

Infrastructure BC Inc.

(Formerly Partnerships British Columbia Inc.)

2021/22 – 2023/24 Service Plan

April 2021



For more information on Infrastructure BC Inc. contact:

Suite 1220 - 800 West Pender Street

Vancouver, B.C.

V6C 1J8

(604) 806-4168

Or

Suite 300 - 707 Fort Street

Victoria, B.C.

V8W 3G3

(250) 475-4668

Or visit our website at

infrastructurebc.com

Published by Infrastructure BC Inc.

Board Chair's Accountability Statement



The 2021/22 – 2023/24 Infrastructure BC Inc. (Infrastructure BC or the Company) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. 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. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of April 2021 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Infrastructure BC Inc.'s 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 Infrastructure BC Inc. operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, appearing to read "Dana Hayden". The signature is fluid and cursive, written over a light blue background.

Dana Hayden
Board Chair

Table of Contents

Board Chair’s Accountability Statement	3
Strategic Direction and Alignment with Government Priorities.....	5
Operating Environment.....	6
Performance Planning.....	7
Financial Plan.....	15
Financial Summary	15
Appendix A: Additional Information.....	17

Strategic Direction and Alignment with Government Priorities

In 2021/22, British Columbians continue to face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and the Government of British Columbia. The government has identified five foundational principles that will inform each Crown agency's policies and programs and contribute to COVID recovery: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas commitments, and a strong, sustainable economy that works for everyone.

Infrastructure 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*.

Through its [vision, mission and values](#), Infrastructure BC advises clients how best to plan, procure and deliver public infrastructure projects to foster innovation and quality, address key service needs and to manage projects to be on time and on budget, using a variety of procurement models. When delivered on time and within the capital and affordability ceilings, governments are able to make their planned investments in critical public services more effectively.

Infrastructure BC's strategic direction and mandate have been set by its Shareholder, as per the Crown's [Mandate Letter](#).

Infrastructure BC has relationships with clients in B.C. including: the Ministries of Transportation and Infrastructure, Health, Citizens' Services, Public Safety and Solicitor General, Education, Tourism, Arts and Culture and Advanced Education, Skills and Training, along with the provincial health authorities, school districts and several B.C. Crown corporations. While the focus of Infrastructure BC is British Columbia (government) based work, when resources allow, Infrastructure BC also offers services to clients outside of the provincial government including local governments, other provinces and the federal government.

In support of the Provincial government's priority to incorporate community benefits into major infrastructure projects, Infrastructure BC is working with our clients, who are the owners of capital infrastructure, and BC Infrastructure Benefits Inc. (BCIB) to incorporate this approach into selected projects. To date, these projects are the Pattullo Bridge Replacement, Broadway Subway, Kicking Horse Canyon – Phase 4, and Cowichan District Hospital Replacement.

Operating Environment

In December 2020, Government announced that [Partnerships British Columbia Inc. changed its name to Infrastructure BC Inc.](#)

Since its inception in 2002, the Company has participated in 64 projects with a cumulative capital investment of approximately \$23 billion. Of these, twelve projects with a total capital investment of \$4 billion were undertaken for governments in Canada other than the Government of BC. In fiscal 2020/21, Infrastructure BC supported the procurement of fourteen projects, seven of which reached contract execution. Planning for fiscal year 2021/2022 indicates Infrastructure BC will likely work on ten to fifteen projects in procurement. Infrastructure BC has committed to increasing resources to support government's priorities. Building on the previous year with introduction of twelve new staff members at various levels, Infrastructure BC will continue to focus on staff recruitment, mentoring and development.

In March 2020, a global pandemic was declared by the World Health Organization creating immediate adjustments for Infrastructure BC staff and projects. Supporting the measures enacted by the Provincial Government, staff began working remotely effective March 17, 2020. This remote work scenario remains in effect for its Victoria and Vancouver offices. Infrastructure BC continues to monitor impacts to certain project schedules in 2021/22 directly connected to the COVID-19 pandemic.

Throughout the COVID-19 pandemic, Infrastructure BC continued to provide support to its clients and the health and well-being of its staff. Additionally, Infrastructure BC will continue to support stimulus programs for economic recovery from all levels of government. As part of the Provincial Government's focus on economic recovery through infrastructure, the outlook for complex capital projects in BC remains strong, and there is potential for a significant project flow in the coming years with the federal government's continuing and new infrastructure funding programs. While the flow of projects continues to remain strong, BC has experienced a new trend on large infrastructure projects whereby fewer bids per project are submitted than in the past and those proponents that do bid are more risk averse. Infrastructure BC continues to examine and implement innovative procurement models to deal with the challenge of fewer bidders and related market dynamics.

