the purpose of identifying projects
http://www.oecd.org(Organization for Economic Co-operation and Development)	Reviewed – no information useful for the purpose of identifying projects
http://www.4ps.co.uk/index.htm (Public Private Partnership Program, UK)	Reviewed – no information useful for the purpose of identifying projects
http://www.hm-treasury.gov.uk/ (Her Majesty's Treasury, UK)	Reviewed – no information useful for the purpose of identifying projects
http://www.privatisationonline.com (Privatisation International)	Reviewed – no information useful for the purpose of identifying projects
http://www.auscid.org.au/ (Australian Council for Infrastructure Development)	Reviewed – no information useful for the purpose of identifying projects
http://www.fivenations.ca/index/html (First Nations Resource)	Reviewed – projects identified – see matrix below
http://www.lgnz.co.nz/library/subnreport/alternate%20service%20delivery.htm **6** Alternate Service Delivery - A local Government View	New Zealand - Reviewed – no information useful for the purpose of identifying projects
http://www.oecd.org/puma/ethics/symposium/langford.htm ***6.1*** *Ethical Challenges of New Approaches to Service Delivery*	Reviewed – no information useful for the purpose of identifying projects
http://www.crp.cornell.edu/projects/restructuring/doc/privatization/ The Privatization Debate: Proponents and Opponents	Reviewed – no information useful for the purpose of identifying projects
http://www.city.whitehorse.yk.ca/ What is Alternative Service Delivery?	Fire Smart Communities – would this be too much of a stretch to include on our project list?
http://www1.worldbank.org/afr/ik/guidelines/casestudies.pdf **7** Alternative Service Delivery Mechanisms	Reviewed – projects identified – see matrix in the main document
http://www.msc.ec.gc.ca/asd-dmps/contents_eng.htm The Alternative Service Delivery Study *A study of how we deliver weather and environmental services in Environment Canada.*	Reviewed – no information useful for the purpose of identifying projects
http://www.cwf.ca/asdp.cfm Alternative Service Delivery Project (1997 - 2000)	Canada West Foundation - Reviewed – no information useful for the purpose of identifying projects
http://www.muohio.edu/ A resource for municipalities, practitioners, students and scholars.	Miami University - Reviewed – no information useful for the purpose of identifying projects

http://www.tbs-sct.gc.ca Treasury Board of Canada Secretariat Manager's Guide to the Human Resource Implications of Alternative Service Delivery (ASD)	Treasury Board - Reviewed – no information useful for the purpose of identifying projects
http://www.gov.ab.ca **8** Final Report on the Feasibility of a One Window Access to Services model	Reviewed – no information useful for the purpose of identifying projects
http://www.city.winnipeg.mb.ca/interhom/govern/oppchal/sirp/SIRP-KR.pdf A Preliminary Assessment of Alternative Service Delivery Options for Transportation in the City of Winnipeg	Reviewed – no information useful for the purpose of identifying projects
http://www.undp.org/ppp/ **9** Public Private Partnerships for the Urban Environment	United Nations development programme - Reviewed – no information useful for the purpose of identifying projects
http://www.lboro.ac.uk/departments/cv/wedc/projects/ppp-poor/ Public-private partnerships and the poor in water and sanitation	United Kingdom - Reviewed – no information useful for the purpose of identifying projects
http://www.oneworld.org/ecdpm/lome/9ed_gb.htm **10** Promoting Public-Private Partnerships	Sheffield Hallam – UK - Reviewed – no information useful for the purpose of identifying projects
http://www.shu.ac.uk/schools/sbs/prc/ppsr/publications.htm **11** The International Journal of Public-Private Partnerships	Reviewed – no information useful for the purpose of identifying projects
http://www.sustainable.org/governing/partnerships.html **12** Governing Community Topic Area-Public/Private Partnerships	Reviewed – no information useful for the purpose of identifying projects
http://www.hud.gov/cpd/home/pubindex/1583.html ***12.1*** *Building Public-Private Partnerships to Develop Affordable Housing*	US – Honest Communities - Reviewed – no information useful for the purpose of identifying projects
http://www.epa.gov/region08/community_resources/muni/other/opublic.html ***12.2*** *Small Communities Resource Guide-Public-Private Partnerships*	US Environmental Protection Agency - Reviewed – no information useful for the purpose of identifying projects
http://www.omiinc.com/articles/somersworth.html Creating Public-Private Partnerships in Wastewater Treatment	Reviewed – no information useful for the purpose of identifying projects
http://www.gov.nb.ca/0158/reports/protocol/protocol.htm Public-private Partnerships	Reviewed – no information useful for the purpose of identifying projects
http://www.local-regions.detr.gov.uk/bestvalue/partnerships/partnershipindex.htm Department of the Environment, Transport and the Regions Best Value-Partnerships Index	Reviewed – no information useful for the purpose of identifying projects

http://spj.org/foia/govpriv/ **13** Government Privatization	Society of Professional Journalists - Reviewed – no information useful for the purpose of identifying projects
http://www.reason.org/privatizationctr.html Privatization and Government Reform: RPPI's Privatization Centre	Reason Foundation - Reviewed – no information useful for the purpose of identifying CANADIAN projects – there are a lot of projects – but nothing that fit our definitions for Rural, Remote, Northern or First Nations Communities. Examples are all US communities
http://www.hsba.hostme.com/labor_employment/privatization.htm Privatization of Government: The Good, Bad & Ugly	Couldn't find the website
http://www.ncpa.org/pd/private/priv2.html Privatization Innovation	Reviewed – no information useful for the purpose of identifying projects
http://urbanparks.pps.org/topics/pubpriv/ **14** Urban Parks Online-Public-Private Partnership	Reviewed – no information useful for the purpose of identifying projects
http://www.ip3.org/water2000.htm Public-Private Partnerships in Water and Wastewater Services: Techniques for Attracting Private Finance, Ensuring Affordability, and Monitoring Contractor Performance	Institute for Public Private Partnerships - Reviewed – no information useful for the purpose of identifying projects – Case studies of projects in Egypt
http://www.mackinac.org/545 **15** Public-Private Partnerships: Operating in the New Reality	US - Reviewed – no information useful for the purpose of identifying projects
http://www.sacp.org.za/docs/stratconf/ppp's.html **16** Public-Private Partnerships: The Challenges for Local Government	Society of Analytical Chemists of Pittsburg - Reviewed – no information useful for the purpose of identifying projects
http://nswcoalition.com/auscid.html **17** Rebuilding NSW: Public/Private Partnership	Couldn't find the website
http://info.greenwood.com/books/1567201/1567201695.html Outsourcing State and Local Government Services Decision -Making Strategies and Management Methods	Reviewed – no information useful for the purpose of identifying projects
http://www.econ.iastate.edu/research/abstracts/NDN0049.html A Comparative Cost Analysis of State Government Outsourcing: An Iowa Case Study of Drivers License Issuance in Rural Counties	Reviewed – no information useful for the purpose of identifying projects
http://www.govtech.net/publications/gt/1996/oct/oct1996-surveyinonoutsourc/oct1996-surveyinonoutsourc.phtml **18** Survey In On Outsourcing	Reviewed – no information useful for the purpose of identifying projects
http://policyworks.gov/org/main/mg/intergov/letter/Hamilton.html	Reviewed – no information useful for the purpose of identifying projects

19 Outsourcing in State Government: A Comptroller's Perspective	

Selected Private Sector Companies

http://cloudworksenergy.com	Reviewed – projects identified – see matrix below
American Water Services Inc	Email sent to company – waiting for information – website no information that could be used for this report
Aquatech Water Management Services Inc	Email sent to company – waiting for information – website no information that could be used for this report
Aecon Infrastructure	Email sent to company – waiting for information – website no information that could be used for this report
American Water Services Inc.	Email sent to company – waiting for information – website no information that could be used for this report
Aquatech Water Management Services Inc.	Email sent to company – waiting for information – website no information that could be used for this report
Aramark Canada Ltd.	Email sent to company – waiting for information – website no information that could be used for this report
Bechtel Canada Co.	Email sent to company – waiting for information – website no information that could be used for this report
Carilion	Reviewed – no information useful for the purpose of identifying projects
CH2M Hill	Reviewed – no information useful for the purpose of identifying projects
Earth Tech Canada Inc.	Reviewed – no information useful for the purpose of identifying projects
Eastern Construction Company Limited	Reviewed – no information useful for the purpose of identifying projects

EPCOR Water Services Inc	Reviewed – no information useful for the purpose of identifying projects
Info Energy Inc	Reviewed – no information useful for the purpose of identifying projects
Marshall Macklin Monaghan Limited	Reviewed – no information useful for the purpose of identifying projects
Mercer Delta Consulting Canada	Reviewed – no information useful for the purpose of identifying projects
Nunavut Investment Group Inc.	Reviewed – no information useful for the purpose of identifying projects
Ontario Clean Water Agency	Reviewed – no information useful for the purpose of identifying projects
ParkSmart Inc.	Reviewed – no information useful for the purpose of identifying projects
PCL Constructors Canada Inc.	Reviewed – no information useful for the purpose of identifying projects
Peter Kiewit & Sons Co. Ltd.	Reviewed – no information useful for the purpose of identifying projects
RG Properties Ltd.	Reviewed – no information useful for the purpose of identifying projects
Serco	Email sent to company – waiting for information – website no information that could be used for this report
Siemens Building Technologies Ltd.	Reviewed – no information useful for the purpose of identifying projects
SNC-Lavalin	Email sent to company – waiting for information – website no information that could be used for this report
Sodexho	Reviewed – no information useful for the purpose of identifying projects
Technical Standards & Safety Authority	Reviewed – no information useful for the purpose of identifying projects

United Water	Reviewed – no information useful for the purpose of identifying projects
USF Canada Inc	Reviewed – no information useful for the purpose of identifying projects
Water Tex	Email sent to company – waiting for information – website no information that could be used for this report

Other Websites that were reviewed that were not included in our preliminary list provided in the previous report.

http://connumities.knet.ca/ Nishnwbe – Aski First Nations Deer Lake First Nation Fort Severn First Nation Keewaywin First Nation North Spirit Lake First Nation Sandy Lake First Nation	Reviewed – no information useful for the purpose of identifying projects
www.matawa.on.ca Matawa Project Management Group Inc.	Reviewed – Contact Joe Wood – manager non-profit housing for information – not sure is this is a project that might or could be considered
www.communityprofiles.mb.ca/first_nations.html	Reviewed – no information useful for the purpose of identifying projects
www.metisnation.ca	Reviewed – no information useful for the purpose of identifying projects
www.fiscalrealities.com/final_pdf/public-private.pdf	Reviewed – no information useful for the purpose of identifying projects
http://www.mtctrains.com/correctfac/cancennorth.html	Reviewed – no information useful for the purpose of identifying projects
http://wwwactionswiftcurrent.com/healthcare.html	Reviewed – many interesting things happening in Swift Current but only one project that is a hospital to be built in 2004-2005 qualifies for this project – and there isn't enough information about the hospital project to include it on the list

www.modelforest.net	Reviewed – no information useful for the purpose of identifying projects
The community Outreach Group	Reviewed - no information useful for the purpose of identifying projects
Cfan.cimnet.ca	Reviewed – no information useful for the purpose of identifying projects
Mgsa.cimnet.ca	Manitoba Golf Superintendents Association - Reviewed – no information useful for the purpose of identifying projects

Appendix C - List of Projects

Project # 1

Name/Title/Location of the Project: Aboriginal Development Program, Regional Municipality of Wood Buffalo, Northern Alberta.
Community Profile: Stretching from north central Alberta to the borders of Saskatchewan and the Northwest Territories, The Regional Municipality of Wood Buffalo ranks, by area, among the largest municipalities in North America. It was established April 1, 1995, through amalgamation of the City of Fort McMurray and Improvement District No. 143. Within its 68,454 square kilometers, the municipality is a region of startling contrasts, encompassing both vast stretches of pristine wilderness and one of the fastest growing industrial communities in Canada. Bolstered by the rich oil sands deposits which underlie the region, the dynamic economy of Wood Buffalo is slated for even more aggressive growth in the future. Expanding energy developments create exceptional opportunities for businesses and even broader lifestyle choices for the region's 58,317 residents (2002 Municipal Census. In addition to Fort McMurray's urban centre, The Regional Municipality of Wood Buffalo consists of ten small rural communities; Anzac, Conklin, Draper, Fort Chipewyan, Fort Fitzgerald, Fort Mackay, Gregoire Lake Estates, Janvier/Chard, Mariana Lake, Saprae Creek Estates
Description of the Project: To make sure the concerns of First Nations people and businesses are well informed of the ramifications of more than $26 billion of new investment in the oil sands, to ensure that concerns are addressed effectively and to ensure that First Nations people are well positioned to share fully in the economic opportunity that emerges from the expansion.
Scope of Services/value of project: To provide education, training and employment opportunities to individuals in the First Nations communities, $1.5 million per year of the three year term of the agreement was provided. ($850,000 was private, $300,000 was Federal, $200,000 from the province of Alberta Aboriginal Development Fund)
Rationale for the P3/Expected Outcomes of the project: Education for First Nations and future job opportunities.
Community Involvement: Training and education led to employment for some of the community members, the communities were supportive of the multi-first nation participation.
Sector: Economic Development 1) Environment 2) Social Programs 3) Training, education and employment 4) Infrastructure

