



MINISTRY OF PUBLIC SAFETY
AND SOLICITOR GENERAL

MINISTRY OF CITIZENS'
SERVICES

Nanaimo Correctional Centre Replacement Project

Business Case

Confidential

April 2019

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PURPOSE

The purpose of this document is to summarize the findings of the service delivery and procurement options analyses undertaken, including detailed financial and risk assessments, prepared by the Ministry of Citizens' Services (CITZ) jointly with the Ministry of Public Safety and Solicitor General (PSSG) (collectively, the Ministries) and Partnerships British Columbia Inc. (Partnerships BC), that led to the recommendation to proceed with the redevelopment of the Nanaimo Correctional Centre (NCC).



1 EXECUTIVE SUMMARY

1.1 RECOMMENDATION

s.12; s.13



1.2 PROJECT OVERVIEW

To achieve their vision of a safe, secure, just and resilient British Columbia, the PSSG delivers public safety services and programs to government, including the management and administration of 10 adult custody centres across the province. NCC is one of only two adult custody centres on Vancouver Island and plays a critical role in the administration of corrections in the region.

In 2018, BC Corrections completed the 10-year Capital Asset Management Plan (CAMP 2018) with the intent to ensure adequate capacity for inmates that enables safe and secure custody, is sustainable and provides flexible and adaptable space. CAMP 2018 identified two high priority projects:

1. Renovations to segregation units across the portfolio to bring comprehensive services and programs to inmates; and
2. Replacement of NCC.

s.12; s.13

Originally established as a reform school for boys in 1955, the facility operated under this configuration until 1977 when was converted to a provincial treatment centre for drug and alcohol abuse (from 1979 to 1981). In 1983 it was converted for use as a provincial correctional centre for minimum custody male offenders. The facility has been renovated over the years to its current configuration of 190 cells to meet the regional demand. A lack of further investment has resulted in the following issues:

- Facility Condition Index scores (by component) that rank from 0.44 (fair) to 0.69 (poor);
- Original non-secure, seismically deficient construction resulting in risks to staff and inmate safety;
- Physical layout hinders the provision of safe and secure inmate accommodation areas that allow for correctional staff monitoring, observation and inmate behavior patterning;
- Dated heating, ventilation and mechanical systems that do not meet demand volumes and can impose health and safety risks; and
- Program and component areas are inefficient in their adjacencies and ability to connect and support one another.



1.3 PROJECT BENEFITS

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1.4 SERVICE DELIVERY OPTIONS ANALYSIS

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1.5 PROJECT SCOPE

The indicative design and functional program, as developed and costed in this business case, includes preliminary efforts to rethink and reshape the design of rehabilitation environments within the British Columbia correctional system. The replacement of NCC has a focus to challenge past approaches on four levels: general philosophy, custody, environment and construction.

The Project's facility consultant and functional programmer developed the indicative design and functional program for the project to address each of these parameters. The facility consultant relied upon the functional program to identify programmatic needs to establish and test the adjacency requirements in

s.12



development of the indicative design. Through an intensive three day design charrette, users' objectives and opinions were tabled, assumptions challenged, and project constraints established.

The resulting indicative design satisfies BC Correction's requirements while reflecting its intent to rethink and reshape the design of rehabilitation environments with a total net area of 9,881 m², approximate gross area of 13,256 m² and 226 cells (202 general purpose cells and 24 specialty cells) to meet current and future demand.

1.6 PROCUREMENT OPTIONS ANALYSIS

s.12; s.13

1.7 PRELIMINARY PROJECT SCHEDULE

The preliminary Project schedule is described in the following table.



s.12; s.13

Table 1: Preliminary Project Schedule



2 PURPOSE AND APPROACH

2.1 PURPOSE

The main purpose of business case for the Project is to:

- Demonstrate the need and provide background information with respect to the existing NCC;
- Describe in detail the planning process and recommended Project scope to meet the need;
- Describe in detail the procurement analysis conducted for the Project; and
- Recommend a procurement approach and implementation strategy.

The document consists of the following five main sections:

Part A - Rationale for the Project: Describes the current status of the existing centre and establishes the need for the new correctional centre based on the existing facility's lack of functionality and poor condition. This includes a description of the strategic context.

Part B - Delivery of the Project: Describes service delivery options analysis, the programmatic and physical scope required to meet the needs described in Part A and an overview of the Project. .

Part C - Procurement Options Analysis: Analyzes and compares the procurement methods considered. This section uses qualitative and quantitative analysis based on the results of financial modeling, risk quantification, risk analysis, and multiple criteria analysis (MCA) of the procurement options, to ensure the Project goals and procurement objectives are satisfied.

Part D - Implementation Plan, Funding Analysis and Summary Recommendations: Identifies funding sources and recommends the preferred procurement process. Part D also includes the procurement plan, schedule and budget.

Part E - Decision Request: Lists the specific government approvals the Ministries seek from the Province to proceed with this Project.

This business case is intended to provide information and analysis to the Project Executive Board comprised of CITZ, PSSG, Ministry of Finance, and Partnerships BC. The business case is intended to provide information for decision.

2.2 APPROACH

The business case has been developed by the Project team, comprising of members of the PSSG, CITZ, Partnerships BC and advisory consultants, according to the following approach:



- Identifying the most appropriate service delivery option based on the Project objectives and outlined in the Decision Making Framework (DMF);
- Identifying physical space needs through the development of a detailed functional program, developing an indicative design, and estimating the costs that will be incurred to implement these recommendations;
- A qualitative assessment methodology of procurement options using criteria that reflect the Project objectives;
- A quantitative analysis methodology assessing the risk-adjusted cost of the procurement options on a net present cost basis; and
- Selection of a recommended procurement approach and implementation plan.



PART A – RATIONALE FOR THE PROJECT

This section of the Business Case provides context for the Project. It explains the history and background of the facility, including an overview of the challenges currently facing the NCC, describes the need for change, identifies how the proposed Project addresses that need, and highlights strategic alignments with key stakeholders.

This section concludes that the current NCC:

- Is beyond its economic and useful life with buildings that are more than 60 years old and FCI scores that range from fair to beyond economical repair;
- Does not support modern, progressive and evolving correctional practices as it was built for an entirely different purpose;
- Physical layout hinders the provision of safe and secure inmate accommodation areas that allow for correctional staff monitoring, observation and inmate behavior patterning; and
- Heating, ventilation and mechanical systems do not meet demand volumes and increase health and safety risks of staff and inmates;



3 STRATEGIC CONTEXT

3.1 MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL

To achieve their vision of a safe, secure, just and resilient British Columbia, PSSG delivers public safety services and programs to government. This is accomplished with dedicated and professional staff, and through innovation and service excellence in fulfilling responsibilities that include correctional services, civil forfeiture, policing and law enforcement, restorative justice, cannabis legalization and regulation, victim services, coroner's services, crime prevention, criminal record checks, private security industry regulation, road safety, consumer protection and emergency management and planning.

The following four goals govern PSSG's day-to-day operations and strategic priorities:

- Goal One – The justice and public safety system in British Columbia is fair.
- Goal Two – The justice and public safety system in British Columbia protects people.
- Goal Three – The justice and public safety system in British Columbia is sustainable.
- Goal Four – The justice and public safety system in British Columbia has the public's confidence.

The Project fits well in the delivery of PSSG's objectives and directly supports Goals Two and Four by providing culturally diverse and appropriate programming that recognizes culture for its role in rehabilitation and recovery, particularly for Indigenous people.

3.2 MINISTRY OF CITIZENS' SERVICES

The CITZ performs a dynamic role in government to support businesses, citizens, government ministries and broader public sector organizations. CITZ focuses on providing key services that citizens count on, and building opportunities for local communities and businesses to benefit from government's purchasing power. As the shared services provider for government, CITZ manages the government's real estate assets and leases. CITZ also provides technology systems and equipment, from phones and printers to computers and networking, as well as procurement and supplies, and the over-arching policy frameworks for protecting supplies and IT security.

The following three goals govern CITZ's day-to-day operations and strategic priorities:

- Goal One: Make life better for British Columbians by delivering the services that people rely on.
- Goal Two: Support a strong, sustainable and innovative economy by making it easier to participate in government procurements and create opportunities for communities across the province.



- Goal Three: Deliver efficient and effective services to ministries and public sector organizations.

The Project fits well in the delivery of CITZ objectives and directly supports Goal Two by creating opportunities for small, medium and large businesses to access procurement, building market intelligence through market sounding during the planning phase and utilizing modern procurement technology through BC Bid, the Province's e-commerce marketplace for goods and services

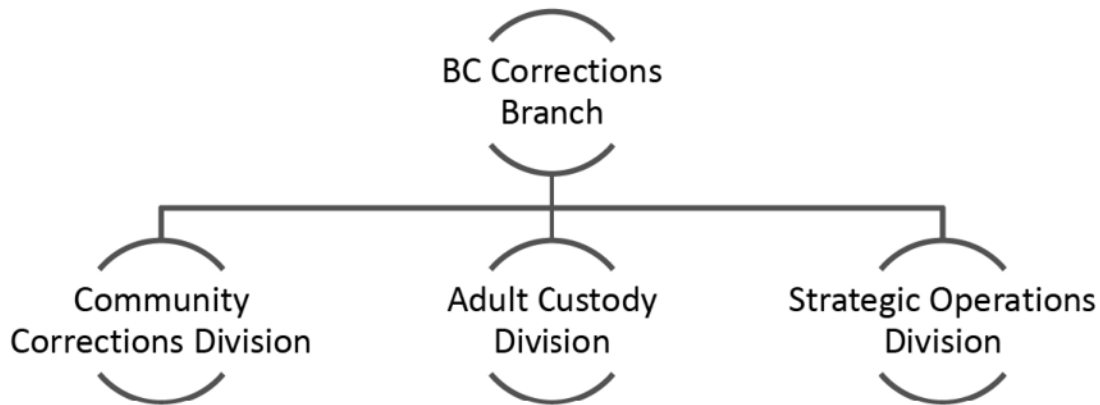


4 BACKGROUND

Within PSSG, BC Corrections includes three divisions reporting to the Assistant Deputy Minister:

- Community Corrections;
- Adult Custody; and
- Strategic Operations.

Figure 1: BC Corrections, Structure



Community Corrections Division operates 55 offices that supervise and offer programs to offenders who live in the community (outside of the correctional centres) in accordance with court orders. Community Corrections staff also make recommendations to the court to assist with sentencing decisions.

Adult Custody Division operates ten correctional centres in the province (described further in Table 2). These correctional centres house individuals who are awaiting trial, serving a provincial jail sentence (up to two years less a day³), or are being held pending an immigration review. While the levels of security and control vary from centre to centre, all of the correctional centres offer inmate programs, education and vocational training proven to address factors which contribute to criminal behaviour. Security measures, building design, information-sharing, good case management and staffing models all contribute to the safe management of inmates and the protection of staff within the province's correctional centres. The Adult Custody Division provides capital planning, implementation and project oversight direction to support its operations and meet the needs of the offender population.

³ Correctional Services Canada manages offenders with longer sentences.

Table 2: Provincial Correctional Centres

Correctional Centres	Information
Alouette Correctional Centre for Women (ACCW)	Year built: 2004. Expanded in 2008 and 2012. Custody type: Secure, medium, open
Ford Mountain Correctional Centre (FMCC)	Year built: 1981 Custody type: medium, open
Fraser Regional Correctional Centre (FRCC)	Year built: 1990. Expanded in 2008. Custody type: Secure, medium, open
Kamloops Regional Correctional Centre (KRCC)	Year built: 1989. Expanded in 2008. Custody type: Secure, medium, open
Nanaimo Correctional Centre (NCC)	Year built: 1953 Custody type: medium, open
North Fraser Pretrial Centre (NFPC)	Year built: 2001 Custody type: Secure
Okanagan Correctional Centre (OCC)	Year built: 2016 Custody type: Secure, medium, open
Prince George Regional Correctional Centre (PGRCC)	Year built: 1996, expanded in 2010 Custody type: Secure, medium, open
Surrey Pretrial Services Centre (SPSC)	Year built: 1991, expanded in 2014 Custody type: Secure
Vancouver Island Regional Correctional Centre (VIRCC)	Year built: 1913, extensively renovated and expanded in 1984 Custody type: Secure, medium

Strategic Operations Division provides research, analysis, technical support and strategic direction to BC Corrections to ensure its systems, policies, infrastructure and programs are as effective as possible in promoting public safety.

In addition, BC Corrections:

- Addresses behaviours which offenders need to change;
- Helps offenders gain school and work skills while in custody;
- Assists offenders to plan their return to the community; and



- Ensures offenders in the community are following their court-ordered conditions.

BC Corrections provides offenders with programs and services such as:

- Inmate work programs;
- Substance use management;
- Violence prevention;
- Relationship violence prevention;
- Essential life skills; and
- Sex offender treatment.

The goals of BC Corrections are to:

- Supervise and enforce custody and/or community orders of adult offenders in a safe manner;
- Manage all aspects of correctional supervision through the application of evidence-based, consistent, and best practice policies;
- Encourage learning and development for all members of BC Corrections;
- Adhere to high standards in research, program development and evaluation, and technology;
- Strive to reduce reoffending through the programs and services offered in the correctional centres; and
- Collaborate with other ministries, academic institutions, private and non-profit associations and organizations in justice reform initiatives.

NCC is a key component of BC Corrections' provincial operations. It houses unique and critical inmate programs with demonstrated success. The facility is required to address the forecasted provincial inmate population over the next ten years. The buildings that comprise the facility are of an advanced age and, as this document will demonstrate, are beyond economic and functional repair.

NCC has been targeted for replacement by BC Corrections since the development of the first Capital Asset Management Plan in 2007 (CAMP). The need for investment was reconfirmed in subsequent CAMP updates in 2011 and 2018, with replacement of NCC identified as a high priority project. The CAMP addresses inmate capacity requirements based on long-term population forecasts, regional capacity needs, and specific population considerations (e.g., health and mental health needs, Indigenous population needs, separate confinement, and complex needs).



4.1 FACILITY LOCATION AND HISTORY

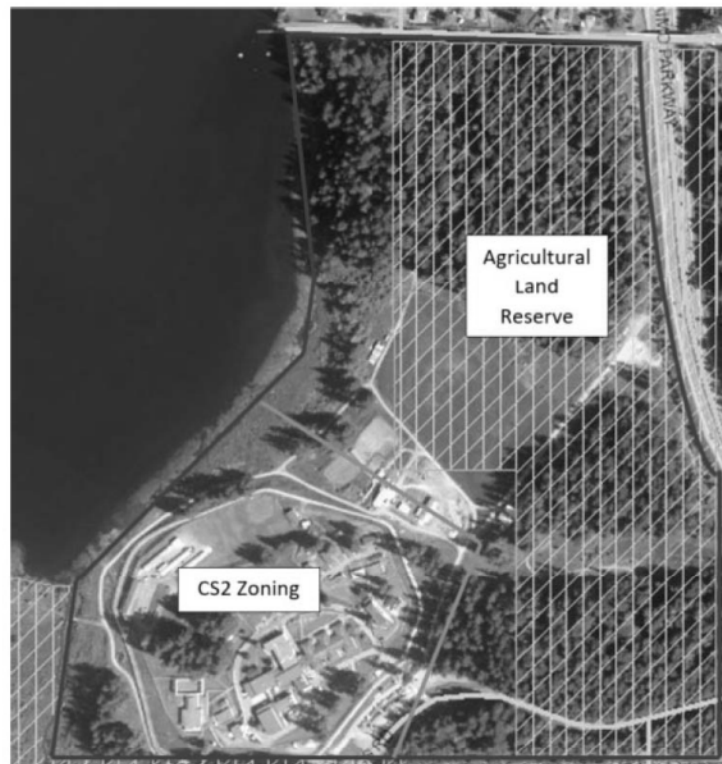
NCC is located within the city limits of Nanaimo on Brannen Lake, along Highway 19, in a mixed residential and rural/agricultural area (see Figures two and three on pages following). It is situated on a 47-hectare (116 acre) site, and is comprised of 26 buildings of varying ages and condition, totaling approximately 10,600 m² of usable building area. The site includes approximately 800 linear metres of shoreline, agricultural areas such as hay fields, and wooded areas. It is one fee simple parcel including two distinct land use zonings. NCC currently sits on approximately 35 acres within the Community Service Two (CS2) zoning, which is the only land use application within the City of Nanaimo that permits correctional centres. The balance of the site, 81 acres, is zoned Rural Resource (AR1), of which the majority (65 acres) is within the Agricultural Land Reserve (ALR).