The COVID-19 pandemic significantly reduced economic activity in B.C. in 2020. The ongoing evolution and economic cost of the pandemic on B.C. and its trading partners remains highly uncertain. The Economic Forecast Council (EFC) estimates a 5.1 per cent decline in B.C. real GDP in 2020 and expects growth of 4.9 per cent in 2021 and 4.3 per cent in 2022. Meanwhile for Canada, the EFC projects national real GDP growth of 4.7 per cent in 2021 and 4.2 per cent in 2022, following an estimated decline of 5.4 per cent in 2020. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. The pandemic has increased risks to B.C.'s economic outlook, such as the timing of the global vaccination rollout, extended travel restrictions, a weaker global recovery, and the continued impact of a slower recovery in some sectors of the B.C. economy. Further risks include ongoing uncertainty regarding global trade policies and lower commodity prices.

Performance Planning

Infrastructure BC acts as an interface between public sector entities and private sector companies in the procurement and delivery of complex capital projects. Infrastructure BC’s services include:

- Project planning
- Concept plan and business case development
- Procurement advice and management
- Design and construction advisory
- Contract administration
- Project communications support

Goal 1: Effective planning and procurement associated with complex infrastructure projects supports government priorities

Objective 1.1: Achieve agreed-upon project procurement schedules

Key Strategies

- Use effective processes and contractual requirements to meet project procurement schedules under various design segregated contract models.
- Use of appropriate governance models throughout the project procurement process.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.1 Each project is delivered based on the agreed upon procurement schedule	Expect to Achieve	Expect to Achieve	Expect to Achieve	Expect to Achieve

Linking Performance Measure to Objective

1.1 Infrastructure BC closely tracks each project procurement process to help achieve procurement schedules identified within the Requests for Qualifications.

Objective 1.2: Meet capital and affordability ceilings

Key Strategies:

- Promote robust market competition for project procurement under various design integrated contract models (e.g. progressive design build).
- Develop risk-based cost analysis for projects at the Business Case stage and update as necessary prior to release of the Request for Proposals (RFP).
- Implement procurement processes that deliver projects within established capital and affordability ceilings.
- Develop a library of lessons learned with respect to planning, procurement, design development, construction, commissioning and operations.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.2a Each project that reaches financial close is within capital and affordability ceilings	Continue to Achieve	Continue to Achieve	Continue to Achieve	Continue to Achieve

Linking Performance Measures to Objectives:

1.2a Infrastructure BC works with clients to develop comprehensive risk-based capital and affordability ceilings, with the objective that proponents' financial proposals can be delivered within these ceilings. Delivering projects on or under these ceilings contributes to Governments' ability to effectively make planned investments in other critical public infrastructure (e.g., minimizes need for reductions or deferrals of other projects to accommodate project cost increases).

In procurements where pricing is received from only one bidder, value needs to be assured even if the pricing is within the capital and affordability ceilings. In procurements where pricing is received from more than one bidder, value is determined from the competitive process.

The value for money concept was closely associated with the public private partnership procurement model. Presently, Infrastructure BC is delivering complex capital projects using various other procurement models, therefore, this concept is no longer a relevant performance measure.

Objective 1.3: Maintain fairness and transparency in project procurement processes

Key Strategies:

- Initiate innovative procurement processes and contracts, and work with clients and the market to achieve procurement objectives.
- Publish fairness advisor reports that assess the fairness of the procurement process.

Performance Measure	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.3 Clean Fairness Advisor report where size and scope warrants fairness review	Expect to Achieve	Expect to Achieve	Expect to Achieve	Expect to Achieve

Linking Performance Measures to Objectives:

- 1.3 Fairness Advisor reports are created for both the Request for Qualifications (RFQ) and Request for Proposals (RFP) phases. Clean reports help strengthen market confidence in Infrastructure BC-led procurements, contributing to strong market competition and improved pricing and value for projects. A clean fairness advisor report would comment positively on the treatment of participants, application of evaluation criteria, fairness and transparency.

