

ESTIMATES
New School Construction

New School Construction (Currently Exploring a P3)

- SaskBuilds was recently established, and is now leading the preparatory work to explore a Public Private Partnership (P3) opportunity for this project (ownership of the schools, janitorial and other 'soft' maintenance, and program service delivery would not be transferred to the private partner. No school division employees are expected to lose their employment as a result of this project).
- The Ministry of Education is currently updating its prioritization process (to take into consideration rapidly growing communities); the results of this work will inform a potential P3 bundle of schools (how many schools [10 to 15] and which schools/locations).
- Once decisions about the P3 bundle of schools are made, a detailed business case will be developed to ensure that there is value for money in proceeding with a P3, and to identify the financial requirements for the project.
- A core design for the new schools will be developed as part of the project.

*Estimated Timeline for P3 Bundle of New Schools**

- Start of Procurement Process is January 2014.
- Construction starts: January 2015 (current assumption is 18 months, based on Alberta experience).
- New schools open: September 2016

*Assumes a decision is made on the P3 Bundle in early May

PREMIER'S ESTIMATES
Top Issue - New School Construction

New School Construction (Currently Exploring a P3)

- SaskBuilds was recently established, and is now leading the preparatory work to explore a Public Private Partnership (P3) opportunity for this project (ownership of the schools, janitorial and other 'soft' maintenance, and program service delivery would not be transferred to the private partner. No school division employees are expected to lose their employment as a result of this project).
- The Ministry of Education is currently updating its prioritization process (to take into consideration rapidly growing communities); the results of this work will inform a potential P3 bundle of schools (how many schools [10 to 15] and which schools/locations).
- Once decisions about the P3 bundle of schools are made, a detailed business case will be developed to ensure that there is value for money in proceeding with a P3, and to identify the financial requirements for the project.
- A core design for the new schools will be developed as part of the project.

*Estimated Timeline for P3 Bundle of New Schools**

- Start of Procurement Process is January 2014.
- Construction starts: January 2015 (current assumption is 18 months, based on Alberta experience).
- New schools open: September 2016

*Assumes a decision is made on the P3 Bundle in early May

SASKBUILDS

ISSUE: What is the status of the various projects?

RECOMMENDED RESPONSE:

- The government has made considerable progress since the announcement of SaskBuilds in the Saskatchewan Plan for Growth in October 2012.
- SaskBuilds was created to explore innovative new ways of delivering the infrastructure the province needs to meet the increasing needs of this growth.
- Work is well underway on the [REDACTED] schools for communities experiencing high growth [REDACTED] [REDACTED] as potential P3 projects.
- Ultimately, the decision the government is making is not if the government will build new facilities, but which approach delivers the greatest value for taxpayers in the most timely and cost effective manner.
- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
- SaskBuilds is in the process of reviewing the [REDACTED] and the Government announced it will build facilities for **nine new joint-use elementary schools** in high growth areas in Regina, Saskatoon, Warman and Martensville.
- The government is committed to improving the quality of life for the people of this province and is taking the necessary steps to determine which approach delivers the best value for money for taxpayers.

Organization: SaskBuilds
Contact: Sarah Harrison
Phone: (306) 798-1213

SASKBUILDS

BACKGROUND:

- SaskBuilds is actively engaged in the procurement of the [REDACTED] [REDACTED] and business planning for three additional projects:
 2. Nine joint-use elementary schools in high growth areas
 3. [REDACTED]
 4. [REDACTED]
- 1. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
 - [REDACTED] [REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
 - [REDACTED]
[REDACTED]
- 2. **Nine Joint-Use Elementary Schools:**
 - In due diligence to assess viability as P3 project
 - DBFM model being explored
 - Public ownership
 - **October 22, 2013** – the Government announced it will build nine joint-use elementary schools in high growth areas: Regina, Saskatoon, Martensville and Warman.