Originally established as a reform school for boys in 1955, the facility operated under this configuration until 1977 at which point it was converted to a provincial treatment centre for drug and alcohol abuse (from 1979 to 1981). In 1983 it was converted for use as a provincial correctional centre for minimum custody male offenders. In the mid-1990s it was upgraded to a medium-security correctional centre with the installation of a secure perimeter fence, approximately one kilometre in length, around the main part of the site. The facility currently has a cell capacity of 190 for inmates on sentences of less than two years, and a staff complement of 114 full-time officers.

Figure 2: NCC's Location on Vancouver Island



Figure 3: NCC Site Boundary



5 DEMAND ANALYSIS

5.1 DEMAND FORECAST METHODOLOGY

BC Corrections has monitored and maintained data on daily provincial inmate counts since the mid-1970s, using this data to analyze population trends for development of short- and long-range inmate population forecasts. These forecasts are the primary contributor to long-term capacity planning.

BC Corrections' practice is to consider three approaches when forecasting Average Daily Count (ADC):

1. SPSS⁴ Autoregressive Integrated Moving Average to predict ADC for two years, followed by a predicted ADC increase in subsequent years equivalent to projected growth of total B.C. population;
2. ADC predicted to increase at a rate equivalent to the projected growth of the total B.C. population; and
3. SPSS regression analysis using BC Statistics total population estimates and projections to predict ADC.

As a verification of BC Corrections' forecast, BC Statistics is retained periodically to independently forecast demand using their established methodologies. The most recent verification exercises have validated the long-range BC Corrections' forecast within a statistically insignificant margin.⁵

5.2 FACTORS INFLUENCING THE DEMAND FORECAST

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⁴ Statistical Package for the Social Sciences (SPSS) is an IBM software program.

⁵ Validated as part of the Service Delivery Analysis in October 2018

⁶ Set of agencies and processes established by governments to control crime and impose penalties on those who violate laws.



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5.3 PROVINCIAL DEMAND

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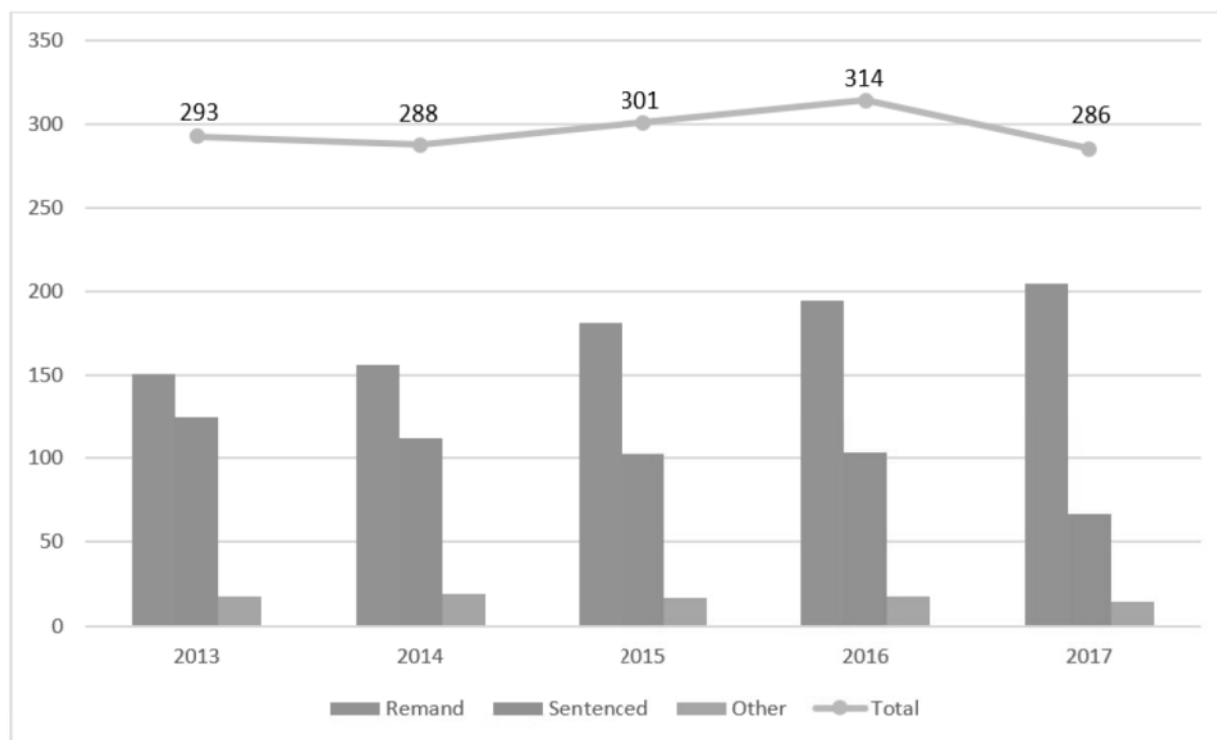
5.4 DEMAND FOR CUSTODY ON VANCOUVER ISLAND

The capacity provided by the NCC is required to meet the current capacity demand as well as anticipated growth in forecasted provincial demand on central and northern Vancouver Island.



Custody requirements on Vancouver Island are presently met by two facilities: NCC and VIRCC. While NCC provides medium security capacity, the VIRCC is a medium/secure facility currently providing all custodial remand holds for the Provincial Courts on Vancouver Island (of which there are 15). The demand for remand holds is high, and as evidenced in the population counts presented, consistently exceeds that of inmates serving a sentence at VIRCC. This demand for remand accommodation pushes VIRCC to operate above their cell capacity (138 per cent for 2017)⁷ and makes program delivery to sentenced inmates increasingly challenging.

Figure 6: VIRCC Custody Holds



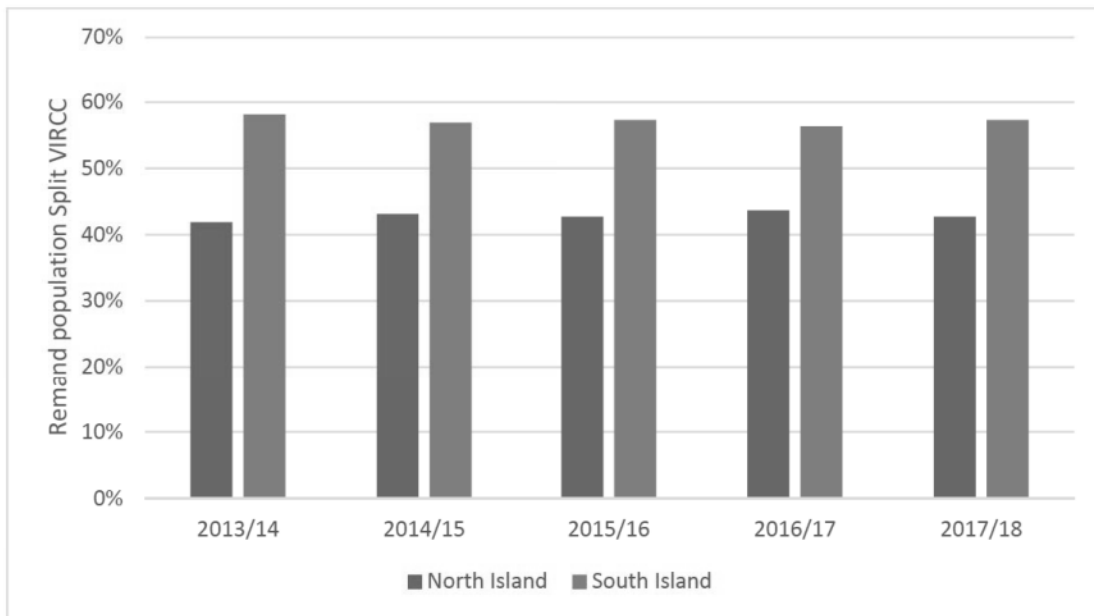
In 2017, 71 per cent of the total population at VIRCC was on remand status, significantly higher than the historical five-year average of 59 per cent. As the only remand facility on Vancouver Island, bed-load management of the remand population is more challenging than in the lower mainland of B.C., primarily due to transportation logistics between Vancouver Island and lower mainland centres. The facility condition and the impact of the demand at VIRCC has also pushed it to a high priority project in CAMP 2018.

⁷ Source: 2014 VIRCC inmate count, BC Corrections Branch. Target capacity is 132 per cent as reported in CAMP 2018.

5.4.1 Demand for Remand Beds in Nanaimo

Of VIRCC's total population, on average over 70 per cent are on remand status. Of these, over the past five years, an average of 43 per cent are from the central and northern portion of Vancouver Island (measured from Nanaimo, north).

Figure 7: Vancouver Island Annual Remand Custody Holds



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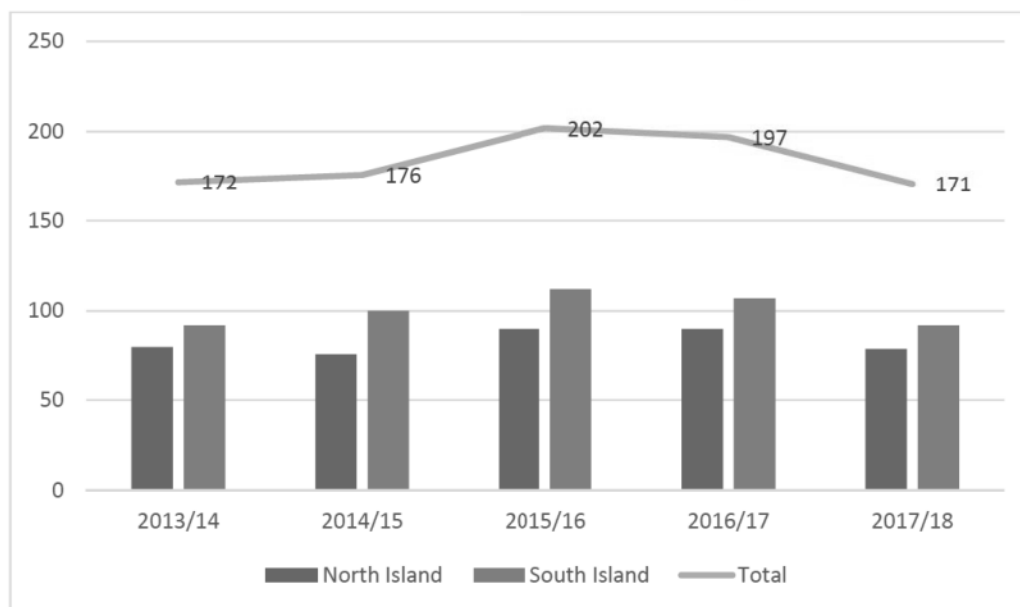
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5.4.2 Demand for Short-Term Female Beds

B.C.'s custody system has no space allocated to the pretrial incarceration needs of women on Vancouver Island. At the present time, women attending trial and/or arrested on Vancouver Island are held in police lock-ups until transport is arranged to the lower mainland which, over holiday weekends, could be as long as 72 hours.

Data presented in Figure 8: shows the number of female remand admissions from all Vancouver Island courts of origin for the past five years, demonstrating that the need for a short-term holding facility for women on Vancouver Island exists.

Figure 8: Vancouver Island Female Custody Holds



s.12; s.13

6 FACILITY CONDITION

6.1 FITNESS FOR PURPOSE

The original NCC buildings are more than 60 years old, and the challenges associated with the delivery of a medium-security custody program at NCC are numerous. While some aspects of the facility have proven useful, the fact that the buildings on the site were built for an entirely different purpose provides ongoing challenges that BC Corrections has faced since taking over the facility.

Key issues in physical layout and construction that challenge BC Corrections in delivering NCC's programs include:

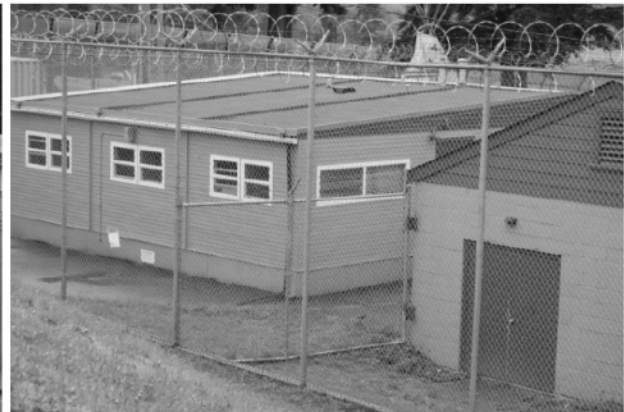
- Original non-secure, seismically deficient construction;
- Physical layout hinders the provision of safe and secure inmate accommodation areas that allow for correctional staff monitoring, observation and inmate behavior patterning;
- Dated heating, ventilation and mechanical systems that do not meet demand volumes and increase health and safety risks of staff and inmates; and
- Program and component areas are inefficient in their adjacencies and ability to connect and serve one another.

Separation of inmate populations at NCC has been accomplished through a compromised use of extensive fencing, both around and throughout the site. As a consequence of this compromise, and as demonstrated by visuals presented below, operational delivery of the program's goals and objectives is less than ideal and results in an inefficient application of resources. Examples of this inefficiency include movement of inmates throughout the facility being managed across numerous gated areas, relying on significant staff time and operational schedules that limit program delivery. The configuration of the buildings limits their use as they cannot support their intended purpose (e.g., overcrowding in admissions and discharge, limited and poorly configured program areas).

Figure 9: NCC Site Photos



Campbell House: Building is separate from kitchen requiring all meals to be delivered by vehicle.



Benson View: Double wide trailer is used as classroom facility that doubles as overflow housing as necessary.



Guthrie House: Ongoing mold and wood rot issues, inefficient use of space.



Secure Fencing: In addition to multiple interior fences, secure fencing surrounds perimeter of the facility.

6.2 FACILITY CONDITION

As part of its mandate, CITZ has established an Asset Management Planning process which includes the development of facility condition assessments for all government-owned buildings. This process helps form the basis for allocating future maintenance and rehabilitation resources, and identifies facility upgrade and replacement recommendations.

To determine the current condition of a building asset, a Facility Condition Index (FCI) is calculated. This industry standard asset management tool measures the economic life, functionality and safety conditions

of buildings, and reports out a ratio of repair needs. The ratio typically includes deferred maintenance as well as replacement costs. The higher the FCI ratio, the greater the need for asset renewal or replacement (land value is not considered when evaluating FCIs).

$$\text{FCI} = \frac{\text{Total Cost of Building Repair/Upgrade/Renewal Needs (\$)}}{\text{Current Replacement Value of Building (\$)}}$$

FCI ratios are interpreted as follows:

Rating	Description
FCI less than 0.05	Excellent
FCI between 0.05 and 0.15	Very good
FCI between 0.16 and 0.35	Good
FCI between 0.35 and 0.60	Fair
FCI between 0.60 and 0.69	Poor
FCI 0.70 or greater	Beyond economical repair

The most recent Facility Condition Assessment of NCC was conducted in August of 2018 by VFA Canada. The data provides an important perspective on the present state of the facility. The results summarized below present the findings of ten of NCC's highest use buildings. These buildings represent an indicative sampling of the renewal work required at NCC.

Table 4: NCC 2018 Facility Condition Assessment

Major Asset (high use buildings)	FCI	Per Cent of Total NCC Built Area
Guthrie House	.69 Poor	6%
Main Building	.64 Poor	41%
Central Heating Plant	.63 Poor	1%
Park House	.56 Fair	3%
Guthrie Residence 3	.56 Fair	2%
Guthrie Residence 2	.55 Fair	2%
Guthrie Residence 1	.53 Fair	2%
Kitchen Unit	.52 Fair	1%
Campbell House	.50 Fair	5%
Guthrie Residence 4	.44 Fair	2%

In terms of building condition and functionality, NCC is the lowest-rated correctional centre in BC Corrections' inventory. The Corrections CAMP originally identified redevelopment of the facility on the existing site as a priority for BC Corrections in 2007, and the updated CAMP 2018 has identified the replacement of NCC as the highest priority project within its capital strategy. Numerous, significant issues regarding NCC were noted in CAMP 2018, including fire risk, asbestos, wood rot, failing building systems, air quality, high energy costs, and an outdated and inefficient operational design.

The 2018 Facility Condition Assessment results confirm BC Corrections' assertion of the need to redevelop NCC, and further demonstrate the urgency to address the facility's current condition.

6.3 CURRENT NCC PROGRAMS

NCC is one of two primarily medium/open (no secure) security correctional facilities in the province providing accommodation for sentenced adult males.⁸ The majority of its population originates from Vancouver Island.⁹ Having this facility situated near the community of Nanaimo allows for inmate placement reasonably close to the population's home community, supporting important links to family and community resources during custody and upon release. The remainder of the population is transferred from other parts of the province to participate in specialized programs.