Scope of the Facility: There is no "one" facility, however infrastructure development is part of this agreement – this is an agreement between multi-levels of government, Five area First Nation Communities and Athabasca Tribal Council, Snycrude, Suncor and 12 other local companies. This agreement provides a vehicle for assisting First Nations in developing an understanding of the environmental issues directly related to the development of their lands, under this agreement, education, training and employment were large contributing factors, as well as the development of new infrastructure. It provides these communities with access to resources that they wouldn't have had prior to this agreement.
Type of Partnership: Finance and Operate
P3 Structure: Finance and Operate
Agreement Terms: 3 year agreement "Capacity Building Agreement" between the Athabasca Tribal Council (ATC) and a group of resource industry companies, called the Athabasca Regional Developers (ARD). This agreement was renewed under a new agreement "All Party Core Agreement", this is also a 3 year term and the ATC is into the first year of this new agreement, and there are already discussions about putting a more permanent vehicle in place for these communities.
Procurement Process: Sole sourcing – the ATC, Syncrude and Suncor spent a few years negotiating with the Federal and provincial governments on their own behalf.
Names of Partners: ATC, ARD – Syncrude Canada Ltd, Suncor.
Financial Structure: ARD funds a maximum of $850,000 annually. All three levels of government have signed companion agreements to cover remaining funding.
Capital Invested: not disclosed.
Risk Transferred: ATC gets private sector knowledge
Realized Benefits of the Project/Lessons Learned: Jobs, training and technical and University education for band members. Access to expertise that they wouldn't have had without this type of an agreement in place.
Status of the Project: this project is complete and the community concluded that it was successful enough to renegotiate a second similar agreement for a further 3 years.
Other Attributes: Unions were not an issue with this project even though Suncor and Snycrude have their own union, as well as the varying levels of government – this was an agreement that was negotiated at a very high level and employee transfer issues never developed or arose.

Other Information: The intent of the agreement was to build capacity into Aboriginal Communities, at times the community members provided "in kind services" to off set some of the operation and start up costs. ATC regularly hired people from the communities to operate projects, environmental workers were the largest part of each project. The terms of the agreement were prescriptive enough to provide framework, policies and procedures for all processes to flow with out separate agreements required for each project. There was also a prescriptive reporting structure required under this agreement for government to monitor the success of this project.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 2

Name/Title/Location of the Project: Aurora College Family Student Housing

Community Profile: Inuvik is situated on the East Channel of the Mackenzie River Delta at 68'21'N latitude and 133'43'W. The town is 1086 km northwest of Yellowknife.

Population 3,451 (2000 Census)

The community is accessible by air year round. It is also accessible by road (the Dempster Highway from Dawson City) year round however during break-up (spring) and freeze-up (fall) the community is not accessible by road. Ice roads also link the communities of Aklavik and Tuktoyaktuk to Inuvik in the winter months.

In 1954 following severe flood damage to the community of Aklavik, the Federal Government decided to move Aklavik to a new site. Inuvik was chosen because of the large, level area, the opportunities for modern airport facilities and the presence of gravel materials for construction. This marked the start of East Three (as Inuvik was known then) and planning began immediately. Later that summer several million board feet of lumber were barged up the Mackenzie River from Alberta and construction began the following year. By 1961 a government dock, temporary school, airport, water and sewage systems, RCMP station and nursing station were developed and constructed.

The discovery of oil in the Beaufort Sea saw a significant increase in the population however in 1986 the closure of the Canadian Forces Base was a blow to the local economy. In recent years the community has re-focussed and is now home to a campus of Aurora College. The economy is closely linked to Inuvik being the regional government centre, oil and gas exploration and the strong service community. It also hosts the Great Northern Arts Festival, a gathering of NWT artists, every summer.

Description of the Project: Development of family student housing at Aurora College

Scope of Services/value of project: It is estimated that the partnership will generate $16 million in economic benefits to the community over the life of the 20 year agreement.

Rationale for the P3/Expected Outcomes of the project: The Government of the Northwest Territories wanted to achieve value for money in building a new family student housing complex for Aurora College

Community Involvement: Aurora made guarantees regarding local and Aboriginal employment and procurement.

Sector: Housing

Scope of the Facility: 25 three- and four-bedroom town homes
Type of Partnership: Public- Private Partnership
P3 Structure: Build – Own – Operate
Agreement Terms: 20 years design, build, lease and operation agreement
Procurement Process: RFP for public-private partnership
Names of Partners: Territorial Government and Aurora Building Developers.
Financial Structure: In order to amortize the asset, the Government could purchase the complex at fair market value at the end of the lease, rather than just assume ownership. This classified the lease as a true operating lease and the tax savings can be passed onto the Government.
Capital Invested: Capital cost of the residence was $4.7 Million, financed by the developer through CIBC.
Risk Transferred: Different type of risk since it relies on the local resource base to sustain economic activity rather than what occurs in a large urban centre.
Realized Benefits of the Project/Lessons Learned Complex was built five years sooner and 4% lower cost than through traditional procurement and construction.
Status of the Project: Completed in February 2000.
Other Attributes: Annual lease payments are currently $745,000, which escalate each year.
Other Information: At the end of the 20 year operating lease, the Government of NWT may renew the lease for another 10 years buy at fair market value, or walk away.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 3

Name/Title/Location of the Project: Belledune Port Authority Refinancing, Port of Belledune, N.B.
Community Profile: The Port of Belledune is situated on the south shore of the *Baie des Chaleurs*, in northeastern New Brunswick, about thirty-five kilometers northwest of Bathurst and fifty kilometers east of Dalhousie. Situated at the mouth of the St. Lawrence Seaway, the Port of Belledune is a strategically located marine transport facility with the most modern infrastructure in Canada. With its flexible service offerings and year-round season, the Port of Belledune can handle shipments of any kind with ease. In 2001, over 2,400,000 tonnes of cargo passed through the port. Belledune is located on the border of the Restigouche and Gloucester counties in northern New Brunswick, it therefore draws on both of these jurisdictions for its labour force and support services. The total population of the region is 124,000 people. It includes two of New Brunswick's six cities, Campbellton and Bathurst, and a number of villages and towns.
Description of the Project: When the Federal Government transferred the Port to a local Port Authority, an existing loan from the federal government had to be refinanced through the private sector and the balance was to be written off.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project: refinancing a loan
Community Involvement:
Sector: Transportation - Ports and Seaways
Scope of the Facility:
Type of Partnership: public-private financing
P3 Structure: Finance
Agreement Terms:

Procurement Process:
Names of Partners: First Canada Securities Corporation, NB Power (a large tenant at the Port)
Financial Structure: Loan was $38 million. Refinanced by the issuance of $27 million in Secured Trust Notes at 7.535 %, they are fully amortized with equal quarterly blended principal and interest payments. The notes are secured by an assignment of revenues from the lease with NB Power.
Capital Invested:
Risk Transferred: Lease cannot be assigned as federal government property, needed to refinance.
Realized Benefits of the Project/Lessons Learned:
Status of the Project:
Other Attributes: Trust notes allow the Port Authority wide latitude in day-to-day operations, versus the restrictions often associated with traditional bank financing.
Other Information: The Belledune Port Authority is managed by a seven-member board of directors. The federal, provincial and municipal government each appoints one member. The other four members are named by the Belledune Port Authority Nominating Committee and are appointed by the Minister. The board then elects a chairman and a vice-chairman from among its members.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 4

Name/Title/Location of the Project: Business at the Summit
Description of the Project: Annual conference linking aboriginal and non-aboriginal business leaders in British Columbia. Intent is to foster economic development discussions directly between First Nations communities and non-aboriginal business leaders without direct involvement from DIAND.
Scope of Services/value of project: Value is the creation of new opportunities that were facilitated by this conference.
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Economic Development
Scope of the Facility: Finance & Operate
Type of Partnership:
P3 Structure: Sponsorship and Conference Registration Fees.
Agreement Terms:
Procurement Process:
Names of Partners:
Financial Structure: Average cost of conference is $120,000.
Capital Invested: Up to October 2000, the Department of Indian and Northern Development has contributed $120,000, other partners have provided $92,000 in funding. Other revenues from conference registrations.

Risk Transferred:
Realized Benefits of the Project/Lessons Learned: Produce a final report, which is circulated across Canada each year. Event has spawned discussion on a host of new business partnerships including: over 30 major banks, consulting firms, utilities, and engineering and transportation companies.
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 5

Name/Title/Location of the Project: Campbell River First Nation, Gengenlilas Preschool
Community Profile: Campbell River located on Vancouver Island in British Columbia, the largest North American island in the Pacific it is 280 miles (450 km) in length. Campbell River, historically renowned as the "Salmon Capital of the World", is surrounded by Stratncona Provincial Park to the west and the Coastal mountain range to the east. Campbell River is 50 km (31 mi.) north of Courtenay on Highway 19, 270 km (167 mi.) north of Victoria and 235 km (146 mi.) south of Port Hardy. It is served by BC Ferries from Campbell River to Quadra Island (3 km/2mi.), regional and national air lines plus local and BC bus transportation. **Population:** 27,055
Description of the Project: The community built a preschool that teaches children about First Nation's culture and is free of charge to anyone in the community
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project:
Community Involvement: Elders and other community members help teach the basics of the First Nation's culture, including Campbell River stories, dances and songs. Previously Campbell River First Nation's parents had to pay to send their children to preschool, now parents are able to work while their children are in school, a situation that is providing a boost to the local economy and to the personal pride of the First Nation's members
Sector: Education
Scope of the Facility:
Type of Partnership:
P3 Structure:
Agreement Terms:

Procurement Process:
Names of Partners:
Financial Structure:
Capital Invested: The First Nation used resources from its bingo operations and from outside sources to build the school and offer the program free of charge
Risk Transferred:
Realized Benefits of the Project/Lessons Learned
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: Traditional Knowledge Case Studies

Project # 6

Name/Title/Location of the Project: Canmore Water & Wastewater Treatment

Community Profile: Set in the Bow Valley amid the rugged majesty of the Front Ranges of the Canadian Rockies, Canmore enjoys a singular relationship with its surroundings. It is a community with a vision, based on the conviction that environmental sensitivity and economic sustainability can be reconciled. Following its founding in 1883, Canmore served both as a railway division point and mining town. Today it provides services for the entire Bow Valley and is recognized world-wide as an outdoor recreational and adventure centre.

LOCATION 106 KMS (66 miles) west of Calgary on the Trans Canada Highway, 22 KMS (12 miles) east of the Banff townsite on the Trans Canada Highway

Canmore's ever increasing population has been one of the factors contributing to our large and varied selection of available housing. The rules of supply and demand could not be more evident in a valley that has seen enormous growth while trying to maintain the small town atmosphere that brought so many of us here in the first place.

Forecasts by the Calgary Regional Planning Commission (CRPC), expect this growth to continue significantly for the next 10 to 20 years as people look for alternative lifestyles to big city living. Immigration from outside of Canada is also expected to contribute significant growth to the region. The latest population projections predict 11,000 people by the year 2000 and as many as 15,000 by 2010. (2003 Census states the current population to be 11,458).

A major factor of significance is that Alberta has the highest percentage of 25-44 year olds in the country, and Canmore has the highest rate in the province with 43% of our population (1995) falling into this category. This means that within the next 20 years (2015+) one quarter of the area residents will be aged 55 and older.

Description of the Project: Needed a private sector provider for all of its water and wastewater services.

