SaskBuilds Overview

- Leads the delivery of large and complex infrastructure projects for public sector clients
- Leads long-term integrated capital planning for government
- Drives public procurement modernizing across government
SaskBuilds Overview

Mandate includes driving innovation in infrastructure financing, design and delivery, including public-private partnerships (P3s) and other alternative financing models.
Picking the right tool for the job

SaskBuilds undertakes a Procurement Options Analysis to identify the most effective and efficient procurement model for major projects.

• Objective is to secure best value for the people of Saskatchewan.
Procurement Options Analysis

Steps to complete Procurement Options Analysis:
1. Market sounding
2. Qualitative assessment
3. Quantitative analysis (risk workshop)
4. Value for money assessment
Recent Transportation Projects

Warman & Martensville Interchanges Project
Design-Build

Regina Bypass Project
Design-Build-Finance-Operate-Maintain
Warman & Martensville Interchanges

• Construction of two overpasses, associated on and off ramps and 9 km of new 4 lane highway

• Benefits:
  • Improve safety for two growing communities located north of Saskatoon
  • Improve efficiency of moving goods on provincial highway network

• Procurement Options Analysis determined **Design-Build** to be the optimal delivery method
Regina Bypass Project

- Largest transportation infrastructure project in Saskatchewan’s history
- Saskatchewan’s first transportation P3
  - Procurement Options Analysis determined the Design-Build-Finance-Operate-Maintain model to be the optimal delivery method
- Benefits:
  - Improve safety
  - Reduce traffic congestion
  - Improve connectivity
  - Allow for future development

Diverging Diamond Interchange
Regina Bypass Project

By the numbers:
• 12 overpasses
• 40 kms of new 4 lane highway
• 20 kms of resurfaced 4 lane highway
• 55 kms of new service roads
• Twinning of 5 kms of existing highway

P3 contract value:
$1.88 billion
Saskatchewan P3 Model

• “Made in Saskatchewan” approach
  • Learned from other jurisdictions
• Used best practices from:
  • Ontario
  • Alberta
  • British Columbia
  • United Kingdom
P3 Assessment

- Regina Bypass ready 6+ years faster
- **Better** public safety, quality of life, and long-term maintenance ensuring “like-new” condition for 34 years
- **Lower cost** - $380 million compared to traditional approach
Benefits of Private Financing

• Short-term flexibility
  • no upfront costs; costs spread out over time like a mortgage
• Risk Transfer
• Innovation
• Performance-based contract
  • 30-Year Warranty on Infrastructure (Quality)
  • 30-Year maintenance/rehabilitation period
• Government has ownership of infrastructure
## Risk Transfer

- Allocate risks to the party that can most effectively and efficiently deal with it.
Other Saskatchewan P3s

- Swift Current Long-Term Care Centre
  (The Meadows)
- Joint-Use Schools Project
- Saskatchewan Hospital
  North Battleford
Policy Considerations

• Governance
  • Project
  • Ministry/department

• Accountability & public reporting
  • Financial reporting
  • Public documents
  • Technical briefings

• Community benefits
  • Local supplier engagement
  • B2B

• Auditor recommendations
Political Considerations

- Public acceptability
  - Buy in
  - Familiarity
  - International company involvement
- Telling the story
  - Benefits of P3s
  - Risk transfer
  - Explain why asset is being built
Lessons Learned

Governance

- Clear understanding of, at all levels:
  - Roles
  - Responsibilities
  - Decision-making thresholds/authorization
  - Reporting
Questions?