Organization: SaskBuilds
Contact: Sarah Harrison
Phone: (306) 798-1213

SASKBUILDS

- The Government committed to building the schools using a P3 procurement model should it be proven there is value for money in this approach.
- SaskBuilds is partnering with the Ministry of Education and the five involved school divisions to complete the due diligence for this project.
- The education community as well as parents and students are being engaged in the core design of the school through the Lean 3P process.

3.

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Organization: SaskBuilds
Contact: Sarah Harrison
Phone: (306) 798-1213

SASKBUILDS

- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]

Organization: SaskBuilds
Contact: Sarah Harrison
Phone: (306) 798-1213

BRIEFING NOTE
Alberta School Bundle Overview

ISSUE: Comparisons are being drawn between Alberta's experience bundling schools and Saskatchewan's proposed procurement approach. Based on the experience in Alberta, Saskatchewan will consider the benefits and learnings to derive the greatest benefit for taxpayers. The following is an overview of Alberta's bundles and opportunities for Saskatchewan to improve the model.

BACKGROUND:

- Government of Alberta reports that the first three bundles (ASAP I, II, III) achieved combined savings of \$245 million (M).
 - The Auditor General of Alberta completed an audit of the ASAP 1 project in 2010. The Auditor General's key findings and observations were:
 - o The public-private partnership (P3) approach provided value for money;
 - o Lifecycle costs were minimized;
 - o Private financing mitigates the risk of the contractor failing to perform; and,
 - o Procurement was conducted in a fair and open manner.
 - o The Auditor General's Office found a miscalculation of approximately \$20 M which was a recording error that resulted in an inflated value for money (VFM) figure. The VFM was subsequently amended.
 - On November 4, 2013, the Report of the Auditor General of Alberta–October 2013 was released which looked at the results of recommendations from 2007 and 2010 reports.
 - o There were two recommendations related to P3 school projects (ASAP 1) which had been identified as outstanding. However, Infrastructure Alberta had implemented both recommendations, which were:
 - Value for Money reports posted on-line; and,
 - Improved documentation processes including creating/hiring a Document Control position.
- Each bundle is different in terms of grade structure (elementary, middle, high school) and procurement approach (P3 only, P3 plus one or more traditional procurement approaches).
- There is some similar composition among the successful proponent teams for the three bundles (see Appendix chart for more detail):
 - ASAP I and II: Gracorp Capital Advisors Ltd; Graham Design Build; Bird Construction Company, a Limited Partnership; GEC Architecture; Honeywell Limited
 - ASAP II and III: Hochtief PPP Solutions North America Inc.

Fourth Bundle – Sole Proponent

- The Alberta government is moving forward to the request for proposal (RFP) stage with only one bidder for the fourth bundle to build 19 new schools. The sole proponent team leads, Gracorp Capital Advisors Ltd. and Bird Capital Limited Partnership, will submit detailed plans and a financial bid for designing, building, financing and maintaining the 19 school bundle.
- The proposal will be evaluated for financial, technical and organizational capacity to complete the project and to ensure its bid provides VFM. A P3 contract will only be secured if VFM is shown. The private contractor's bid must be less than government's cost to deliver the 19 schools through traditional methods.

- The Alberta Government will follow the same examination and evaluation process for this RFP as it did with previous bundles. To ensure integrity and fairness is maintained, government will verify costs through an independent auditor.

School Bundle Benefits – Alberta’s Experience

- Reduction in delivery timeframe (compared to traditional method). [Up to two years earlier]
- Allocating risks to the party best able to manage them (e.g., design errors; cost increases for labor and materials during construction; bad weather).
- Cost and schedule certainty.
- Effective 30-year warranty period for schools.
- Innovation (e.g., in building materials and techniques; for ASAP I, the contractor used a high-performance roof membrane with a warranty available for the full term of the contract).
- Economies of scale (e.g., buy 20 boilers at the same time; provision of maintenance services across the bundle).
- Construction schedules allow continuous and efficient workflow (minimize downtime between operations and reduce mobilization costs for work crews).

