

## ANNEX F - KEY STEPS IN P3 POTENTIAL ASSESSMENT

- The key steps developed in assessing a project for P3 potential include:
  - A P3 Screen - typically undertaken on projects with an asset value of \$75M or more and a useful life of 15+ years, for all asset classes under PSPC's custody and other department's managed project/assets. The screen is adapted from the former PPP Canada's Federal P3 Feasibility Screen and takes into consideration elements such as asset type, value and lifecycle, opportunity to transfer risk, innovation, private sector capacity, O&M requirements, potential for revenue generation, etc.
  - A Procurement Options Analysis / P3 Business Case to undertake a qualitative and quantitative analyses of a range of infrastructure asset procurement models and related risks and recommend an optimal model on the basis of demonstrable public benefits, and the a risk-adjusted comparison of the costs and benefits of different procurement options (Value for Money (VfM)) for the public sector.
  - Qualitative assessment is largely based on project characteristics, intangible/non-financial project benefits, as well as the desired strategic outcomes outlined by the Project Sponsor.
  - Quantitative is largely based on risk and financial modeling of different procurement options, including at a minimum a Crown delivery option (traditional) and a PPP option (Design-Build-Finance-Operate-Maintain or a combination of these elements) to assess whether the PPP option provides Value-For-Money compared to traditional approach.
- Market Sounding/Request for Information may also be conducted to assess market capacity, capability, and interest to undertake the project.
- Integrated Recommendation to proceed, or not, with a P3 taking into consideration results of the analysis and lessons learned from previous P3 Projects.