

Chapter 44

SaskBuilds Corporation—Learning from Use of P3s

1.0 MAIN POINTS

At September 2019, SaskBuilds actively shared and incorporated feasible benefits and efficiencies from the use of public-private partnership (P3) approaches into the use of conventional procurement approaches for capital projects.

SaskBuilds developed a single division that leads centralized procurement processes for ministry and ministry-funded capital projects. A former P3 project director assumed the director role for the construction and infrastructure procurement unit within this division.

In addition, SaskBuilds used other ways to share lessons learned and best practices. For example, it held a symposium, and developed new guidance for capital project delivery.

Sharing best practices and lessons learned assists the Government in overcoming problems occasionally cited with using conventional procurement approaches.

2.0 INTRODUCTION

SaskBuilds is responsible for co-ordinating, managing and overseeing infrastructure projects, including evaluating the suitability of the Government using a public-private partnership (P3) approach for specific infrastructure projects. To do these evaluations, SaskBuilds works with the ministry responsible for the services the proposed infrastructure will deliver.

This chapter describes our second follow-up of management's actions on one recommendation we first made in 2015.

In 2015, we reported SaskBuilds had effective processes for evaluating infrastructure projects at the business-case development stage to determine whether projects should use a P3 approach except for the matters reflected in five recommendations.¹ By 2017, SaskBuilds implemented four recommendations and made progress toward implementing one recommendation.²

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate SaskBuilds' progress toward meeting our recommendations, we used the relevant criteria from the original audit. SaskBuilds' management agreed with the criteria in the original audit.

¹ Find the original report regarding these recommendations at www.auditor.sk.ca/publications/public-reports. We reported the original work in *2015 Report – Volume 1*, Chapter 16, pp. 183–204.

² *2017 Report – Volume 2*, Chapter 46, pp. 305–308.



We obtained and reviewed SaskBuilds' Capital Project Delivery Guide and other relevant documents. We also conducted interviews with SaskBuilds management on the actions taken to implement the recommendation.

3.0 STATUS OF RECOMMENDATION

This section sets out the remaining recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 13, 2019, and SaskBuilds' actions up to that date.

3.1 Consideration and Sharing of Lessons Learned

We recommended SaskBuilds leverage its analysis of value-for-money for infrastructure projects to evaluate and include feasible benefits and efficiencies in future public sector conventional procurement approaches. (2015 Report – Volume 1, p. 200, Recommendation 5; Public Accounts Committee agreement November 18, 2015)

Status—Implemented

SaskBuilds revised its procurement processes and shared its knowledge gained from P3 procurement with others in Government to improve efficiencies for future procurement projects.

Effective April 1, 2019, the Government implemented a new process for SaskBuilds to co-ordinate, manage and oversee public procurement for ministries, which includes ministry-funded capital projects. SaskBuilds refers to this as the Single Procurement Service.

SaskBuilds made a single division responsible for overseeing all ministry procurement including ministry-funded capital projects. A former P3 project director assumed the director role for the construction and infrastructure procurement unit within this division. SaskBuilds expects this new procurement service to improve the communication of lessons learned.

In addition, SaskBuilds includes its staff as representatives on steering and working committees for ministry and ministry-funded capital projects. Ensuring representation on each committee initiates early involvement helping to improve appropriate procurement decisions.

Furthermore, in November 2018, SaskBuilds held a symposium for public sector agencies about project management. The symposium included specific sessions on lessons learned on past P3 projects and how agencies can leverage these lessons in future capital projects.

Management developed a Capital Project Delivery Guide. We found this Guide incorporates some key lessons learned from using a P3 procurement approach.³ For example, the Guide suggests using a standard contract management guide as a reference.

Analyzing P3 projects' benefits and barriers, and sharing best practices and lessons learned assists the Government in overcoming problems occasionally cited with using conventional procurement approaches (e.g., using life-cycling costing, having realistic budgets and times for each phase, clearly and formally defining each party's responsibilities and key individuals at each phase).

³ As reported in our last follow-up audit, by September 2017, SaskBuilds identified and documented the benefits and barriers resulting from using a P3 procurement approach. At that time, it had not yet established processes for working with others in Government to include benefits and efficiencies in future public sector procurement approaches.

