

Partnerships British Columbia Inc.

2015/16 – 2017/18 SERVICE PLAN

February 2015



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Accountability Statement

The 2015/16 - 2017/18 Partnerships British Columbia Inc. (Partnerships BC) service plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. 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.

All significant assumptions, policy decisions, events and identified risks, as of February 2, 2015 have been considered in preparing the plan. The performance measures presented are consistent with Partnerships BC 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.



Dana Hayden

Board Chair

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Strategic Direction and Context

Strategic Direction

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's strategic direction and context have been set by its Shareholder, as per the Crown's [Mandate Letter](#). The Mandate Letter reflects the Partnerships BC Crown Review (Review) that was undertaken by the Government of B.C. in 2013/14.

Based on direction from the Shareholder in the 2015/16 Mandate Letter, Partnerships BC undertook a review of its service model and subsequently revised its vision, mandate, values, corporate goals and performance measures. The new corporate goals reflect revisions to Partnerships BC's mandate to ensure it is meeting Shareholder and client needs effectively.

Vision

To be a recognized leader in evaluating, structuring and implementing delivery solutions for complex public infrastructure projects while delivering consistent value to our clients.

Mandate

Partnerships BC supports the public sector in meeting its infrastructure needs by providing leadership, expertise and consistency in the procurement of complex capital projects by utilizing private sector innovation, services and capital to deliver measureable benefits for taxpayers.

Values

Consistent with 2014 Taxpayer Accountability Principles, Partnerships BC's values are as follows:

- **Service:** Partnerships BC is committed to value-added, cost-effective, efficient client service.
- **Commitment:** Partnerships BC is committed to delivering high-quality work, to working together as a team, to collaborate and communicate in a timely way.
- **Accountability:** Partnerships BC is committed to transparent management of its business, to reporting out on operations, and to ensuring compliance with public sector compensation guidelines.
- **Integrity:** Partnerships BC is committed to making decisions and taking actions that are transparent, ethical and free from conflict of interest, and to adhering to its ethical code of conduct.
- **Respect:** Partnerships BC is committed to engaging in equitable, compassionate, respectful and effective communications.

Operating Environment

Partnerships BC's operating environment has been, and will continue to be, going through transition as it changes course to reflect the 2015/16 Mandate Letter priority actions. Given that this is a transition year for Partnerships BC, and that the capital program is smaller in B.C., it is likely the previously identified risks remain. In particular, maintaining long-term sustainability as a flexible and nimble organisation, and anticipating and responding to any dilution of market participation and robust competition are potential financial and operating risks.

Since its inception in 2002, Partnerships BC has participated in more than 40 projects with an investment value of more than \$17 billion. These projects – which are either operational, under construction or currently in the competitive selection process – are delivering significant benefits to British Columbians.

In addition to providing services within B.C., Partnerships BC offers value to clients outside of the provincial entity. This creates opportunities for B.C. companies to participate in other markets, in alignment with the Government of B.C.'s job creation and investment goals. It also provides opportunity for best practices and lessons learned from working with other jurisdictions to be added to the knowledge base in B.C. with the goal of continuous improvement in client service and experience.

Performance Plan

Goals, Strategies, Measures and Targets

Partnerships BC's position at the nexus of the public and private sector enables it to act as an interface between public sector entities and private sector organizations. The team at Partnerships BC has a demonstrated ability to manage procurements that facilitate the delivery of projects that are on time and on budget. The global partnership market and other jurisdictions regularly validate that B.C.-led procurements have a reputation for being well-run, fair, open and transparent, thereby attracting vibrant competition.

Since 2002, Partnerships BC has been guided by its annual Letter of Expectations from which the Board of Directors has developed the vision, mandate, corporate goals, performance measures and service model for the company. Based on direction from the Shareholder in the 2015/16 Mandate Letter, Partnerships BC undertook a review of its service model and subsequently revised its vision, mandate, values, corporate goals and performance measures. The new corporate goals reflect revisions to Partnerships BC's mandate to ensure it is meeting Shareholder and client needs effectively. To provide context for the changes, the table below shows the previous goals and the updated ones.

