



# Agence des partenariats public-privé du Québec



## 2006-2009 Business Plan



*Partenariats  
public-privé*

Québec 



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## Message from the Chairman of the Board

As defined in its Act of Incorporation, the mission of the Agence des partenariats public-privé du Québec (PPP Québec) is to contribute to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships. This mission is now being integrated into PPP Québec's first business plan, which runs through the end of the 2008-2009 fiscal year.

This business plan is in keeping with the Québec government's *2004-2007 Modernization Plan*, which was published in May 2004. Among other things, this Plan strives to update relationships with the private sector by exploiting the tool that is known as public-private partnerships.

The exercise of developing a business plan, and more specifically, the initial business plan, enables us to position PPP Québec and to integrate the implementation of our mission over a specific period, taking into consideration the issues and challenges that are inherent to our environment. In addition to presenting PPP Québec's vision and values, this business plan presents the main development axes and establishes the selected strategic orientations, objectives, measures to be applied, and measurement indicators pertaining to each of these axes.

For the Board of Directors, it is essential that PPP Québec act by upholding the public interest while taking full advantage of the benefits of competition between private partners combined with public-sector contractorship. In this respect, the projects that are selected must respect the guidelines of the *Public-Private Partnerships Framework Policy*, which was published by the government of Québec in June 2004. Every project that is carried out within the context of a public-private partnership must demonstrate added value for the public funds that are invested compared with another method of carrying out the project.

With respect to governance, the process through which a private partner is selected, which can be likened to a call for tenders process, is examined by an external auditor who is qualified to attest that the principles of transparency and equity are respected. The auditor's report is made public, along with the documents relating to the requests for qualifications and proposals. To the best of our knowledge, no other method involves requirements for thoroughness and transparency that are as stringent as those pertaining to public-private partnerships.

In addition to ensuring the sound governance of the projects, the Board of Directors must establish the credibility of the public-private partnership approach by successfully completing the projects that PPP Québec is involved with.

On the whole, PPP Québec's expertise fundamentally relies on that of its personnel. For this reason, PPP Québec insists on the development of competencies for its human resources, and on the availability of its expertise. In fact, the size of PPP Québec in terms of human resources must be such that it is able to adapt to the needs of its clients public departments and agencies and not the other way around.

PPP Québec plans to carry out its business plan thanks to the dedication and quality of competencies of its personnel. In the same manner, PPP Québec can rely on the sustained support of the members of the Board of Directors as it works toward fulfilling its mission



A handwritten signature in black ink, appearing to read 'Claude Garcia', with a long horizontal flourish extending to the right.

**Claude A. Garcia**  
Chairman of the Board



## Message from the Chief Executive Officer

I am pleased to present the Agence des partenariats public-privé du Québec's very first business plan, which covers 2006-2009. Without going into too much detail with respect to PPP Québec's balance sheet, I would simply like to point out that we have made significant progress since our organization was created in April 2005.

Less than two years later, PPP Québec is staffed by a seasoned team and backed by the facilities that it requires in order to fully embrace its mission, which is to contribute to the renewal of public infrastructures and the enhancement of services delivered to citizens. PPP Québec is currently participating in the analysis and progress of projects in the fields of transportation, health, and culture, with a total value of approximately four billion dollars.

First and foremost, this business plan represents an opportunity to recap our mission, our roles, and our duties as a mandatary of the State with respect to public-private partnerships. It also allows us to express and share the vision and values that focus PPP Québec's energy in order to carry out its mission effectively. Our entire workforce subscribes and adheres to our institutional values, which reflect the attitudes and behaviours that PPP Québec wishes to portray: thoroughness, integrity, equity, transparency, and respect. Furthermore, its efforts are geared primarily toward action.

Through its competencies and know-how, PPP Québec contributes to its clients' projects by providing quality expertise while adequately responding to their existing and future needs. Therefore, when the government selects the public-private partnership method for a project, it is essential for PPP Québec to obtain the best added value for the public funds that are invested in terms of the cost, quality, and longevity of public services.

This business plan revolves around three development axes. The first focuses on the analysis and progress of projects. The second involves the promotion of best practices and the distribution of information pertaining to public-private partnerships. The final axis relates to the development and maintenance of competencies within PPP Québec.

