

Partnerships British Columbia Inc.

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on Partnerships British Columbia Inc. contact:

Suite 1220 - 800 West Pender Street
Vancouver, B.C.
V6C 1J8
(604) 806-4168

Or

Suite 300 - 707 Fort Street
Victoria, B.C.
V8W 3G3
(250) 475-4668

Or visit our website at
www.partnershipsbc.ca

Board Chair Accountability Statement



The 2020/21 – 2022/23 Partnerships BC Service Plan was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 11, 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Partnerships BC’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of Partnerships BC’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, appearing to read 'Dana Hayden', written in a cursive style.

Dana Hayden
Board Chair

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crown corporations are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crown corporations will contribute to:

- The objectives outlined in the government's newly released A Framework for Improving British Columbians' Standard of Living,
- Implementation of the Declaration on the Rights of Indigenous Peoples Act and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crown corporations will ensure that equity is reflected in their budgets, policies and programs.

Partnerships BC is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole Shareholder, the Minister of Finance. It is incorporated under the *British Columbia Business Corporations Act*.

Partnerships BC advises clients how best to plan, procure and deliver public infrastructure projects to foster innovation and quality, address key service needs and to manage projects to be on time and on budget, using a variety of procurement models. When delivered on time and within the capital and affordability ceilings, governments are able to make their planned investments in critical public services more effectively.

Partnerships BC's strategic direction and mandate have been set by its Shareholder, as per the Crown's 2020/21 Mandate Letter. In January 2018, cabinet directed the Ministry of Finance to review Partnerships BC's mandate. The current corporate goals reflect Partnerships BC's renewed mandate to ensure it is meeting Shareholder and client needs.

As outlined in the 2020/21 Mandate Letter from the Minister of Finance, Partnerships BC will focus on three strategic priorities in the coming year:

- Continue to provide support for government priorities as they relate to capital projects including, but not limited to, affordable housing, CleanBC, the Wood First Act and increasing childcare spaces.
- Review and update the agency's service plan goals, objectives, strategies, performance measures and financial forecasts to ensure alignment with the recommendations from the review of Partnerships BC's mandate and procurement methodology.
- Continue to enhance the understanding of project owners in government and other stakeholders of best practices in capital planning and procurement, help improve communication among these parties and better understand stakeholders' needs.

Partnerships BC has relationships with clients in B.C. including: the Ministries of Transportation and Infrastructure, Health, Public Safety and Solicitor General, Education, Tourism, Arts and Culture and Advanced Education, Skills and Training, along with the provincial health authorities, school districts

and several B.C. Crown corporations. While the focus of Partnerships BC is British Columbia (government) based work, when resources allow, Partnerships BC also offers services to clients outside of the provincial government including local governments, other provinces and the federal government.

In support of the Provincial government’s priority to incorporate community benefits into major infrastructure projects, Partnerships BC is working with the Ministry of Transportation and Infrastructure and BC Infrastructure Benefits Inc. (BCIB) on projects to incorporate this approach. To date, these projects are the Pattullo Bridge Replacement, Broadway Subway and Kicking Horse Canyon – Phase 4.

Vision

To improve people’s lives and communities through infrastructure.

Mandate (Mission)

Working with owners to deliver complex public infrastructure in an evolving world.

Values

People First

- Our team and clients are at the forefront of all decisions
- Focus on learning and continuous improvement

Integrity

- Honest, reliable and ethical. Accountable in everything we do

Collaboration

- Through dedicated teamwork, we respond effectively to the needs of our clients

Partnerships BC is aligned with Government’s key priorities:

Government Priorities	Partnerships BC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Complex provincial infrastructure projects delivered on budget (i.e., within the projects’ capital and affordability ceilings) and within the agreed upon procurement schedules. (Goal 1, Objectives 1.1 and 1.2)
Delivering the services people count on	<ul style="list-style-type: none"> • Meet procurement objectives associated with complex infrastructure projects that provide much-needed services for the citizens of B.C. (Goal 1)
A strong, sustainable economy	<ul style="list-style-type: none"> • Provincial capital project procurements contribute to job creation and thereby support a strong and sustainable economy. (Goal 1)

Operating Environment

Since its inception in 2002, Partnerships BC has participated in 57 projects with a cumulative capital investment of approximately \$19 billion. Of these, eight projects with a total capital investment of \$2.2 billion were undertaken for governments in Canada other than the government of BC. In fiscal 2019/20 Partnerships BC supported the procurement of eleven projects, three of which reached final project agreements. Planning for next fiscal year indicates Partnerships BC will likely work on fifteen projects in procurement.

