



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

**A COMPILATION OF SOURCES
RELATING TO P3 CAPITAL INFRASTRUCTURE
FOR SCHOOL-RELATED PROJECTS**

In an effort to provide objective and nonpartisan analysis on the topic of Triple P capital development for school-related infrastructure projects, the following bulletin provides links to all websites and sources that were used to inform the recent presentation that was delivered to MSBA regional meetings on this important topic. All links were accessed in November, 2017 to ensure members' ability to retrieve information from these sites. MSBA cannot assure that all links will continue to direct browsers to the information that was used to prepare the fall regionals presentation. MSBA does not endorse or necessarily subscribe to any of the views or perspectives that are contained in the following sources.

GENERAL BACKGROUND DOCUMENTS

PPP CANADA:

English: <http://www.p3canada.ca/en/>

French: <http://www.p3canada.ca/fr/>

Helpful sections of this website include definitions of Triple P Capital and several resources relating to "how P3s work".

CANADIAN COUNCIL FOR PUBLIC-PRIVATE PARTNERSHIPS:

http://www.pppcouncil.ca/web/Knowledge_Centre/What_are_P3s_/Definitions_Models/web/P3_Knowledge_Centre/About_P3s/Definitions_Models.aspx?hkey=79b9874d-4498-46b1-929f-37ce461ab4bc

Website provides information and several publications relating to Triple P approaches in general, as well as for school-related infrastructure. The above link directs users of the website to the definition page, which includes the scale of public-private partnerships graphic that was included in the MSBA presentation.

CONFERENCE BOARD OF CANADA:

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=3431>

In January 2010, the Conference Board of Canada produced a report entitled "Dispelling the Myths: A Pan-Canadian Assessment of Public-Private Partnerships for Infrastructure Investments". This report is accessible on the Conference Board website but is available only to registered users.

Based on the report, the following table highlights a general comparison of conventional public procurement and P3 procurement. As referenced during the presentation delivered by MSBA, it is important for school boards in Manitoba to be aware that this provides general guidance and understanding only. Practice from jurisdiction to jurisdiction does and can vary.

TABLE 1		
Comparison of Conventional Public Procurement and P3 Procurement		
	Conventional Procurement	P3 Procurement
Process	Separate phases (Design, Finance, Build, Operate) procured separately in a “design-bid-build” model through a series of contracts at each juncture of the project.	All phases (two or more) are integrated to carry the project through from design to build to fixturing to operation – and several projects can be “bundled” in a comprehensive series of agreements.
Contracts	Short-term agreements for tendering specific phases of design, construction, FF&E (fixturing) and operation. Conventional builds utilize stipulated price contracts or construction management contracts with contracts for sub-trades.	Longer-term contracts covering the useful life of the asset, extending to 20 or 30 years, covering complete services and assuming risk. Include capital refresh sinking fund for ongoing maintenance.
Financing	Funded through public debt borrowing at government rates through the issuing of bonds. Limited to regular payments to contractors based upon work completed to date.	A substantial share of project cost is financed through project-specific equity and debt. Equity provided by consortium partners usually makes up less than 20 per cent of the project financing.
Contract Specifications	(Prescriptive Specifications) Public agency specifies the exact inputs required for the facility, but specific outputs or performance standards may not be spelled out in the contract.	(Performance Specifications) Deliverables are specified in terms of outputs, entrusting oversight to public partner. Specified outputs include functional design requirements, and operational standards.
Payment Schedule	Monthly payments are normally made to contractors based upon percentage of project completed. Up to 90 per cent of cost may be paid in monthly installments. Final payment paid upon delivery of project, after the builders’ lien holdback.	Private contractor expected to bear all the capital costs and paid only for defined assets or services upon project completion – in a performance-based contract.
Cost Controls	Award contracts to lowest bidders and highly dependent upon effectiveness of public oversight over costly design errors and change orders.	Close collaboration between design-build team at all stages minimizes costly design errors and change orders. Buildings designed more effectively by team to achieve cost efficiencies. Risk transferred to contractors better able to handle risk.

Source: Adapted from Conference Board of Canada, *Dispelling the Myths: A Pan-Canadian Assessment of Public-Private Partnerships for Infrastructure Investments* (Ottawa: Conference Board of Canada, January 2010), Table 1, p. 3.

The above table was referenced from a report by the Atlantic Institute for Market Studies “Reinventing the Building of Schools: The Real Legacy of Public-Private Partnership (P3) Schools in Nova Scotia”. Please see below for links to the report and other information produced by AIMS concerning P3 capital.

SYNOPSIS OF “PRO” ARGUMENTS:

MSBA’s presentation included a list of bullet point highlights summarizing “pro” side arguments in favour of Triple P capital. This synopsis of bullet points was also referenced in the report by the Atlantic Institute for Market Studies “Reinventing the Building of Schools: The Real Legacy of Public-Private Partnership (P3) Schools in Nova Scotia”. It should be noted that the author of the study, Dr. Paul Bennett, in turn cited this list of “pro” side arguments from a 1997 publication produced for the Government of Nova Scotia by Anderson Consulting Services titled “The Guide to Strategic Partnering”. A link to the AIMS report is included below.

SYNOPSIS OF “CON” ARGUMENTS:

MSBA’s presentation also included a list of bullet point highlights summarizing “con” side arguments against Triple P capital. This list of highlights was adapted from the “P3 School fact Sheet” produced by the Canadian Union of Public Employees. A link to this publication is provided below.