Alberta’s Lessons Learned

- ASAP III incorporated consideration of community partnerships.
 - In Beaumont, a municipal facility (town offices, a counseling area, etc.) was put in between the public and Catholic facilities.
 - Other community involvement has included an enlarged gym in a couple of communities, usually tied into a community-owned leisure centre, a community library, and the provision of daycare and/or before-and-after school care centres in the schools.
 - Agreements on the first two bundles have been rewritten to accommodate the child care provision.
 - ASAP II and III: School boards can use the schools for education purposes and for community and other purposes as defined in long-standing joint-use agreements between the cities and respective school boards that apply to all schools. School boards can also lease excess space for education related purposes (e.g., day care) and assume related risks. It is the jurisdiction’s decision whether or not to make these facilities available for other community uses outside of its traditional joint-use agreements.

[REDACTED]

Design, Build, Finance and Maintain (DBFM) P3 Bundle Detail Overview

Based on ASAP III

- School Boards own and operate the schools.
 - Contractor has a license from the government to access the schools for construction, maintenance and renewal activities.
 - School boards are responsible for day-to-day operations of the facilities, including ongoing custodial services, lighting, heating, and other traditional operating activities.
 - School boards remain publicly accountable for delivering educational programs for all schools in their jurisdiction.
 - Use and access to the new schools managed like existing schools. A school board will be able to lease space to third parties (e.g., day care). School boards assume responsibility for all associated risks through such an arrangement.
- Schools are built using a core design (numerous designs developed to deal with different levels of student capacity) with modular classrooms (based on agreed upon enrolment projections). When standard core schools are fully built out with modular classrooms, they have the same area and spaces as a permanent school of equivalent capacity.
 - Core design ensures consistent standards across the schools. The government notes designs are adaptable to different sites across the province.
- Leadership in Energy and Environmental Design (LEED) Silver standard for all schools.
- Three bundles include 30 year maintenance and renewal (M&R) component. [DBFM P3 Model]
- Custodial services remain responsibility of school boards:
 - Cleaning
 - Operation support (e.g., moving desks)
 - Monitoring boiler cycles
- Payment Features:
 - Payments made by Province.
 - Provincial capital contribution – approximately 50% of capital costs made as progress payments.
 - Ongoing capital, maintenance and renewal payment streams.
 - o Fixed capital payment.
 - o Inflation indexed for M&R payments.
 - Availability based payment.
 - Performance and accessibility based payment adjustments during M&R phase.
- Contract Overview:
 - Province runs the transaction process.
 - Province signs the DBFM Agreement.
 - Province enters into a Tri-Party Agreement with the Contractor and each of the schools boards.
 - Province provides contract administration for design-build phase, plus 30-year M&R period.



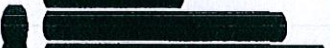
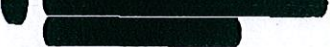


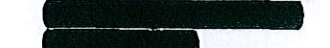





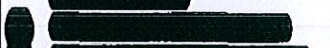
















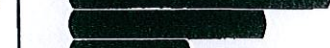
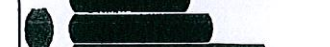
APPENDICES:

- Appendix A – ASAP Bundle Comparison Chart

ACTION: Information only – no action/decision/signature required

APPENDIX A – ASAP Bundle Comparison Chart

	ASAP 1	ASAP 2	ASAP 3
Timing	Announced June 2007 <ul style="list-style-type: none"> • Schools opened September 2010 (ready by June 2010) 	Announced January 2008 <ul style="list-style-type: none"> • Elementary and middle schools opened September 2012 • High schools opened January 2013 	Announced May 2011 <ul style="list-style-type: none"> • Schools open September 2014
Ownership	School Boards own/operate	School Boards own/operate	School Boards own/ operate
Scope	18 schools - Calgary and Edmonton	14 schools – Calgary and Edmonton Consolidate design and construction into a “combined procurement approach”: <ul style="list-style-type: none"> • 10 elementary and middle schools built and maintained through a P3 model [Grade Structure: K-4, K-9 and 5-9] • 4 high schools completed through a design-bid-build (traditional) approach 	12 schools through a P3 DBFM <ul style="list-style-type: none"> • 11 School Boards and 8 Municipalities (Airdrie; Chestermere, Brooks, Cochrane, Penhold, Beaumont, Medicine Hat, Red Deer) • Grade structure is a mix of elementary, middle and a high school: K-5; K-6; K-9; K-12; 6-8; 7-12; 9-12 <p>AND</p> <p>23 other school projects (replacement/modernization) through regionally bundled design-build projects, individual design-bid-build projects, and regionally bundles design-bid-build for modernization projects.</p>
P3 Results	\$97M savings, or 13% (<i>VFM calculated and reported by PricewaterhouseCoopers</i>) <ul style="list-style-type: none"> • Schools delivered two years earlier than with traditional method 	\$105M savings, or 29% (<i>VFM calculated and reported by Deloitte & Touche LLP</i>) <ul style="list-style-type: none"> • 10 schools delivered approx. two years earlier than with traditional method 	\$43M savings, or 13% (<i>VFM calculated and reported by PricewaterhouseCoopers</i>) <ul style="list-style-type: none"> • Schools built earlier than if traditional method used (not quantified)
Private Partner	BBPP Alberta Schools Limited <ul style="list-style-type: none"> • Project Lead: Babcock & Brown ULC (75%) and Gracorp Capital Advisors Ltd/GVest GP Inc (25%) • Design Build: <ul style="list-style-type: none"> - Graham Design Builders, a JV - Bird Construction 	B2L Partnership <ul style="list-style-type: none"> • Project Lead: Hochtief PPP Solutions North America Inc. and Gracorp Capital Advisors Ltd. • Design-Build: <ul style="list-style-type: none"> - Graham Design Build Services, a JV - Bird Construction 	ABC Schools Partnership <ul style="list-style-type: none"> • Project Lead: Hochtief PPP Solutions North America Inc. • Design Build: <ul style="list-style-type: none"> - Concert Infrastructure Ltd. - Clark Builders

	<p>Company, a Limited Partnership</p> <ul style="list-style-type: none">- Barr Ryder Architects and Interior Designers- GEC Architecture- Protostatix Engineering Consultants Inc- MMP Engineering- A.D. Williams Engineering Inc- <ul style="list-style-type: none">• Operations and Maintenance: Honeywell Limited• Financing: Babcock & Brown ULC; Gracorp Capital Advisors Ltd/GVest GP Inc	<p>Company, a Limited Partnership</p> <ul style="list-style-type: none">- GEC Architecture- Gibbs Gage Architects- Terrain Group- BSEI Municipal Consulting Engineers Inc.- TRL & Associates- Wiebe Forest Engineering- FFA Consultants <ul style="list-style-type: none">• Operations and Maintenance: Honeywell Limited• Financing: Hochtief PPP Solutions North America Inc.; Gracorp Capital Advisors Ltd.; Investec North America Limited	<ul style="list-style-type: none">- Turner Construction Company- Concert Construction Company- Stantec- Ainsworth Inc.- Investec North America Ltd. <ul style="list-style-type: none">• Financing: CIBC World Markets Inc.
	<ul style="list-style-type: none">• • • • • • • • • • 	<ul style="list-style-type: none">• • • • • • • • • • 	<ul style="list-style-type: none">• • • • • • • • • • 

BRIEFING NOTE
Schools Financial and Procurement Advisor Request for Proposals

ISSUE: Award the Request for Proposal (RFP) for Financial and Procurement Advisory Services for the Saskatchewan Joint-Use Schools Project.

RECOMMENDATION:

- [REDACTED]
- As stated in SaskBuilds' RFP, the preferred proponent will be selected no later than December 23, 2013.