As a medium-security facility, the inmates at NCC are afforded certain levels of freedom that are not possible in secure facilities where the environment is more restrictive. As evidence of this level of freedom, NCC has developed key programs that support inmates in making positive change, developing transferable skills, and focusing on successful community re-entry. These programs, described below, are the award-winning therapeutic community program¹⁰, meaningful inmate work programs, and delivery of educational and CORE programs.

6.3.1 Guthrie Therapeutic Community

Therapeutic communities are a unique approach to group-based addictions treatment that uses the community as healer versus the individual focus approach. Their fundamental method is to use peer communities to treat the whole person. The main goal of a therapeutic community is to change established patterns of negative thoughts, feelings and behaviours that lead to drug use and criminal behaviours.¹¹ A majority of therapeutic communities in correctional settings are based on the following four principles:

⁸ The two other medium security facilities are dedicated to sex offenders and female inmates, both situated in the lower mainland.

⁹ Source: BC Corrections Branch CORNET Database, October 2018

¹⁰ The Guthrie Therapeutic Community program won the 2012 Premier's Award for Innovation and Excellence.

¹¹ De Leon, G. (2000). *The Therapeutic Community: Theory, model, and method*. New York, NY: Springer.

- a) Complete separation from the general or segregated population;
- b) A highly structured environment;
- c) Constant engagement; and
- d) Priority for those with substance use issues that lead to criminal behaviours.

A growing body of research demonstrates that individuals who complete therapeutic community programming in custody centres have a lower rate of recidivism and drug use, and increases in employment, social and emotional functioning, and quality of life.¹²

At NCC, the GTC began taking offenders in the fall of 2006, and by the fall of 2007 had fully implemented the goals and principles associated with therapeutic communities housed within correctional facilities. It is a provincial resource to which inmates from all areas of the province may apply and be transferred, and it works in collaboration with local community resources and partnerships which have been developed over the past decade.

Research has demonstrated that individuals who complete the Guthrie Program are far less likely to reoffend than those who do not complete it, and that of those who do reoffend, they reoffend less often and in a less severe manner.¹³

6.3.2 Inmate Work Programs

Inmate Work Programs (IWPs)¹⁴ are a key component of NCC operations and have demonstrated success in helping BC Corrections meet its correctional objectives. There are several active and successful IWPs at NCC, including:

- Farm Program – using available land on the NCC site as well as adjacent farmland leased from a private landowner, inmates grow and harvest hay for re-sale;
- Light Industry Programs – inmates complete various tasks around the correctional centre including simple building repair and maintenance, painting, grounds keeping, gardening and janitorial work. These programs teach skills that help inmates gain employment in the community once released;
- Carpentry Program – a very productive operation that builds picnic tables for the Boy Scouts of Canada (over 200 per year), repairs and refurbishes park boards and picnic tables for both

¹² Barnet, 2009; De Leon, 2000; Jensen & Kane, 2010; Aos, Miller & Drake, 2006; Welsh, 2007.

¹³ Nanaimo Correctional Centre Therapeutic Community Preliminary Impact Analysis Research Report, www.gov.bc.ca/NCC/Preliminary_Impact_Analysis

¹⁴ More recently referred to as “Corrections Work Programs” in some Corrections Branch communications material.



publicly- and privately-owned parks, and builds lawn furniture and planters for sale. This program also provides bookcases for a provincial literacy program, Write to Read, which is focused on increasing literacy skills to First Nations;

- Kitchen Program – inmates work alongside NCC’s food service contractor to prepare, cook as well as clean up from food service. They also receive food safe certification and NCC is exploring expanding opportunities through Vancouver Island University as well to include (a culinary arts component);
- Firehose Refurbishment Program – through a partnership with the BC Wildfire Service of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development, inmates wash and repair hoses from throughout the province for reuse by wildfire crews. This program will be transferred to another correctional centre more centrally located to BC Wildfire operations, and free up space at the current site for the re-development.
- Community Work Programs include:
 - Delivering toys for the Nanaimo Toy Drive;
 - Setting up Christmas lights in downtown Nanaimo;
 - Clearing brush from beside highways (contract with Ministry of Transportation and Infrastructure);
 - Maintenance of the local BMX track;
 - Fair grounds maintenance and event preparation at the local Vancouver Island Exhibition and Cowichan Fair Grounds; and
 - Cleaning and repair at local rest stops and boat ramps.

6.3.3 Educational and CORE Programs

NCC, in partnership with the Cowichan School District, focuses on improving basic literacy skills and educational levels for those inmates who have that need. For many, achieving a Dogwood Diploma or General Educational Development (GED) completion is a foundational requirement for gaining access to job skills training. NCC and Vancouver Island University have partnered to create a unique “Inside Out” program that forms part of the university’s criminology curriculum. Some residents of the GTC take part in classroom sessions with other students from the university and are able to earn course credit, are granted a student number, and are able to follow up in further university level courses on release. Further



co-programming opportunities are currently being explored (i.e.: horticulture) with VIU and will form part of the new NCC.

Correctional staff trained as facilitators deliver a range of specific evidence-based core programs that focus on changing behaviour as well.



7 HOW THE PROJECT ADDRESSES THE NEED FOR CHANGE

s.12



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s.12

7.2 REMAND ACCOMMODATION - CENTRAL TO NORTH VANCOUVER ISLAND

BC Corrections, the Policing and Security Branch, and the RCMP currently manage the Keep of Prisoners program whereby provincial prisoners are temporarily housed in municipal police lock-ups while awaiting court appearance or in transit between facilities. Municipalities are remunerated for these services by PSSG quarterly, based on the hours of accommodation provided. A total quarterly funding cap is distributed pro rata to municipalities commensurate with the hours provided.

NCC currently does not have the security capabilities required to accommodate remanded inmates. As a result, mid to north Vancouver Island police lock-ups are used extensively to hold remanded inmates while attending court and during transport. Courtney RCMP is the primary location used for this purpose.
s.12; s.13

For lengthy (multi-week) Supreme Court trials in north Vancouver Island courts, remanded inmates are transported to and from VIRCC on weekends. This means a transport from Victoria first thing Monday morning, and a return transport Friday afternoon. These inmates are usually housed during the week in the local police detachment. s.12; s.13
s.12; s.13

¹⁵ *Wood in the Human Environment: Restorative Properties of Wood in the Built Indoor Environment*, David Fell, Ph.D. (2010)



7.3 SHORT-TERM FEMALE HOLDS

Neither VIRCC nor NCC is capable of housing female inmates. As a result, female inmates from Vancouver Island courts are transported to the lower mainland and held at Alouette Correctional Centre for Women (ACCW) in Maple Ridge, BC. s.12; s.13

s.12; s.13

7.4 CONCLUSION

s.12



PART B – DELIVERY OF THE PROJECT

This section outlines the vision, objectives and guiding principles for the Project. Service delivery options to meet this capacity are identified in Section 11. The detailed scope of the recommended option is articulated, along with plans to further refine the overall scope of the Project.

This section concludes that:

s.12; s.13



8 GUIDING PRINCIPLES AND PROJECT OBJECTIVES

8.1 PROJECT VISION

s.12

8.2 GUIDING PRINCIPLES AND PROJECT OBJECTIVES

s.12



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9 SERVICE DELIVERY OPTIONS ANALYSIS

s.12; s.13

9.1 ASSESSMENT FRAMEWORK

s.12; s.13



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s.12 ; s.13

9.2 RANKED GATING ANALYSIS

s.12; s.13



9.3 SERVICE DELIVERY OPTION RESULTS

s.12; s.13

9.4 SERVICE DELIVERY OPTION RECOMMENDATION

s.12; s.13



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s.12 ; s.13

10 PROJECT SCOPE

10.1 SITE

s.12; s.13



s.12; s.13

10.2 FUNCTIONAL PROGRAM AND INDICATIVE DESIGN

s.12; s.13



s.12; s.13

10.3 PROPOSED CELL COUNT AT NCC

s.12; s.13



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s.12 ; s.13

11 PROJECT BENEFITS

s.12; s.13



s.12; s.13

12 DESIGN AND CONSTRUCTION INNOVATION

s.12

13 PROJECT STATUS

s.12



s.12

PART C – PROCUREMENT OPTIONS ANALYSIS

Consistent with the Province of BC's Capital Asset Management Framework ("CAMF") and the NCC Procurement Assessment Strategy, PSSG and CITZ, with Partnerships BC, undertook a detailed assessment to determine an optimal procurement option for the Project.

On the basis of the service delivery option recommendation presented in the previous section

s.12; s.13 , this part of the business case presents qualitative and quantitative procurement options analyses and recommends the most effective procurement model for the Project.

s.12; s.13



14 NCC PROCUREMENT ASSESSMENT STRATEGY

s.12; s.13



15 OVERVIEW OF PROCUREMENT OPTIONS AND OBJECTIVES

15.1 PROCUREMENT OBJECTIVES AND ASSESSMENT CRITERIA

s.12; s.13

15.2 PROCUREMENT OPTIONS CONSIDERED

s.12; s.13



s.12; s.13

16 QUALITATIVE ANALYSIS OF PROCUREMENT OPTIONS

In accordance with the NCC Procurement Assessment Strategy, the first step in assessing the procurement options was a qualitative assessment. Similar to the service delivery options analysis, the analytical framework for considering the relative merits of the procurement options is also based on an MCA approach.

16.1 MCA ASSESSMENT FRAMEWORK

The assessment framework of the qualitative criteria requires judgments to be made on the magnitude of the relative benefits, or impacts, of each option for a particular criterion. In order to discuss criteria and judge their values on a consistent basis, the assessment framework shown in Table 9 has been used to assess how well each option achieves the stated objective.

Table 9: MCA Assessment Framework

X	✓	✓✓	✓✓✓
Ineffective in satisfying the basic requirements of the Ministries and the Project.	Partially effective in satisfying the requirements of the Ministries and the Project.	Substantially effective in satisfying the Ministries and the Project.	Highly efficient and fully effective in satisfying the Ministries and the Project.

16.2 PROCUREMENT OPTIONS MCA RESULTS

s.12; s.13

Table 10: Summary of Procurement Options MCA Results

s.12; s.13

Refer to Appendix G [Qualitative Procurement Assessment MCA] for more detailed information.

16.3 QUALITATIVE ANALYSIS RECOMMENDATION

s.12; s.13



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s.12 ; s.13

17 MARKET SOUNDING

s.12; s.13



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s.12 ; s.13

18 QUANTITATIVE ANALYSIS OF PROCUREMENT OPTIONS

18.1 METHODOLOGY – s.12

s.12

18.2 FINANCIAL ANALYSIS

s.12



Figure 12: Overview of Financial Modeling Approach

s.12

18.3 COST ESTIMATE

s.12



18.4 KEY FINANCIAL ASSUMPTIONS

s.12

18.5 CONSTRUCTION COSTS

s.12



s.12

18.6 INSURANCE

s.12

18.7 DISCOUNT RATE

s.12



s.12

18.8 MINISTRIES' COSTS

s.12

19 RISK ANALYSIS AND QUANTIFICATION

Every project must consider and manage risk. Risk management is defined as the actions, or planned actions, that impact the probability and consequences of a risk event in order to ensure that the level of risk assumed falls within an acceptable limit for the Project Team. The goal of any form of a partnership model is to allocate project risks to the party best able to manage them at a reasonable cost to the project. An efficient allocation of risk between the public and private sector participants will ultimately lead to an optimal project price and value for money for taxpayers.

Refer to Appendix J [Risk Report] for more information on the methodology used to consider the Project's risk, risk process, and quantification results.

19.1 RISK METHODOLOGY

s.12



s.12

19.2 RISK ASSESSMENT

s.12; s.13



19.3 RISK QUANTIFICATION

s.12



s.12

19.4 NOMINAL RISK ADJUSTED PROJECT CAPITAL COSTS

s.12

20 MODELING RESULTS

s.12



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s.12

21 RECOMMENDED PROCUREMENT MODEL

s.12; s.13



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s.12 ; s.13

PART D – PROCUREMENT PLAN AND FUNDING IMPACT

s.12; s.13



22 PROCUREMENT PLAN

22.1 RECOMMENDED PROCUREMENT PROCESS

s.12; s.13

22.2 PROCUREMENT SCHEDULE

Table 21 provides the Project's procurement milestone schedule.



s.12; s.13

22.3 PROCUREMENT AND IMPLEMENTATION BUDGET

s.12; s.13



s.12

22.4 PROJECT GOVERNANCE

s.12



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s.12

s.12

22.5 COMMUNICATIONS

s.12



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s.12 ; s.13

23 FUNDING ANALYSIS

s.12

23.1 SCOPE OF THE ANALYSIS

s.12



s.12

23.2 CAPITAL COST ESTIMATES

The total estimated capital costs for the Project are s.12
component is presented in Table 23 below.

s.12

The breakdown for each capital

s.12

23.3 OUTSIDE OF THE DESIGN-BUILD AGREEMENT

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23.4 OPERATING COST ESTIMATES

s.12



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s.12

23.5 SOURCES OF FUNDING

s.12



s.12

23.6 KEY COST DRIVERS AND ASSOCIATED RISKS

s.12



23.7 DESIGN-BUILD PRICE CEILING

s.12



PART E – DECISION REQUEST

In summary, PSSG and CITZ seek the following approvals:

s.12



24 DEFINITIONS

s.12



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s.12

APPENDICES

APPENDIX A	NCC SDM Analysis Summary and Final Report
APPENDIX B	Functional Program and Indicative Design
APPENDIX C	Class C Cost Estimate
APPENDIX D	Design and Construction Innovation
APPENDIX E	NCC Procurement Assessment Strategy
APPENDIX F	Procurement Options Description
APPENDIX G	NCC Procurement Options MCA
APPENDIX H	Market Sounding Report
APPENDIX I	Financial Model Report
APPENDIX J	Risk Report
APPENDIX K	s.12; Project Schedule s.13
APPENDIX L	Draft Strategic Communications Plan
APPENDIX M	Funding Model

Nanaimo Correctional Centre Replacement Project

Appendix A – NCC SDM Analysis and Summary Final Report

March 2019

NCC – Service Delivery Methodology Options Analysis

Analysis Summary and Final Report

September 27, 2018

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1 PURPOSE

The purpose of this document is to provide decision makers with a high level summary of the strategy and results of the Nanaimo Correctional Centre (NCC) Service Delivery Methodology Options Analysis (SDM). The content and activities described in this document were approved by the Corrections Capital Project Executive Board (PEB) and Treasury Board Staff (TBS) over the course of its administration and should be read in combination with the comprehensive analysis described in the following Appendices:

- Appendix A: January 2018 NCC Options Analysis
- Appendix B: Investigative Framework
- Appendix Ci: Statement of Work – Lands
- Appendix Cii: Statement of Work – Gate 1 (Program)
- Appendix Ciii: Statement of Work – Gate 2 (Stakeholder Community)
- Appendix Civ: Statement of Work – Gate 3 (Whole Life Cost)
- Appendix D: Lands
- Appendix E: Gate 1 Assessment
- Appendix F: Gate 2 Assessment
- Appendix G: Gate 3 Assessment

2 NCC OPTIONS – INVESTIGATIVE FRAMEWORK

As part of the NCC Options Analysis (OA) completed in January 2018, the OA Project Team¹ undertook an extensive analysis and subsequent shortlisting of options for the replacement of the NCC. The outcomes of the OA included the development of preliminary objectives, criteria and assessment methods resulting in a shortlist of four options requiring further investigation. The shortlisted options include²:

s.12; s.13

¹ The Project Team consists of participants from the Ministry of Public Safety & Solicitor General & Emergency B.C. (PSSG), Ministry of Citizens' Services (CITZ) and Partnerships BC (PBC), and independent advisors as required.

² Options were adapted from the original 2018 Options Analysis to provide clarity and structure for further evaluation.

s.12

Building on the work of the OA, an Investigative Framework (IF) was developed to provide structure to the final assessment of the four shortlisted options. The IF is broken down into two components, Lands, and Service Delivery Model Assessment (described further in sections following).

3 LANDS

One of the primary considerations preceding the deployment of the SDM assessment model is the isolation of problematic variables that may serve to unduly complicate, or even undermine, the analysis. For the Project, no single variable is more problematic than the issue of lands. Without careful consideration, land options may:

- Be unnecessarily diverse;
- Undermine the value of assessment objectives and their associated criteria;
- Be considered only due to an expectation of commercial benefit (significant sale proceeds); and/or
- Be examined without sufficient consideration of the complexity associated with their assembly.

