

**BUSINESS CASE REQUEST FOR PROPOSALS
FOR NEW SCHOOL CONSTRUCTION**

The province of Manitoba, in collaboration with the Public Schools Finance Board, has released a competitive request for proposals (RFP) to develop a Public Private Partnership (P3) business case and financial advisory services for constructing four new schools with a total value of over \$100 million.

The RFP is to engage an advisor to develop a business case to determine whether there is value for money in using a Design-Build-Finance-Maintain (DBFM) P3 construction methodology versus the traditional Design-Bid-Build method. The RFP includes determining the optimal P3 methodology for project, preparing the market sounding, consulting with stakeholders as required, and developing the Public Sector Comparator and Shadow Bid.

P3s are a performance-based approach to procuring public infrastructure where the private sector assumes a major share of the risks in terms of financing and construction, and ensuring effective performance of the infrastructure, from design and planning, to long-term maintenance.

There are many benefits to using the P3 model. P3s can cost less than traditional procurement and reduce lifecycle expenditures on a facility. In addition, the private partner, not the taxpayer, assumes the risk of cost overruns. Value can also be achieved through design innovations and P3 procurement agreements can be performance-based with penalties for poor performance.

The P3 procurement model has been used successfully in Canada for over 20 years and has helped to generate better value for taxpayers in a variety of project categories including roads, bridges, transit infrastructure and waste-water treatment facilities. Over the past decade, the number of P3 projects in Canada has tripled to 91 projects between 2011 and 2015 from 30 projects between 2001 and 2005.

Saskatchewan is currently using the P3 delivery model for its School Bundle Project to construct 18 new elementary schools in communities across the province. Work on this initiative is well underway and the schools in Saskatchewan are expected to be ready for students by September 2017.

Manitoba has engaged in discussions with other jurisdictions on P3s regarding best practices, lessons learned, models, guidelines and processes. Based on experiences across Canada, P3 projects have been procured in a fair and transparent manner, and consistently lead to the development of high-quality public assets.

Any decision to use P3s by the province of Manitoba will be based on a rigorous analysis of procurement options to determine which approach makes sense, with the goal of maximizing savings and delivering quality infrastructure on time and on budget. The Manitoba government is committed to taking a pragmatic, non-ideological approach to procurement that will consider all available mechanisms to advance the best interest of taxpayers.

The previous government proclaimed legislation implementing strict controls which discouraged P3 projects. On March 16, Finance Minister Cameron Friesen introduced The Red Tape Reduction and Government Efficiency Act (Bill 24), which proposes to repeal the administrative barriers that are currently in place to avert the use of P3 procurement in Manitoba.

The RFPs deadline for submissions is June 15 with the contract to begin by Aug. 1. The goal is for the four school projects to break ground in the 2019 construction season.