Scope of Services/value of project: Increased demand due to high population growth. This caused a demand for improved technology, greater cost-effectiveness and more stringent environmental regulation

Rationale for the P3/Expected Outcomes of the project:

Community Involvement: Municipal level – had a need.

Sector: Water & Wastewater Treatment.

Scope of the Facility: Water and wastewater treatment; water distribution; wastewater collection; storm drainage; biosolids handling meter reading; billing; and account management.
Type of Partnership: Private
P3 Structure: Design – Build – Operate
Agreement Terms: 10 year utility management agreement in May 2000 with EPCOR.
Procurement Process: RFQ and RFP
Names of Partners: Canmore; EPCOR Water Services.
Financial Structure:
Capital Invested:
Risk Transferred: EPCOR to bills residents and passes revenue stream to Town of Canmore, Canmore retains ownership of all assets and EPCOR has strict guidelines to follow in terms of service and environmental compliance.
Realized Benefits of the Project/Lessons Learned: Expected savings amount to over $1 million in operations over the first 5 years and over $3 million in capital in the first 3 years of the contract.
Status of the Project: Option available in 2010 for an additional 10 years.
Other Attributes: EPCOR has increased operational efficiencies to the services, including a preventative maintenance program, as well as scientific and lab service that were previously not as extensive.
Other Information: Structure reporting system has been put in place (available on the EPCOR website). Nine existing municipal staff in Canmore were transferred with equivalent wages and benefits, under their existing CUPE union local. The company has offered them opportunities for career advancement and professional development.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 7

Name/Title/Location of the Project: Cape Breton Regional Municipality Centre 200 Project, Sydney, Nova Scotia

Community Profile: Cape Breton Island, located in Eastern Canada, is an irregularly shaped, hilly island just off the eastern coast of Nova Scotia. Cape Breton is bordered by the Atlantic Ocean, Gulf of Saint Lawrence, and the Strait of Canso. Cape Breton County, located on the south eastern side of Cape Breton, is home to more than 120,000 residents. Sydney, Cape Breton's only city, was capital while Cape Breton was a British colony. Today, Sydney is the major residential and commercial area for the island. Glace Bay could have been Cape Breton's second city but the residents decided they would rather live in a town then a city. This decision caused the town council to vote against changing the title of the Town of Glace Bay to the City of Glace Bay. Glace Bay was the centre of Cape Breton's coal industry. Louisbourg, a small fishing village, is home to Fortress Louisbourg, North America's largest reconstructed historical site.

Sydney (pop. 26,083), situated on a large, protected harbour, is known as "The Steel City" and is Nova Scotia's third-largest community. Sydney's many visitor services include accommodations, banks, university, restaurants, shopping areas, police, hospitals, parks, museums, recreational facilities, harbour cruises, an airport and a bus terminal. The city is also a major cruise ship destination.

Description of the Project: Operate (including Marketing) and Maintain Centre 200

Scope of Services/value of project: Centre 200 is a versatile convention, exhibition, sports and entertainment facility.

Rationale for the P3/Expected Outcomes of the project: Deficits went up dramatically, and a major tenant (AHL Hockey Team) left.

Community Involvement:

Sector: Recreation

Scope of the Facility:

Type of Partnership: Operate and Maintain

P3 Structure: P3
Agreement Terms: not disclosed.
Procurement Process: With KPMG, the City issued a call for expressions of interest and it received 3 formal responses. Then an RFP was issued, with 5 formal responses, and then Serco was chosen.
Names of Partners: Serco Facilities Management
Financial Structure:
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned:
Status of the Project: started
Other Attributes: Some Union resistance.
Other Information: Example was included in this directory but little information is given as to any successes or failures.
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 8

Name/Title/Location of the Project: Chilliwack Municipal Airport, The District of Chilliwack, BC.

Community Profile: The City of Chilliwack is a community of 70,000 people and is growing rapidly. It is located 100 kilometres (60 miles) east of Vancouver, marking the start of the Fraser lowland.

In its pioneering days the community served as a gateway as well as a hinterland to the fur trade and gold mines at Yale and Hope. But the arable flat land and the improved transportation of the Lower Mainland soon reoriented the community's economic ties toward the Vancouver area. As Greater Vancouver expands, the Lower Mainland becomes integrated as one economic region, and Chilliwack is very much a part of that region.

Description of the Project: Wanted to have complete privatization of airport and surrounding underdeveloped land. No proposals were received.

Scope of Services/value of project:

Rationale for the P3/Expected Outcomes of the project: After failed privatization, District chose to pursue a partnership.

Community Involvement:

Sector: Transportation – Airports

Scope of the Facility: Municipal Airport, the airport encompasses 130 acres and boasts a terminal building designed to accommodate aircraft with up to 19 passengers. Airside facilities include 3,990 ft. (1,219 meters) paved and lit runway and parallel taxiway. Our 24 hour fueling station offers competitively priced 100LL Avgas for small aircraft and Jet A for turbine and jet engine aircraft and helicopters.

The Chilliwack Municipal Airport is home to approximately 75 private and commercial aircraft, which includes both fixed wing and helicopters. There are over 20 businesses at the airport including: flight training schools, charter companies: both fixed wing and helicopter, aircraft paint and maintenance shops, as well as, other assorted aviation oriented businesses.

Type of Partnership: public-private (management contract)

P3 Structure: Operations

Agreement Terms: none
Procurement Process: identified potential partners
Names of Partners: Magnum Management
Financial Structure:
Capital Invested:
Risk Transferred: wanted to share risks
Realized Benefits of the Project/Lessons Learned: too high a capital cost
Status of the Project: another competitive process would not be initiated.
Other Attributes:
Other Information: Operating Budget of airport $700,000, annual profit $30,000.
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 9

Name/Title/Location of the Project: Cobequid Pass, Province of Nova Scotia
Communities Profiles: Colchester: Colchester County is located in north central Nova Scotia. This area was originally known as Cobequid until 1780 when it was named after the town of Colchester, England. Colchester was part of Halifax County until 1835. The town of Truro (population 12,500) is the county seat. (Masstown is a small locality located in Colester County Cumberland**:** Cumberland County is one of Nova Scotia's largest counties having an area of 1,603 square miles. It borders south with Colchester County and north with Westmorland County of the province of New Brunswick. Cumberland is the gateway to Nova Scotia for all land transportation and therefore the key entry point for tourism in Nova Scotia. Population 34,285. (Thomson Station is a small locality located in the County of Cumberland)
Description of the Project: A 45-kilometre section of the TransCanada Highway (Highway 104) across Northern Nova Scotia between Truro and Amherst.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project: To make a highway faster and cheaper than traditional systems.
Community Involvement:
Sector: Transportation - Roads
Scope of the Facility: 45-kilometre highway
Type of Partnership: private sector partnership
P3 Structure: Design – Build – Finance – Operate
Agreement Terms: 30 years, of balance sheet.

Procurement Process: CIT Structured Finance
Names of Partners: Canadian Highways International Corporation.
Financial Structure: $113 million for constructions includes operating fees and maintenance costs.
Capital Invested: Private sector $61 million, Federal and Provincial Governments: $27.5 million each, $5.5 million in subordinated notes was invested from the Sydney Steel Corporation pension fund.
Risk Transferred: Build faster than traditional methods, Provincial Government did not have to secure and debts and was able to keep project off-balance sheet.
Realized Benefits of the Project/Lessons Learned:
Status of the Project: Ongoing.
Other Attributes: Toll revenues $250 million in interest for the private lenders over 30 years.
Other Information:
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 10

Name/Title/Location of the Project: Collicutt Centre, City of Red Deer
Community profile: Red Deer is located in the heart of Alberta's beautiful parkland and midway between the two major cities of Calgary (145 kms away) and Edmonton (150 kms away), Red Deer is Central Alberta's trading and distribution centre. Red Deer's central location gives it the distinction of being the only city on the Canadian prairies with a potential market of over 2 million people within a 160 kilometer radius. The trade area has grown to over 200,000 people. According to the 2003 Census conducted by The City of Red Deer, the population of Red Deer is 72,691. Area: 59.6 square kilometers (23 square miles)
Description of the Project: The community wanted to build and operate a state-of-the-art facility using entrepreneurial involvement from the community.
Scope of Services/value of project: Replace old (15+ years) recreation facilities.
Rationale for the P3/Expected Outcomes of the project:
Community Involvement: local sports organizations and residents.
Sector: Recreation
Scope of the Facility: NHL sized hockey rink, with future expansion capabilities for two more surfaces, a gymnastics centre, food and retail areas, a field house, a soccer centre, a chiropractic centre, two climbing walls, waterpark, indoor running track, 3,500 square foot fitness centre – all in a 215,000 square foot space. Outdoor sports fields surround the building also landscaped.
Type of Partnership: Design- Build- Finance
P3 Structure: RFP for design and build, partnership for finances
Agreement Terms:

Procurement Process: RFP
Names of Partners: Group 2 Architects
Financial Structure: Project cost is $30 million
Capital Invested: $2 million from local sports, $1.8 million from the corporate sector, and $26.2 million from the City reserves that have been saved overtime.
Risk Transferred: The private firm had to meet the needs of its clients, mainly minor hockey and gymnastics as they became capital founding partners by renting space throughout the year.
Realized Benefits of the Project/Lessons Learned:
Status of the Project: Completion in May 20001
Other Attributes: Target is 80% cost recovery.
Other Information:
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 11

Name/Title/Location of the Project: Cranbrook Multi-Purpose Recreation Complex, The City of Cranbrook, BC.
Community Profile: Cranbrook is situated in the southeast corner of British Columbia, on the western edge of the Rocky Mountain Trench. Cranbrook's population is 18,476. Forestry, mining, manufacturing, tourism, trade, service and transportation make up the economic backbone of the East Kootenay region. Cranbrook, the largest centre in the region with a population of over 18,000 is the "hub" of activity. The City is the headquarters for Tembec which operates sawmills and a pulp mill in the region. In the Elk Valley, metallurgical and thermal coal is mined for export to Japan and other world markets. In Kimberley, Cominco's Sullivan Mine produces silver, lead and zinc. Cranbrook serves as the leading distribution and service centre for the mining industry. Local manufacturing primarily focuses on lumber and wood products, machinery, equipment, fabricating and food and beverage products. An Industrial Park with serviced and un-serviced lots is located in Cranbrook.
Description of the Project: A multi-purpose recreation complex.
Scope of Services/value of project: Construction costs were $22 million
Rationale for the P3/Expected Outcomes of the project: No city up-front financing capital, also the City wanted to capitalize on private sector expertise in operating a large facility at less cost. The City did explore building this facility through a traditional build (municipally owned and funded) but choose a P3 model because the city did not have any capital, however the city did provide the land for this project.
Community Involvement: Tax increase of $92.96 annually per $100,000 assessment, approved after local referendum.
Sector: Recreation
Scope of the Facility: 4,500 seat NHL size hockey arena, training pool and leisure pool. Commercial space includes: restaurant, fitness centre, squash courts, physio room, sports shop, physiotherapy clinic, arcade and offices.
Type of Partnership: Build- Lease-Operate-Transfer
P3 Structure: Public-Private Partnership

Agreement Terms: City has 1,500 hours per year of arena time to sell, subsidize or give away. The balance is available to Vestar to sell at $125 per hour. 30 year lease and then the facility reverts back to the City.
Procurement Process: contract
Names of Partners: Vestar Inc.
Financial Structure: Capital cost of facility capped at $22.6 million. Private financing would be found at a rate not to exceed 7.25%. Vestar to receive lease payments from the City for $801,000 annually for 30 years, after which the company transfers ownership. Fixed rate annual costs paid by Vestar are $1.1 million.
Capital Invested: $22.6 million
Risk Transferred: Shared by City, residents and Vestar.
Realized Benefits of the Project/Lessons Learned: The City was able to bring in a Major Junior Hockey as a result of having this facility in their community. This also enabled the community to have access to cultural entertainment that they previously were unable to schedule. The City was able to have a regional facility built cost effectively with out involvement of city staff. It was recommended that as part of their learning process with this project, to take your time making agreements.
Status of the Project: Completed and successful
Other Attributes: This is a project that was entirely privately financed through Sunlife/Pacific, the town provided the land and leased back the aquatic centre for 800K, there is a variable revenue guarantee of 700K, and the city guaranteed the operator the first $142K of the costs and the partner takes the risk on the other operating costs of approximately 1.4 – 1.5 million.
Other Information: Combined ice time and commercial space leases are equal to approximately $1,467,384.00 per year, shared between Vestar and the City.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 12

Name/Title/Location of the Project: Cumberland Municipality Recreation Facility Operations & Maintenance.
Community Profile: Cumberland Municipality is found within the City of Ottawa, Ontario
Description of the Project: Operate and maintain a community facility.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project: eliminate deficit, cost control
Community Involvement:
Sector: Recreation
Scope of the Facility: leisure pool, fitness centre, arena and community centre. Used by 500,000 residents annually.
Type of Partnership: public-private
P3 Structure: Operate and Maintain
Agreement Terms: 5 year deal, declining annual management fee.
Procurement Process: no competitive process
Names of Partners: RSI (until bankruptcy- then Serco Facilities Management)
Financial Structure: not disclosed

Capital Invested:
Risk Transferred: Private sector facility management efficiencies.
Realized Benefits of the Project/Lessons Learned:
Status of the Project:
Other Attributes: facility expanded in 1998
Other Information:
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 13

Name/Title/Location of the Project: James Bay Coast Electrification Project (Five Nations Energy)

Community Profile: The community of Kashechewan is located in the district of Kenora 81 degrees west longitude and 52 degrees north latitude. It is a First Nation of the Albany Reserve #67. The community is located on the northern shore of the Albany River, 10 Km upstream from James Bay. An isolated community, the nearest urban centre is Timmins and it is located approximately 300 miles south. The nearest community is Fort Albany and it is also a First Nation of the Albany Reserve #67. The distance between the two communities is approximately12 Km. The distance by air is 5 minutes and one hour by boat.