An historical review of recent correctional centre projects and their respective lands' challenges (i.e.: Surrey Pretrial Services Centre Expansion Project and the Okanagan Correctional Centre Project) demonstrates the kinds of complexities that are anticipated.

While viable options exist for the Project, in consideration of the challenges CITZ and PSSG have experienced in historical land assembly activities, potential lands scenarios were examined and agreed upon before the SDM analysis was fully undertaken. In this manner, the balance of the analysis focused only on those sites with the highest likelihood to result in a successful outcome, preventing the unnecessary expenditure of provincial resources and time.

3.1 LANDS ASSESSMENT

In response to issues described in section 3.0, two lands scenarios were examined for each of the four shortlisted options:

- Reuse of prevailing lands; and
- A new, optimal site location.

Scenarios were examined for their relative cost impact, complexity associated with assembly, and impact on project schedule. The net cost impact assessment included consideration of the following factors:

- Deconstruction and remediation of current facility, rezoning, archeological assessment and remediation of new lands, impacts of time to overall schedule, sale of surplus lands, access to site services.

s.12; s.13

4 SERVICE DELIVERY MODEL ASSESSMENT

s.12; s.13

4.1 OBJECTIVES AND ASSESSMENT CRITERIA

s.12; s.13

s.12; s.13

4.2 SDM OPTIONS ASSESSMENT

s.12; s.13

s.12; s.13

5 RECOMENDATION

s.12; s.13



Ministry of
Citizens' Services

Ministry of
Public Safety
and Solicitor General
Corrections Branch

Nanaimo Correctional Centre

Options Analysis

January 8, 2018

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1 EXECUTIVE SUMMARY

1.1 PURPOSE

The Ministry of Public Safety and Solicitor General ("**PSSG**"), represented by the BC Corrections Branch Adult Custody Division ("**Corrections**"), and the Ministry of Citizens' Services ("**CITZ**") were directed to undertake an options analysis following the Nanaimo Correctional Center Replacement and Repurposing Project Concept Plan ("**Concept Plan**") submission in late 2016.

The purpose of this document is to provide a wider range of service delivery options regarding the replacement of capacity on Vancouver Island due to deteriorating facility conditions at both Nanaimo Correctional Centre ("**NCC**") and the Vancouver Island Regional Correctional Centre ("**VIRCC**") and provides a recommendation to take forward for further analysis in a business case.

1.2 APPROACH

A Multiple Criteria Analysis ("**MCA**") process was used to assess the service delivery options for this analysis. The process is laid out below:

1. Established project objectives and corresponding criteria to evaluate the service delivery options.
2. Identified six service delivery options for consideration;
3. Assessed each option against the criteria, including order of magnitude cost estimates; and
4. Identified land considerations for future analysis.

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1.3 RECOMMENDED OPTIONS

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2 PURPOSE

In 2016, the PSSG, represented by Corrections, and CITZ submitted a concept plan for the replacement of the NCC facility. Following review of this concept plan, CITZ and Corrections were directed to undertake an options analysis for the replacement of NCC that considered a wider range of service delivery options than was identified in Concept Plan.

This options analysis considers a wider range of service delivery options regarding the replacement of capacity on Vancouver Island due to deteriorating facility conditions at both NCC and VIRCC (**"the Project"**) and provides a recommendation to take forward a shortlist of options for further analysis in a business case.



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3 BACKGROUND

NCC is a key component of Corrections' provincial operations and is required to meet current and projected demand, both provincially and for Vancouver Island. It is the only medium security provincial correctional facility on Vancouver Island and delivers unique and effective inmate programs that directly target the causes of recidivism.

As established in the Concept Plan, the NCC facility is functionally and economically obsolete, and was not originally designed for the delivery of correctional services. The facility was established in 1955 as a reform school for boys, which operated until 1977. It was then converted for use as a provincial correctional centre in 1983. With original non-secure construction, wood-frame and stand-alone buildings, NCC presents challenges for Corrections to deliver programs in a secure and safe environment. The physical layout and construction present program delivery and security challenges for staff and inmates. Environmental and building system problems have developed in recent years, requiring ongoing remediation work and the temporary closure of some areas.

Concurrently with development of this report, Corrections is updating its provincial Capital Asset Management Plan ("**CAMP**"), which considers inmate demand, facility condition, program requirements, and capital strategies to address the next ten-year planning horizon. CAMP supports and provides further context for identifying and addressing the need to maintain the capacity provided on Vancouver Island (i.e. 397 cells) plus 12 cells for short-term female accommodation (see Table 2 [MCA Criteria and Definitions] below).

CAMP also identified deteriorating facility conditions at VIRCC located in Victoria. Both NCC and VIRCC are in poor condition with high Seismic Priority Indices¹ ("**SPI**") and Facility Condition Indices² ("**FCI**"), which further compromise safe and secure custody. Unlike NCC, VIRCC was originally designed as a jail in 1913, with major renovations in the early 1980's to expand capacity. With portions of the facility classified as a heritage building, VIRCC is predominantly a brick and masonry structure, making it challenging to seismically upgrade or renovate while remaining operational.

The recommendations from CAMP were taken into consideration in the development of this report.

¹ Both NCC and VIRCC have SPI ratings greater than 30, ranking them as "high risk" as reported through CITZ.

² Both NCC and VIRCC have FCI ratings greater than 0.5, ranking them as "buildings in very poor condition", as reported through CITZ. These ratings indicate that the total cost to repair or renew the facilities are greater than 50% of their replacement costs.

4 PROJECT TEAM

Corrections and CITZ established an integrated project team to deliver this analysis. The project team is comprised of representatives from Corrections, CITZ, Partnerships BC, and Spiegel, Skillen and Associates Quantity Surveyors (“**SSA**”).

A Project Executive Board provides direction to the project team and holds approval authority over the content of this options analysis.



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5 OPTIONS ANALYSIS APPROACH

A MCA approach is a process commonly used to facilitate decision making for a project. The MCA provides a logical and structured approach to decision making and lends itself well to situations where an interdisciplinary team makes decisions by consensus. This process is useful in cases where problems are complex that requires multiple criteria to determine the most advantageous option, or shortlist of options, to address a problem.

The initial step of the MCA was to establish project objectives and corresponding criteria used for evaluating the options. For the Project, a number of service delivery options were developed and assessed independently against each criterion as outlined below.

5.1 OBJECTIVES AND CRITERIA

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5.2 SERVICE DELIVERY OPTIONS

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s.12; s.13

5.3 COST ESTIMATES

Based on the scope definition and program space requirements, preliminary order of magnitude cost estimates were developed for each option (where applicable) by SSA. s.12

s.12

5.4 LAND CONSIDERATIONS

5.4.1 Approach

The Real Property Division of CITZ completed a non-consultative review of land availability and costs, with the objective of providing an indication of potential costs and revenue of different land options.

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6 MULTIPLE CRITERIA ANALYSIS RESULTS

The project team participated in a MCA workshop, which included both qualitative and quantitative criteria.

6.1 MCA RESULTS

The MCA compares the service delivery options against the Project Objectives and MCA Criteria identified above. The scoring of these options requires judgment on the magnitude of the relative benefits or impacts of each option in relation to the criteria. The analysis followed the scoring framework below:

Table 4: MCA Scoring Framework

X	✓	✓✓	✓✓✓	✓✓✓✓
Option fails to meet the criteria.	Option poorly meets the criteria.	Option somewhat meets the criteria.	Option adequately meets the criteria.	Option strongly meets the criteria.

Refer to Appendix A [Detailed MCA Matrix] of this report for more information.

The MCA summary table is presented below.

Table 5: MCA Summary

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6.2 OPTIONS ANALYSIS SUMMARY

The following section is a summary of the key points identified in the detailed MCA analysis. Refer to Appendix A [Detailed MCA Table] for additional information.

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7 RECOMMENDATION

7.1 SHORT LIST

s.12; s.13

7.2 NEXT STEPS

s.12; s.13

s.12; s.13

7.3 GOVERNANCE

The Project Executive Board will provide direction to the project team during the development of the business case. The Project Executive Board will approve the project governance structure and decision framework, and appoint a Chief Project Officer and project team who will be responsible for executing the Project Executive Board's direction.

Further approvals from Treasury Board may be required during the development of the business case.

APPENDIX A DETAILED MCA TABLE

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Information and Decision Memo

To: The Chair and Members of the Corrections Capital Project Executive Board

From: Chief Project Officer and Project Team

Re: NCC Business Case Decision Framework

Purpose: For Information and Decision

1 NCC OPTIONS – DECISION FRAMEWORK

As part of the Nanaimo Correctional Centre (NCC) Options Analysis (OA) completed in January 2018, the OA Project Team¹ undertook the development and deployment of activities associated with the shortlisting of options for the replacement of the NCC. The outcomes of the OA included the development of preliminary objectives, criteria and assessment methodologies resulting in the selection of a shortlist of three options requiring further investigation. Building on the work of the OA, this document will describe a decision framework to advance the analysis further to arrive at a final Service Delivery Model (SDM) recommendation for the Nanaimo Correctional Centre Replacement Project (the Project).

The proposed decision framework is broken down into two sections and described within this document:

- Lands; and
- Service Delivery Model Assessment.

2 LANDS

One of the primary considerations preceding the deployment of any SDM assessment model is the isolation of variables that may serve to unduly complicate, or even undermine, the analysis. For the Project, no single variable is more problematic than the issue of lands.^{s.12; s.13}

s.12; s.13

¹ The Project Team consists of participants from the Ministry of Public Safety & Solicitor General & Emergency B.C. (PSSG), Ministry of Citizens' Services (CITZ), Partnerships BC (PBC), and independent advisors as required.

s.12; s.13

An historical review of recent correctional centre projects and their respective land challenges demonstrates the kinds of complexities that should be anticipated.

Surrey Pretrial Services Centre

The Surrey Pretrial Services Centre Expansion Project began as the Okanagan Correctional Centre project on the Hiram Walker lands in West Kelowna. The site in question was appropriately zoned and well-known to local governments, and held by the Province in anticipation of the project for over a decade. It was only after the project was publicly announced that significant opposition to its implementation materialized. Following the loss of the Kelowna site, the Willingdon lands was considered for the project. Again, the Willingdon site was appropriately zoned, well-known to local government, and had been held by the Province for a number of years. Despite having previously been the site for a youth correctional centre, it was again abandoned due to significant local opposition. Finally, the project found its way to Surrey as an expansion to the existing correctional centre. The unanticipated changes in site location delayed the project by almost 18 months, and at the time, the delays were estimated to have resulted in an unanticipated additional expenditure of \$1 million².

Okanagan Correctional Centre

The Okanagan Correctional Centre project chose to manage the lands assembly process differently, relying instead on a competitive selection process (request for proposals) as a means of identifying potential land partners. While the resulting activity was successful, leading to an agreement with the Osoyoos Indian Band,^{s.13}

s.13

s.12; s.13

² Including escalation on materials and labour, project re-design and extended project management costs.

2.1 LANDS ASSESSMENT

s.12; s.13

3 SERVICE DELIVERY MODEL ASSESSMENT

A review of service delivery modelling practices literature demonstrates that in the public domain, there are many ways to model and subsequently assess SDM options. Despite this variety, there are common themes to most approaches that can provide guidance to practitioners in the development of their model assessment strategies. At a summary level, most practices follow a simple, four-stage approach in SDM Assessment:

- (1) Development of objectives,
- (2) Development of supporting assessment criteria;
- (3) Development of service delivery model options; and
- (4) Application of service delivery model options assessment methods.

Using these four stages as a guide, the following sections describe the proposed approach to the SDM assessment for the Project.

3.1 OBJECTIVES AND ASSESSMENT CRITERIA

3.1.1 OA Objectives and Assessment Criteria

As described in Section 1, the OA dedicated a significant amount of time to the development of objectives and assessment criteria for the first round of options assessment (see Appendix 1). The OA objectives and assessment criteria performed two important functions: they served as a means to more precisely define the intended outcomes of the Project, as well as providing direction for the assessment activities that followed.

Using criteria as the primary means to differentiate between, and assess, options, the OA was predominantly a qualitative exercise. The OA evaluated the relative merits of the preliminary options against the established criteria within a qualitative multi-criteria analysis structure.

s.12

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s.12

3.2 SDM OPTIONS

s.12; s.13

3.3 SDM OPTIONS ASSESSMENT

3.3.1 OA Assessment Methodology

During the course of its work, the OA Project Team relied upon a multi-criteria analysis methodology as the primary means of differentiating between various, disparate options (see Appendix 2 for the detailed multiple criteria analysis). As described in Appendix 2, discrete criteria have been applied against each individual option, resulting in a score by criteria, or section, as well as an overall score. The highest performing (highest scoring) options progressed to the next phase of analysis. s.12; s.13

s.12; s.13

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s.12 ; s.13

s.12; s.13

4 NEXT STEPS - ISOLATION AND RECOMMENDATION OF PREFERRED SDM

Upon incorporating refinements and changes to this document as directed by the Project Executive Board, the Project Team will then undertake the activities described in this document for the SDM analysis of the Project. As part of the Project Team's activities, the Project Executive Board will be engaged at the following key stages:

- (1) Lands recommendations;
- (2) Results of SDM assessment activities:
 - i. Program objectives and scoring of Gate 1;
 - ii. Stakeholder/ community alignment and scoring of Gate 2;
 - iii. Whole life assessment and scoring of Gate 3; and
- (3) Approval of final SDM recommendation for the Project.

Statement of Work – Lands

1 BACKGROUND

As part of the Nanaimo Correctional Centre (NCC) Options Analysis completed in January 2018, Ministry of Citizens' Services (CITZ) Strategic Real Estate Services (SRES) conducted an analysis of lands options. A list of potential sites was documented and presented to the NCC Project Team. Further analysis of existing lands as well as a more detailed assessment of new site options is now required to determine the optimal land solution for each of the shortlisted options.

2 INTENDED OUTCOMES

The lands assessment process will be based upon the insight and experience of the CITZ-SRES team, the Project Team, and an independent land advisor with specific experience in lands assembly and administration on South Vancouver Island. s.12

s.12

3 RESOURCES

Lands assessment resources include:

- Lead: Project Director (CITZ)
- Additional Resources: Executive Director, SRES-CITZ, Independent Lands Advisor

- Co-lead(s): Chief Project Officer (CPO), Project Director (Partnerships BC)
- Support: Project Team

SRES will retain an independent land advisor (broker) with specific experience with land owners and municipalities within the South Island corridor (between Saanich and Nanaimo).

Under the direction of the Project Director, CITZ resources will monitor and support the activities as required.

Lands availability resource systems include, but are not limited to, the following:

- Single Inventory System;
- Realtor.ca, Western Investor, and Landquest.com websites;
- Provincial Surplus Property Sales History; and
- Additional lands availability information provided by the Independent Lands Advisor.

4 ACTIVITY

s.12

s.12

5 SCHEDULE OF MAJOR TASKS

s.12

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s.12

Statement of Work - Program

1 BACKGROUND

The purpose of this activity is assess the extent to which the identified NCC service delivery options have the capability to provide a programmatically appropriate solution that responds to both the immediate and long-term demands of Vancouver Island and other specialized provincial programs.

2 INTENDED OUTCOMES

The assessment process will be based upon the insight and experience of NCC Project Team members and will rely on external advisory support only where necessary. It will include a fully-scored multi-criteria analysis (predominantly reliant upon qualitative assessment criteria) that recommends three options for further consideration. The final outcomes of the assessment process will also include sufficient justification to forego further investigation of the lowest performing (scored) option.

3 RESOURCES

Program assessment resources include:

- Lead: Project CPO (PBC)
- Co-lead(s): AVP and Project Director (PBC)
- Support: CITZ Project Director, BC Corrections Project Director, Deputy CPO and additional external resources where necessary

4 ACTIVITY

s.12

s.12

5 SCHEDULE OF MAJOR TASKS

Major tasks and their respective anticipated completion timeframes include:

s.12; s.13

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s.12 ; s.13

Statement of Work – Stakeholder/Community Alignment

1 BACKGROUND

The purpose of this activity is to assess the extent to which each service delivery option aligns with the current and long-term demands of, and/or seeks to minimize impacts on, the Project's stakeholder community.

2 INTENDED OUTCOMES

The assessment process will be based on the insight, experience and expertise of the Project Team with input from stakeholder, community and consultant resources as required. The stakeholder and community resources involved will include those identified in the approved Decision Framework, plus others deemed necessary as the assessment progresses. This statement of work will identify the necessary steps and resources required to complete a multiple criteria analysis (MCA) that will be used to assess the service delivery options that remain following the Gate 1 (Program) assessment. The assessment will consider impacts on each of the stakeholder groups and rely on supporting data to inform the decision-making process.

