



GOVERNMENT'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF FINANCE
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF PARTNERSHIPS BRITISH COLUMBIA
(AS REPRESENTATIVE OF THE CORPORATION)**

FOR 2014/ 15

PURPOSE

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Government's Expectations Manual for British Columbia Crown Agencies¹, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties. It is intended to create an opportunity for dialogue between the parties and to support an open, positive and co-operative working relationship, resulting in the achievement of government's policy and performance expectations in a transparent and accountable manner.

CORPORATION ACCOUNTABILITIES – MANDATE

Government has provided the following mandate direction to Partnerships British Columbia (PBC):

- Plan and structure partnership delivery solutions for public infrastructure which are expected to achieve value for money;

¹ The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The *Government's Expectations For British Columbia Crown Agencies* provides for a Government's Letter of Expectations (Letter) to be developed.

- Successfully implement partnership delivery solutions for public infrastructure through leadership in procurement, practices and market development; and
- Maintain a self-sustaining organization and provide added value to an increasingly diverse client base.

SPECIFIC CORPORATION ACCOUNTABILITIES

To achieve this mandate, the Corporation is directed to take the following specific actions:

- Provide a quarterly update to the Deputy Minister of Finance on PBC's capacity to maintain a self-sustaining organization and provide the Executive Financial Officer of the Ministry of Finance with regular quarterly reports on the corporation's financial position and operating results. The quarterly update will include a summary of PBC's financial results achieved against its forecast targets, as well as emerging issues and planned mitigation strategies. PBC should continue to pursue opportunities to showcase partnership procurement models outside the provincial government.
- Actively seek opportunities to make available its valued expert assistance to ministries in the planning and procurement of capital assets with a focus on achieving best value for the province.
- Continue to be cognisant of its supporting and complementary role on project delivery where private sector alternatives are available.
- Continue to work with the Ministry of Finance to ensure that the PPP affordability best practices and project finance strategies are aligned with the principles of the provincial Capital Asset Management Framework (CAMF) and provide ongoing advice to the Ministry of Finance on other areas of capital asset management.
- Continue to engage early and work closely with line ministries/agencies, TBS and other relevant central agencies to ensure that the key service issues, costs, benefits, and risks related to the PPP projects are clearly identified and updated in a timely manner throughout the project review and approval process. To provide opportunities for further collaboration on PPP projects and support timely engagement, PBC and client ministries should provide regular updates to TBS and other central agencies on specific emerging and current PPP projects. PBC should also facilitate ongoing dialogue with TBS and other central agencies on the PPP model and market.
- Develop an enhanced stakeholder engagement/communications strategy, which includes key communications objectives, strategies/deliverables, implementation timeframes and outcomes, to improve key stakeholders' understanding regarding the PPP methodology and the partnership procurement model for major capital projects.

GENERAL CORPORATION ACCOUNTABILITIES

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to

manage in the best interests of the Province and our citizens and conduct its affairs with the principles of integrity, efficiency, effectiveness, and customer service.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with the Government's Strategic Plan, found at: http://www.bcbudget.gov.bc.ca/2013_June_Update/stplan/2013_June_Strategic_Plan.pdf and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's priorities of:
 - Strong Economy**
A government that supports our economy by controlling spending to balance the budget, keeping taxes and government debt affordable and protecting B.C.'s hard-earned triple-A credit rating.
 - Jobs**
A government that is focused on job creation and investment in the province.
 - Families**
A government that works continuously to improve social programs that support families of every description, and improve the lives of British Columbians.
- Comply with Crown Agency Accountability System guidelines, policy, due dates and best practices, as set out from time to time and as applicable to the Corporation, found at <http://www.gov.bc.ca/caro/publications/index.html> including the Information and Events Calendar for commercial and service delivery Crown corporations, Government's Expectations Manual for British Columbia Crown Agencies and the Best Practices Guideline & Disclosure Requirements for Governing Boards of British Columbia Sector Organizations.
- Comply with all legislation and policies applicable to the Corporation including but not limited to:
 - The executive compensation policies for Crown corporations. Found at: http://www.fin.gov.bc.ca/psec/disclosuredocs/crown_corporation_executive_compensation_july_2012.pdf;
 - Ensure Government is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
 - Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*.
- Follow the spirit and intent of the financial policy requirements in the Ministry of Finance Core Policy and Procedures Manual found at: <http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>
- Participate in government's Core and Crown reviews, which may include the review of Crown mandates, and implement the recommendations of these reviews.

- Ensure that any planned deficit spending or use of the retained earnings is approved in advance by Treasury Board.
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

GOVERNMENT RESPONSIBILITIES

Specific to the Corporation, Government will:

- Monitor PBC's progress in maintaining a financially self-sustaining organization through the review of quarterly updates provided by the Corporation;
- Ensure that the appropriate consultation and notification occurs on significant policy and legislative issues that may impact the Corporation or public private partnership transactions;
- Support the Corporation and its selected projects where it can be shown that these projects will achieve value for money; and
- Continue to direct and encourage public sector agencies to consider alternative procurement consistent with government policies (e.g. Capital Asset Management Framework).

During the term of this Letter, Government may provide further policy direction to the Ministry of Finance, who will communicate any such direction, including implementation expectations, to PBC as decisions are made.

AREAS OF SHARED ACCOUNTABILITY

Government and the Corporation are committed to transparency and accountability to the public and have planning, reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*.

On a quarterly basis, the Hon. Michael de Jong, Q.C., Minister Responsible, Peter Milburn, Deputy Minister, Larry Blain, Board Chair, and Sarah Clark, Chief Executive Officer, will meet to discuss relevant and current corporation business. The meeting will be to review the achievement of the goals, objectives, performance measures, financial targets and risk assessments identified in the Corporation's Service Plan.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including information on any risks to achieving financial forecasts and performance targets.

The Corporation and the Crown Agencies Resource Office will post the most recent signed copy of the Government's Letter of Expectations on their respective websites.

REVIEW AND REVISION OF THIS LETTER

The Minister of Finance is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.



Honourable Michael de Jong
Minister of Finance



Larry Blain
Chair, Partnerships BC

Jan. 9, 2014

Date

December 16, 2013

Date

Honourable Christy Clark
Premier

John Dyble
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Sarah Clark
Chief Executive Officer
Partnerships BC