The future outlook for complex capital projects in B.C. remains strong, and there is potential for a significant project flow in the coming years with the federal government's continuing and new infrastructure funding programs. While the number of projects remains strong, BC has experienced a new trend whereby fewer bids per project are submitted than in the past and those proponents that do bid are more risk averse. Partnerships BC continues to examine innovative procurement models to deal with the challenge of fewer bidders and related market dynamics.

During the past twelve months Partnerships BC has welcomed twelve new staff members (accounting for 30% of its workforce) to the organization. Understandably there is an accompanying transition time for these new team members to fully immerse themselves within their job roles and responsibilities. Partnerships BC has a sound foundation of long-term team members who will provide guidance to new staff during their integration period.

Performance Plan

Partnerships BC acts as an interface between public sector entities and private sector companies in the procurement and delivery of complex capital projects. Partnerships BC's services include:

- Project planning
- Concept plan and business case development
- Procurement advice and management
- Design and construction oversight
- Contract administration
- Project communications support

Goal 1: Planning and procurement associated with complex infrastructure projects supports government priorities

**Goal 1 modified to reflect the 2021 Mandate letter priorities as outlined by the Minister of Finance

Objective 1.1: Achieve agreed-upon project procurement schedules

Key Strategies:

- Use effective processes and contractual requirements to meet project procurement schedules under various partnership models.
- Use of appropriate governance models throughout the project procurement process.

Performance Measure	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1 Each project is delivered based on the agreed upon procurement schedule	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

Linking Performance Measures to Objectives:

- 1.1 Partnerships BC closely tracks each project procurement process to help achieve procurement schedule targets.

Objective 1.2: Meet capital and affordability ceilings and achieve value for money for projects

Key Strategies:

- Promote robust market competition for project procurement under various partnership models.
- Develop risk-based cost analysis for projects at the Business Case stage and update as necessary prior to release of the Request for Proposals (RFP).

- Implement procurement processes that deliver projects within established capital and affordability ceilings.
- Develop a library of lessons learned with respect to planning, procurement, design development, construction, commissioning and operations.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2a Each project that reaches financial close is within capital and affordability ceilings	Achieved	Continue to achieve	Continue to achieve	Continue to achieve	Continue to achieve
1.2b Achieve value for money at financial close ¹	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

¹Value for money is the risk-adjusted difference in present value dollar terms between the partnership and traditional delivery models costs. Not all benefits are captured in a value for money number. Examples of such benefits include early completion and delivery of associated services to the public or improved long-term service outcomes (e.g. better clinical outcomes in a hospital).

Linking Performance Measures to Objectives:

- 1.2a Partnerships BC works with client ministries to develop comprehensive risk-based capital and affordability ceilings, with the objective that proponents' financial proposals can be delivered within these ceilings. Delivering projects on or under these ceilings contributes to Governments' ability to effectively make planned investments in other critical public infrastructure (e.g., minimizes need for reductions or deferrals of other projects to accommodate project cost increases).
- 1.2b Partnerships BC recommends the procurement model that optimizes value for money, which ensures effective allocation of public financial resources to address service needs.