3 RESOURCES

- Lead: Deputy CPO
- Co-lead: Warden, Provincial Initiatives, BC Corrections, CPO
- Support:
 - Project Team
 - Director of Research and Strategic Planning, BC Corrections
 - Director of Finance, BC Corrections
 - Other BC Corrections resources as required
 - Warden NCC and Warden VIRCC, BC Corrections
- Stakeholders:
 - Management and Staff
 - PSSG Executive

- NCC and VIRCC staff
- BC Public Service Agency (PSA)
- Inmate population
 - Inmate population
- Courts
 - Court Services Branch (including Sheriff Services), MAG
- Counsel
 - Criminal Justice Branch, MAG
- Justice Partners
 - Victoria Police Department
 - Saanich Police Department
 - Nanaimo RCMP
- Support Services
 - BC Wildfire Service, Ministry of Forests
 - Provincial Health Services Authority
 - Compass Food Services
 - John Howard Society of Nanaimo (JHS)
 - Vancouver Island Therapeutic Community (VITC)
 - Vancouver Island University Faculty of Criminology (VIU)
 - Nanaimo-Ladysmith and Saanich school districts
 - BGIS-WSI

4 ACTIVITY

s.12

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s.12

5 SCHEDULE OF MAJOR TASKS

Note: Dates, schedule, alignment of tasks with other evaluation Statements of Work (including consistency), and relationship to land option impacts will require dialogue with broader team.

Major tasks and their respective anticipated completion timeframes include:

s.12; s.13

Statement of Work – Whole Life Cost

1 BACKGROUND

Decisions on approaches to service delivery cannot be made without considering costs associated with the resulting asset's life cycle, including planning, acquisition, use, operations, maintenance and disposal or renewal. The Gate 3 analysis will provide decision makers a clear comparison and whole life economic appraisal of the remaining options, avoiding the risk of decisions being made based on the short-term costs of design and construction.

2 INTENDED OUTCOMES

The whole life cost assessment will analyze cost inputs associated with the remaining options over a 30-year period. The assessment process will rely on NCC Project Team members (including CITZ, PSSG, and PBC) and external advisory resources where necessary (e.g. Business Advisor and Quantity Surveyor). The outcome of the Gate 3 assessment will be to determine which of the two remaining options is more economically efficient and to allocate the points for Gate 3 accordingly.

3 RESOURCES

Program assessment resources include:

- Lead: AVP and Project Director (PBC)
- Co-lead(s): Project CPO (PBC)
- Support: Business Advisor, Quantity Surveyor, CITZ Project Director, BC Corrections Project Director, Deputy CPO and additional external resources where necessary.

4 ACTIVITY

s.12

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s.12

s.12

5 GATE 3 SCORING

s.12

6 SCHEDULE OF MAJOR TASKS

Major tasks and their respective anticipated completion time frames include:

Task	Completion Date
s.12; s.13	



Nanaimo Correctional Centre and Vancouver Island Regional Correctional Centre Land Analysis Report

July 2018

Rainmaker Realty Solutions

283 Palliser Avenue, Victoria BC V9B 1C5
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1 PROJECT BACKGROUND

The Province of BC, through the Ministries of Public Safety and Solicitor General (PSSG) and Citizens' Services (CITZ), received Treasury Board approval to develop a business case to address correctional centre service delivery on Vancouver Island. Rainmaker Realty Solutions Corp. was retained by CITZ to assist with the land assessment aspect of the business case.

2 PROJECT OPTIONS

There are currently two facilities delivering correctional centre services on Vancouver Island – the Vancouver Island Regional Correctional Centre (VIRCC) located in Saanich, and the Nanaimo Correctional Centre (NCC) located in Nanaimo.

s.12

s.12

s.12; s.13

2.1 SITE REQUIREMENTS

s.12

2.2 TIMING IMPLICATIONS

s.12

3 PURPOSE AND SCOPE

s.12

s.12

At the conclusion of this analysis, recommendations will be made on optimal “proof of concept” site options for future due diligence and analysis.

4 LAND ASSESSMENT METHODOLOGY¹

s.12

s.12

4.1 NEW SITE SEARCH DATA SOURCES

s.12

:

4.2 ASSESSMENT CRITERIA

4.2.1 Existing Sites

s.12; s.13

s.12; s.13

4.2.2 New Sites

s.12; s.13

4.2.3 Ranking
s.12

5 REPORT FINDINGS

See Appendix B (Site Profiles) for detailed findings.

5.1 NCC

5.1.1 Existing Site
s.12; s.13

5.1.2 New Sites

s.12; s.13

5.2 VIRCC

5.2.1 Existing Site

s.12; s.13

s.12; s.13

5.2.2 New Sites
s.12; s.13

s.12; s.13

5.3

s.12

s.12; s.13

5.4 SITE PROFILES

A summary of the leading candidate sites is provided in a summary table below. Site profiles and detailed descriptions are available in Appendix B.

Table 1: Summary of Leading Candidate Sites

s.12; s.13

6 RECOMMENDATIONS AND NEXT STEPS

6.1 NCC

Conclusion

s.12; s.13

Rationale and Strategy

s.12; s.13

Next Steps

s.12; s.13

s.12; s.13

6.2 VIRCC s.12

Conclusion

s.12; s.13

Rationale and Strategy

s.12; s.13

s.12; s.13

Next Steps

s.12; s.13

6.3 s.12

Conclusion

s.12; s.13

Rationale and Strategy

s.12; s.13

Next Steps

s.12; s.13

APPENDIX A – RANKING TABLES WITH MAPS

NCC Table

s.12; s.13

VIRCC Table
s.12; s.13

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s.12

APPENDIX B – SITE PROFILES

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s.12 ; s.13

s.12; s.13

s.12

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s.12 ; s.13



Ministry of
Citizens' Services

Ministry of
Public Safety
and Solicitor General
Corrections Branch

NANAIMO CORRECTIONAL CENTRE BUSINESS CASE
GATE 1 – PROGRAM ANALYSIS

JULY 2018

partnerships
British Columbia

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1 BACKGROUND

The outcome of the Nanaimo Correctional Centre (“NCC”) Options Analysis resulted in the selection of a shortlist of four service delivery options requiring further investigation. The Gate 1 [Program] analysis will assess the extent to which the four identified NCC service delivery options have the capability to provide a programmatically appropriate solution that responds to both the immediate and long-term demands of Vancouver Island and other specialized provincial programs.

The recommended options for analysis are:

s.12; s.13

2 APPROACH

During the analysis of Gate 1 [Program], the Project Team relied upon a multi-criteria analysis methodology as the primary means of differentiating between the options. Objectives and criteria (described in Table 1) have been applied against each individual option, resulting in a score by criteria as well as an overall score.

The Decision Making Framework approved by Project Board informed the development of the project objectives and associated criteria by which to evaluate each of the four options.

Table 1: Objectives and Criteria

s.12

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2.1 MULTIPLE CRITERIA ANALYSIS

The Multi Criteria Analysis (“**MCA**”) process provides a framework for evaluating both quantitative and qualitative factors and presents the advantages and disadvantages of each option in a form that can be easily assimilated by decision-makers.

The assessment framework of the qualitative criteria requires judgment to be made on the magnitude of the relative benefits, or impacts, of each option for a particular criterion. In order to discuss criteria and judge their values on a consistent basis, the assessment framework shown in Table 4 was used to assess how well each option achieves the stated objectives.

The MCA process used to assess the options for this Project include:

1. Establishment of objectives and corresponding criteria to evaluate the options; and
2. Qualitative assessment of each of the four options against the criteria.

2.2 MULTIPLE CRITERIA ANALYSIS ASSUMPTIONS

Based on the NCC Options Analysis, Land Analysis Report and demand data provided by PSSG, the following assumptions are applied throughout the MCA.

s.12

2.3 MULTIPLE CRITERIA ANALYSIS SCORING FRAMEWORK

Table 2: MCA Assessment Framework

X	✓	✓✓	✓✓✓	✓✓✓✓
Does not satisfy the project objective and criteria.	Poorly satisfies the project objective and criteria.	Partially effective in satisfying the project objective and criteria.	Mostly effective in satisfying the project objective and criteria.	Extremely effective in satisfying the project objective and criteria.

2.4 MULTIPLE CRITERIA ANALYSIS RESULTS

The results of the MCA assessment for the options are summarized in Table 3. For the detailed assessment of each of the options, see Appendix A [MCA Assessment].

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s.12 ; s.13

3 SUMMARY AND RECOMMENDATION

In accordance with the decision making framework the lowest scoring option under the first two Gates will be abandoned, and will not proceed to the final gate, therefore as Option 1 is the lowest scoring option, it is the recommendation of the project team that Option 1 not proceed to further analysis and that the three options for further consideration are:

- Option 2: s.12; s.13
- Option 3:
- Option 4:

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APPENDIX A – MCA ASSESSMENT

MCA attached as a separate document

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s.12 ; s.13



Ministry of
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Public Safety
and Solicitor General
Corrections Branch

NANAIMO CORRECTIONAL CENTRE BUSINESS CASE
GATE 2 – STAKEHOLDER ALIGNMENT ANALYSIS

AUGUST 2018

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1 BACKGROUND

The outcome of the Nanaimo Correctional Centre (NCC) Options Analysis identified a shortlist of four service delivery options requiring further investigation:

s.12; s.13

The Gate 1 [Program] analysis assessed the extent to which the four service delivery options responded to the immediate and long-term programmatic demands of Vancouver Island and other specialized provincial programs. The Gate 1 analysis resulted in the removal of option 1 s.12; s.13

s.12; s.13

As a result, the Gate 2 analysis evaluated only the three remaining options.

As outlined in the Gate 2 Statement of Work, the objective of the analysis was to assess each of the remaining service delivery model options and evaluate with consideration to the following:

Stakeholder/Community Alignment: A solution that aligns with the current and long-term demands of, and/or seeks to minimize impacts on, the Project's stakeholder community.

2 APPROACH

During the course of the Gate 2 analysis [Stakeholder Alignment], the Project Team undertook an extensive stakeholder consultation and impact analysis as the primary means of differentiating between the options. Stakeholder groups, as identified in Table 1 following, and expanded upon as necessary during the analysis, were consulted to assess impact assumptions, identify required and available data resources, and gather input on operational impacts.

Table 1: Statement of Work Stakeholder List

Objectives	Criteria	Data Source
Stakeholder Community	Management and Staff <ul style="list-style-type: none"> Staff/transition impacts Improved working environment 	PSSG
	Inmates <ul style="list-style-type: none"> Accommodation close to home community 	PSSG

Objectives	Criteria	Data Source
	<ul style="list-style-type: none"> Housing in appropriate level of security Access to programs that reduce re-offending 	
	Courts <ul style="list-style-type: none"> Impacts to court system and prevailing courthouse capacity 	Courts Services
	Counsel (defense and crown) <ul style="list-style-type: none"> Travel impacts Access to clients 	BC Prosecution
	Justice Partners (police and sheriffs) <ul style="list-style-type: none"> Access Cost implications 	Impacted police services, e.g., RCMP, CRD policing services, Sheriff's department,
	Support Services <ul style="list-style-type: none"> Health Education Transition 	Health and education providers, transition to community support

2.1 STAKEHOLDER SUMMARY

As described in table 2 below, the number of stakeholders engaged and the level of consultation undertaken expanded as the engagement process progressed and additional elements of analysis were identified.

Table 2: Engagement and Consultation Stakeholder Summary

#	Topics of Consultation	Stakeholder(s)	Primary Stakeholder Contact(s)
1	Staff		
1.1	Staff	<ul style="list-style-type: none"> NCC staff VIRCC staff 	<ul style="list-style-type: none"> NCC management VIRCC management BC Corrections Headquarters staff Public Service Agency
2	Inmates		
2.1	Inmates	<ul style="list-style-type: none"> NCC inmates VIRCC inmates 	<ul style="list-style-type: none"> NCC management VIRCC management

#	Topics of Consultation	Stakeholder(s)	Primary Stakeholder Contact(s)
			- BC Corrections Headquarters staff
2.2	Inmate Programs	- Inmate program delivery partners	- John Howard Society - Local School Districts - Vancouver Island University, Faculty of Social Sciences (Criminology) - BC Wildfire Service - Justice Institute of BC
3	Courts and Prosecution		
3.1	Courts	- Court Services Branch, Ministry of Attorney General (MAG)	- Jenny Manton, Executive Director, Corporate Support - Dan Chiddell, Strategic Information & Business Applications
3.2	Prosecution	- Prosecution Services, MAG	- John Labossierre, Regional Crown Counsel, BC Prosecution Service - David Kidd, Deputy Regional Crown Counsel
4	Sheriffs, Police and Probation		
4.1	Sheriffs	- BC Sheriff Service, MAG	- Paul Corrado, Executive Director & Chief Sheriff - Mark Beaulieu, Superintendent
4.2	Police	- Policing and Security Branch, Ministry of Public Safety and Solicitor General (PSSG)	- Jim MacAulay, Executive Director, Policing, Security & Law Enforcement - Perry Clark, Consultant, Policing and Security Branch
4.3	Probation	- Community Corrections Division, Corrections, PSSG	- Bill Small, Provincial Director - Dina Green, Deputy Provincial Director
5	Indigenous Considerations		

#	Topics of Consultation	Stakeholder(s)	Primary Stakeholder Contact(s)
5.1	Community Engagement Indigenous Justice Strategy Alignment Indigenous Law implications	<ul style="list-style-type: none"> - Justice Services Branch, MAG - Strategic Public Safety Initiatives, PSSG - Ministry of Indigenous Reconciliation and Relationships (MIRR) - Indigenous Legal Relations, Legal Services Branch, MAG 	<ul style="list-style-type: none"> - Kurt Sandstrom, Assistant Deputy Minister, Justice Services, MAG - Rachel Holmes, Executive Lead, Strategic Public Safety Initiatives, PSSG - Stuart Gale, Executive Director, Strategic Partnerships and Initiatives, MIRR - Geraldine Hutchings, Indigenous Legal Relationships, LSB, MAG
6	Support Services		
6.1	Health and Mental Health Services	<ul style="list-style-type: none"> - Provincial Health Services Authority (PHSA) 	<ul style="list-style-type: none"> - Andrew MacFarlane, Provincial Executive Director, Correctional Health Services - Nader Sharifi, Medical Director - Richard Singleton, Regional Director - Angus Monaghan, Director, Forensic Psychiatric Services
6.2	Food Services Facility Management Services	<ul style="list-style-type: none"> - Support service providers for goods and services 	<ul style="list-style-type: none"> - Compass Group Canada (food services) - WSI (facility management services)

2.2 STAKEHOLDER ALIGNMENT SCORING FRAMEWORK

Following direct consultation and characterization of comments from each stakeholder group, results of the analysis were scored based on the scoring framework described in Table 3.

Table 3: Scoring Framework

X	✓	✓✓	✓✓✓	✓✓✓✓
Does not align with the needs of or minimize impact on stakeholder.	Minimally aligns with the needs of or minimizes impact on stakeholder.	Partially aligns with the needs of or minimizes impact on stakeholder.	Effectively aligns with the needs of or minimizes impact on stakeholder.	Very effectively aligns with the needs of or minimizes impact on stakeholder.

2.3 STAKEHOLDER ALIGNMENT RESULTS

The results of the stakeholder alignment evaluation for the options are summarized in Table 4. For the detailed assessment of each of the options, see Appendix A [Gate 2 – Stakeholder Alignment Evaluation].

Table 4: Stakeholder Alignment Results

#	Stakeholder / Impact Area	Option 2 Scoring	Option 3 Scoring	Option 4 Scoring
1	Staff			
1.1	Staff	s.12; s.13		
2	Inmates			
2.1	Inmates	s.12; s.13		
2.2	Inmate programs			
3	Courts and Prosecution			
3.1	Courts	s.12; s.13		
3.2	Prosecution			
4	Sheriffs, Police and Probation			
4.1	Sheriffs	s.12; s.13		
4.2	Police			
4.3	Probation			
5	Indigenous Considerations			
5.1	Community engagement; alignment with provincial Indigenous Justice Strategy, indigenous law implications	s.12; s.13		
6	Support Services			
6.1	Health and Mental Health Services	s.12; s.13		
6.2	Food Services, Facility Management			
Total Score		s.12; s.13		

3 SUMMARY AND RECOMMENDATION

In accordance with the decision-making framework, the lowest scoring option under each Gate will be abandoned and will not proceed further in the analysis. As Option 4 is the lowest scoring option at Gate 2, it is the recommendation of the Project Team that Option 4 be abandoned for further analysis and that the two remaining options proceed to Gate 3:

- Option 2:^{s.12; s.13}
- Option 3:

APPENDIX A – STAKEHOLDER ALIGNMENT (GATE 2) EVALUATION

Attached as a separate document

1 STATEMENT OF WORK - BACKGROUND

The purpose of this activity is to assess the extent to which each service delivery model (SDM) option aligns with the current and long-term demands of, and/or seeks to minimize impacts on, the Project's stakeholder community.