The topography of Kashechewan is generally flat. During the spring the water level rises 1 or 2 meters up the riverbank and sometimes raising over the riverbank and flooding the community.

The climate of the Hudson's Bay Lowlands is of long cold winters and short warm summers. James Bay has the effect of retarding the warmer temperatures of the spring and prolonging slightly warmer temperatures in the fall. Rainfall averages about 28 inches per year and most of this covers the river thus providing an alternate means of transportation. Permanent ice may appear between late Novembers and will provide cover until the end of April or early May.

The Hudson's Bay Lowlands has been described as having a sub-arctic appearance because of the predominance of open cover of stunned black spruce and tamarack in the swamps and peat land. The banks of the Albany River, river in lands and tributary streams however, are forested with heavy cover of white spruce.

Form of Government The Kashechewan First Nation governs Kashechewan. The First Nation members elect a Chief and Council every three years. The Chief and Council include one Chief and one Deputy Chief and 11 Councillors.

The First Nation is funded through the Indian and Northern Affairs of Canada. The First Nation does pass its own by-laws and local regulations.

Local Economy The local economy is primarily based upon government services (First Nation) and to a lesser extent small business.

Like many other First Nations in the area, there is still some dependence on the land. Some families go out spring and fall camping for a month. Before the winter some elders go fur trapping, and they come back when it is safe to go on the river. During the spring some people smoke geese and fish, and sometimes moose meat or caribou. When they come back from camp they sell their meat. Sometimes they sell their crafts, like beadwork, slippers, moccasins, and carvings.

Attawapiskat is a Cree First Nation community located on the west coast of James Bay. A community with an amazing heritage, Attawapiskat is a popular destination today for

waterfowl hunters and those heading north to Polar Bear Provincial Park or to the interior s of the James Bay Frontier for a fishing trip or wilderness camping adventure. The town is accessible by boat from Moosonee or by charter air service form Timmins, Moosonee and a few other northern communities. There is no road access from southern Ontario. Moosonee is located on the west banks of the Moose River, a short 12 miles from the salt waters of the James Bay, and had a population of 3,000
Description of the Project: The construction of a 270 km transmission grid line extension from Moosonee to Kashechewan, Fort Albany, and Attawapiskat First Nations.
Scope of Services/value of project: The construction of a 270 km transmission grid line extension from Moosonee to Kashechewan, Fort Albany, and Attawapiskat First Nations
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Energy
Scope of the Facility:
Type of Partnership: Public-Private
P3 Structure:
Agreement Terms:
Procurement Process: unsolicited proposal – traditional process
Names of Partners: INAC, Northern Ontario Heritage Fund Corporation, Bank of Montreal, Pacific and Western Capital, SNC Lavalin, and Powertel Utilities
Financial Structure:
Capital Invested:

Risk Transferred: none transferred to SNC Lavalin
Realized Benefits of the Project/Lessons Learned
Status of the Project: Complete
Other Attributes:
Other Information:
Sources of Information: Presentation by Indian and Northern Affairs Canada entitled Public Private Partnerships – Options for First Nations – TSAG November 19, 2003, and the project description prepared by Linda Churchley October 17, 2003

Project # 14

Name/Title/Location of the Project: Goderich Habour Revitalization, Town of Goderich, Ontario
Community Profile: Goderich is located along the beautiful shores of Lake Huron in Ontario, Canada. The 7,500 citizens take pride in the fact that Goderich is called Canada's prettiest town. Goderich is a thriving, small urban municipality preserved within a rural setting. As well as natural beauty, including sandy beaches, Goderich has unique heritage features, an octagonal core commercial area, well maintained residences of the Victorian Era, an excellent commercial harbour and airport and an unsurpassed quality of life.
Description of the Project: The Town wanted to own the port and set up a partnership that would ensure long-term competitiveness of port users as well as pay for the cost of infrastructure improvement from user fees, rather than from the Municipal tax base.
Scope of Services/value of project: $650,000 plus operation costs
Rationale for the P3/Expected Outcomes of the project: Improve the Port and surrounding beach areas.
Community Involvement: Port tenants
Sector: Transportation - Port and Seaways
Scope of the Facility: Port
Type of Partnership: non-profit
P3 Structure: Buy-Build-Operate
Agreement Terms: City bought the Port for $650,000 from budget, without an increase in tax payer's money. The Goderich Port Management Corporation has to repay this amount in 12 equal installments to the town (started repayment on January 1, 2000). 15 year renewable operations contract with Sifto.
Procurement Process: There was no procurement process followed, this was similar to sole sourcing, however though the process the town established a non-profit group called "Goderich Port Management Corporation (GPMC)" with the Town and the largest port user, Sifto.
Names of Partners: Sifto

Financial Structure: GPMC established a trust of $1.4 million per year from user fees, also a Waterfront Reserve Fund was created which GPMC contributed $135,000 to the fund annually with an additional $40,000 from leases held by the town. The town controls the trust fund.
Capital Invested: $650,000 to Transport Canada for the sale of the Port, sold land to Sifto where Sifto has a salt mine.
Risk Transferred:
Realized Benefits of the Project/Lessons Learned: Lower user fees, more competitive port, tong term plan for improvements. Economically self sufficient Port. The new combination of local ownership and increased input by users will permit increased efficiency and cost effectiveness of the existing infrastructure. Asset protected over time – Infrastructure upgrade through a major maintenance plan – trust fund ($1.5 million a year)
Status of the Project: Operations and maintenance on-going
Other Attributes: The town will always maintain the port as an asset even if Sifto pulls out of the partnership at any point.
Other Information: Recommendations from the project manager was that getting staff buy in and support is imperative upfront, they encounter challenges when negotiating to purchase Port from Federal government, but the town showed the Federal government there was a way – the convinced the “Queen” of the back log of infrastructure work needed to repair this port.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 15

Name/Title/Location of the Project: Goderich Water & Wastewater Services
Community Profile: Goderich is located along the beautiful shores of Lake Huron in Ontario, Canada. The 7,500 citizens take pride in the fact that Goderich is called Canada's prettiest town. Goderich is a thriving, small urban municipality preserved within a rural setting. As well as natural beauty, including sandy beaches, Goderich has unique heritage features, an octagonal core commercial area, well maintained residences of the Victorian Era, an excellent commercial harbour and airport and an unsurpassed quality of life.
Description of the Project: Use a private company to ensure the safety of its drinking water and reduce costs.
Scope of Services/value of project: Operation and Maintenance of its water and wastewater treatment facilities, water distribution system and sewage collection system, separation of the water services from the electrical services.
Rationale for the P3/Expected Outcomes of the project: Cost savings and better service delivery, while maintaining
Community Involvement: This project is funded by all user fees and no tax dollars. There are monthly environmental meetings held, as well as quarterly meetings.
Sector: Water and Wastewater
Scope of the Facility: Operation and Maintenance of its water and wastewater treatment facilities, water distribution system and sewage collection system
Type of Partnership: Private-Public Partnership
P3 Structure: Private Operates and Maintains, Public owns assets and controls rates.
Agreement Terms: 5 years, December 2000, Town option to renew for an additional five years.
Procurement Process: RFQ – In which the Town received 8 responses, then an RFP in which there were 4 responses.
Names of Partners: USF Canada

Financial Structure: town owns the facility and there is a 5 year operations agreements with a provider that is renewal in 5 year increments.
Capital Invested: $40 - $50 million
Risk Transferred: USF Canada has assumed all maintenance risk for the assets, and instituted a state-of-the-art computerized maintenance regime.
Realized Benefits of the Project/Lessons Learned: Sharing of the risks, and access to expertise.
Status of the Project: Facility is operational.
Other Attributes: Operational efficiency will allow the expansion of services to clients outside the Town boundaries.
Other Information: The original staff of 8 municipal employees was transferred to USF and reduced, through attrition, to six. Four of these employees received substantial wage increases.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 16

Name/Title/Location of the Project: Ingersoll Recreation Services, Town of Ingersoll, Ontario
Community Profile: Town of Ingersoll islocated on Highway 401 less than 1-1/2 hours from Toronto's Pearson International Airport. Twenty minutes east of London, Ontario. Population 10,907
Description of the Project: operate and maintain recreation services.
Scope of Services/value of project: an arena, numerous parklands, an indoor pool and fitness centre as well as several baseball and softball diamonds.
Rationale for the P3/Expected Outcomes of the project: large deficit and public disputes, convinced town that a P3 would be in its best interest.
Community Involvement:
Sector: Recreation
Scope of the Facility:
Type of Partnership: public-private
P3 Structure: Operate and Maintain.
Agreement Terms: 5 year deal with RSI, with a guarantee of $125,000 per year to the Town and all previous employees of the Town were hired by RSI under the same collective agreement. Town gave RSI a yearly subsidy of $650,000.
Procurement Process: no competitive process was employed.
Names of Partners: RSI went bankrupt; Serco Facilities Management Inc. took over and created a new 5 year deal.
Financial Structure:

Capital Invested:
Risk Transferred: Private sector knowledge to streamline costs
Realized Benefits of the Project/Lessons Learned: not disclosed.
Status of the Project:
Other Attributes:
Other Information: Serco took over under same terms and conditions as RSI.
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 17

Name/Title/Location of the Project: Innisfil Recreation Services, Town of Innisfil, Ontario
Community Profile: On January 1, 1991, by virtue of the South Simcoe Act, the Township of Innsifil, a north section of the Township of West Gwillimbury, and the Village of Cookstown were amalgamated and incorporated as the Town of Innisfil. The County of Simcoe Act provided for further restructuring of Simcoe County on January 1, 1994 when the Village of Thornton was amalgamated with the Township of Essa and a small section of the Township of Essa, adjacent to Cookstown, was amalgamated with Innisfil. Innisfil has a population of 28,000
Description of the Project: Parks management
Scope of Services/value of project: 29 park, two arenas, numerous road ends for beach access and four community centers.
Rationale for the P3/Expected Outcomes of the project: Control costs while maintaining existing service levels.
Community Involvement:
Sector: Recreation
Scope of the Facility:
Type of Partnership: public-private
P3 Structure: Operate and Maintain
Agreement Terms: 5 year deal, transfer of workers from Town to Private firm RSI
Procurement Process: Proposal and contract. Only one potential bidder in Ontario when first deal was done.