In carrying out the activities inherent to the execution of its mission, PPP Québec must focus its efforts on ongoing projects in collaboration with the client departments or agencies, ensuring that best practices are employed. At the same time, we must remain attentive to the needs of our clientele and continue to provide them with the resources and advice they need in order to pursue their projects.

By the end of the period covered by this business plan, it is PPP Québec's objective to become a reference tool in its realm of expertise. In this respect, we will pursue the development of our documentation and information centre in order to be able to provide objective and factual information concerning public-private partnerships to those who are interested.

This first business plan developed by PPP Québec testifies to its determination to uphold the public interest while becoming a dynamic collaborator that is focused on ensuring the progress of infrastructure projects that are carried out through public-private partnerships.



A handwritten signature in black ink, which appears to read 'Pierre Lefebvre'. The signature is stylized and fluid, with a large loop at the beginning and a long, sweeping tail.

**Pierre Lefebvre**  
Chief Executive Officer

## PPP Québec: Serving Public Departments and Agencies

The Agence des partenariats public-privé du Québec (PPP Québec) was created in 2005 pursuant to the adoption of the Act respecting the Agence des partenariats public-privé du Québec (R.S.Q., c. A-7.002).

PPP Québec is headed by a CEO, who is appointed by the government. The management of its affairs is entrusted to a Board of Directors that consists of the CEO and eight other members, who are also appointed by the government. Four of these members are from public agencies, and four are from the private sector. From among these Board members, the government designates a Chairman and a Vice-chair. The duties of the CEO are separate from those of the Chairman of the Board of Directors.

This public-private parity, which is embedded in the clauses of its incorporating act, represents an undeniable asset for the governance of affairs and for the development of PPP Québec.

During fiscal year 2005-2006, PPP Québec implemented its operating framework for human, financial, and material resources. Its head office is located in Québec City, and it also operates offices in Montréal, because most of its major projects and the necessary expertise are based in the Greater Montréal Region.

Because of this, PPP Québec is now in a position to fully contribute to the analysis and development, if necessary, of a number of infrastructure projects carried out through public-private partnerships (PPP), to the benefit of public departments and agencies.

### **Our Mission**

PPP Québec's mission is defined in Section 4 of the Act respecting the Agence des partenariats public-privé du Québec, which states:

**The mission of the agency is to contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships.**

In order to fulfil this mission, PPP Québec exercises a variety of functions under two separate headings. The first covers "advice and information" functions pertaining to PPPs. PPP Québec advises the government and its various entities on all matters relating to PPPs, specifically with respect to project selection and prioritization.

PPP Québec also informs public agencies, the business milieu, and the general public with respect to the public management concept of the PPP method, and ensures that best practices are promoted in this respect. This aspect includes the administrative functions that are inherent to its mission.

The second heading entails providing public departments and agencies with expertise pertaining to the evaluation of the feasibility of projects carried out through PPPs, the selection of a private partner, and the negotiation, signing, and management of partnership agreements. These functions relate to the analysis and progress of projects under the terms of a PPP.

### **Our Vision**

During its first year in operation, in its role as a collaborator with public departments and agencies, PPP Québec effectively demonstrated a project-management style based on the competencies of its team, which is composed of seasoned professionals from both the public and private sectors. It undertakes to continue in this manner, demonstrating dynamism, thoroughness, and discipline in order to enhance the advancement of projects.

PPP Québec's efforts are focused on attaining departmental and governmental objectives pertaining to the improvement and provision of public services through projects carried out under the terms of PPPs. These projects rely on public sector contractorship and on competition between private partners.

Within this context, PPP Québec is determined to:

**Actively commit to the advancement of public-private partnership projects contracted by public departments and agencies as a dynamic collaborator, by taking full advantage of the competition between private partners combined with public sector contractorship, in order to obtain the best added value for the public funds that are invested in terms of the cost, quality, and longevity of public services.**

### **Our Values**

In its role as a public agency that provides expertise with respect to public-private partnerships, PPP Québec must act with thoroughness, transparency, and equity when it comes to the analysis and realization of projects that are headed by public departments and agencies.