2 STATEMENT OF WORK - INTENDED OUTCOMES

The assessment process will be based on the insight, experience and expertise of the Project Team with input from stakeholder, community and consultant resources as required. The stakeholder and community resources involved will include those identified in the approved Decision Framework, plus others deemed necessary as the assessment progresses. This statement of work will identify the necessary steps and resources required to complete a multiple criteria analysis (MCA) that will be used to assess the SDM options that remain following the Gate 1 (Program) assessment. The assessment will consider impacts on each of the stakeholder groups and rely on supporting data to inform the decision-making process. Note: following the Gate 1 (Program) assessment, options 2, 3 and 4 remain and this evaluation is therefore limited to those options.

3 STAKEHOLDER CONSULTATION

Stakeholders as identified below were engaged to consider and analyze the impacts of the options on their respective programs and operations. The level of consultation and analysis undertaken was commensurate with the degree of impact based on initial discussions with each stakeholder. Input and analysis from each stakeholder is reflected in Section 6, below. The data reflected is, for the most part, in the form received from stakeholders and therefore not necessarily consistent in content or language amongst stakeholder groups. The stakeholders engaged through this process was expanded as deemed necessary as the evaluation progressed; as such, the number and groupings of stakeholders differs from that outlined in the original Statement of Work.

4 SCORING METHODOLOGY

The impact for each of the SDM options were assessed for each stakeholder based on the type of impact and degree of impact, and with consideration given to the current situation and the relative impact among the three service delivery options. This assessment was then translated to a score for each option. The results of the assessment have been shared with stakeholders as appropriate to confirm accuracy.

Table 1: Scoring Framework

X	✓	✓✓	✓✓✓	✓✓✓✓
Does not satisfy the project objective and criteria.	Poorly satisfies the project objective and criteria.	Partially effective in satisfying the project objective and criteria.	Mostly effective in satisfying the project objective and criteria.	Very effective in satisfying the project objective and criteria.

5 STAKEHOLDER AND SCORING SUMMARY

#	Topics of Engagement	Stakeholder(s)	Primary Stakeholder Contact(s)	Level of Consultation	Option 2 Score	Option 3 Score	Option 4 Score
1	Staff						
1.1	Staff	<ul style="list-style-type: none"> - NCC staff - VIRCC staff 	<ul style="list-style-type: none"> - NCC management - VIRCC management - BC Corrections Headquarters staff - Public Services Agency 	s.12	s.12; s.13		
2	Inmates						
2.1	Inmates	<ul style="list-style-type: none"> - NCC inmates - VIRCC inmates 	<ul style="list-style-type: none"> - NCC management - VIRCC management - BC Corrections Headquarters staff 	s.12	s.12; s.13		
2.2	Inmate Programs	<ul style="list-style-type: none"> - Inmate program delivery partners 	<ul style="list-style-type: none"> - John Howard Society - Local School Districts - Vancouver Island University, Faculty of Social Sciences (Criminology) - BC Wildfire Service - Justice Institute of BC 		s.12; s.13		

3	Courts and Prosecution						
3.1	Courts	- Court Services Branch, Ministry of Attorney General (MAG)	- Executive Director, Corporate Support - Strategic Information & Business Applications	s.12	s.12; s.13		
3.2	Prosecution	- Prosecution Services, MAG	- Regional Crown Counsel, BC Prosecution Service - Deputy Regional Crown Counsel				
4	Sheriffs, Police and Probation						
4.1	Sheriffs	- BC Sheriff Service, MAG	- Executive Director & Chief Sheriff - Sheriff Services Superintendent	s.12	s.12; s.13		
4.2	Police	- Policing and Security Branch, Ministry of Public Safety and Solicitor General (PSSG)	- Executive Director, Policing, Security & Law Enforcement - Consultant, Policing and Security Branch		-		
4.3	Probation	- Community Corrections Division, Corrections, PSSG	- Provincial Director - Deputy Provincial Director		-		
5	Indigenous Considerations						
5.1	Community Engagement	- Justice Services Branch, MAG	- Assistant Deputy Minister, Justice Services, MAG	s.12	s.12; s.13		

	<p>Indigenous Justice Strategy Alignment</p> <p>Indigenous Law implications</p>	<ul style="list-style-type: none"> - Strategic Public Safety Initiatives, PSSG - Ministry of Indigenous Reconciliation and Relationships (MIRR) - Indigenous Legal Relations, Legal Services Branch, MAG 	<ul style="list-style-type: none"> - Executive Lead, Strategic Public Safety Initiatives, PSSG - Executive Director, Strategic Partnerships and Initiatives, MIRR - Indigenous Legal Relationships, LSB, MAG 	s.12			
6	Support Services						
6.1	Health and Mental Health Services	<ul style="list-style-type: none"> - Provincial Health Services Authority (PHSA) 	<ul style="list-style-type: none"> - Provincial Executive Director, Correctional Health Services - Provincial Medical Director - Regional Director, Vancouver Island, Interior, North - Director, Forensic Psychiatric Services 	s.12	s.12; s.13		
6.2	Food Services Facility Management Services	<ul style="list-style-type: none"> - Support service providers for goods and services 	<ul style="list-style-type: none"> - Compass Group Canada (food services) - WSI (facility management services) 	s.12	s.12; s.13		
Total Score					s.12; s.13		

6 STAKEHOLDER ALIGNMENT AND SCORING DETAILS

1 Staff

1.1 Staff

Current situation:

NCC has an allocation of 107 FTEs and a current total staff of 117. Most staff live within the Nanaimo region with some living as far north as Qualicum and as far south as Shawnigan Lake (see Figure 1). Staff recruitment and retention has historically been a challenge for correctional centres; however, NCC has had less challenge than most. The average age of staff is 41.6, the average years of services is 10.0 years, and there are 19 staff with 20+ years of service (16% of all NCC staff). The BCGEU Collective Agreement includes a work relocation limitation of 50 kilometers for NCC, beyond which relocation expenses or other employment provisions would take effect.

VIRCC has an allocation of 210 FTEs and a current total staff of 200. Most staff live within the Greater Victoria area with a few living as far north as Cowichan Bay and Ladysmith (see Figure 2). Staff recruitment and retention has historically been a challenge for correctional centres and this is consistent with VIRCC's recent experience. The average age of VIRCC staff is 42.5, the average years of service is 10.5 years, and there are 35 staff with 20+ years of service (18% of all VIRCC staff). The BCGEU Collective Agreement includes a work relocation limitation of 32 kilometers for VIRCC, beyond which relocation expenses or other employment provisions would take effect.

The evaluation of SDM options regarding staffing impacts and scoring are based on the following objectives:

1. Minimize disruption to staff home and families
2. Minimize need to relocation and related costs/provisions
3. Provide a safe, healthy and supporting work environment
4. Maximize retention of existing staff and ability to recruit new staff

	Option 2 Impacts	Options 3 Impacts	Option 4 Impacts
s.12; s.13			

2 Inmates
2.1 Inmates
<p>Current situation:</p> <p>NCC has had an average daily count (ADC) of 134 inmates over the past three years, and has a current year-to-date ADC of 116 inmates as of July 22, 2018. NCC is a male medium custody centre, and accordingly accommodates inmates with a risk assessment of Open or Medium. NCC accommodates sentenced inmates only, and not remanded inmates. The inmate population is grouped into General Population (GP), Protective Custody (PC), and those who are participating in the Guthrie Therapeutic Community (GTC). As a provincial program resource, inmates in the GTC may be from courts-of-origin throughout BC.</p> <p>VIRCC has had an average daily count (ADC) of 300 inmates over the past three years, and has a current year-to-date ADC of 279 inmates as of July 22, 2018. VIRCC is a male secure custody centre, and accordingly accommodates inmates with a risk assessment of Open, Medium, and Secure. VIRCC accommodates sentenced and remanded inmates. The inmate population is grouped into General Population (GP) and Protective Custody (PC). VIRCC has designated units for Inmates with Mental Health Needs (IMHNs) and a Right Living Unit (RLU). Due to current staffing levels, related living unit closures, a number of inmates who otherwise would be held at VIRCC are being held in lower mainland centres. Remanded inmates currently comprise 77% of VIRCC's inmate population as of July 22, 2018.</p> <p>The evaluation of SDM options regarding inmate impacts and scoring are based on the following objectives:</p> <ol style="list-style-type: none"> 1. Maximize access to appropriate services and programs 2. Maximize access to home communities and families 3. Maximize linkages with community-based resources (e.g. health, mental health, addiction, transition) 4. Provide safe, healthy and supportive living environment

s.12; s.13	Option 2 Impacts	Options 3 Impacts	Option 4 Impacts
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2.2 Inmate Programs

Current Situation:

s.12; s.13

Option 2 Impacts	Options 3 Impacts	Option 4 Impacts
s.12; s.13		

3 Courts and Prosecution			
3.1 Courts			
<p>Current Situation: Court Services Branch operates courthouses in locations throughout Vancouver Island, and relies on sheriff services to transport individuals to court for scheduled appearances. Court operations rely on the timely attendance of inmates making court appearances to operate on schedule and in an efficient and effective manner.</p> <p>Loss of Court Usage North Island: Lack of a correctional centre that provides remand space for the central and north island results in additional costs and inefficiencies in court operations and other justice sector agencies. In a Supreme Court trial in the north island, a full day of court a week is lost due to the time it takes to transport a remanded individual to and from VIRCC. The cost of operating a Supreme Courtroom is in the range of \$5,000 per day. A concurrent issue, is that trials take longer due to transportation implications.</p> <p>Loss of Court Usage Nanaimo: In Nanaimo, the normal practice is to transport remanded prisoners daily from VIRCC during lengthy trials. The daily commencement or conclusion of trials must be regularly adjusted to accommodate for transportation issues to the single remand facility in Victoria. It is extremely inefficient and costly to have witnesses and juries standing idle while awaiting the arrival of prisoners who are being transported to court.</p> <p>Video Court: Court Services and BC Corrections currently utilize video technology for scheduled court hearings where appropriate, resulting in inmate transport efficiencies and improving security and safety. Each of the SDMs will expand on the use of this technology where possible.</p>			
Option 2 Impacts		Options 3 Impacts	Option 4 Impacts
s.12; s.13			

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s.12 ; s.13

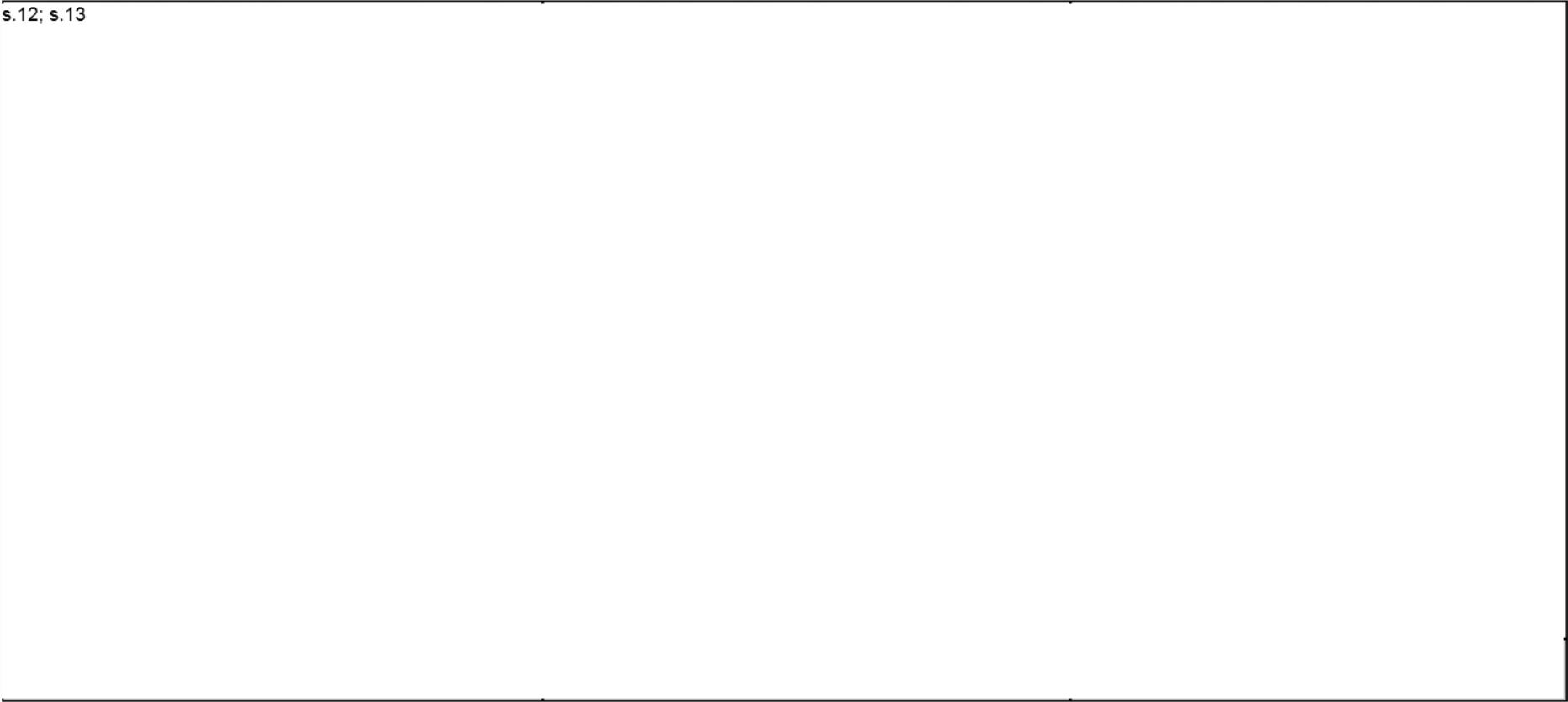
3.2 Prosecution

Current Situation: The BC Prosecution Service (BCPS) contributes to the protection of society by conducting or supervising prosecutions and appeals in all levels of courts fairly, impartially, effectively and respectfully, on behalf of the whole community. On Vancouver Island, BCPS operates South Island Crown offices (Victoria and Colwood) and North Island Crown offices (Duncan, Port Alberni, Courtenay, Campbell River and Port Hardy). Historically, North Island offices generate well over 50% of all criminal files processed on Vancouver Island.

s.12

s.12			
Option 2 Impacts		Options 3 Impacts	Option 4 Impacts
s.12; s.13			

s.12; s.13



4 Sheriffs, Police and Probation		
4.1 Sheriffs		
<p>Current Situation: BC Sheriff Services (BCSS) provides security services to the Provincial, Supreme and Appeal Courts of BC. At the Supreme Court level, they oversee the jury administration and selection process for criminal and civil trials. BCSS responsibilities also include escorting accused persons, convicted persons and persons confined under the Mental Health Act from provincial and federal correctional institutions throughout the province. BCSS personnel can also be called upon to escort material witnesses, persons under hospital guard, individuals whose federal parole has been revoked and persons arrested in civil matters.</p>		
s.15		
s.15	s.12	
s.12		
<p>Neither VIRCC nor NCC is capable of housing female inmates, and female inmates from Vancouver Island courts are held at Alouette Correctional Centre for Women (ACCW) in Maple Ridge. This presents significant challenges for BCSS as they are required to transport female inmates using daily commercial air transport between Victoria and the lower mainland. Vancouver Island police agencies are then required to provide accommodation for females in their lock up facilities while court matters proceed – these accommodations are inadequate and present significant challenges for police agencies.^{s.15}</p>		
s.15		

s.12; s.13

4.2 Police

Current Situation:

Police detachments on Vancouver Island currently engage with NCC and VIRCC in two ways. First, police may visit a correctional centre to interview incarcerated individuals in relation to an investigation or in preparation for a court case. Investigations may be related to incidents outside the correctional centre or incidents within a centre, such as an alleged act of violence. Second, police may escort remanded individuals to VIRCC from court or police lock-up.

VIRCC (based on 2018 to date):

- Greater Victoria police forces drop an average of 7 inmates off to VIRCC each weekend.
- Greater Victoria police forces visits VIRCC at least once a day to conduct business with inmates.
- VIRCC houses average of 6 intermittent inmates per weekend.