Names of Partners: Initially RSI, until bankruptcy, then Serco Facilities management Inc.
Financial Structure: Serco paid $330,000 per year for five years.
Capital Invested:
Risk Transferred: Serco responsible to maintain service levels.
Realized Benefits of the Project/Lessons Learned: Pay less in management fees then when publicly operated.
Status of the Project:
Other Attributes: Estimated savings is $350,000 over the five years.
Other Information:
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 18

Name/Title/Location of the Project: Johnson Mariner Way Overpass, Coquitlam, BC.
Community Profile: Coquitlam is centred in the heart of the Lower Mainland on the West Coast of British Columbia, Canada, Coquitlam is just a 30-minute drive from downtown Vancouver, BC's largest city, and about 20 minutes from the US border. Coquitlam is strategically located at the geographic centre of the Lower Mainland, making the City an attractive place for residents, industries and a thriving retail sector. Coquitlam is bordered by the municipalities of Port Moody, Port Coquitlam, Burnaby and New Westminster, as well as the Fraser River to the south, Pitt River to the east and the Coastal Mountains to the north. Population in 2001 was 112,890
Description of the Project: design and build overpass
Scope of Services/value of project: highway overpass
Rationale for the P3/Expected Outcomes of the project: time and cost efficiencies
Community Involvement:
Sector: Transportation – Highways
Scope of the Facility: Overpass
Type of Partnership: Design – Build
P3 Structure: Private-Public
Agreement Terms:
Procurement Process: RFP – short listed 6 companies
Names of Partners: Peter Kiewit Construction

Financial Structure:
Capital Invested: $16 million
Risk Transferred: private vs. public way of doing business
Realized Benefits of the Project/Lessons Learned: substantial savings.
Status of the Project: Opened in 1997.
Other Attributes:
Other Information:
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 19

Name/Title/Location of the Project: Lanark Communications Network, located west of Ottawa
Community Profile: Lanark County is situated in Eastern Ontario, with the county seat located in Perth, Ontario. There are a number of engines driving the economy of Lanark County and each has been especially robust of late. Manufacturers are spread out throughout the County making products for global markets. They tout low costs of doing business, easy access to markets and a hard working workforce as their key advantages. Local merchants, contractors and service industries report growing opportunities as the County's population steadily increases. Tourism operators are welcoming ever increasing visitors tired of over-hyped over priced "big name attractions" and looking for fun-filled vacations for reasonable costs. Agriculture, forestry and mining remain key economic sectors as we conscientiously tap into the area's resources.
Description of the Project: Lanark wanted a high-capacity telecommunications network throughout the County.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project: Deployment of a wide area network
Community Involvement: 17 municipalities, now restructured into 9.
Sector: Other (Information Technology)
Scope of the Facility:
Type of Partnership: Design – Build – Operate
P3 Structure: not for profit (Lanark Communications Network {LCN}) Memorandum of Understanding with Bell Canada
Agreement Terms:
Procurement Process: LCN members include local school boards, hospitals, private companies and the county.

Names of Partners: LCN, Bell Canada, Nortel Networks, Autodesk Canada, Ontario Ministry of Energy, Science & Technology, Ontario Ministry of Agriculture, Food and Rural Affairs, Industry Canada, HRDC.
Financial Structure: Bell Canada $8.5 million, Autodesk Canada $1 million, Ontario Ministry of Energy, Science & Technology $1.5 million, Industry Canada $500,000, County and local municipalities $300,000 and the Ministry of Agriculture, Food and Rural Affairs $200,000.
Capital Invested: $12 million.
Risk Transferred:
Realized Benefits of the Project/Lessons Learned: Distance Education, Integrated medical records and remote diagnostics.
Status of the Project:
Other Attributes: Over 50 other communities have approached Lanark County to assist them with similar community networks.
Other Information: Bell Canada and Nortel are planning to develop an Integrated Community Network (ICN) Institute to train and certify ICN professionals.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 20

Name/Title/Location of the Project: Little Red River Cree Nation and Tallcree First Nations Forestry Project
Community Profile: **The Little Red River Cree Nation** inhabits two reserves: Fox Lake and John D'or Prairie. These reserves cover 60471 acres and are accessible by water. The reserves are home to 1680 aboriginal people with another 642 living off the reserves. The native language of these people is Algonquian Cree. Municipal services include water and sewer systems, a water truck, garbage collection, and a fire truck. Facilities available on the reserves include a band office, a fire hall, a recreation hall, various public works buildings, a community hall, schools, and teacherages. Economic activities include taxi services, gas bars, video store, laundromat, trucking, tow truck, confectionary and fur buying, farming, restaurant, native crafts, an airline, a sawmill, and logging.
Description of the Project: Little Red River Cree Nation and Tallcree first nations are working to regain control over their traditional lands in northern Alberta. They are doing this through a Cooperative Management Agreement (CMA).
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Other (Forestry)
Scope of the Facility: CMA calls for developing and implementing an ecosystem-based resource management strategy for sustainable development for a 30,000 square kilometer area of Northern Alberta
Type of Partnership:
P3 Structure:
Agreement Terms: Signed in 1995 this $5 million agreement is between the First Nations, the provincial and federal governments and High Level Forest Products, a private company in the area.
Procurement Process:

Names of Partners:
Financial Structure:
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned
Status of the Project: A high degree of participation by LRRCN and Tallcree community members is encouraged in all activities
Other Attributes:
Other Information:
Sources of Information: Traditional Knowledge Case Studies

Project # 21

Name/Title/Location of the Project: Merritt Truck Route, Merritt, BC
Community Profile: Merritt is easily accessed from the south via the Coquihalla Highway or by turning east of Highway 1 at Spences Bridge. From the north, it is 87km (52 mi.) south of Kamloops on the Coquihalla Highway. From either direction you pass through vast differences in scenery; from towering, craggy mountain peaks, heavily forested hillsides to rolling, grassy or desert like areas. A haven for the avid photographer or sightseer. Population: 6,253. Main Industries: forestry; mining; ranching.
Description of the Project: design and construction of a truck route, including a bridge to serve truck traffic between sawmills and the city.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Transportation – Roads
Scope of the Facility:
Type of Partnership: Private- Develop,Design,Build, Public- Conception,Finance, Operate, Manage, Ownership.
P3 Structure: P3
Agreement Terms:
Procurement Process:
Names of Partners: Urban Systems Ltd.

Financial Structure: Projected capital cost is $3.4 million.
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned:
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 22

Name/Title/Location of the Project: Norfolk Wastewater Treatment
Community Profile: The Rural Municipality of North Norforlk is located in central Manitoba. North Norfolk is easily accessible by the Trans Canada Highway, which runs right through the municipality. Provincial Trunk Highway 34 and Provincial Roads 242, 350 and 352 also service the municipality. Agriculture is, understandably, a prominent part of North Norfolk's economy. Yet, diversification in North Norfolk's economy is beginning to take place. The most prominent employer in the municipality is the Pine Creek School Division. The School Division employs approximately 216 local residents in various roles. Country Lane Candles, and Better Air, which specialize in wholesale candle manufacturing and the manufacturing of ventilation systems respectively, are other significant employers in the region. Both of these companies employ approximately 25 residents each. Mac's Rentals, specializing in excavating employs 20, and Rosehill Cabinets employs 10. Businesses will find locating to North Norfolk to be very beneficial. With its proximity to the Trans Canada Highway, and being approximately halfway between major markets in Winnipeg and Brandon, North Norfolk definitely has great location for the expansion or location of new businesses. Population of 3024.
Description of the Project: To tap the skills and business knowledge of the private sector while retaining ownership of their wastewater system assets. Saving money without compromising the environment, assets or service was also critical.
Scope of Services/value of project: Operations and Maintenance
Rationale for the P3/Expected Outcomes of the project: To improve cost savings and efficiency better than previously done under municipal management.
Community Involvement: Town of Norfolk
Sector: Water and Wastewater
Scope of the Facility: 13 wastewater treatment facilities, 43 pumping stations, related watermains and management of the biosolids land application program.
Type of Partnership: Operation and Maintenance
P3 Structure: Public-Private Partnership
Agreement Terms: 5 year deal, January 1998.

Procurement Process: Public-Private Partnership competitive process
Names of Partners: USF Canada Inc., Town of Norfolk
Financial Structure:
Capital Invested:
Risk Transferred: Gained private sector knowledge and experience.
Realized Benefits of the Project/Lessons Learned: Over $1million in savings are estimated yearly, which is 34% better than under municipal management.
Status of the Project:
Other Attributes: The record of environmental compliance has improved along with a better maintenance regime.
Other Information: Municipal staff got improved wages, benefits and advancement opportunities. A computerized maintenance management system was instituted along with aggressive preventative and predictive maintenance.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 23

Name/Title/Location of the Project: Nunavut Office building and housing units

Community Profile: Nunavut (the Inuktitut word for "our land") was created April 1, 1999 as a result of the Nunavut Land Claims Agreement. For millennia a major Inuit homeland, Nunavut today is a growing society that blends the strength of its deep Inuit roots and traditions with a new spirit of diversity. It is a territory that spans the two million square kilometres of Canada extending north and west of Hudson's Bay, above the tree line to the North Pole. With landscapes that range from the flat muskeg of the Kivalliq to the towering mountain peaks and fiords of North Baffin, it is a Territory of extraordinary variety and breathtaking beauty. With a median age of 22.1 years, Nunavut's population is the youngest in Canada. It is also one of the fastest growing; the 2001 population of just under 29,000 represents an increase of eight per cent in only five years. Inuit represent about 85 percent of the population, and form the foundation of the Territory's culture. Government, business and day-to-day life are shaped by *Inuit Qaujimajatuqangit*, the traditional knowledge, values and wisdom of Nunavut's founding people. Our 26 communities range in size from tiny Bathurst Inlet (population 25) to Iqaluit, the capital (population almost 6,000). Grise Fiord, the northernmost settlement, lies at 78 degrees North: the hamlet of Sanikiluaq in the Belcher Islands is actually further south than Ontario's northern border. None are accessible by road or rail; everything, from people to fuel to food, arrives by plane or sealift. This physical isolation accounts for the highest cost of living in Canada, reflected in prices throughout the Territory.

Description of the Project: 13,500 square-metres of offices and 250 housing units for employees, spread out among 11 Artic communities

Scope of Services/value of project: $130 million

Rationale for the P3/Expected Outcomes of the project:

Community Involvement: The Nunavut Construction Corporation (NCC) were done under budget and completed last March, one year sooner that had been projected. Most important was the way in which they were created and the impact they have on the local economy. Prior to this project, major construction companies would go into a community up North and end up with 10-15 percent of local hires. For this project they had 80% local people and instituted an apprenticeship training program. They were able to do things on a competitive basis but in a way so they involved the private sector of the North.

Sector: Housing/Office Building

Scope of the Facility: 13,500 square-metres of offices and 250 housing units for employees, spread out among 11 Artic communities
Type of Partnership: Public-Private
P3 Structure:
Agreement Terms: The 1996 partnering agreement for the four-year project came out of the land claims agreement that created Nunavut itself.
Procurement Process:
Names of Partners: Government of Canada, Nunavut Tunngavik Inc
Financial Structure:
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: http://www.ainc-inac.gc.ca/nr/ecd/ssd/otm23_e.html

Project # 24

Name/Title/Location of the Project: O'Connell Drive Elementary School, Porters Lake, Nova Scotia
Community Profile: Only minutes from Halifax/Dartmouth
Description of the Project: A pilot project preceding 39 schools built under the Province of Nova Scotia's P3 program.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project: To create the "school of the future" using leading edge technologies. The finished product became the standard for many of the school projects to follow in Nova Scotia.
Community Involvement: Design included input from the entire community; teachers, parents, and the school board.
Sector: Education
Scope of the Facility: School for 450 students, high-speed internet and internal network, multi-use community centre during school hours and after.
Type of Partnership: Public- Private Partnership (P3)
P3 Structure: Build – Lease – Operate – Transfer
Agreement Terms: Province announced it would enter into operating leases with the private sector for the use of the schools, keeping the cost of construction off balance sheet.
Procurement Process: P3 Process, successful bidder was Nova Learning.
Names of Partners: Nova Learning, Nova Scotia Department of Education, Oxford Properties Group
Financial Structure: Project cost was $8 million. Lease to the Province is for $59,000 per month including high-speed communication links valued at $7,300 per month.