Objective 1.4: Support government priorities

Key Strategies:

- Help clients to incorporate community benefits into major infrastructure projects and assist the Province of BC to develop a broader community benefits framework.
- Seek opportunities to include Indigenous Peoples and businesses through the procurement process.
- Work with the Ministry of Finance to develop an understanding of Gender Based Analysis Plus (GBA+) and assist clients to incorporate in the planning process, where appropriate.
- Develop an understanding with respect to equity, diversity, and inclusion (ED&I); review and assess and potentially modify ED&I practices and policies.
- Infrastructure BC will continue its inclusion of *Wood First Act objectives* supporting the use of mass timber within its planning and procurement documents.
- Within the business case planning phase, assist clients in meeting the CleanBC objectives to ensure energy efficiency and/or low carbon options are analyzed.
- Work with the Ministry of Finance on joint business case guidance in addition to implementing the guidance policy.
- Within the business case planning phase, assist clients in assessing the feasibility of including childcare spaces in capital projects.

Goal 2: Deliver value to our clients and engage stakeholders

Objective 2.1: Promote strong market participation

Key Strategies

- Consistently engage with market participants.
- Bring projects to market in a coordinated manner.
- Publish BC Major Infrastructure Project brochure biannually.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.1a Competitive Procurements with at least four qualified respondents at RFQ stage	Expect to Achieve	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage

Linking Performance Measure to Objective

2.1a Public sector clients receive the best value through robust market participation and competition. Infrastructure BC targets a minimum of four capable respondents in each capital project procurement.

Infrastructure BC’s new “BC Major Infrastructure Project Brochure” assists the market to better plan for upcoming projects.

Discussion

Many factors affect the ability to successfully achieve procurement schedule targets including: changing government priorities, client timelines, external economic environment, market capacity, stakeholder engagement, and election cycles at all levels of government.

In response to inadequate market capacity, Infrastructure BC has introduced two new innovative procurement models – Progressive Design Build and Competitive Alliance to spur competitiveness within the market.

Objective 2.2: Maintain client satisfaction

Key Strategies

- Infrastructure BC will continue to conduct client surveys to measure satisfaction with Infrastructure BC’s services.

Performance Measure(s)	2019/20 Baseline	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.2 Client Satisfaction of 80% or above.	Achieved	N/A ¹	Achieve 85% client satisfaction or higher	N/A	Achieve 85% client satisfaction or higher

¹ The next survey will be held in Q4 of 2021/22 fiscal year and biennially thereafter.

Linking Performance Measure to Objective

- 2.2 As a service-driven organization, maintaining a high level of client satisfaction has proven to be a key driver of our year-over-year success as evidenced by many of our repeat clients. The survey measures staff expertise, quality of results, and the value added by Infrastructure BC’s participation.

Objective 2.3: Maintain stakeholder satisfaction

Key Strategies:

- Implement a stakeholder engagement program that uses a range of methods to gather and respond to feedback. Examples include surveys, market outreach sessions, meetings and briefings, workshops and information sharing events, conferences and business-to-business networking sessions.
- Execute effective stakeholder outreach and engagement in procurement practices.

• Performance Measure(s)	2019/20 Baseline	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.3 Stakeholder Satisfaction of 83% or above ¹	Achieved	N/A ²	Achieve 85% client satisfaction or higher	N/A	Achieve 85% client satisfaction or higher

¹ The client and stakeholder satisfaction ratings have a standard error of +/- 8 per cent at the 95 percent level of confidence. Infrastructure BC has a limited number of clients and stakeholders, and as a result, the percentage satisfaction rating may fluctuate from year to year.

²The next survey will be held in Q4 of 2021/22 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives

2.3 Our work impacts a large number of stakeholders. Effectively engaging our stakeholders improves their understanding and involvement in our projects and infrastructure development. The survey attempts to assess the level of trust that stakeholders have in the Company.

Goal 3: Maintain a responsive and resilient organization

Objective 3.1: Be financially self sufficient

Key Strategies

- Actively assess revenue-generating opportunities through the development and application of Infrastructure BC’s business development plan. The plan identifies key strategies and tactics necessary to ensure the agency maintains financial self-sufficiency.
- Create an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across Infrastructure BC.
- Diversify revenue sources throughout the three main sectors: Transportation and Utilities, Health Care and Accommodation with no one sector accounting for less than 25 percent of total revenues.
- Increase or expand support to governments on complex infrastructure projects and other government priorities.
- Develop and implement advisory services for the design and construction phase of projects.
- Diversify business to include non-province of BC reporting entity clients.