Policing and Security Branch (PSB): the project team has consulted with PSB to discuss the police agencies potentially impacted, what those impacts may be, and the appropriate method and timing for engaging impacted police agencies to discuss the project(s). Because of this input and advice, the project team has made the determination that individual police agencies will be engaged and consulted as appropriate once a recommended Service Delivery Model has been approved as part of the detailed business case development. Engagement prior to this would be premature, involve an excessive number of agencies, and would by necessity require a broad-brush approach with no clear outcomes. PSB confirms they don't need to be directly involved on such consultation when they take place, but request that they be kept apprised of the outcomes.

Keep of Prisoners (KOP): BC Corrections, PSB and the RCMP currently manage the KOP program whereby provincial prisoners are temporarily housed in municipal police lock-ups while awaiting court appearance or in transit. Municipalities are remunerated for these services by the Province quarterly based on the hours of accommodation provided. A total quarterly funding cap is distributed pro rata to municipalities commensurate with the hours provided.

Female prisoners: There is currently no correctional centre accommodation for female prisoners on Vancouver Island. Female prisoners are currently held for short periods in the Victoria Police Department (VPD) lock-up until they can be transported to Alouette Correctional Centre for Women (ACCW) in Maple Ridge for court appearances.^{s.13; s.15}
s.13; s.15

s.12; s.13

4.3 Probation	
<p>Current Situation: Community Corrections division (CCD) is one of three functional divisions that comprise the Corrections Branch. Probation officers and other staff in the CCD work to reduce reoffending and increase public safety by supervising and changing the behaviour of clients who are under court-ordered supervision in the community (e.g. bail, probation and conditional sentence orders). CCD responsibilities also include preparing court-ordered reports, including pre-sentence reports (PSRs), which may be ordered while a remanded inmate (in-custody accused) is detained in a provincial correctional centre. When a report is order by the court, a probation officer will attend the centre to conduct an in-person interview of the remanded inmate. In very limited circumstances today, video-conferencing technology is utilized to conduct the interview remotely (limited to reports written by probation officers at the Terrace probation office for inmates remanded at Prince George Regional Correctional Centre). On Vancouver Island, currently all remanded inmates are housed at Vancouver Island Regional Correctional Centre (VIRCC) in Saanich. In the region, court-ordered reports on remanded inmates are assigned to the probation office in closest proximity to the centre; this arrangement allows for an in-person interview of the inmate to be conducted with minimal travel time. For VIRCC, the nearest office is the Saanich probation office (200 – 3965 Quadra Street, Victoria BC). It is estimated that on an annual basis the Saanich probation office completes approximately 40 PSRs on remanded inmates at VIRCC which amounts to 0.5 of a probation officer FTE (full-time employee) workload. The existing Nanaimo Correctional Centre (NCC) does not have the security capabilities required to house remanded inmates. As a result, no PSRs are completed at this centre.</p>	
Option 2 Impacts	Options 3 Impacts
Option 4 Impacts	

s.12; s.13

5 Indigenous Considerations

5.1 Indigenous Considerations

Stakeholder engagement regarding indigenous issues were limited to internal government agencies for the SDM evaluation phase. Stakeholder groups included the Ministry of Indigenous Reconciliation and Relationships (MIRR), legal advisors from the Indigenous Legal Relationships section of MAG, and senior officials in PSSG and MAG who represent the ministries and advise on Province's Indigenous Justice Strategy and the BC Indigenous Justice Council. Three topic areas were considered in discussions with stakeholders dealing with indigenous issues:

s.12; s.13

s.12; s.13

6 Support Services			
6.1 Health and Mental Health Services			
<p>Current situation:</p> <p>Provincial Health Services Authority (PHSA): the PHSA is responsible for the delivery of health and mental health services in all correctional centres. PHSA staff and resources include physicians, psychologists, psychiatrists, LPNs, RNs, addictions counsellors, transition and discharge nurses, medical and mental health screeners, MOAs, as well as management, leadership and support resources both regional and corporate. On-site healthcare staff at NCC is 10.51 FTEs, and 17.82 FTEs at VIRCC not including the contracted health care providers which include physicians, dentists and psychologists. Medications are provided primarily through the provincial Product Distribution Centre in Port Coquitlam. PHSA provides services in designated medical units within both centres, and medical equipment is owned by them. Inmates are screened by PHSA upon intake for medical and mental health needs. Inmate meet with physicians in treatment rooms within the health unit, and typically receive medications at the health unit. PHSA administers medication for inmates on Opiate Agonist Therapy (OAT) which includes approximately 1/3 of the inmate population provincially.</p>			
Option 2 Impacts		Options 3 Impacts	Option 4 Impacts
s.12; s.13			

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s.12 ; s.13

6.2 Food Services, Facility Management Services

Current situation:

Several types of operational support services are currently provided in correctional centres through out-sourced contracts, both centre-specific and province-wide. The primary services currently provided through provincial contracts or centralized supply arrangements are for food services and facility management services.

Food Services / Compass Group Canada: food services are provided through a provincial contract covering all ten correctional centres, with Compass Group Canada (the Contractor). This out-sourced arrangement has been in place for over 20 years, and appropriately and effectively meets the need of the Adult Custody Division (ACD). The current contract was awarded in 2015 for an initial 5-year term, and with renewal options of 3 years. The contract terms allow for expanding the contract scope for additional service requirements whether volume related or to address the addition of correctional capacity through expansions of existing centres or the establishment of new ones. As was the case with the Okanagan Correctional Centre coming on line in 2017, the Adult Custody Division anticipates expanding the use of the provincial contract to address any future major capacity or centre changes. ACD has notified the Contractor of the SDM evaluation process and potential changes to staffing and locations following project implementation. The contractor is amenable to potential resulting operational, staffing and location changes, subject to receiving adequate notice of ACD's direction and negotiation of the amended terms. The current contracted staffing for food services is approximately 7 full-time positions at both NCC and VIRCC. At both centres, inmate work in the kitchens to assist with food preparation as a paid inmate work program.

Facility Management Services / BGIS-WSI: facility management services at NCC and VIRCC are currently provided through a provincial contract with BGIS/WSI managed by CITX. The Facility Management Procurement (FMC) process currently underway and expected to be completed in 2019 will re-tender these services for a multi-year term. CITZ staff associated with the SDM evaluation project have notified WSI of the potential change to Vancouver Island correctional centres.

s.12; s.13

Figure 1: NCC Current Staff Home Location Distribution:

s.12; s.13; s.15; s.19; s.22

s.12; s.13; s.15; s.19; s.22

Nanaimo Correctional Centre/Vancouver Island Regional Correction Centre

Gate 3 Assessment Summary

September 27, 2018

Agenda

- Options taken forward to Gate 3 Assessment
- Gate 3 Assessment – what is it?
- What we did
- Risk Analysis
- Source of Assumptions
- Base Case Results
- Sensitivity Analysis

Options taken forward to Gate 3 Assessment

Remaining options from Gate 2:

Option 2

s.12

Option 3

Gate 3 Assessment – Process

- Discounted cash flow analysis;
 - Project capital and operating inputs, including:
 - Hard and soft construction costs;
 - Project costs;
 - Risk;
 - Escalation;
 - Facility operations and life cycle; and
 - Staffing.
 - 30 year time period for analysis
 - Using Province's long-term borrowing cost as Discount Rate

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s.12

Risk Analysis

- **Risk identification** – High-level risks were identified for each option
- **Risks removed** – As more information became available certain risks were subsequently discarded
- **Remaining risk differentiators:**
 - s.12; s.13
 -
 -
- ***Risk differentiators manifest in various timing delays to the project***

Key Sources of Assumptions

Assumption	Source
Project Schedules/Timing	Project Team
Capital and Lifecycle costs	SSAQS
Facilities Management	Allowance per m ² derived from existing costs across Corrections' portfolio of correctional centres – provided by CITZ
Staffing and Operating Costs	PSSG
Land Purchase and Sale Value	Based on assessed values escalated to time of purchase/sale

Results (Before Sensitivities)

	Nominal	NPV
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s.12; s.13

s.12

s.12

Sensitivities Analyzed

- s.12

-

-

Sensitivity Analysis – Stated as Net Present Value

[illegible]

Sensitivity Results – ^{s.12} (Detailed)

s.12; s.13

Nominal

NPV

s.12

s.12; s.13

Nominal

NPV

s.12

s.12; s.13

Nominal

NPV

s.12

s.12

Sensitivity Results – s.12

(Detailed)

s.12; s.13

Nominal

NPV

s.12

s.12; s.13

Nominal

NPV

s.12

s.12; s.13

Nominal

NPV

s.12

Sensitivity Results –^{s.12} ***(Detailed)***

s.12; s.13

s.12

Nominal

NPV

s.12; s.13

s.12

Nominal

NPV

s.12; s.13

s.12

Nominal

NPV

Gate 3 Scoring Results

In accordance with the Gate 3 Statement of Work, points for Gate 3 are allocated as follows:

- The option that provides the lowest net present cost over 30-years will receive 100 points; and
- The other option will receive a prorated amount of points based on the percentage cost difference between the two options.

	Option 2	Option 3
Gate 3 Points	s.12; s.13	

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s.12 ; s.13



MINISTRY OF PUBLIC SAFETY AND
SOLICITOR GENERAL

MINISTRY OF CITIZENS' SERVICES

Nanaimo Correctional Centre
Replacement Project

Functional Programme & Interim Indicative Design Summary

Confidential

February 8, 2019



Overview

s.12

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PART 1

Functional Programme

Introduction

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BC Corrections Mission

The mission of BC Corrections is “to protect communities by safely supporting adults under supervision and using evidence-based approaches to change their behavior”.

BC Corrections Mandate

The mandate of BC Corrections is to:

1. Protect communities through the safe control and behavioral change of adults.
2. Provide correctional services and programs to individuals 18 years or older who are:
 - Supervised while on a bail order awaiting trial or serving a community sentence; or
 - Held in custody while awaiting trial or serving a jail sentence of less than two years.

BC Corrections carries out this mandate by providing supervision of inmates in the community, supervision of those persons on bail while awaiting trial, and by providing custodial accommodation for inmates sentenced to custody and for persons remanded to custody awaiting trial. BC Corrections also supervises inmates awaiting transfer to federal prison, federally sentenced inmates transferred to provincial jurisdiction, and individuals detained under the Federal Immigration Act. The provincial corrections system is responsible for accommodating inmates serving sentences of up to two years less a day. Longer sentences are served in federal facilities.

BC Corrections Goals

To achieve its mandate, the Corrections Branch has five goals:

1. Supervise and enforce custody and/or community orders of adult inmates in a safe manner.
2. Manage all aspects of correctional supervision through the application of evidence-based, consistent, and best practice policies.
3. Encourage learning and development for all members of B.C. Corrections.
4. Adhere to high standards in research, program development and evaluation, and technology.
5. Collaborate with other ministries, academic institutions, and non-profit associations and organizations in justice reform initiatives.

Adult Custody Division Mission

The Adult Custody Division provides safe and secure custody of inmates and delivers programs that promote public safety and reduce criminal behavior. The mission statement is supported by the following core beliefs:

- Our business is public safety;
- Our culture is based on fairness, dignity and respect;
- Our foundation is effective communication;
- Our practices are rooted in due processes; and
- Our programs and services support positive change.

Based on these core beliefs, a program has been developed that defines an operational and spatial approach that will yield a secure, efficient, and effective facility that embodies and supports the mandate and mission.

Background

Although not originally designed as a correctional centre, the NCC site is well adapted for such use. The information contained in this report is a part of a more comprehensive analysis that will be undertaken by various departments of government in the Province of British Columbia. The aim of the Functional Program is to develop an operational and spatial framework for proceeding with a business case analysis for a correctional centre that is focused on reducing reoffending through the provision of pro-social programs in a build-to-suit, supportive environment.

The NCC site offers a setting that can combine the requirements of effective treatment and appropriate security. A more extensive evaluation of treatment programs and the establishment of evidence-informed numbers of inmates by acuity and security levels will evolve, but the broad vision of a facility that addresses the needs of inmates and approaches to the reduction of offending behavior is the underpinning of this Functional Program.

In addition to a focus to on remand and sentenced male inmates, the site also has a secondary role of meeting the short-term pretrial incarceration needs of women from Vancouver Island. At the present time, women arrested on Vancouver Island are held in inadequate police lock-ups until transport is arranged to the Mainland which, over holiday weekends, could be up to 72 hours. Some of the women are often released at their first court appearance and having a capability to hold women in suitable accommodations with access to programs and services will vastly improve current practices and conditions.

A final purpose exists: the desire to provide safe and secure custody and deliver programs to inmates as close as feasible to their originating communities and courts of origin. This purpose is foundational to maintaining, establishing and/or re-establishing inmate connections with family members and local support organizations during their term in custody and as part of the community release planning process.

Therefore, the future view of this unique site is one of a multi-purpose correctional centre that has a central focus on programs that are easily adapted to the needs of women in a remand status and can broaden the programs and services for general custody male inmates.

The Historical and Site Context

The Nanaimo Correctional Centre is located approximately ten kilometers north of Nanaimo on Brannen Lake near Highway 19 in a mixed residential and rural/agricultural area. There are 26 individual existing buildings of varying ages and conditions located on a 47-hectare (116 acres) site which includes approximately 800 linear meters of shoreline, agricultural areas such as hay fields, and wooded areas.

Historical Context

The facility was originally established in 1955 as a reform school for boys and operated as such until 1977. Briefly from 1979-1981, the facility operated as a provincial drug and alcohol treatment centre. In 1983, the current NCC was converted for use as a provincial correctional centre for male inmates.

In 1994 a secure perimeter fence was installed around the main part of the site containing the buildings. Within the secure perimeter, NCC provides safe and secure custody, with a level of open freedom for medium classified sentenced inmates who do not require higher levels of supervision. General custody inmates residing at NCC are required to participate in classroom and work programs. The facility currently has the capacity to accommodate up to 190 cells for inmates on sentences of less than two years with a staff complement of 107 full and part-time officers.

A unique aspect of the site is the GTC, which was established in 2007 as a unique residential treatment-based substance abuse program for male residents with a minimum duration of four months. The GTC focus is developing the skills needed for recovery management, relapse prevention, re-entry planning, as well as direct linkages to support networks in the community.

The GTC initially accommodated 32 residents, but has grown to 50 from various regions in the Province. The uniqueness of the Nanaimo site, locally developed programs and the local professional network and the community supports are all factors contributing to the GTC's success.

Research has demonstrated that individuals who complete the program reoffend significantly less than those who do not complete the GTC program. Of those who do reoffend, they reoffend less often and in a less severe manner. BC Corrections is committed to the ongoing operation of the GTC at the NCC site, and as such this will be a priority component within the project plan.

Site Factors



Figure 1 - Aerial Photo courtesy of Google Maps

As noted earlier, the entire NCC site encompasses 116 acres, approximately 30 of which is occupied by the 26 buildings that comprise the correctional centre. The condition of these buildings varies, but all are well beyond their useful life.

The site has two distinct sectors: that which is included within the secure perimeter fence (Figure 1) and that which is located outside the perimeter fence (Figure 2).



Figure 2 - NCC and surrounding context, courtesy of Google Maps

The site slopes in a series of terraces from the east (location of the parking area and gatehouse), to Brannan Lake on the west. Although buildings consume the higher elevation of the site, large amounts of open space exist towards the north-west portion of the site. s.12; s.13

s.12; s.13

s.12; s.13

The second sector of the existing site, located to the north east of the fenced NCC site has, by far, the most land area. Historically, this area has been used for agricultural purposes and continues to offer this opportunity for inmates who qualify to participate in farming or poultry raising programs.

A significant feature on the site is the group of large evergreen trees in the central north-west portion of the campus, serving to shelter and accommodate various indigenous events. s.12; s.13

s.12; s.13

The topography slopes with various degrees of steepness from the east towards the lake shown at the top left portion of Figure 2. A portion of the site contains grown vegetation with a small tributary that empties into the lake.s.12; s.13

s.12; s.13

s.12; s.13

The Foundation for Transformation

s.12

Project Vision

s.12

Core Values

s.12; s.13

s.12; s.13

Guiding Principles

s.12; s.13

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Operational Model

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Functional Components

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Basic Development Approach

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Architectural Program

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s.12 ; s.13

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s.12 ; s.13

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s.12

Conclusion

s.12

s.12

The narrative descriptions provided a definition of the operational basis of each of the 10 major functional components.

s.12

Glossary

A&D – Admissions and Discharge

BCC – British Columbia Corrections

GTC - Guthrie Therapeutic Community

MPSSG - Ministry of Public Safety and Solicitor General

NCC – Nanaimo Correctional Center

SMCS – Security Monitoring & Control System

PART 2

Indicative Design

Introduction

During the creation of this document, a design charrette was staged over a three day period on the NCC site upon which the Functional Programme was refined and an Indicative Design created. The participants represented a wide range of views and opinions derived from Provincial executives, correctional staff, design consultants and inmates from the Guthrie Therapeutic Program. The resultant site plan and massing model represent a vision of the possibilities present to create a new kind of facility where the ability to provide successful rehabilitation for inmates can be taken to a new and more effective level.