Capital Invested: Project cost was $8 million.
Risk Transferred: Nova Learning maintains a long-term equity investment of more than 11% for the life of the agreement.
Realized Benefits of the Project/Lessons Learned: Province is responsible for operating costs.
Status of the Project: The government cancelled the P3 school program in the fall of 1999, citing the fact that it did not meet the criteria of “off-balance sheet” financing as an operating lease.
Other Attributes: Maintenance is contracted out to Oxford Properties Group, a private sector maintenance firm.
Other Information: At the end of the 20 year lease, the Province can buy the school at 50% of cost, renew the lease for 5 years (twice), or walk away.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 25

Name/Title/Location of the Project: (District of) Port Hardy Water Treatment Facility
Community Profile: Port Hardy is a welcoming community of just under 5,000 people who live at the northern end of beautiful Vancouver Island, at the heart of a wilderness paradise brimming over with recreational opportunities, for kayakers, bird watchers, canoeists, cyclists, divers, hikers, hunters, kayakers, fresh and salt water sports fishers. The list of important services that the District of Port Hardy provides to area residents includes water and sewage treatment, parks and recreation, fire protection, garbage collection, recycling, local roads, storm drainage and harbour management. This community is strategically located at a crossroad of marine, air and road networks, which serve the Mid Coast communities of Prince Rupert, Bella Bella, Bella Coola, Klemtu and Shearwater. Connecting Port Hardy to the Mid Coast, the province and the world are a well built highway, a bustling harbour in Hardy Bay, a deep sea port on Rupert Inlet, a regional airport run by Transport Canada and a regional BC Ferries terminal.
Description of the Project: The District wanted to explore better treatment options and financial partnerships with private expertise.
Scope of Services/value of project: $3.67 Million
Rationale for the P3/Expected Outcomes of the project: To deliver safe drinking water to the residents of Port Hardy.
Community Involvement:
Sector: Water & Wastewater Treatment
Scope of the Facility: Water treatment plant for 6,200 people. It has the capacity to deliver 10 million liters of treated drinking water per day.
Type of Partnership: Private-Public Partnership
P3 Structure: Design – Build – Operate
Agreement Terms: 20 year performance contract with EPCOR in 1999. Also, an additional five-year wastewater management contract for the sewer collection system and two treatment plants.
Procurement Process: Sole Sourcing

Names of Partners: EPCOR, Municipal Finance Authority, an intermediary leasing company.
Financial Structure: EPCOR agreed to design and build the facility for a price of $3.67 million with a 20 year fixed-price annual operating and maintenance fee of $600,000 (An additional $300,000 would be paid for annual financing charges). EPCOR also received a $1.8 million to upgrade the distribution system (under a separate contract, EPCOR will manage the wastewater system for 5 years) EPCOR Financed the construction upfront and were only paid upon completion of the project.
Capital Invested: $3.67 million plant construction.
Risk Transferred: EPCOR assumed all risks related to the financing and design and construction of the water treatment plant up to the point of commissioning. EPCOR also responsible for all technological performance and has underwritten the risks related to water quality regulatory changes over the first five years of the contract. The company provided a cost guarantee for the life of the contract.
Realized Benefits of the Project/Lessons Learned: Residents were happy with the lack of colour in the water from their taps – prior to the water treatment facility their water had the colour of tea. Port Hardy's ability to attract economic development has been enhanced. The District retains ownership of the infrastructure and control over the water rates. It has transferred the risk of providing high quality water to its private partner, and it has access to a great depth of expertise through EPCOR.
Status of the Project: build complete – maintenance ongoing
Other Attributes: According the British Columbia's Municipal Act – the public must have the opportunity to petition against any public financing project over five years in length. The contract must be advertised and be available during the counter-petition period of 30 days. If more than 5% object, then the project may be subject to a full referendum. – the mayor said that the District had enough funds so a referendum was not legally required. However, the public could have their say through a petition. Thus the counter-process was used. EPCOR held many meetings and a series of open houses to educate the public and address any concerns. Before each meeting every house hold received a newsletter full of information about the project. As a result, people knew exactly want they were faces with and when the counter-petition period was over the District had received only one objection.
Other Information: This new plant is now the model and standard for other similar projects in B.C. Either side of the deal can cancel the contact with a three year notice
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 26

Name/Title/Location of the Project: Quinsam Mine Expansion, Quinsam, BC

Community Profile: Quinsam is located on central Vancouver Isl., SW B.C., Canada, 25 mi/40 km SW of Campbell R.; iron mining
Description of the Project: Upgrade mining access roads and construct a new barge loading facility.
Scope of Services/value of project: roads and barge loader
Rationale for the P3/Expected Outcomes of the project: Joint savings, job futures
Community Involvement:
Sector: Transportation – Roads
Scope of the Facility:
Type of Partnership: Build – Finance – Operate – Transfer
P3 Structure: P3
Agreement Terms: 15 year agreement
Procurement Process:
Names of Partners:
Financial Structure: $6 million for construction of coal shed and barge facility, $3 million for paving and widening and strengthening of access road.
Capital Invested: $9 million
Risk Transferred:

Realized Benefits of the Project/Lessons Learned: part-time construction jobs, mine future
Status of the Project: completed in 1997
Other Attributes: Government supports this as they receive user fees from Mariubeni Corporation who uses the Quinsam mines.
Other Information:
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Project # 27

Name/Title/Location of the Project: Rocky Bay First Nation's Fisheries Unit
Community Profile: The Rocky Bay First Nation occupies the Rocky Bay Reserve which is located on Pitjitiwabik Bay on Lake Nipigon and covers 13.4 hectares. The reserve is home to 280 aboriginal people with another 209 living off the reserve. The native language of these people is Ojibway.
Description of the Project: The objective of the Fisheries Unit is to help First Nations people increase their understanding and control of and authority and responsibility of the waters which in turn will give them an economic basis for development and self-sufficiency.
Scope of Services/value of project: The Rocky Bay Fisheries Unit was created in 1993 to study the effect of fluctuating water levels in Lake Nipigon, the result of Ontario Hydro's fall-to-spring drawdown regime. The fisheries unit's work has expanded since 1993 to include tagging programs that study fish movement, and further studies on specific fish species and locations. Ultimately this will help the unit manage the fish resources of Lake Nipigon and surrounding inland waters.
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Economic Development
Scope of the Facility:
Type of Partnership:
P3 Structure:
Agreement Terms:
Procurement Process:
Names of Partners: Rocky Bay Community members, fishers (subsistence and commercial), non-aboriginal commercial fishers, the Lake Nipigon Advisory Board, Ontario Hydrop, and the Ministry of Natural Resources

Financial Structure:
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: Traditional Knowledge Case Studies

Project # 28

Name/Title/Location of the Project: Saskatchewan Multi-Party Training Plan, Northern Saskatchewan.

Community Profile: Northern Saskatchewan is made up of 6 communities, Candle Lake, GoodSoil, Ile a la Crosse, Prince Albert, Shell Lake, Waskesui Lake (PANP).

Candle Lake: Population: 543

GoodSoil: Goodsoil is located in Northwest Saskatchewan approximately 4 kilometers south of the Meadow Lake Provincial Park boundary and is approximately 80 kilometers east of Cold Lake, Alberta and approximately 90 kilometers west of Meadow Lake, Saskatchewan.

Ile a la Crosse: On a paved highway just 275 km from Meadow Lake, Ile à la Crosse is situated in a picturesque lake region. Fishing, trapping, logging and mining flourish around the major centres of Ile à la Crosse, Beauval, Buffalo Narrows and La Loche

Prince Albert: Prince Albert is the most northerly city in the province of Saskatchewan. It lies on the edge of the parkland region, where prairie gives way to lakes and wilderness in Saskatchewan's north, hence its slogan "Gateway to the North." Prince Albert is the 3rd largest City in Saskatchewan. Located in the broad valley of the North Saskatchewan River near the geographical center of the province where the agricultural prairie of the south and the rich forest belt of the north meet. Much of Prince Albert is built on the sloping south bank of the North Saskatchewan River while the north bank provides a spectacular view of mixed forest, typical of northern Saskatchewan.

Prince Albert functions as a service, retail and distribution centre for northern Saskatchewan's resource industries - mining, forestry and agriculture. It is anticipated that this function will continually be enhanced by increased northern resource development. A well developed highway system links Prince Albert with surrounding areas. The City is also the focal point for Northern Saskatchewan's railway network

Shell Lake: Shell Lake is in Saskatchewan, Canada - one of the most picturesque communities in the Parklands. It is surrounded by lakes, hills, forest and farmland. Here you can fish, swim, canoe, hike, go on horseback rides, take an overnight wagon trek, golf at our 18-hole course, try miniature golfing, or just relax at your campsite by the lake.

Location

- 1 km off of Hwy 3, adjacent to Memorial Lake.
- 135 km north of Saskatoon
- 90 km west of Prince Albert
- RM of Spiritwood #496

Population: 172 Waskesui Lake (PANP) Prince Albert National Park is located 200 km (120 miles) north of Saskatoon, Saskatchewan (pop: 200,000). It's open year around, but May to September is the most popular period. The village of Waskesiu, located on the shores of a lake bearing the same name, is the only community within the park's boundaries. Most of the facilities one would expect to find in a tourist town are located in Waskesiu, including souvenir shops, restaurants, hotels and motels, rental cabins, camping areas, a beach, tennis courts, and one of the most beautiful golf courses in the province.
Description of the Project: Many barriers to employment in the area so the Provincial government wanted to ensure that a training-to-employment initiative would capitalize on the expansion in the resource sector.
Scope of Services/value of project: Training, education and work placements
Rationale for the P3/Expected Outcomes of the project: The pooling of resources both financial (e.g. EI) and resource (e.g. Jobs required from multiple companies projections).
Community Involvement: Government of Canada, Province of Saskatchewan, Northlands College, HRDC, northern mining industry, Aboriginal Agencies,
Sector: Economic Development
Scope of the Facility: Finance and Operation
Type of Partnership: public, private and non-profit
P3 Structure: Finance and Operation
Agreement Terms: Two phases (phase 1-1993, phase 2-1998)
Procurement Process:
Names of Partners: Province, Federal Government, Aboriginal agencies, Northlands College, northern mining industry.
Financial Structure: Funding of $13 million over five years of implementation of Phase Two.

Capital Invested: Mining Industry provides $6.5 million, Federal Gov't provides $2.75 million, and Province provides $4.7 million. Gov't funding partly from EI funding, mining includes in-kind contributions like work placements and apprenticeships
Risk Transferred:
Realized Benefits of the Project/Lessons Learned: Better training-to-employment with shared knowledge and resources.
Status of the Project: To date, the partners have funded 1,500 training seats with 90% enrolled of Aboriginal ancestry.
Other Attributes: Average cost per training seat is $11,639.
Other Information: Cost savings have been achieved by reduced social assistance and EI spending, pooled resources among government agencies, in-kind donations from the mining industry and higher success rates from training due to work placements.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 29

Name/Title/Location of the Project: Sault Ste. Marie Innovation Centre.
Community Profile: Sault Ste. Marie, Ontario Canada is a bustling, progressive, modern and sophisticated city of over 80,000 people with all of the amenities of a much larger community. Situated at the midpoint between North Western and North Eastern Ontario and at the heart of the Great Lakes, it is the midpoint of Canada. Sault Ste. Marie is no further north than Ottawa or Montreal and is south of Edmonton and Calgary. It is on the Canada - U.S. border and is actually the starting point for the U.S. Expressway I-75 which winds uninterrupted through America to its eventual termination in Miami, Florida. Sault Ste. Marie is naturally gifted with one of the finest and most picturesque settings in North America
Description of the Project: The development of an Innovation Centre to encourage private sector expertise and government service improvements in the area using IT.
Scope of Services/value of project: Provide both IT consulting and solutions to public and private sector organizations throughout the Algoma District.
Rationale for the P3/Expected Outcomes of the project: It was already in development but got fast-tracked when Algoma Steel downsized in February 1999.
Community Involvement:
Sector: Other (Information Technology)
Scope of the Facility:
Type of Partnership: not-for-profit corporation.
P3 Structure: Service Contract.
Agreement Terms:

Procurement Process:
Names of Partners: EDS,
Financial Structure: Three revenue streams: 1-partnering in the sales of products and services; 2-business incubation in return for future revenues; 3-provision of office space to IT start-up, with three-year lease of escalating payments.
Capital Invested: The Centre received $1 million start-up grant from the City, $1.2 million from the Ontario Ministry of energy, Science & Technology, $300,000 from HRDC and several donations in-kind from EDS Canada.
Risk Transferred:
Realized Benefits of the Project/Lessons Learned: Goal is to be self-sustaining within two years.
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 30

