Sharing the Canadian P3 Experience

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President and CEO

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Infrastructure Investment
The Global Challenge
Global Infrastructure Hub

$94 trillion
Needed Infrastructure Investment

$15 trillion
Expected Shortfall

Infrastructure Investment

• Drives Jobs
• Drives Productivity
• Drives Growth + Prosperity
• Drives Global Competitiveness

But some realities....
Infrastructure Challenge

Infrastructure Deficit

+ 

Fiscal Reality

+ 

Faster, Cheaper, Better

= 

Innovative Approaches
What is a PPP?
What is a PPP?

• Public-Private Partnerships are innovative collaborations between the public and private sector to build public infrastructure like roads, hospitals or schools as well as deliver services

• PPPs can be structured in different ways, allocating appropriate and varying degrees of responsibility and risk for design, construction, financing, maintenance, and operations to the private sector for periods of 25-35 years

• PPPs are fixed priced performance-based contracts which spell out the roles, responsibilities and accountabilities of both parties

• PPPs are publicly owned and publicly controlled
Procurement Spectrum

Degree of Private Sector Involvement

Degree of Private Sector Risk

Privatization

Concessions

Design-Build-Finance-Maintain-Operate

Design-Build-Finance-Maintain

Design-Build-Finance

Build-Finance

Design-Build

Design-Bid-Build

Traditional Procurement

PPP Models
Benefits of P3s

- Value for Money
- Risk Sharing
- Schedule-Certainty
- Cost-Certainty
- Lifecycle Maintenance
- Innovation
Canadian PPP Market
Canadian PPP Overview

25-Year History

279 Projects

$130.7+ Billion

Source: Canadian PPP Project Database
PPP Projects By Location

Federal: 12
## PPP Projects by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
<th>Value ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>81</td>
<td>58.5</td>
</tr>
<tr>
<td>Health</td>
<td>97</td>
<td>28.8</td>
</tr>
<tr>
<td>Energy</td>
<td>11</td>
<td>26.1</td>
</tr>
<tr>
<td>Justice</td>
<td>23</td>
<td>6.5</td>
</tr>
<tr>
<td>Education</td>
<td>14</td>
<td>3.1</td>
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<tr>
<td>Accommodations</td>
<td>10</td>
<td>2.5</td>
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<tr>
<td>Water &amp; Wastewater</td>
<td>19</td>
<td>2.0</td>
</tr>
<tr>
<td>Recreation &amp; Culture</td>
<td>15</td>
<td>1.3</td>
</tr>
<tr>
<td>Government Services</td>
<td>4</td>
<td>1.0</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279</strong></td>
<td><strong>130.7+</strong></td>
</tr>
</tbody>
</table>

*Includes only actual cost figures released after financial close. Source: Canadian PPP Project Database*
## PPP Projects by Jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial</td>
<td>214</td>
</tr>
<tr>
<td>Municipal</td>
<td>52</td>
</tr>
<tr>
<td>Federal</td>
<td>12</td>
</tr>
<tr>
<td>Indigenous</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279</strong></td>
</tr>
</tbody>
</table>
P3 Economic Impact
Canadian P3 Results

• On Time (13% Faster)
• On Budget (Up to $27B in savings)
• P3s deliver projects 1-Year on average quicker, which adds an additional $11B in value

Every year on average, Canada’s P3 portfolio supports:
• $14B in Economic Activity
• 115,000 job years
• $5B of additional wages
• $4B of combined federal/provincial tax revenue
P3 Public Perceptions
2017 Survey

67% Canadians support P3s
P3 Success Factors
P3 Success Factors

• Committed Governments
  ▪ P3 Champions
  ▪ Consistent Deal Flow

• Dedicated P3 Procurement Agencies
  ▪ Private and Public Sector Expertise
  ▪ Practice Makes Perfect
  ▪ Standardized Processes and Documentation

• Strong Legal Framework
P3 Success Factors

• Value for Money
  ▪ Performance-based Contracts
  ▪ Appropriate Risk Transfer
  ▪ Built-in Lifecycle Maintenance

• Procurement
  ▪ Competitive
  ▪ Efficient
  ▪ Transparent and fair

• Deep Financing Markets

• Labour Transition Practices
Investing in Canada: The Long-Term Infrastructure Plan
Investing in Canada

- Federal Government
- Provincial/Territorial Governments
- Canada Infrastructure Bank
Canada – A P3 Investment Destination

• Strongest P3 market in the world
• Attracts global P3 players
• Competitive, transparent, fair, predictable procurement
• Local knowledge a competitive advantage
Taking Canadian Expertise Abroad

Canadian firms with P3 experience are growing their global footprint:

• Project management
• Consulting engineering
• Construction services
• Public-sector advisory
• Financial services
• Legal advisory
26th Annual Conference

November 5-6, 2018
Sheraton Hotel and Conference Centre
Toronto, ON

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