Similarly, PPP Québec personnel must demonstrate integrity and respect for users in the execution of their duties.

Finally, PPP Québec must be action-oriented, assuming the role of a catalyst in Québec in terms of introducing the PPP approach, which is a new method for carrying out projects. In this respect, PPP Québec must diligently target the challenges that must be embraced during the project, and it must be able to identify and recommend avenues for finding solutions.

PPP Québec retains six values that all of its personnel must adhere to. These values, which are summarized below, reflect the attitudes and behaviours that PPP Québec wishes to portray in the execution of the activities that are inherent to its mission.

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<b>Thoroughness</b>	Analysis and documentation based on sound expertise and proven methodologies.
<b>Integrity</b>	Acting with honesty and avoiding situations that unduly influence work methods and judgment.
<b>Equity</b>	Acting in accordance with the stipulated rules, while treating all participants in an equitable manner.
<b>Transparency</b>	Promoting access to and sharing of information, specifically by publishing it on-line. Emphasizing the clarity of concepts, processes, and results and the completeness of the information.
<b>Respect</b>	Demonstrating consideration, courtesy, discretion, and diligence in dealing with clients and government bodies.
<b>Action-oriented</b>	Devising and applying PPP practices that are adapted to the Québec context, drawing inspiration from best practices. Finding solutions to the problems that are encountered in order to enhance the advancement of projects.

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## Business Environment and Issues

The business environment for PPP Québec is generally defined, in part, by the legislative and regulatory context within which it operates<sup>1</sup>. PPP Québec's market is established by this context, which specifies the targeted types of clientele and projects and describes the scope of its authority.

Before describing PPP Québec's business environment and the inherent issues, it is worthwhile to briefly summarize the context for its implementation.

### THE NEED TO EXPLORE A NEW METHOD FOR CARRYING OUT PROJECTS

In Québec, like elsewhere, the needs pertaining to public infrastructures constitute a primary government concern, taking into account the fact that these infrastructures represent an essential component in terms of services offered to the public. Over the past five years, public investments have increased by close to 50 %; from \$3.1 billion in 2001-2002 to \$4.7 billion in 2006-2007<sup>2</sup>.

In general, the financing of major projects exerts pressure on a government's budgetary appropriation. In recent years, the governance of major projects has been called into question because of delays and excessive costs generated during their execution<sup>3</sup>. Over the long run, these deficiencies weigh heavily on public finances.

The necessity of satisfying ever-increasing public needs results in decision being made based on the scarcity of budgetary resources. In light of this, it is essential to optimize the public funds that are invested by obtaining the best possible added value. Among other things, this quest for efficiency in the use of public funds requires that objective comparisons be drawn between various project completion methods.

Following the lead of other public administrations in Canada and abroad, the government of Québec has decided to explore new avenues that will enable it to consider alternatives to conventional methods for erecting certain types of public infrastructures and improving the quality of the services that it provides to its citizens.

It was in this context that PPP Québec was created, with the mission of contributing to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships.

The first step in the PPP method is the development of a business case, based on a meticulous comparative approach, that demonstrates the maximization of added value with respect to public funds, taking into consideration all of the costs that are inherent to the project's life cycle, specifically including construction, operation, and maintenance costs. Comparisons must be drawn between carrying out the project using the conventional method and the PPP method.

Based on the business case, the PPP method is selected if it generates greater value for the public funds that are invested than the conventional method. The selection of the private partner is made through an acquisition strategy that involves the following main components: request for expression of interest, request for qualifications, request for proposals, and signing of a partnership agreement. This is a structured and transparent process that makes it possible to take advantage of the competition between private partners in order to obtain the best transaction for the public interest.

Because it is new to Québec, the PPP approach is relatively complex, and therefore, it requires uniform treatment by public departments and agencies. Through PPP Québec, the government ensures that the competencies, expertise, and knowledge that are acquired during the implementation of a PPP project inside a department will be made available to all other projects, regardless of the sector of activity. This phenomenon of emulation clearly fosters the application of best practices with respect to PPPs.