Name/Title/Location of the Project: Slate Falls First Nation – Access Road
Community Profile: Slate Falls Nation community is located seventy-six (76) miles north of Sioux Lookout and is accessible by float plane during the summer and ski plane during the Winter. During spring breakup and fall freeze up, there are no planes coming into Slate Falls. This usually takes two to three weeks. The community of Slate Falls Nation has a population of approximately 120. A half of the population is under the age of 18. Slate Falls Nation is one of six new First Nation established under Six Nishnawbe Aski Bands Agreement between the Governments of Ontario, and the six Northwestern Ontario Bands. The Slate Falls Nation was recognized on April 15, 1985 as the Slate Falls Band #259 under the Indian act {revised 1985}. People have been living in the area of Slate Falls for two centuries. Members of the Osnaburgh House Indian Band established main camps there for managing surrounding traplines and hunting grounds in the 1700's. Eventually a community developed.
Description of the Project: The building of a 50 km road, which aimed to improve access to services, decrease cost of living and improve quality of life for the individuals in the First Nations Community.
Scope of Services/value of project: To build a 50 km road which would allow for year round access to the community, as well as would benefit the forestry company, because the improved infrastructure would allow them to extract timber from the area.
Rationale for the P3/Expected Outcomes of the project: Allows year round access to the community, and allows McKenzie Forestry to harvest timber south of Slate Falls**.**
Community Involvement: Short-term construction employment, and on-the-job training will be provided by the forestry company. Labour will be sourced from the local community. A project manager will be hired who will be responsible for the First Nations sections of the road, and will report directly to the First Nations Forestry Corporation.
Sector: Transportation - roads; training, employment and infrastructure
Scope of the Facility:
Type of Partnership: Public-Private
P3 Structure: Finance and operate
Agreement Terms:

Procurement Process:
Names of Partners: Partnering with McKenzie Forest Products, provincial and federal governments
Financial Structure: McKenzie Forest Products pays one-third capital cost and did planning, design and engineering. First Nation contributed funding towards the planning and negotiation phase, and pays its own costs for the north and south sections of the road.
Capital Invested:
Risk Transferred: Financial - planning, design and engineering costs borne by Forestry company, instead of being funded by government agencies or the First Nation.
Realized Benefits of the Project/Lessons Learned
Status of the Project: The project is on-going (scheduled for completion in the fall of 2004)
Other Attributes: First Nation will realize savings in the transportation of goods year round, but they could also see a reduction in welfare support, since the road will stimulate the economic infrastructure in the community.
Other Information: The major challenge was ensuring that the Provincial and federal assessment process was adhered to in a timely manner to allow construction to begin.
Sources of Information: Presentation by Indian and Northern Affairs Canada entitled Public Private Partnerships – Options for First Nations – TSAG November 19, 2003

Project # 31

Name/Title/Location of the Project: Sudbury District Energy Corporation, The Greater City of Sudbury.
Community Profile: The City of Greater Sudbury was formed on January 1, 2001, as recommended by the Report to the Minister of Municipal Affairs and Housing on Local Government Reform for Sudbury (November 1999). The new City represents the amalgamation of the towns and cities which comprised the former Regional Municipality of Sudbury (Sudbury, Capreol, Nickel Centre, Onaping Falls, Rayside-Balfour, Valley East and Walden), as well as several unincorporated townships (Fraleck, Parkin, Aylmer, Mackelcan, Rathbun, Scadding, Dryden, Cleland and Dill). Municipal amalgamation is another transformation through which the City has evolved. It is a history which began as a small railroad outpost in the late nineteenth-century and continued through several decades of rapid growth made possible by the region's vast mineral resources. The City of Greater Sudbury has matured into a diversified regional urban centre which has become the focus of technology, education, government and health services. The City of Greater Sudbury serves as the regional capital of northeastern Ontario. Located 390 kilometres north of Toronto, 290 kilometres east of Sault Ste. Marie, and 483 kilometres west of Ottawa, Greater Sudbury occupies a central location in Ontario at the convergence of two major highways, Highway 69 South and Highway 17 (Trans-Canada Highway). Surrounded by the raw beauty of the Canadian Shield, the region boasts many natural amenities and several provincial parks are within a short drive. The total population of the new City of Greater Sudbury is 155,219.
Description of the Project: To find a cost effective and environmentally responsible heating and cooling system, for downtown buildings with assistance from a private energy firm.
Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project:
Community Involvement: Private and public
Sector: Energy
Scope of the Facility: 11 private, commercial and government clients (buildings)
Type of Partnership: Design – Build – Finance – Own – Operate

P3 Structure: private-public-partnership
Agreement Terms: Split between the City and Toromont (created equal share of new firm – Sudbury District Energy Corporation {SDEC}).
Procurement Process: Expression of Interest
Names of Partners: Toromont Energy
Financial Structure: 20% equity interest from the City of Greater Sudbury. The City and Toromont equally share the operational costs and revenues.
Capital Invested: $15 million
Risk Transferred: Shared risks
Realized Benefits of the Project/Lessons Learned: reduced capital costs, more stable energy costs over the long term and a foundation for future economic growth in the downtown area.
Status of the Project: Completed, SDEC is moving onto other projects.
Other Attributes:
Other Information:
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 32

Name/Title/Location of the Project: Telehealth Ontario
Description of the Project: Operation of a new 24 hour, seven days a week telecare service in the 905 and 416 area codes, and then released to the rest of Ontario.
Scope of Services/value of project: 150 Registered nurses required at start.
Rationale for the P3/Expected Outcomes of the project: To ease burden on emergency rooms, after hours family doctors and to assist in self-care at home.
Community Involvement:
Sector: Healthcare –Service Delivery
Scope of the Facility:
Type of Partnership: Service contract- by RFP
P3 Structure: Service Contract
Agreement Terms: 4.5 year contract, with penalties for non-compliance.
Procurement Process: RFP
Names of Partners: Clinidata, MOHLTC
Financial Structure: Ontario budget is $45 million for telehealth.
Capital Invested: Northern Ontario pilot cost was $4.9 million.

Risk Transferred: The Ministry is responsible for promotion and evaluation of the service, but have penalties in place for service provider if non-compliance.
Realized Benefits of the Project/Lessons Learned:
Status of the Project:
Other Attributes: The Ministry is responsible for promotion and evaluation of the service.
Other Information: Used Northern Ontario trial to roll-out GTA trail, then will be implemented across Ontario.
Sources of Information: 100 Projects: Selected Public-Private Partnerships Across Canada.

Project # 33

Name/Title/Location of the Project: Thunder Bay Tournament Centre

Community Profile: The City of Thunder Bay is located in the centre of Canada and enjoys access to both eastern and western markets, as well as the American Upper Midwest. Thunder Bay (CMA) is Ontario's twelfth largest city and Canada's twenty-ninth largest.[1] The City features a highly-skilled industrial workforce and excellent educational and technical facilities. Thunder Bay also offers the prospective investor access to a metro population of more than 121,986 people and a regional trading area population exceeding a quarter of a million persons.

The City was developed from an amalgamation of the former Cities of Port Arthur(incorporated 1907) and Fort William(incorporated 1907)[2] and parts of the adjacent municipalities of Neebing and McIntyre Townships, in 1970. Today, Thunder Bay is a transportation hub, featuring one of Canada's largest port facilities, both major railways and the junction of the Trans-Canada Highway with the principal north-south routes from the Upper Midwest to the Gulf of Mexico. Natural resources provide the other major generator of local growth, primarily the forest industry, with growing significance in the value and range of mineral extraction activities in the region.

You may also hear about the "*Thunder Bay District*" or "*Thunder Bay Metro*". For clarification, the District of Thunder Bay includes other towns such as: Dorion, Geraldton, Kakabeka Falls, Kaministikwia, Longlac, Manitouwadge, Marathon, Murillo, Nipigon, Nolalu, Pass Lake, Red Rock and Terrace Bay. Metro Thunder Bay is considered the actual City of Thunder Bay, plus the seven outlying areas including the Townships of Conmee, Gillies, Neebing, O'Connor, Oliver & Paipoonge, Fort William First Nations and Shuniah.[3]

A distinctly multi-cultural community, Thunder Bay features a rich ethnic mosaic with strong roots in Europe. As a major regional centre, Thunder Bay offers a unique and rewarding lifestyle for both the resident and visitor. The City features better-than-average sports and recreational facilities and one of the continent's finest aquatic sports facilities. With its long history of affordable and high-quality housing, Thunder Bay features the highest percentage of single-detached home ownership in Canada. Also, housing prices in the City have consistently grown at below the national average.

Thunder Bay has the resources, the services, the facilities and the infrastructure to ensure a successful investment. As the regional growth centre for Northwestern Ontario, our City invites you to take advantage of Thunder Bay's "Superior Opportunities".

Description of the Project: 61,200 sq ft recreation complex consisting of a twin pad ice surface, dressing rooms, bar/lounge area, pro shop, snack bar, meeting rooms and workout rooms.

Scope of Services/value of project:
Rationale for the P3/Expected Outcomes of the project:
Community Involvement:
Sector: Recreation
Scope of the Facility:
Type of Partnership:
P3 Structure:
Agreement Terms: 30 year lease to City, the city owns the building, has access to a certain amount of ice time each week, tournaments are a priority. The operators of the centre assume all operating costs including taxes, in addition they must contribute $25,000 annually into a capital reserve fund to ensure the availability of money to fund facility equipment replacement in future years. With respect to rent, an annual percentage rent of 3.5% of gross revenues in excess of $833,333 or 4% of gross revenues in excess of $2 million (which ever is greater) is charged. Rent is to be paid quarterly and is in addition to the contribution to the annual capital reserve fund.
Procurement Process: unsolicited proposal
Names of Partners:
Financial Structure:
Capital Invested:
Risk Transferred:

Realized Benefits of the Project/Lessons Learned: Because the City owns the facility, the Hotel does not have to pay realty tax on the centre (reg 46/94 as amended, Section 210.1 Municipal act) something they would have to do had they owned the facility themselves. Therefore approximately $800,000 a year in taxes is removed from the private partner's operating budget. New event are coming to the city – therefore creating a positive economic impact for the city,
Status of the Project: complete
Other Attributes:
Other Information:
Sources of Information: Ministry of Municipal Affairs and Housing Public Private Workshop Binder

Project # 34

Name/Title/Location of the Project: Town of Espanola/Cambrian College Satellite Campus
Community Profile: Espanola is located one kilometre south of the junction at Highway 17 (the Trans-Canada) and Highway 6. This area, also known as the LaCloche Mountain Foothills, is located on the Canadian Shield and is surrounded by some of the most majestic wilderness found anywhere in the world. The closest major centre to Espanola is the City of Greater Sudbury, which is 75 km to the east. Population in 2001 was 5,449.
Description of the Project: Establish a satellite campus in Espanola to offer a new education and training program geared to the pulp and paper industry
Scope of Services/value of project: 3,500 square foot building – renovated building into the satellite campus
Rationale for the P3/Expected Outcomes of the project: Residents of Espanola and surrounding area would also enroll at the satellite campus and stay in the community to work in the pulp and paper industry, reduce the disruption or time away from the workplace for the manufacturer
Community Involvement:
Sector: Education
Scope of the Facility:
Type of Partnership: Public-Private
P3 Structure:
Agreement Terms: 10 years
Procurement Process:
Names of Partners:

Financial Structure: The municipality agreed to lend Cambrian College $40,000 at 6.25% interest to renovate the building to institution/educational facility standards as outlined in the Ontario Building Code. The college would lease the building ($2,000 inclusive + loan repayment) for 10 years. The college has negotiated an agreement with the manufacturer, who will fund a per-arranged number of students each year. Guaranteed enrollment figures secure the financing to cover future expenditures, operating costs and the loan payment plan of the satellite campus
Capital Invested:
Risk Transferred:
Realized Benefits of the Project/Lessons Learned: The benefits of establishing a satellite campus were three-fold. First the manufacturer, in guaranteeing a certain number of students per year, provided a steady level of enrollment and revenue stream for the college enabling it the cash flow necessary to repay the municipal loan. Second, the establishment of the program would build local capacity in the community which responded to a significant issue identified by the municipality, the retention of youth in the community. Town council wanted their residents, especially youth in the areas, to find opportunities in their own community. Third, the manufacturer was able to ensure that future workforce requirements would be met through training opportunities available at the local community college.
Status of the Project:
Other Attributes:
Other Information:
Sources of Information: Ministry of Municipal Affairs and Housing Public Private Workshop Binder

Project # 35

Name/Title/Location of the Project: COENET from the Township of Stormont, Dundas and Glengarry, Prescott-Russell and First Nations Mohawk reserve of Akewsasne Broadband access for the townships, libraries, educational facilities and business groups.