Performance Measure(s)	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.1a Self Sufficiency ²	Expect to exceed net income target of \$0.60M	Expect to achieve net income target of \$0.42M	Expect to achieve net income target of \$0.46M	Expect to achieve net income target of \$0.49M
3.1b Each sector will contribute at least 25% to work fees revenue ¹	Expect to Achieve	Expect to Achieve	Expect to Achieve	Expect to Achieve

¹ Transportation and Utilities, Health Care and Accommodations.

² The forecast and targets have been revised from the previous year as part of the fluctuating budget process which occurs on an annual basis with differing assumptions each year.

Linking Performance Measure to Objective

- 3.1a Infrastructure BC secures fee-based project work within and outside the B.C. Government to support its operations and thereby achieve financial self-sufficiency (Infrastructure BC does not receive any annual operating grants from the Government of B.C.).
- 3.1b Infrastructure BC will strive to diversify revenues sources by setting a target of at least 25 percent of total revenues from each of the three major sectors – Transportation and Utilities, Health Care and Accommodations.

Objective 3.2: Provide a workplace that promotes employee engagement and satisfaction

Key Strategies:

- Promote strong teamwork and open communication amongst all staff members and provide significant learning opportunities.
- Measure employee satisfaction through surveys, with a target of 80 percent satisfaction. Infrastructure BC conducts an employee survey every two years through anonymous feedback and a third-party service provider. The employee satisfaction survey and employee retention are instrumental in ensuring the continuity of project success.
- Improve staff retention and develop employee skills and satisfaction through professional development.
- Increase focus on staff mentoring and development.
- Update flexible work arrangements post COVID-19.

Performance Measure	2019/20 Baseline	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.2 Employee satisfaction survey with a goal to achieve 80% or higher rating	80 percent achieved	N/A ¹	Achieve 80% employee satisfaction or higher	N/A	Achieve 80% employee satisfaction or higher

¹ The next survey will be held in Q4 of 2021/22 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

3.2 Infrastructure BC works in a knowledge management industry, and the agency’s most important asset is its employees. Employee satisfaction supports continuity on projects and knowledge transfer to new employees. A well-managed agency supports employee development and provides growth and challenging opportunities. Infrastructure BC measures employee satisfaction through job satisfaction and commitment using a standardized survey used by other ministries and crown agencies. The survey measures outcomes in various areas including teamwork, professional development and job suitability.

Financial Plan

Summary Financial Outlook

(in millions of dollars)	2020/21 Forecast	2021/22 Budget	2022/23 Plan	2023/24 Plan
Total Revenue				
Consulting Fees	9.02	9.51	9.79	10.08
Interest Income	0.39	0.16	0.17	0.17
Project Recoveries	1.90	1.89	1.91	1.93
Total Revenue	11.31	11.56	11.87	12.18
Total Expenses				
Human Resource Costs	6.95	7.46	7.68	7.91
Professional Services	0.28	0.37	0.38	0.39
Administration	1.34	1.22	1.24	1.27
Corporate Relations	0.06	0.04	0.04	0.04
Amortization	0.18	0.16	0.16	0.15
Project Recoverable Expenses	1.90	1.89	1.91	1.93
Total Expenses	10.71	11.14	11.41	11.69
Annual Surplus	0.60	0.42	0.46	0.49
Total Debt	Nil	Nil	Nil	Nil
Accumulated Surplus	19.36	19.78	20.24	20.73
Capital Expenditures	0.07	0.03	0.09	0.05

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Financial Plan

Summary Financial Outlook

The budgeted financial information for fiscal years 2021/22 to 2023/24 was prepared based on the following assumptions and directions from the Shareholder:

1. Full Time Equivalents information is as at fiscal year-end and is subject to change if there are changes to current and likely engagements. This staffing complement will allow Infrastructure 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 Infrastructure BC's charge-out rates to the Province of BC clients in fiscal years 2021/22 to 2023/24.
3. Operating expenses for fiscal years 2021/22 to 2023/24 are developed based on a zero-based budgeting exercise.

Appendix A: Additional Information

Corporate Governance

[Infrastructure BC Board of Directors](#)

[Senior Management Team](#)

Organizational Overview

[Infrastructure BC Governance Principles](#)

[Organizational Overview](#)