Since its inception, PPP Québec has been actively involved in seven major projects<sup>4</sup> representing a total investment of more than four billion dollars. As of November 30, 2006, PPP Québec had already participated in the development of four business cases, the launch of two requests for expression of interest, three requests for qualifications, and one request for proposals. Some members of its personnel have also contributed to gaining a better understanding of the PPP method by serving as guest speakers at a number of public forums addressing this concept. Finally, PPP Québec spearheaded the introduction of a documentation and information centre that is designed to respond to the information requirements of public agencies in the business milieu and the general public.

1. The reader may consult the Act of constitution and the related by-laws, as well as the PPP Framework Policy, on the PPP Québec website: [www.ppp.gouv.qc.ca](http://www.ppp.gouv.qc.ca).
2. *Budget des dépenses 2006-2007, vol. IV : Message de la présidente du Conseil du trésor et renseignements supplémentaires*, Gouvernement du Québec, Conseil du trésor.
3. For illustration purposes, the reader may consult the *Auditor General Report to the National Assembly for 2005-2006*, Volume I, Chapter 3: "Management of Real Estate Projects".
4. Completion of Autoroutes 25 and 30, rest areas, a nursing home, the centre hospitalier de l'Université de Montréal (CHUM), the McGill University Health Centre (MUHC), and a concert hall for the Montréal Symphony Orchestra.

## BUSINESS ENVIRONMENT

PPP Québec operates in a business environment that requires it to work within the confines of specific limitations that relate to its potential market volume and to its operating parameters.

### **The Market**

As its name indicates, PPP Québec can be seen as the entity that is entirely responsible for the introduction and execution of projects using the PPP method in Québec. A review of the scope of its activities makes it possible to better position these functions in relation to PPP Québec's real operating parameters and the dynamic within which it must operate.

Under the terms of its Act of Incorporation, its main clients are government departments, because these entities must rely on PPP Québec's services for all projects for which a PPP may be considered. This requirement applies when the department's project is considered to be a major project, according to the criteria that are established by the government<sup>5</sup>.

With respect to public bodies other than government departments, there is no obligation to refer to PPP Québec's services for the evaluation of the feasibility of the PPP method for their investment projects.

When an investment project is of major interest, the government may entrust PPP Québec with the mandate of evaluating the feasibility of using the public-private partnership method, and if it is feasible, of proceeding with the selection of a partner and negotiating and signing a PPP contract for the execution of the project.

PPP Québec carries out its mission within the confines of a relatively restricted market, considering all of the safeguards that are set out in its Act of Incorporation.

### **The Scope of its Authority**

PPP Québec's mission does not entail promoting the use of the PPP method, but essentially, it involves adopting best practices when the government authorizes recourse to this method of providing services.

The decision-making process that is associated with recourse to the PPP method remains exclusively a government prerogative, and is subject to the recommendations of the appropriate entities, which may request that PPP Québec issue a notice pertaining to the evaluation of the feasibility of a project using the PPP method.

In addition, following a government decision, the execution of the PPP project remains the responsibility of the client, which is either a government department or a public body. PPP Québec's role during the private partnership selection process is essentially consultative and advisory.

PPP Québec strives to cover the majority of its annual operating costs by charging a fee for the use of its expertise. This means that PPP Québec's financial framework depends on the number and progress of projects, and PPP Québec has very little influence on these two factors.

### **Working with the Public and Private Sectors**

According to the terms of its mission, PPP Québec constitutes the government of Québec's centre for expertise with respect to PPPs. As such, it employs and maintains sufficient competent resources in order to monitor the evolution of the needs of its clients.

Through its knowledge and competencies, PPP Québec ensures that the respective assets of the public and private sectors are pooled in order to orchestrate these assets in such a manner as to contribute to the renewal of public infrastructures, while generating the best possible value with respect to the public funds that are invested.

In order to fulfill its mission, PPP Québec must integrate, retain, and develop personnel who specialize in PPPs. It must also be able to satisfy the needs of its clients in connection with their respective projects. In light of this, it is imperative for PPP Québec to be able to use additional resources when other major projects are added to those that are already under way.

5. By-law N<sup>o</sup>. 65-2006 establishes the following three criteria: 1. The project presents an estimated value that is equal to or in excess of forty million dollars; 2. The project presents a discounted value of payments over the term of the contract that are equal to or in excess of seventy-five thousand dollars; 3. The project is part of a pilot experiment whose objective is to reproduce it on a larger scale.