Objective 1.3: Maintain fairness and transparency in project procurement processes

Key Strategies:

- Initiate innovative procurement processes and contracts, and work with clients and the market to achieve procurement objectives.
- Publish fairness advisor reports that assess the fairness of the procurement process.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.3 Clean Fairness Advisor report where size and scope warrants fairness review	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

Linking Performance Measures to Objectives:

- 1.3 Fairness Advisor reports are created for both the Request for Qualifications (RFQ) and Request for Proposals (RFP) phases. The reports help strengthen market confidence in Partnerships BC-led procurements, contributing to strong market competition and improved pricing and value for projects. A clean fairness advisor report would comment positively on the treatment of participants, application of evaluation criteria, fairness and transparency.

Objective 1.4: Support government priorities**Key Strategies:**

- Partnerships BC will continue its inclusion of Wood First Act within its procurement documents.
- Seek opportunities to include Indigenous Peoples and businesses through the procurement process.
- Within business case planning phase, ensure energy efficiency and/or low carbon options are analyzed unless otherwise directed by government.
- Work with the Ministry of Finance on joint business case guidance.
- Work with the Ministry of Finance to develop appropriate qualitative criteria that are applicable to all projects for inclusion in the Capital Asset Management Framework (CAMF).
- Work with the Ministry of Finance to develop an understanding of GBA+ and incorporate in the procurement process, where appropriate.

Goal 2: Deliver value to our clients and engage stakeholders**Objective 2.1: Promote strong market participation****Key Strategies:**

- Consistently engage with market participants.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1 Competitive procurements	Two procurements did not receive at least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage

Linking Performance Measures to Objectives:

- 2.1 Public sector clients receive the best value through robust market participation and competition. Partnerships BC targets a minimum of four capable respondents in each capital project procurement.

Discussion:

Many factors affect the ability to successfully achieve procurement schedule targets including: changing government priorities, client timelines, external economic environment, market capacity, stakeholder engagement and election cycles at all levels of government.

Objective 2.2: Maintain client satisfaction**Key Strategies:**

- Partnerships BC will continue to conduct client surveys to measure satisfaction with Partnership BC's services. Performance will be compared to the 2015/16 baseline of 80 per cent satisfaction.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.2 Client satisfaction	N/A ¹	Achieve 85% client satisfaction or higher	N/A ¹	Achieve 85% client satisfaction or higher	N/A ¹

¹The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

2.2 As a service-driven organization, maintaining a high level of client satisfaction has proven to be a key driver of our year-over-year success as evidenced by many of our repeat clients. The survey measures staff expertise, quality of results, and the value added by Partnerships BC's participation.

Objective 2.3: Maintain stakeholder satisfaction**Key Strategies:**

- Implement a stakeholder engagement program that uses a range of methods to gather and respond to feedback. Examples include surveys, market outreach sessions, meetings and briefings, workshops and information sharing events, conferences and business-to-business networking sessions.
- Execute effective stakeholder outreach and engagement in procurement practices.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.3 Stakeholder satisfaction ¹	N/A ²	Greater or equal to 2016/17 survey results of 83.3%	N/A ²	Maintain or improve upon previous survey's performance	N/A ²

¹The client and stakeholder satisfaction ratings have a standard error of +/- 8 per cent at the 95 per cent level of confidence. Partnerships BC has a limited number of clients and stakeholders, and as a result, the percentage satisfaction rating may fluctuate from year to year.

²The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

- 2.3 Our work impacts a large number of stakeholders. Effectively engaging our stakeholders improves their understanding and involvement in our projects and infrastructure development. The survey measures trust, willingness to listen, and open and transparent processes.

Goal 3: Maintain a responsive and resilient organization

Objective 3.1: Be financially self sufficient

Key Strategies:

- Actively assess revenue-generating opportunities through the development and application of Partnerships BC's business development plan. The plan identifies key strategies and tactics necessary to ensure the agency maintains financial self-sufficiency.
- Create an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across the agency.
- Diversify revenue sources throughout the three main sectors: Transportation and Utilities, Health Care and Accommodations with no one sector accounting for less than 25 per cent of total revenues.
- Increase or expand support to governments on complex infrastructure projects and other government priorities.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1a Self sufficiency	Achieved	Expect to achieve net income target of \$0.30M	Expect to achieve net income target of \$0.60M	Expect to achieve net income target of \$0.91M	Expect to achieve net income target of \$0.95M
3.1b Each sector will contribute at least 25% to work fees revenue ¹	New measure for 2019/20	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

¹Transportation and Utilities, Health Care and Accommodations.

