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Ministry of Finance

NEW FRAMEWORK, AGENCY TO GUIDE PUBLIC BUILDING

VANCOUVER – Government has established a new capital asset management framework to foster innovative and affordable infrastructure projects that meet the needs of British Columbians, Finance Minister Gary Collins announced today.

"Protecting the public interest is paramount," said Collins. "Issues like service effectiveness, health and safety, environmental protection, access and equity will be rigorously assessed in making capital decisions. Put simply, the new capital management framework defines the rules of the road."

The minister noted that although the framework will help guide capital planning in the province, it does not predetermine that every project will be a public-private partnership, or P3.

"In some cases, the P3 option will not meet the service needs of British Columbians," said Collins. "However, every project deserves scrutiny to determine whether it should be built by the private sector, the public sector, or a combination of the two working together. The framework provides for this."

Collins added the absence of this kind of comprehensive road map in the past has resulted in the construction of assets like fast ferries entirely with taxpayers' money or debt, based on questionable business cases. Further, the assumption that public ownership of an asset and public delivery of a service always yields the best value for money may not always be true.

"The new asset-management framework encourages public-sector organizations to look at alternatives, new ideas and fresh solutions," said Collins. "The potential benefits to British Columbians include more facilities, better service delivery and more jobs."

Key best-practices principles inherent in the new framework include:

- Sound fiscal management. Capital asset spending will be managed within fiscal limits and supported by stringent business-case analysis. Costs and risks - such as legal, environmental, health and safety, and construction - will be allocated to those parties best suited to handle them.

- Strong accountability in a flexible and streamlined process. Agencies will have the freedom, flexibility and accountability to meet their priority capital needs. However, all agencies must measure their performance and report results to the province and the public.
- Value for money. Agencies must demonstrate the most efficient use of resources to meet or exceed service-delivery goals while protecting the public interest.
- Protecting the public interest. The framework offers guidelines and tools to help agencies assess public interest considerations, and emphasizes that an agency's primary mandate is to serve the public effectively.
- Competition and transparency. Private-sector services will be procured through fair, open and competitive processes consistent with government procurement policies. Agencies must disclose details of these processes while protecting proprietary and commercially confidential information.

The minister also announced the establishment of Partnerships British Columbia, a publicly owned company that will bring together ministries, agencies and the private sector to do P3 projects.

"A management framework road map is only part of the equation when making sure capital projects are delivered in the public interest, on time and on budget," added Collins. "To build the road to P3 success, a corporate agency - working in the interests of government and taxpayers, but at arm's length - is critical."

Partnerships British Columbia's mandate is to promote, enable and help implement P3 projects. It will also be the government's conduit for involving the private sector on P3 issues.

The company will report through a yet-to-be-chosen, government-appointed board of directors, as well as its shareholder, the minister of finance. In the interim, Paul Taylor, the deputy minister of finance, has been appointed acting chief executive officer.

A copy of the capital asset management framework guidelines can be found at <http://www.fin.gov.bc.ca/tbs.htm> on the Internet.

Visit the province's Web site at <http://www.gov.bc.ca/> for online information and services.