## CHALLENGES AND ISSUES

Over the coming years, PPP Québec will be faced with several challenges as it pursues its efforts to adequately respond to the expectations of the government, its clients, private partners, and the general public. It is also faced with certain issues that are likely to impact its ability to develop the competencies and skills that are required in order to adequately respond to its customers' needs.

### **Introducing a New Approach**

The introduction of the PPP approach within the public administration must be accompanied by a change of culture in terms of project management. The challenge for the public administration is to manage projects in accordance with the anticipated risks and performance in terms of the provision of services, and not by relying on the methods employed by the private partner.

Unlike the conventional approach, the PPP method requires that the following elements be taken into consideration:

- A detailed definition of the needs that must be satisfied and their evolution over the long-term, or in other words, throughout the life cycle of the project;
- A comprehensive evaluation of costs and risks over an extended period of time;
- The identification and sharing of responsibilities, risks, and benefits with a private partner.

As the entity that is responsible for this new approach, PPP Québec serves as a catalyst and a facilitator in terms of ensuring that projects progress. In order to perform these functions, PPP Québec must be constantly focused on efficiency by finding practical solutions to the problems that it encounters. To this end, it refers to foreign experiences in order to avoid errors and to promote best practices in terms of the analysis and evaluation that are inherent to the PPP method.

### **Attaining Cohesion Among Stakeholders**

The successful execution of PPP Québec's mission depends primarily on the results that will emerge from this new approach, which is based on complementarity between the public and private sectors in responding to public needs. Attaining cohesion among stakeholders in connection with a new method of providing services constitutes an important consideration.

In practice, until the PPP method has been proven effective in Québec, an information and demonstration initiative will be required in order to clarify the perceptions of stakeholders and to enlist their cohesion. However, PPP Québec is pleased to point out that, since its inception, progress has been made in terms of certain stakeholders gaining a better understanding of PPPs.

Furthermore, within a context where the initiating department retains the contractorship for the project and the responsibility for rendering the public service, PPP Québec brings its expertise into play in order to contribute to the attainment of the expected results. To this end, PPP Québec must be able to effectively guide a government department in such a way that its services will be appreciated, which in turn will lead to the development of a fruitful climate of collaboration between the two bodies.

In order to take full advantage of the competition between private partners, PPP Québec must ensure that the acquisition strategy is equitable and transparent, and that it respects the obligations pertaining to the protection of information of a commercial nature. It must also ensure that the responsibilities and risks associated with projects are shared with the partner that is best suited to managing them. These are important considerations for the private sector, whose participation in the acquisition strategy is essential in order to obtain the best possible value for the public funds that are invested as a result of competition between private partners.

Furthermore, enhancing the understanding of PPPs among the various stakeholders and the general public constitutes an issue that is specific to PPP Québec's mission. Users must be confident that the execution of a project using the PPP method will make it possible to guarantee the quality and availability of the services rendered. In this respect, PPP Québec plans to make objective and factual information accessible in order to establish the credibility of the PPP approach, and once this method is selected, to demonstrate that this solution offers the best possible value for each and every dollar of public funding that is invested.

### **Ensuring the Availability of its Competencies**

PPP Québec's human resources are already working at full capacity in the context of the previously mentioned major projects. However, although PPP Québec is relatively new, the demand from government departments for its services is growing continually.

PPP Québec's current workforce is sufficient to handle the scope of the needs generated by existing and planned projects. However, the number of PPP experts in Québec is limited, and they are extensively solicited by the private sector. In light of this, PPP Québec's participation in new major projects may be hindered by the lack of available resources.

This situation has led PPP Québec to question how it will be able to respond to the future needs of government departments and agencies with respect to their projects. This situation is even more alarming in light of the fact that the options for finding a solution are fairly limited.

Although PPP Québec is of the opinion that it provides competitive work conditions for its personnel, it is difficult to recruit people who can make an immediate contribution to the analysis and progress of new projects.

One option would involve hiring personnel from the Québec public service, which itself has a very limited number of resources who master the practices and concepts inherent to the PPP method. However, the existing competent resources are already being employed by government departments that are currently carrying out projects using the PPP method.