Community Profile: Township of Stormont, Dundas and Glengarry: The United Counties of Stormont, Dundas and Glengarry is the south eastern corner of Ontario, a region which extends more than 120 km east west along the St. Lawrence River from the Quebec border west to Prescott Ontario. SD&G extends more than 50 km north of the St. Lawrence River. Centred in the region is the friendly seaway city of Cornwall. This area is served by highway #401 which runs directly east-west through the region, highway #416 (Ottawa) at the west end of the region and highway #417 to Ottawa / Montreal to the east. It offer bridges to USA, easy access and travel to Ottawa airport, Dorval Airport, and port facilities in Cornwall and Iroquois. Population (1996) – 111,301 (including Cornwall)

Prescott-Russell: The following communities are a part of Prescott-Russell:

- Alfred Twp, Alfred Village, Caledonia, Cambridge Twp., Casselman, Clarence, East Hawkesbury, Town of Embrun, Hawkesbury, Longueuil, LOrignal, North Plantagenet, Plantagenet, Prescott & Russell, Rockland, Russell, St. Isidore
- South Plantagenet, Vankleek Hill, West Hawkes

The United Counties of Prescott and Russell are administered through a two level system of municipal government, that is to say the upper tier (United Counties) and the local tier (local municipalities).

The Counties comprise an area of approximately 2002 square kilometres located between the Regional Municipality of Ottawa-Carleton on the West and the Quebec border on the East. It is bounded on the North by the Ottawa River and on the South by the United Counties of Stormont, Dundas and Glengarry. There are eight local municipalities and a total population of 74,045 persons in 2000. Prescott and Russell's residents can travel to downtown Ottawa, downtown Montreal or the U.S. border in thirty minutes to one hour.

Akewsansne First Nation: The Mohawk Nation of Akwesasne is part of the Greater Mohawk Nation who presently live on a number of territories stretching along the Ottawa and St. Lawrence Rivers, by Lake Ontario and beyond, all the way to Brantford, Ontario, Canada. The territory called "Akwesasne" straddles the international boundary of Canada and the United States of America, and the national boundaries of two Canadian Provinces and the US New York State Line. There are three bodies of government within the territory of Akwesasne. The oldest, and the most Native in origin, is the Mohawk Nation Council. The St. Regis Mohawk Tribal Council has its roots in the 1802 legislature of New York State which created it. During 1899 Canadian legislation and the Department of Indian Affairs created what is presently known as the Mohawk Council of

Akwesasne. The Mohawk Nation Council views all of the lands of Akwesasne as well as all original Mohawk lands after the 1794 Treaty of Canandaigua as being one geopolitical territory. The St. Regis Mohawk Tribal Council views its area of political authority as being within Mohawk lands south of the Canada-United States Border, whereas the Mohawk Council of Akwesasne views the lands north of that border as being its area of political jurisdiction.
Description of the Project: The organization will use the funding to develop a comprehensive telecommunication infrastructure to provide broadband access for the townships, libraries, educational facilities and business groups. The project has just released it's RFP seeking an service provided.
Scope of Services/value of project: $1.2 Million
Rationale for the P3/Expected Outcomes of the project: This project is unique in the sense that this was not a municipality deciding to drive the project – but a private citizen. Brenda Wilson spent the past 7 years convincing council and residents of the communities involved that "being connected" was imperative to the growth and development of their communities. She championed this effort and is the founder and CEO of CEONET. The only way this project would and could be delivered is through a multi-party agreement with varying levels of government and a private ISP.
Community Involvement: Many meetings held to get community buy in and bring council on board for this project.
Sector: Other (Information Technology/Economic Development)
Scope of the Facility: There is no facility – this a for providing broadband applications
Type of Partnership: this is going to be set up as a Public – Private Partnership was the deal is negotiated in March of 2004.
P3 Structure: Can not be defined yet – the project has just released it's RFP seeking a service provider, CEONET is looking for a BDOT model to be the successful outcome.
Agreement Terms: No official agreement as of yet, however they are looking for a BDOT model, the municipalities have agreed to become customers to the network that will be developed
Procurement Process: RFQ, RFP

Names of Partners: Township of Stormont, Dundas and Glengarry, Prescott-Russell and First Nations Mohawk reserve of Akewsasne, Ontario Provincial Government (Superbuild)
Financial Structure: The deal hasn't been negotiated yet, however there is a grant of $1.2 million given from the COBRA (Connect Ontario – Broadband Regional Access) program under the Ministry of Enterprise, Opportunity and Innovation
Capital Invested: $1.2 Million
Risk Transferred: haven't negotiated with successful proponent yet
Realized Benefits of the Project/Lessons Learned: Lessons learned to date have been to make sure that you have a political champion to help support you along the process.
Status of the Project: RFP released February 6, 2004 and closed on February 20, 2004. Evaluation of proposal to conclude March 2004, and then negotiation with ISP.
Other Attributes: There were reservations from the communities to participate at first, the Smart City of Cornwall project which has failed was still fresh in their minds. With many meetings and open houses, CEONET have been able to have all communities fully support this project to move forward.
Other Information:
Sources of Information: www.ontariocanada.com/ontcan/page.do?page=5783

Project # 36

Name/Title/Location of the Project: Weyburn Recreation Services, Weyburn, Saskatchewan.
Community Profile: Weyburn is 75 km (46 miles) north of the American border at Fortuna, North Dakota via Highway #35. 116 km (71 miles) northwest of Weyburn lies Regina, the seat of Provincial Government, at the juncture of several major highways including the east-west TransCanada and major routes into Canada's north and Alaska. With a current City population of nearly 10,000, Weyburn sits astride three highways. Weyburn is situated near the headwaters of the Souris River, flowing southeast through North Dakota to join the Assiniboine River in Manitoba. Extensive flood control programs have created reservoirs, parks and waterfowl centres along the Souris River. The Soo Line Railway runs through Weyburn, connecting Western Canada's main rail lines at Moose Jaw with the American rail centres in Minneapolis and Chicago. Weyburn is also on the rim of the geological Williston Basin, one of the richest oil sources on the North American prairies. As one of the largest Saskatchewan cities near the Williston Basin's vast oil deposits, Weyburn has become an oilfield service centre. More than 600 wells operate in the immediate area.
Description of the Project: The transfer of recreation facilities to a private firm to manage.
Scope of Services/value of project: To outsource the complete services for two areas, an arts centre, an aquatic centre and a curling museum. This was a $1 million a year for 5 years outsourcing contract.
Rationale for the P3/Expected Outcomes of the project: Better management and cost controls
Community Involvement: Council and strong unions
Sector: Recreation
Scope of the Facility: Complete outsourcing of all recreation and cultural services in the Town of Weyburn.
Type of Partnership: Public Private Partnership
P3 Structure: Operations Agreement

Agreement Terms: Serco was paid $560,000 annually for their services. Additional revenue above a predetermined threshold is shared back to the City.
Procurement Process: unsolicited proposal
Names of Partners: Serco Facilities Management.
Financial Structure: $1 million operating costs with 50% recovery of operating costs, and a $500,000 operating subsidy, 5 year term which ended December 1999
Capital Invested: none – operating agreement only
Risk Transferred: operating loses when done the public sector way
Realized Benefits of the Project/Lessons Learned: Cost certainty and cost savings. Union issues were never resolved the project went ahead in spite of union opposing project and the project failed.
Status of the Project: Complete
Other Attributes: so successful the City is exploring other aspects of its business that it can do similar P3's to save more money and better services to public.
Other Information: The private sector company and the town thought that things were positive, and they were. The perception to the community was that money was leaving the community so when the 5 year renewal date approached they made it clear that they would not involve a private sector company again, union strength and determination had a lot to do with this outcome.
Sources of Information: Public-Private Partnerships – Canadian Project and Activity Inventory 1998 – by: The Canadian Council for Public-Private Partnership.

Appendix D - Project Questionnaire for Case Study

Background

P3 Advisors Inc. is retained by the Rural Secretariat to conduct research into the state of P3's in rural, northern and First Nation communities in Canada. The objectives of the study are to more fully understand how communities can utilize appropriate P3 mechanisms to improve the service delivery and infrastructure of their communities and region.

Some of the questions we are attempting to answer include:

- Current state of Public-Private/Public-Public Partnerships (P3's) in rural and northern and First Nation communities;
- How Public-Private/Public-Public Partnerships (P3's) can be used to address gaps in service delivery in rural, northern and First Nation communities; and
- How Public-Private/Public-Public Partnerships (P3's) can be used to address gaps in infrastructure in rural, northern and First Nation communities.
- What are the advantages, disadvantages and barriers of using public-private partnerships for rural, northern and First Nation communities?

As part of the data gathering process, we are conducting structured interviews with selected public sector officials who have been involved in a P3.

The report will provide the Rural Secretariat and provincial and territorial government partners with information for a national policy framework for rural Canada in order to provide an environment where rural communities have access to economic and social opportunities to improve the quality of life and self-reliance.

Definitions

For the purpose of this research project, rural communities were defined as small towns, communities or municipalities that are not adjacent to a major metropolitan area.

P3's are defined very broadly as the involvement of the private sector or the not-for-profit sector in the delivery of public infrastructure and/or services.

The Questionnaire

Not all the questions will be applicable or relevant, the focus should be on the ones that will bring most valuable in addressing the objectives of this research project.

Interview Date:	
Project name:	
Project location:	
Interviewee (s):	
Title (s):	
Coordinates:	

1. Why did you consider a P3 as an option for your project? Did you consider other ways of proceeding with the project?

2. What type of P3 is your project (BOOT, BDOT, etc)

3. How is the P3 deal structured (agent, special purpose vehicle)

4. What procurement process was followed (RFEI, RFQ, RFP, sole sourcing, unsolicited proposal, etc.)?

5. Were there any unions involved? YES NO

   If yes what were the challenges?

   How were union positions resolved?

6. Where there any political and/or community issues when P3 was being considered or implemented?

7. Give a high level description of the contractual agreement? Operations Agreement?

8. What were the sources for project funding? What was the subsidy structure, if any?

9. What are the operating costs? Does the project cover operating costs?

10. What is the term of the agreement and are there any renewals or reviews within the contract?

11. What in-house staff is (has been) required for the P3 project?

12. What external resources were used to assist in the P3 process? Did you budget for these resources and was the budget sufficient?

13. What policies, procedures and service levels are in place?

14. Was there a post completion report done on your project? Was project or community focused?

15. From a project perspective what are the benefits/risks and lessons learned?

16. From a community perspective what are the benefits/risks and lessons learned?

17. What were issues/challenges that have reduced the attraction to P3 projects in general or for a P3 project in particular for your organization? (e.g. Attitude of senior management or government body, Lack of documentation, Timescale involved, Likely cost, Management time, Policy to own assets and etc.)

18. Where you are or have been involved in a P3 project(s), what were the most difficult challenges you encountered (internal or external (e.g. provincial ministries or agencies, suppliers, financing etc.)

    If you have identified challenges, how did you deal with them?

19. What are the most important factors that would motivate you to consider using a P3 option for the delivery of services or infrastructure? (e.g. Third Party Revenue Enhancement, Access to financing to leverage exiting funds, Improved service levels, Improved risk profile, Desire to tap into private sector expertise, Real estate development, Better value for money, and etc.

20. If there was a discussion surrounding the implementation of a P3 project at your organization how would you describe the attitude of others within the organization to the proposed project? (Circle one)

1	2	3	4	5	6	7	8	9	10
Extremely negative				*Unconcerned*				*Extremely positive*	

21. What major service and infrastructure requirements/challenges do you anticipate for your organization within the next

    - 1-5 years
    - 5-10 years, and do you anticipate considering the use of P3 arrangements

22. In your view, what services would you see as valuable or necessary for your organization to undertake future P3 projects?

23. How well do you understand the direction of the Government (Provincial and or Federal) in regards to P3 projects and the benefits that could be realized? What can the different levels of government do to encourage and/or facilitate alternative financing solutions?

24. Is the current process (implicit or explicit) for initiating a P3 working? What type of improvements would you like to see?

25. What were the unique or increased challenges/risks/benefits of the P3 project related to its rural/northern or First Nation location?

26. Any other issues or comments that you would like to raise for discussion in relation to the use of P3s for the delivery of infrastructure or services?

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