

# Opportunity Paper Template

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Project Name

**NOTE TO READER:**

This document is to be used to assess the potential of using P3 procurement for a capital project and is the first of several steps required to obtain P3 approval. It is to be completed for all projects that may have P3 potential prior to inclusion in the Capital Plan and for unsolicited P3 proposals.

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## Section

## 1

## Project Description

**[Project Name]**

Provide a brief description of the project including:

- a) A brief description clearly defining the problem or opportunity the project will address;
- b) A brief description of the project and how it will address the business problem/opportunity;
- c) An outline of the program and infrastructure objectives of the project;
- d) Brief description of what is in scope;
- e) Brief description of what is out of scope; and
- f) Identify stakeholders that are involved or impacted by the project.

**Project Objectives**

This section outlines what the project will accomplish, in clear and measurable terms within a specified time frame. It will also provide high level information regarding functional program requirements.

**Scope/Deliverables**

This section defines parameters of the project, including cost, time, tasks and results at a high level. The definition should make it clear what is within scope and what is excluded.

**Stakeholders**

Identify any preliminary stakeholders that may only be involved in certain procurement alternatives. Include any information that may indicate the level of interest from the private sector to participate in a P3 approach.

Stakeholders	Overview of Business Requirements
	•
	•

## Section

## 2

## Strategic Alignment

Describe how the project aligns with the Capital Plan and the government, department, program ministry and Supported Infrastructure Organization strategic directions.

Outline why undertaking a P3 approach will further support the strategic alignment.

Alignment with GOA Ministry Business Plans

Ministry Goals and Strategies	Level of Impact	Explanation (if required)

Describe how well the project meets the scope of a Government of Alberta P3:

- Require GOA capital or operating financial support
- Opportunity for private financing
- Provision of capital assets and associated long term services
- The capital project of sufficient size and complexity

## Section

## 3

## Procurement Options

This section should consider all procurement approaches that could deliver the project. It should also include the methodology adopted and preliminary information of delivering the services over the life of the project.

The different approaches should be compared to each other and include a qualitative description of the benefits and drawbacks of the adopted approach.

The preliminary assessment of benefits and drawbacks should be identified

Traditional Procurement	P3 procurement approach
•	•
•	•
•	•
•	•
•	•

## Section

## 4

# Business & Operational Impact Assessment

Assess the P3 potential of the project in terms of business and operational impacts using the following criteria:

## Technical

- Does the project have any inherent technical constraints that cannot be solved by a private/not for profit sector partner?
- Can the public sector develop appropriate performance/output specifications for the project?
- Can appropriate mechanisms be established to monitor the private/not for profit sector partner's performance?
- How will the bundling of design, build and operate result in expedited completion of the capital asset and reduced costs?
- Can payment and/or revenue be tied to performance?
- Does the project offer opportunities for innovation by a private sector partner?
- Is the project free of jurisdiction and liability issues that prevent a public body from using a P3 approach?

## Operational

- Can a public sector organization develop appropriate operating standards for the project?
- Are there any operational and accountability issues that cannot be realistically addressed by a private/not for profit sector partner?
- Can the private/not for profit sector partner be held accountable for appropriate performance?

## Acceptability

- Is there potential for objections to the use of a P3 approach and the involvement of a private/not for profit sector partner in the project by the public, elected officials, public sector staff, unions or other stakeholders?
- Where applicable, is the use of a P3 supported by the Supported Infrastructure Organization (SIO)?

## Implementation

- Does the private sector have the expertise to deliver?
- Is there sufficient interest in the private sector to generate meaningful competition in P3 procurement?
- Can a fair, accountable and transparent selection process be used?
- Can an internal project champion be found?
- Can the project champion access the resources necessary to be a competent partner?
- Can a successful transition plan from construction phase to operations/maintenance phase be developed?

## Timing

- Are the timelines adequate to develop operating specifications, contract documents and to undertake a P3 solicitation and evaluation?
- Can the issues raised in the items above be addressed in the project timelines?

Stakeholders	Impacts	Traditional Procurement	P3 procurement approach

## Section

## 5

## Preliminary Project Risk Assessment

This Section provides a high level understanding of the risks that are related to the delivery model alternatives and how these risks may vary by viable alternative. Risks should be organized into the general categories of design, construction, operations & maintenance, rehabilitation, and financing and be evaluated in terms of P3 delivery and traditional delivery. This section should include a potential risk mitigation strategy for each risk, where possible.

Provide a preliminary risk profile and allocation identifying which risks will be;

- transferred to the private sector
- shared and
- retained by the public sector

Identify how the P3 approach may lead to more effective risk management. Also identify all risks that may relate to undertaking the project as a P3.

Risk	Probability e.g. Low, Medium, or High	Magnitude e.g. Low, Medium, or High	Risk Transfer e.g. Transferred, Retained, or Shared	Mitigation Strategy

The section may also include discussion around procurement schedule risks and market risks relative to the procurements.

## Section

## 6

## Preliminary Value Analysis

The section should provide the reader with preliminary information regarding the total project costs including costs of risks. Preliminary set of assumptions relative to each procurement method should be highlighted.

## Preliminary Public Sector Comparator

Prepare a cost estimate based on the assumption that the project is carried out by the traditional method of providing the proposed facilities, ongoing maintenance, operations (if applicable), cyclical renewal and program delivery (if applicable).

## Preliminary Shadow Bid

Identify opportunities where the P3 may result in achieving:

- a) cost savings
- b) improved efficiency
- c) improved quality of service
- d) impact on the timeline for implementation
- e) innovations

Prepare an initial shadow bid modeling the project as if it were delivered as a P3.

## Value for Money

Both the PSC and Shadow Bid will be full NPV life-cycle cost analyses.

Early assumptions around preliminary planning, architectural and design work, and financial projections will be required to complete these cost estimates. These estimates should only be high-level and not overly complex at this stage but should be supported by previous procurements wherever possible. The assumptions will be further refined in the business case.

Item	(\$millions)	
Item	Traditional (PSC)	P3 (Shadow Bid)
NPV of Capital Payments		
NPV of Provincial Payments		
Total NPV of Capital		
NPV of O&M Annual		
NPV of Major Rehab		
Total NPV of O&M and Rehab		
Grand Total NPV		
<b>Total Estimated Value for Money</b>		
<b>As % of PSC NPV</b>		
<b>Opening Date for all Facilities</b>		

Provide an initial sensitivity analysis identifying the key assumptions that are significant enough to change the value for money estimate.



## Qualitative Analysis

Provide a description of the expected non-quantifiable costs and benefits for each alternative.

## Section

## 7

## Preliminary Project Schedule

Provide an overview of the project schedule, including key milestones.

Provide an overview of the implementation schedule for both traditional procurement and P3 procurement.

Identify the Project Champion and the likely resources required to procure the project as a P3.

## Section

## 8

# Conclusions & Recommendations

Provide a conclusion as to why undertaking the project as a P3 will or will not result in the most effective and efficient approach to achieving the objectives of the project from both a program delivery and infrastructure view.

Identify specific recommendations that are required to move the project forward.