In addition, increased and sustained recourse to external consultation services entails a certain risk in terms of the loss of expertise for PPP Québec. In fact, external resources cannot assume responsibility for creating expertise in the realm of PPPs within the public administration.

In light of this, PPP Québec is rising to the challenge of finding means that will enable it to adjust the number of its personnel to the number of PPP projects that may be entrusted to it over the term of its business plan.

In this respect, PPP Québec plans to focus on the introduction of conditions that encourage the transfer of expertise and know-how between its project teams and experts who are dedicated to the promotion of best practices with respect to PPPs. It will promote the ongoing training of its human resources, as well as the development of their competencies. Finally, PPP Québec will consider the possibility of encouraging universities to cover the PPP approach in their project management courses.

### **Stabilizing PPP Québec Revenues**

With respect to revenues, PPP Québec must take several important factors into consideration. On one hand, it is not possible to diversify its sources of revenue and its clients. On the other hand, the PPP projects that it participates in are dependent on the government decision-making process.

Considering the fact that the majority of its costs are fixed, PPP Québec cannot realistically seek to cut costs, because streamlining would result in a corresponding reduction in its activities.

In a context where PPP Québec does not wish to incur an operating deficit, and where its financial framework leaves very little room to manoeuvre, it would be ideal for PPP Québec to have recourse to measures that would enable it to stabilize its financial situation, if applicable.

From an operational and financial perspective, the combined challenge that faces PPP Québec is to stabilize its revenues and adjust its workforce in order to be in a position to adequately respond to the evolution of its clients' needs and those resulting from the other aspects of its mission.

To this end, over the coming months, PPP Québec intends to develop and recommend to its stakeholders mitigation measures relating to its financial framework, in order to reduce the risks that it is exposed to.

## Development AXES

As was previously mentioned, one of the major challenges facing PPP Québec consists of introducing a new approach within the Québec public administration in order to carry out infrastructure projects using the PPP method.

Similarly, PPP Québec's mission involves disseminating, adapting, and applying best practices with respect to PPPs and informing interested parties with respect to all topics relating to this field.

Furthermore, in order to fulfill its mission, it must have competent human resources of a sufficient number to be able to monitor the evolution of its clients' needs.

In light of these challenges relating to its mission and its operating framework, PPP Québec has established three development axes around which it intends to launch and execute its business plan.

The first focuses on the analysis and progress of projects. The second involves the promotion of best practices and the distribution of information pertaining to public-private partnerships. The final axis relates to the development and maintenance of competencies within PPP Québec.

The following three development axes have been established for the business plan:

- Axis 1 : Projects**
- Axis 2 : Best Practices and Information**
- Axis 3 : Competencies**

In the next section, we will summarize each development axis in table form, presenting the selected strategic orientations, objectives, measures to be applied, and measurement indicators.

### ► **AXIS 1 – Projects**

**STRATEGIC ORIENTATION:** Contribute to the success of projects.

<b>OBJECTIVES</b>	
	<b>INDICATORS</b>
Devise a governance structure for each project.	Maximize the value of projects with respect to the public funds that are invested.
Complete the business case before launching the acquisition strategy.	Ensure the transparency and objectivity of the private partner selection process.
Apply an acquisition strategy that promotes competition between the private partners.	Number of service agreements that include a governance structure for each project.
Encourage the transparency of the private partner selection process.	Number of business cases seen to completion.
Ensure that the main steps in the acquisition strategy are verified.	Number of private partners that are interested and selected under the terms of the acquisition strategy. Determination of added value relative to the public funds invested for each project.
	Scope and nature of the information that is accessible to the public.
	Reports from external process auditors.

## ► **AXIS 2 – Best Practices and Information**

**STRATEGIC ORIENTATION:** Make PPP Québec a reference tool in the area of PPPs.

OBJECTIVES	Establish a documentation and information centre.
	Provide interested parties with objective and factual information concerning PPPs.
MEASURES	INDICATORS
Devise a PPP surveillance policy.	Introduce a PPP surveillance policy.
Structure a documentation and information centre to compile and disseminate information and best practices pertaining to PPPs.	Number of consultations. Requests for information received and processed. Number of publications pertaining to best practices.
Ensure the ongoing improvement of the website.	Visits to the website; user profiles.
Participate in conferences, symposiums, and other existing forums.	Number of activities involving the various types of clientele and the general public.
Contribute to improving understanding of the PPP method.	Number of publications; types of target clienteles. Awareness level of PPP Québec.