KEY MESSAGES:

- The Saskatchewan Bundle Joint-Use School Project, announced October 22, 2013, will deliver nine joint-use elementary schools involving five school divisions in Martensville, Regina, Saskatoon and Warman.
- SaskBuilds issued an RFP on November 25, 2013, for Financial and Procurement Advisory Services for the Saskatchewan Joint-Use Schools Project.
- The RFP evaluation team included two SaskBuilds staff. A Ministry of Education representative reviewed the proposals and provided advice for evaluation. A consensus approach was used to evaluate the proposals according to the evaluation process as outlined in the RFP.

BACKGROUND:

- SaskBuilds issued an RFP on November 25, 2013 for Financial and Procurement Advisory Services for the Saskatchewan Joint-Use Schools Project. Seven proposals were received on December 11, 2013. Three firms were shortlisted for interviews and presentations, which were held on December 17, 2013:

- [REDACTED]
- [REDACTED]
- [REDACTED]

ANALYSIS/IMPLICATIONS:

- [REDACTED]
- [REDACTED]
- [REDACTED] received the highest ranking in the evaluation process.

...2

- [REDACTED]
- [REDACTED]
- [REDACTED]

CONFIDENTIAL/SENSITIVE INFORMATION:

- [REDACTED]
- [REDACTED]

ACTION:

The following is to be completed by the recipient of the briefing note

- I do not agree with the recommendation
- I agree with the recommendation
- I agree with additional action request as listed below:

Rupen Pandya

Date

**SCHOOL BUNDLE PROJECT
REQUEST FOR PROPOSAL (RFP) APPROVAL FOR AWARD**

ISSUE: Approval to Award the RFP for Project Management and Technical Advisory Services for the Saskatchewan School Bundle Project.

KEY MESSAGES:

- **The School Bundle Project, announced October 22, 2013, will deliver nine new joint-use schools involving five school divisions in Martensville, Regina, Saskatoon and Warman.**
- **The ministry issued an RFP on October 28, 2013 for Project Management and Technical Advisory Services for the School Bundle Project. The Ministry of Central Service's Purchasing Branch managed and monitored the procurement process to ensure fairness and compliance with government policies and procurement provisions in the Agreement on Internal Trade and the New West Partnership.**
- **The RFP evaluation team included three Ministry staff and a representative from each of the five school divisions. A SaskBuilds representative observed and provided advice to the team. A consensus approach was used to evaluate the proposals.**
- **The evaluation team recommends** [REDACTED]
- [REDACTED]

CURRENT STATUS:

- **The ministry issued an RFP on October 28, 2013 for Project Management and Technical Advisory Services for the School Bundle Project. Five proposals were received on November 19, 2013. Three firms were shortlisted for interviews and presentations were held on December 10, 2013. Appendix A outlines the teams that submitted proposals.**
- [REDACTED]
- [REDACTED] received the highest score in the evaluation process.
- [REDACTED]
- [REDACTED]

[REDACTED]

BACKGROUND:

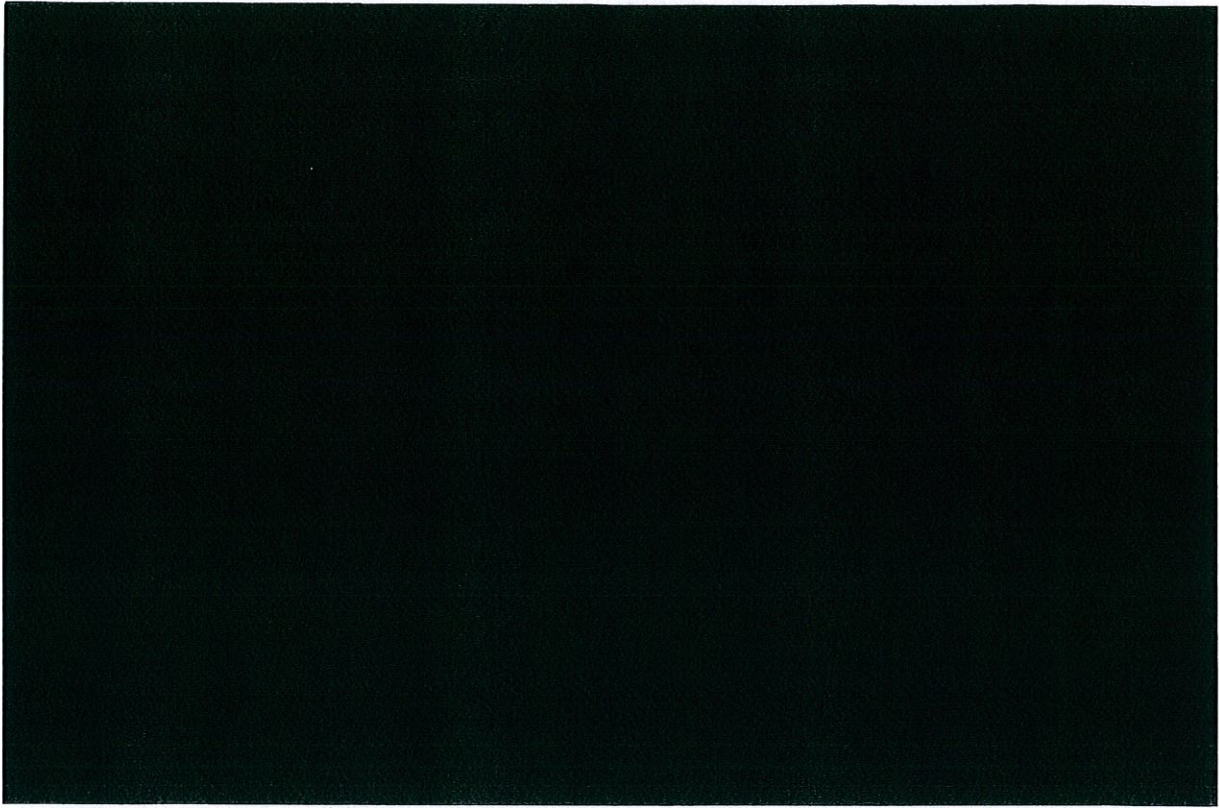
- The school divisions involved in the school bundle project are Regina School Division No. 4, Regina R.C.S.S.D. No. 81, Saskatoon School Division No. 13, St. Paul's R.C.S.S.D. No. 20, and Prairie Spirit School Division No. 206
- The Project Management and Technical Advisory Services include project management, participatory design, and technical advisory services to complete two phases of work with the option to negotiate the terms of a third phase.
- Phase 1 of the services includes the development of two Standard Core Designs for elementary schools through a 3P (Production Preparation Process) Lean participatory design process. This process will use visual tools to engage the five school divisions and other stakeholders (students, parents, school community council members, etc.) in the design process to ensure physical spaces are efficiently used and logically situated.
- Phase 2 of the services includes the modification of the Standard Core Designs for the specific needs of the individual school communities and the sites for each school in the school bundle. The deliverable includes school designs that would be considered "conceptual" or "indicative".
- The procurement methodology and construction of the school bundle will be managed by SaskBuilds. The school bundle could be procured through a Public Private Partnership or through other procurement methods. This decision will dictate the type of technical documentation the Ministry will need to provide. The school bundle procurement process decision should occur in Spring 2014.
- Once the procurement process decision is made, the Project Manager and Technical Advisors will be given the option to negotiate with the Ministry to provide Phase 3 services through the procurement and construction of the school bundle. These services would include the development of appropriate technical documentation and the provision of expertise, support and compliance monitoring during the procurement and construction of the school bundle.

CONFIDENTIAL:

- [REDACTED]
- [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

• [REDACTED]



LAND ACQUISITION COSTS FOR SCHOOL BUNDLE PROJECT

Background

- Potential sites have been identified for nine new joint-use schools in the cities of Martensville, Regina, Saskatoon and Warman for the School Bundle Project announced October 22, 2013.

- [REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

Appendix A

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	TBD	TBD

[REDACTED]