Current Goals	Revised Goals
1. Plan and structure partnership delivery solutions for public infrastructure which are expected to achieve value for money	1. Meet procurement objectives associated with complex infrastructure projects
2. Successfully implement partnership delivery solutions for public infrastructure through leadership in procurement, practices and market development	2. Deliver value add to our clients and engage stakeholders effectively
3. Maintain a self-sustaining organization and provide added value to an increasingly diverse client base	3. Maintain a responsive and resilient organization

Partnerships BC has undertaken a strategic planning exercise to ensure that its goals, strategies, performance measures and targets closely reflect Shareholder direction as per the Partnerships BC [Mandate Letter](#). The Mandate Letter outlined a number of priorities for Partnerships BC going forward, in particular:

1. Work with the Ministry of Finance and other ministries/agencies, as appropriate, to review and implement the recommendations of the Review.
2. Review and update service plan goals, strategies, performance measures/targets, and financial forecast to ensure alignment with the recommendations from the Review.

3. Develop and implement an updated stakeholder engagement and communications strategy to improve understanding among project owners and stakeholders outside of Government of the partnership procurement model for major capital projects.

Given this direction and the subsequent changes, the 2013-14 Actual Results against performance measures below are indicated where they have not changed going forward. Where the 2015-16 measures are new, the 2013-14 Actual Results are shown as new in 2015/16. Partnerships BC's 2013-14 Annual Report includes that year's performance outcomes. In addition, the 2014-15 Annual Report will show how performance was achieved during that fiscal year against the forecast. Targets in the current Service Plan are primarily shown as establishing a baseline and will be revisited in subsequent years with a renewed focus.

Goal 1: Meet procurement objectives associated with complex infrastructure projects

Strategies

- Partnerships BC is committed to being a centre of expertise, to maintaining an updated library of guidance and best practice documents, and to demonstrating strong quality control.
- Partnerships BC is committed to initiating innovative procurement processes and contractual structures, and working with its clients and the market to achieve procurement objectives such as fairness, transparency, and attracting robust competition.

Performance Measure	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
<ul style="list-style-type: none"> • Procurement objectives are met 	New		100% of procurement objectives are met	100% of procurement objectives are met	100% of procurement objectives are met
<ul style="list-style-type: none"> • Market and Client Satisfaction 	New		Establish a baseline for market and client satisfaction	Maintain or improve upon previous year's target	Maintain or improve upon previous years' targets

Discussion:

- Procurement objectives noted above refer to fairness, transparency and robust competition.
- Client satisfaction regarding the innovation and value Partnerships BC's services contribute to the overall project will be measured.
- The associated targets will be established and measured through data sources such as: client and market surveys and collaborative meetings, number of market participants for each procurement, Fairness Reviewer reports, and Project Reports and/or case studies outlining the process and expected benefits of the project. Partnerships BC will work with client project teams to collect and report out on this data.

Goal 2: Deliver value to our clients and engage stakeholders effectively

Strategies

- Partnerships BC is committed to meeting or exceeding client expectations.
- Partnerships BC is committed to developing and implementing an updated stakeholder engagement program that uses a range of methods to gather and respond to feedback. Examples of methods that may be undertaken include surveys, market outreach sessions, meetings and briefings, workshops and information-sharing events, conferences, business-to-business networking sessions, and so on.
- Partnerships BC is committed to maintaining strong market participation.

Performance Measure	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
<ul style="list-style-type: none"> • Client satisfaction 	Client survey not conducted in 2013/14; received positive anecdotal feedback from clients and Shareholder	Expect to achieve 85% customer service satisfaction rating	85% client satisfaction rate	85% or higher client satisfaction rate	85% or higher client satisfaction rate
<ul style="list-style-type: none"> • Stakeholder engagement 	New		Establish a stakeholder engagement baseline	Maintain or improve upon previous year's target	Maintain or improve upon previous years' targets

Performance Measure	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
<ul style="list-style-type: none"> Competitive procurements 	Exceeded target in 2013/14. Will meet or exceed target in 2014/15		At least four qualified respondents at RFQ stage; Data reflect broader participation	At least four qualified respondents at RFQ stage; Data reflect broader participation	At least four qualified respondents at RFQ stage; Data reflect broader participation

Discussion:

- Client satisfaction, effective stakeholder outreach and engagement, and the level of robust competition in procurement processes have all been identified as priority performance measures.
- The associated targets will be established and measured through data sources such as: client surveys and ongoing dialogue; numbers of, and feedback from, stakeholder interactions conducted through various methods, level of awareness and support from stakeholders; and number of market participants for each procurement. Partnerships BC will set baseline targets and confirm data sources through its planning. In subsequent years, improvements against the 2015/16 baseline will be measured and are expected to be sustained or improved over time.