## ► **AXIS 3 – Competencies**

**STRATEGIC ORIENTATION:** Ensure the availability of PPP Québec.

OBJECTIVES	Develop and maintain competencies within PPP Québec.
	Monitor the evolution of projects and respond to clients' demands.
MEASURES	INDICATORS
Encourage continuous training of human resources.	Number of training days.
Ensure the transfer of expertise and know-how between projects.	Number of people working on more than one project.
Introduce conditions that are conducive to the development of competencies.	Personnel turnover rate. Development of an internal knowledge-management strategy.
Adapt PPP Québec's resources to clients' requirements.	Evaluation of client satisfaction.
Develop a pool of PPP applicants and consultants.	Implementation of a pool of PPP applicants and consultants.

## Human and Financial Resource Planning

As was mentioned in the section entitled “Business Environment and Issues”, that planning of PPP Québec’s human and financial resources over the term of the business plan (fiscal 2008-2009) is a delicate exercise to the extent that these resources are required for projects that are headed by public departments and agencies.

### Human Resources

As of November 30, 2006, PPP Québec employed 26 people comprising a relatively modest team in terms of numbers, especially considering the fact that it must respond to the following:

- The administrative imperatives associated with maintaining facilities in Québec and Montréal;
- The requirements arising from its consultative functions with respect to government entities and its clients;
- Its responsibilities relating to providing information to public bodies, the business milieu, and the general public.

In addition, 18 professionals are assigned to reviewing best practices and the progress of the previously mentioned major projects, whose total value is approximately four billion dollars.

Finally, over the course of the term covered by its business plan, PPP Québec plans to adapt its resources to the needs and demands of its clients.

### Financial Resources

PPP Québec’s activities are financed by the consultation fees that it collects from its clients, which are public departments and agencies.

Therefore, the activities relating to the PPP projects that are headed by departments and agencies are covered by specific service agreements between these organizations and PPP Québec. The financing of activities inherent to the PPP “advice and information” functions are the topic of a service contract with the Secrétariat du Conseil du trésor du Québec.

The main hypotheses underlying the development of the three-year financial plan that are presented here are as follows:

- The workforce will be maintained for the term of the business plan.
- Charges for processing and for benefits take into consideration the evolution of salary scales and salary increases granted to public servants in Québec.
- Other charges will evolve based on an anticipated inflation rate of 2.0% per year.
- PPP Québec intends to cover its costs over the term in question. In this respect, it anticipates that revenues will evolve at the same pace as total costs.
- No special expenses are planned during the term of the business plan.
- Within the context of a specific project, the fees for external consultants and for travel and accommodation expenses incurred by Agency personnel will be invoiced to the client.

In this respect, the reader will note that the amount for “Fees – External Consultants” that is posted to revenues is identical to the amount for “External consultants – Projects” that is included in the expenses (\$2.8 M).

These amounts do not constitute transactions by PPP Québec for its own purposes. They correspond to activities conducted by PPP Québec on behalf of the government departments that will reimburse them.

As a mandatary of the State, PPP Québec hires the specialized external consultants that are required for the execution of projects carried out for the departments using the PPP method, and assumes the applicable costs.

Considering the fact that the responsibility for the projects rests with the government departments, these departments will fully reimburse PPP Québec for the costs incurred in order to cover the external consultant services.

In addition, the refundable travel and accommodation expenses in the revenues section cover those that are incurred by PPP Québec for clients’ projects. These expenses are integrated with those that are incurred by PPP Québec for its regular activities, which are listed under the heading Travel and accommodation in the expenses section.

PPP Québec draws no benefit whatsoever from these specific tasks that are carried out on behalf of its clients.