Linking Performance Measures to Objectives:

- 3.1a Partnerships BC secures fee-based project work within and outside the B.C. Government to support its operations and thereby achieve financial self-sufficiency (Partnerships BC does not receive any annual operating grants from the Government of B.C.).
- 3.1b Partnerships BC will strive to diversify revenues sources by setting a target of at least 25 per cent of total revenues from each of the three major sectors – Transportation and Utilities, Health Care and Accommodations. This is a new measure that will be refined over time.

Objective 3.2: Provide a workplace that promotes employee engagement and satisfaction**Key Strategies:**

- Promote strong teamwork and open communication amongst all staff members and provide significant learning opportunities.
- Measure employee satisfaction through surveys, with a target of 80 per cent satisfaction. Partnerships BC conducts an employee survey every two years through anonymous feedback and a third-party service provider. The employee satisfaction survey and employee retention are instrumental in ensuring the continuity of project success.
- Improve staff retention and develop employee skills and satisfaction through professional development.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.2 Employee satisfaction survey with a goal to achieve 80% or higher rating ¹	NA	Expect to achieve	N/A	Expect to achieve	N/A

¹The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

- 3.2 Partnerships BC works in a knowledge management industry, and the agency's most important asset is its employees. Employee satisfaction supports continuity on projects and knowledge transfer to new employees. A well-managed agency supports employee development and provides growth and challenging opportunities. Partnerships BC measures employee satisfaction through job satisfaction and commitment using a standardized survey used by other ministries and crown agencies. The survey measures outcomes in various areas including teamwork, professional development and job suitability.

Financial Plan

Summary Financial Outlook

(in millions of dollars except FTEs)	2019/20 Budget	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenues				
Fees for Service	8.12	9.02	9.96	10.26
Other Revenues	0.39	0.39	0.40	0.41
Project Recoveries	2.00	1.90	1.91	1.93
Total Revenues	10.51	11.31	12.27	12.60
Total Operating and Recoverable Expenses				
Human Resource Costs	6.45	6.95	7.55	7.78
Professional Services	0.27	0.28	0.29	0.29
Administration	1.30	1.34	1.38	1.41
Corporate Relations	0.06	0.06	0.06	0.06
Amortization	0.13	0.18	0.17	0.18
Project Recoverable Expenses	2.00	1.90	1.91	1.93
Total Expenses	10.21	10.71	11.36	11.65
Annual Surplus	0.30	0.60	0.91	0.95
Total Long-Term Debt	-	-	-	-
Number of Full Time Equivalents (FTEs)	36.8	40.4	40.4	40.4
Accumulated Surpluses	18.48	19.08	19.99	20.94
Capital Expenditures	0.17	0.07	0.30	0.09
Dividends/Other Transfers	-	-	-	-

Summary of Key Assumptions

The budgeted financial information for fiscal years 2020/21 to 2022/23 was prepared based on the following assumptions and direction from the Shareholder:

1. FTEs information is as at fiscal year-end and is subject to change if there are changes to current and likely engagements. This staffing complement will allow Partnerships BC to maintain its core competencies and will also provide the Government of B.C. with sufficient expertise to focus on its current and future capital projects.
2. There is no increase to Partnerships BC's charge-out rates to provincial clients in fiscal years 2020/21 to 2022/23.
3. Operating expenses for fiscal years 2020/21 to 2022/23 are developed based on a zero-based budgeting exercise.
4. Capital expenditures for 2020/21 to 2022/23 are predominantly for network and employee computer hardware requirements. Computer software licenses are renewed annually and are disclosed as administration costs.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

[Partnerships BC Board of Directors](#)

[Senior Management Team](#)

Organizational Overview

[Partnerships BC Governance Principles](#)

[Organizational Overview](#)