Goal 3: Maintain a responsive and resilient organization

Strategies

- Partnerships BC is committed to ensuring an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across the organization.
- Partnerships BC is committed to a workplace that promotes employee engagement.

Performance Measure	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
<ul style="list-style-type: none"> Self-sufficiency 	Met target in 2013/14. Will meet target in 2014/15		Achieve positive net income	Achieve positive net income	Achieve positive net income

Performance Measure	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
<ul style="list-style-type: none"> Employee satisfaction 	Achieved 80% employee satisfaction in annual survey	Expect to achieve 80% in employee satisfaction survey	Achieve 80% in employee satisfaction survey	Achieve 80% or higher in employee satisfaction survey	Achieve 80% or higher in employee satisfaction survey
<ul style="list-style-type: none"> Voluntary employee turnover 	New		Lower than industry average (currently at 6-8%)	Lower than industry average	Lower than industry average

Discussion:

- Partnerships BC is required by its Shareholder to be self-sufficient, which will be measured against meeting a positive net income target on an annual basis. The net income target will reflect each year's projected and actual targets.
- Employee satisfaction will be measured through surveys, with an initial baseline of 80 per cent satisfaction. Partnerships BC conducts the employee survey through anonymous feedback and a third party service provider.
- Voluntary employee turnover has historically been lower than industry average. The data source for the industry average can be obtained from organizations such as Human Resources Management Association (HRMA), Conference Board of Canada, etc. Partnerships BC measures itself against industry average and sets a target lower than that on an annual basis.

Financial Plan

Summary Financial Outlook

Partnerships British Columbia Inc.
Fiscal 2013/14 Actual, Fiscal 2014/15 Reforecast and Fiscal 2015/16 to 2017/18 Budget
(in millions of dollars except FTEs)

	2013/14 Actual	2014/15 Reforecast	2015/16 Budget	2016/17 Budget	2017/18 Budget
REVENUE					
Fees for Service	\$ 8.44	\$ 7.10	\$ 7.18	\$ 7.39	\$ 7.61
Other Revenue	0.15	0.14	0.14	0.14	0.14
Project Recoveries	2.73	1.69	2.25	2.32	2.88
TOTAL REVENUE	11.32	8.93	9.57	9.85	10.63
EXPENDITURES					
Human Resource Costs	6.17	4.61	5.02	5.17	5.28
Professional Services	0.27	0.18	0.25	0.26	0.26
Administration	1.45	1.36	1.25	1.28	1.32
Corporate Relations	-	0.03	0.07	0.07	0.07
Amortization	0.10	0.06	0.07	0.08	0.08
TOTAL EXPENDITURES	7.99	6.24	6.66	6.85	7.02
Project Recoverable Expenses	2.73	1.69	2.25	2.32	2.88
NET INCOME	\$ 0.60	\$ 1.00	\$ 0.66	\$ 0.68	\$ 0.73
Full Time Equivalents (FTEs)	38.3	28.6	32.4	32.4	32.4
Capital Expenditures	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.06	\$ 0.05
Long Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Surplus	\$ 14.98	\$ 15.98	\$ 16.64	\$ 17.32	\$ 18.06

Key Assumptions and Management's Perspective:

The budgeted financial information for fiscal years 2015/16 to 2017/18 was prepared based on the following assumptions:

1. Full Time Equivalents (FTEs) information is as at fiscal year end, and are subject to change if there are revenue changes. 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 2015/16 to 2017/18.
3. Operating expenses for fiscal 2015/16 to 2017/18 are developed on the basis of a zero based budgeting exercise.
4. Capital expenditures are for network and employee computer hardware requirements. Computer software licenses are renewed annually and are disclosed as administration costs.

Hyperlinks to Additional Information

[Corporate Governance](#)

[Organizational Overview](#)