## Three-year Financial Framework *(In thousands of dollars)*

Year Budget item	2006-2007 \$	2007-2008 \$	2008-2009 \$
<b>REVENUES</b>			
Fees – PPP Québec	4,200	4,362	4,648
Fees – External consultants	2,800	2,800	2,800
Refundable travel and accommodation expenses	150	150	150
<b>TOTAL REVENUES</b>	<b>7,150</b>	<b>7,312</b>	<b>7,598</b>
<b>EXPENSES</b>			
Processing and benefits	3,022	3,475	3,753
Consultants – Agency	350	204	208
External consultants – Projects	2,800	2,800	2,800
Travel and accommodation	246	210	214
Leasehold expenses	285	291	297
Other expenses*	440	326	326
<b>TOTAL EXPENSES</b>	<b>7,143</b>	<b>7,306</b>	<b>7,598</b>
Surplus (deficit)	7	6	0

\*Communication, information technology, financial costs, and amortization



## Schematic Table

- MISSION :** ▶ Contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships (PPP).
- VISION :** ▶ Actively commit to the advancement of public-private partnership projects contracted by public departments and agencies as a dynamic collaborator, by taking full advantage of the competition between private partners combined with public sector contractorship, in order to obtain the best added value for the public funds that are invested in terms of the cost, quality, and longevity of public services.
- ISSUES :** ▶
- Introduce a new approach.
  - Attain cohesion among stakeholders.
  - Ensure the availability of its competencies.
  - Stabilize PPP Québec revenues.

AXIS	PROJECTS	BEST PRACTICES AND INFORMATION	COMPETENCIES
	<i>Orientation: Contribute to the success of projects</i>	<i>Orientation: Make PPP Québec a reference tool in the area of PPPs</i>	<i>Orientation: Ensure the availability of PPP Québec</i>
<b>OBJECTIVES</b>			
	<ul style="list-style-type: none"> <li>• Maximize the value of projects with respect to the public funds that are invested.</li> <li>• Ensure the transparency and objectivity of the private partner selection process.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a documentation and information centre.</li> <li>• Provide interested parties with objective and factual information concerning PPPs.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and maintain competencies within PPP Québec.</li> <li>• Monitor the evolution of projects and respond to clients' demands.</li> </ul>
<b>MEASURES</b>			
	<ul style="list-style-type: none"> <li>• Devise a governance structure for each project.</li> <li>• Complete the business case before launching the acquisition strategy.</li> <li>• Apply an acquisition strategy that promotes competition between the private partners.</li> <li>• Promote the transparency of the private partner selection process.</li> <li>• Ensure that the main steps in the acquisition strategy are verified.</li> </ul>	<ul style="list-style-type: none"> <li>• Devise a PPP surveillance policy.</li> <li>• Structure a documentation and information centre to compile and disseminate information and best practices pertaining to PPPs.</li> <li>• Ensure the ongoing improvement of the website.</li> <li>• Participate in conferences, symposiums, and other existing forums.</li> <li>• Contribute to improving understanding of the PPP method.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage training of human resources.</li> <li>• Ensure the transfer of expertise and know-how between projects.</li> <li>• Introduce conditions that are conducive to the development of competencies.</li> <li>• Adapt PPP Québec's resources to clients' requirements.</li> <li>• Develop a pool of PPP applicants and consultants.</li> </ul>
<b>INDICATORS</b>			
	<ul style="list-style-type: none"> <li>• Number of service agreements that include a governance structure.</li> <li>• Number of business cases seen to completion.</li> <li>• Number of private partners that are interested and selected under the terms of the acquisition strategy.</li> <li>• Determination of added value relative to the public funds invested for each project.</li> <li>• Scope and nature of the information that is made accessible to the public.</li> <li>• Reports from external process auditors.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce a PPP surveillance policy.</li> <li>• Number of consultations.</li> <li>• Requests for information received and processed.</li> <li>• Number of publications pertaining to practices.</li> <li>• Visits to the website, user profiles.</li> <li>• Number of activities involving the various types of clientele and the general public.</li> <li>• Number of publications; types of target clienteles.</li> <li>• Awareness level of PPP Québec.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of training days.</li> <li>• Number of people working on more than one project.</li> <li>• Personnel turnover rate.</li> <li>• Development of an internal-knowledge management strategy.</li> <li>• Evaluation of client satisfaction.</li> <li>• Introduction of a pool of PPP applicants and consultants.</li> </ul>



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