CANADIAN UNION OF PUBLIC EMPLOYEES:

<https://sk.cupe.ca/files/2013/04/P3-School-Fact-Sheet.pdf>

The above link directs users to the “P3 School Fact Sheet” developed in Saskatchewan by the Canadian Union of Public Employees. Bullet highlights concerning the “con” side of arguments against P3 capital development for schools was referenced from the “six issues to watch for” outlined within the fact sheet.

<https://cupe.ca/node/33119>

The link above directs users to a “Case Study: Alberta P3 Schools” compiled by CUPE in July, 2014. Webpage also contains links to CUPE’s summary analysis of, and full report titled “Private Profit, Public Loss: The Community Impact of Alberta P3 Schools”.

Brandon Sun Article:

“CUPE ‘Raising Red Flags’ about P3 School Model” (June, 2017).

<https://www.brandonsun.com/local/cupe-raising-red-flags-about-p3-school-model-430993033.html>

CANADIAN CENTRE FOR POLICY ALTERNATIVES:

Additional “con” side arguments were referenced from CCPA’s monitor publication (April, 2009) authored by Toby Sanger and Corina Crawley titled “The Problem with Public-Private Partnerships: Economic crisis exposes the high costs and risks of P3s”. A link to this publication is as follows:

<https://www.policyalternatives.ca/publications/monitor/problem-public-private-partnerships>

THE MANITOBA CONTEXT: CURRENT STATUS

GOVERNMENT OF MANITOBA NEWS RELEASES:

May 2 Announcement:

<http://news.gov.mb.ca/news/index.html?item=41451&posted=2017-05-02>

Backgrounder relating to Request for Proposal: http://news.gov.mb.ca/asset_library/en/newslinks/2017/05/BG-P3_RFP-ET-PR.pdf

August 2 Announcement:

<http://news.gov.mb.ca/news/?item=41941&posted=2017-08-02>

The above announcements relate to the issuance of a Request for Proposal by Manitoba to assemble a business case concerning Triple P Capital for school-related infrastructure.

TRIPLE P CAPITAL FOR SCHOOL-RELATED PROJECTS IN THE CANADIAN CONTEXT

NOVA SCOTIA:

Atlantic Institute for Market Studies:

MSBA’s overview of the experience of Nova Scotia was largely drawn from a report by the Atlantic Institute for Market Studies “Reinventing the Building of Schools: The Real Legacy of Public-Private Partnership (P3) Schools in Nova Scotia” by Dr. Paul Bennett (May, 2017). For access to the report, please visit the following websites.

Introductory webpage for report:

<http://www.aims.ca/books-papers/reinventing-the-building-of-schools/>

Link to report:

http://www.aims.ca/wp-content/uploads/2017/05/AIMS-17003_P3Legacy_MY0917-F1.pdf

Op-ed commentary by Dr. Bennett:

<http://www.aims.ca/op-ed/dispelling-p3-schools-myth-setting-record-straight/>

National Post Media Article:

“NS Government Inks \$50 Million Cheque to Developers to Buy 10 P3 Schools” (January, 2014).

<http://nationalpost.com/pmnn/news-pmn/canada-news-pmn/n-s-government-inks-50-million-cheque-to-developers-to-buy-10-p3-schools>

ALBERTA:

Government of Alberta:

PowerPoint Presentation re: “A new approach to building schools in Alberta” (June, 2012).

<https://open.alberta.ca/dataset/795dd97a-1e93-4d88-8233-147ed2c066be/resource/271577a7-ec27-4abc-952f-2ad3b42397c5/download/6576050-2012-06-new-approach-building-schools.pdf>

Canadian Consulting Engineer:

“School Design in the Era of P3s” (May, 2011).

<http://www.canadianconsultingengineer.com/features/school-design-in-the-era-of-p3s/>

“Alberta Receives Only One P3 Respondent for Building 19 Schools” (January, 2014).

<http://www.canadianconsultingengineer.com/buildings/alberta-receives-only-one-response-from-p3-partners-to-design-and-build-19-new-schools/1002862208/>

Canadian Journal of Green Building and Design:

“The Alberta Schools Alternative Procurement (ASAP): A new approach to building schools in Alberta” (Jan, 2011)



Alberta P3
article_Jan-Feb 2011a

Global News Article:

“Alberta Government Scraps P3 Funding Model for New Schools” (June, 2014).

<https://globalnews.ca/news/1401800/alberta-government-scraps-p3-funding-model-for-new-schools/>

Graham Construction Brochure:



Graham Brochure -
Association of Manitot

Please see pages 8 and 9 of the attached brochure for relevant information.

SASKATCHEWAN:

Leader Post Article:

“To P3, or not to P3: an Analysis of Saskatchewan School Funding Model (with Infographic and PDFs)” (January, 2014).

<http://www.leaderpost.com/analysis+saskatchewan+school+funding+model+with+infographic+pdfs/9344104/story.html>

CBC News Article:

“Regina P3 school rules limit classroom decorating, prohibit opening of windows for 1 year” (September, 2017).

<http://www.cbc.ca/news/canada/saskatchewan/saskatchewan-p3-schools-rules-decorating-1.4273050>

OTHER SOURCES

“P3 Innovation: The Canadian Model” (November, 2014), Public Sector Digest:

<https://www.publicsectordigest.com/article/p3-innovation-canadian-model>

“The Procurement of Public Infrastructure: Comparing P3 and Traditional Approaches” (2015), Lawrence National Centre for Policy and Management, Ivey School of Business, University of Western Ontario:

<https://www.ivey.uwo.ca/cmsmedia/1964203/comparing-p3-and-traditional-approaches.pdf>