The purpose of an Indicative Design is not to provide a final design solution, but instead is meant to test the following parameters:

s.12; s.13

Functional Relationships

The following factors have been taken into consideration:

s.12; s.13

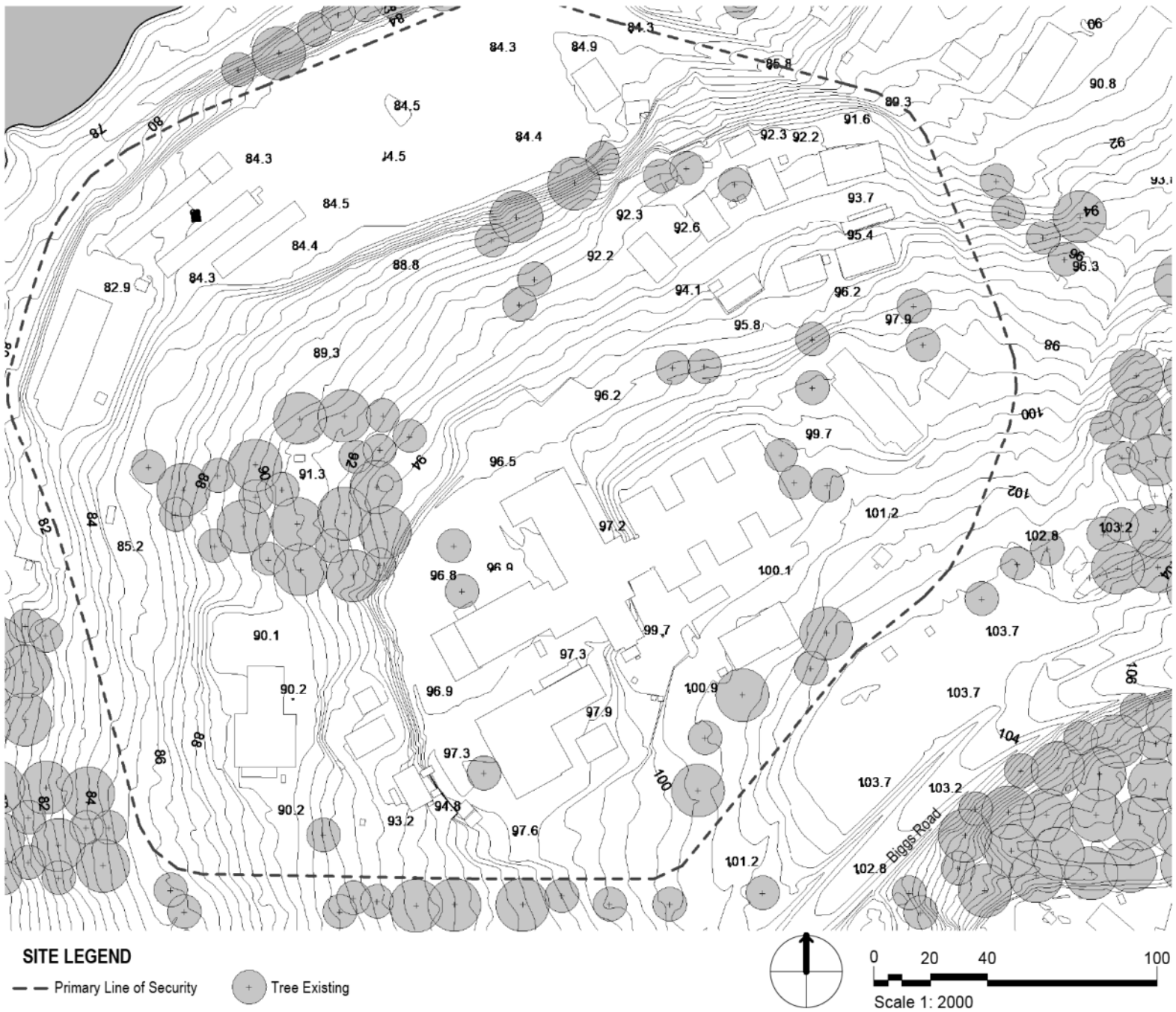
s.12; s.13

Site Topography

The site is currently composed of three terraces with the high point starting at the existing parking level, a mid-point containing the existing premises, with a separate lower bench waterfront level accommodating the fire hose repair activities. A playing field is currently part of this component. s.12; s.13

The total grade differential from the high point of parking to the lower bench level is in the range of 20 meters, or approximately six stories translated into a building form. The predominate exposure towards the water is northerly in nature.

An existing stand of mature coniferous trees in the western region of the site is to be maintained subject to warden enforcement.



Existing Site

The existing facilities are centrally located and generally occupy the middle bench level of the site.

s.12

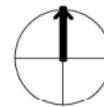


SITE LEGEND

— — Primary Line of Security



Tree Existing



0 20 40 100
Scale 1: 2000

Proposed Site Plan

s.12

s.12; s.13

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s.12 ; s.13

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NANAIMO CORRECTIONAL CENTRE REPLACEMENT PROJECT

CLASS 'C' ESTIMATE REPORT (Revision 0) (OPINION OF PROBABLE COST)

February 14, 2019



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NANAIMO CORRECTIONAL CENTRE REPLACEMENT PROJECT
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1. INTRODUCTION and NOTES

The British Columbia Ministry of Public Safety and Solicitor (PSSG), Adult Custody Division, is developing a Business Case for the replacement of the Nanaimo Correctional Centre (NCC) on the existing parcel of land that currently accommodates the NCC.

The Ministry of Citizens' Services is managing the project assisted by Partnerships BC (PBC). SSA Quantity Surveyors Ltd. (SSAQS) has been hired by the Ministry of Citizens' Services to assist with the budgeting and other cost issues for this Business Plan.

The consultant team for the project is led by HDR Architects, together with, as a sub-consultant, Carter Goble Associates (CGL) providing the planning and programming for the project.

CGL has prepared a Programme of Accommodation for the proposed new NCC project, and HDR has prepared Indicative Design documents that indicate the potential placement and building shapes and types for the project on the existing site. Please refer to these separate documents for the information contained in them.

Based upon the Programme of Accommodation and the Indicative Design, we have prepared this Class C level estimate with an accuracy of $\pm 15\%$ to provide a budget projection for the project.

This Class C Estimate (Opinion of Probable Cost) is based on the information described above. Our knowledge of the project is limited to the information provided to us. This Opinion of Probable Cost is intended to provide, at a Class C level, a reasonable and realistic opinion of the project's hard and soft construction costs for the proposed new facility and is intended to support the development of the business case for the project.

Please note the exclusions detailed in this report.

This estimate has been developed at a Class C level and carries a risk of $\pm 15\%$, 18 times out of 20. There is no detailed design.

Pricing is based upon current **1st Quarter 2019** unit rates that we consider reasonable, but competitive, for the size, type and complexity of this project, and its geographic location in Nanaimo. *Pricing also reflects the current labour market situation in BC and does not take into account any form of restriction(s) that may be imposed through labour requirements that may be imposed that have the potential to curtail labour competitiveness.*

The estimated construction cost reflects our opinion of the current construction industry market

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conditions for the size and type of project in Nanaimo. It has been assumed that the Work will be tendered on a Design Bid Build or a Design Build (DB) basis, competitively tendered to a minimum of 3 contractors, where each trade contract is bid on a competitive stipulated price basis. The pricing in this estimate is predicated upon a minimum of three qualified trade contractors for each significant trade, bidding for the work on a competitive basis and there will be no sole source non-competitive trade contracts. *It is also predicated upon the assumption that the project will be bid with normal and reasonable market conditions and that any unforeseen, aberrant or abnormal market conditions are not contemplated in the estimate.*

The Goods and Services Tax (GST) has been shown and fully rebated. Provincial Sales Tax is included.

The estimate is our opinion of fair market value for the construction of the project, and does not attempt to predict a low bid value.

Notes:

- The building areas have been taken from the Programme of Accommodation and the measured quantities have been taken from the Indicative Design.
- We have used pricing based upon current market information as well as from similar projects and our benchmarked assumptions and allowances for a project that, in our opinion are appropriate for a project of this size and type in Nanaimo.
- We have included a location factor that we believe is appropriate for this size and type of project in Nanaimo.
- We have had no discussions with any design consultants regarding the building design, systems etc.
- We have not included any allowances for providing the ability for systems in the facility to expand in the future.
- We have not included any allowance for unusual soil conditions.
- We have included allowances for DCC's and Building Permit.
- We have included forward escalation projected to March 2021.
- We have included an allowance for Furniture, Furnishings and Equipment based upon a % of the hard construction cost. There is no detail.
- Assumptions and allowances are identified in this report.

2. LEVEL OF RISK

It is our opinion that the risk associated with this Opinion of Probable Costs is $\pm 15\%$ 18 times out of 20.

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3. ESCALATION ALLOWANCE

Please refer to the table included later in this report.

4. EXPLANATION OF TERMS

- **Hard Costs:** Construction Costs including all construction costs for the building, site, demolition, Design Contingency, General contractor's Overhead and Profit.
- **Construction Contingency:** A reserve of funds which is allocated to cover change orders that are required during the course of construction, and is not intended to be a scope change contingency.
- **Design Fees:** Fees for Design Consultants based upon current fee scale guidelines published by the various governing bodies or calculated based upon prevailing market knowledge.
- **Commissioning:** Funds allocated to cover the cost of ensuring that the facility is fully commissioned as a working facility and that all systems are working as specified both on an individual basis and on a whole facility basis.
- **Testing and Inspections:** Funds allocated to cover testing of items such as soils, materials etc. during design and construction.
- **Administrative and Project Management Costs:** Funds to cover the management of the overall project from the Client's perspective. These funds can be allocated for in-house or contracted resources.
- **Off-Site Services:** Funds allocated to cover possible charges by the local authority and other service providers for items such as road and sidewalk upgrades, underground service upgrades etc.

5. BASIS OF THE ESTIMATE

5.1. Cost Base

Pricing shown reflects our opinion of probable construction costs obtainable in the 1st Quarter of 2019

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on the effective date of this report.

Pricing reflects the current labour market situation in BC and does not take into account any form of restriction(s) that may be imposed through labour requirements that may be imposed that have the potential to curtail labour competitiveness.

5.2. Contingencies

5.2.1. Design Contingency – An Allowance of 14% has been included. This allowance, when included, is a reserve of funds included in the estimate and which is allocated to cover pricing adjustments resulting from incomplete design information and design detailing that is not currently available.

5.2.2. Escalation Contingency – An allowance has been included. See Section 3 above. This allowance, when included, is a reserve of funds to cover possible price increases from the time that the estimate is prepared to the time that the project is tendered.

5.2.3. Phasing Allowance – No allowance has been included. This allowance, when included, is for any work required to maintain the operation of the facility while construction proceeds.

5.2.4. Construction Contingency – An allowance of 4% has been included. The construction contingency is a reserve of funds which is allocated to cover change orders that are required during the course of construction, and is not intended to be a scope change contingency.

5.2.5. General Project Contingency – An allowance has been included. This is a general project reserve.

6. EXCLUSIONS

The following items are specifically excluded from this estimate:

- 6.1.** Unknown adverse environmental conditions.
- 6.2.** Unknown adverse archeological conditions.
- 6.3.** Adverse soil and/or subsoil conditions.
- 6.4.** Project Procurement costs and Compliance Team costs.
- 6.5.** Land Acquisition costs.
- 6.6.** Project Financing Costs.
- 6.7.** Utility Upgrades.

**NANAIMO CORRECTIONAL CENTRE REPLACEMENT PROJECT
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7. STATEMENT OF PROBABLE COSTS

Estimates of construction costs prepared by SSA Quantity Surveyors Ltd. represent our best judgement as Professional Cost Consultants/Quantity Surveyors familiar with the construction industry. It is recognised, however, that we do not have control over the cost of labour, materials or equipment, over architect/engineering design, over a contractor's method of determining prices, or over market or negotiating conditions. Accordingly, we cannot and do not warrant or represent that bids or negotiated prices will not vary from this nor any subsequent estimate of design/construction cost or evaluation prepared by or agreed to by us.

NANAIMO CORRECTIONAL CENTRE REPLACEMENT PROJECT
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8. SUMMARY – s.12; s.13

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s.12 ; s.13

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9. SUMMARY – s.12; s.13

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10. DETAIL – ^{s.12; s.13}

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s.12 ; s.13

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February 14, 2019**

11. ESCALATION PROJECTION.

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Nanaimo Correctional Centre Replacement Project

Appendix D – Design and Construction Innovation

March 2019

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s.12 ; s.13

Nanaimo Correctional Centre Replacement Project

Appendix E – NCC Procurement Assessment Strategy

March 2019

Discussion Memo

Date: September 27, 2018

To: The Chair and Project Executive Board – NCC Replacement Project Business Case

From: Chief Project Officer and Project Team

Re: NCC Procurement Assessment Strategy

Purpose: For discussion

1 PURPOSE

s.12; s.13

2 BACKGROUND

In April of 2018, the Minister of Finance advised capital-intensive ministries of changes to policy and practices for major capital project business cases seeking approval from Treasury Board. Changes included an immediate repeal of the Capital Standard¹ and an additional expectation that provincial ministries and agencies explore a broader range of procurement delivery approaches (e.g., Construction Management, Design Bid Build, Design Build and Public Private Partnerships) in Part C of business cases.

s.12; s.13

¹ Policy requiring that any project requiring $\geq \$100\text{MM}$ in provincial funding must proceed as a public private partnership unless there was a compelling reason to do otherwise.

s.12; s.13

3 CAMF – MPSSG/ MCITZ HISTORICAL PRACTICES

Since its implementation in May of 2002, the CAMF provided specific guidance to the Ministries of Public Safety and Solicitor General (PSSG) and Citizens' Services (CITZ) in the assessment and evaluation of procurement options for provincial correctional centres². Based largely on the principles of transparency and thoroughness, CAMF set out a process for assessment that focused on two broad categories of evaluation. Described generally, these categories included two forms of assessment:

- Qualitative: Assessment of qualitative factors (typically procurement options contrasted against procurement objectives) impacting the procurement, implementation and use of a capital asset; and
- Quantitative: Quantitative assessment of capital and operating inputs for differing procurement methods, often calculated as the net present cost of capital over 30 years, discounted at the project's (frequently the Public Private Partnership) internal rate of return.

s.13

s.12; s.13

² Further information on CAMF can be found at this link: http://www.fin.gov.bc.ca/tbs/camf_guidelines.pdf

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s.12 ; s.13

Nanaimo Correctional Centre Replacement Project

Appendix F – Procurement Options Description

March 2019

PROCUREMENT OPTION DESCRIPTION

s.12; s.13

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s.12 ; s.13

Nanaimo Correctional Centre Replacement Project

Appendix H – Market Sounding Report

March 2019



Ministry of
Public Safety and
Solicitor General

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partnerships
British Columbia

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1 PURPOSE

Partnerships BC, in partnership with the Ministry of Public Safety and Solicitor General ("PSSG"), held a series of market sounding sessions to discuss the Nanaimo Correctional Centre Replacement Project (the Project). The purpose of the market sounding exercise was to confirm market interest and discuss key elements of the Project at an early stage in the business plan's development.

The objectives of the market sounding sessions were to:

s.12

This report documents the findings of these sessions.

2 PROCESS AND PARTICIPANTS

Partnerships BC, identified a number of companies that have been actively involved in delivering large public infrastructure projects across B.C., Canada and around the world.

Eleven companies were originally invited with seven listed below choosing to participate:

s.12

s.12

3 KEY FINDINGS

s.12; s.13



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Solicitor General

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partnerships
British Columbia

s.12; s.13

3.2 PROCUREMENT

s.12; s.13

3.3 CONSTRUCTION

s.12; s.13



Ministry of
Public Safety and
Solicitor General

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partnerships
British Columbia

s.12; s.13

3.4 SUSTAINABILITY

s.12; s.13

3.5 GENERAL

s.12; s.13



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Solicitor General

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partnerships
British Columbia

s.12; s.13

4 SUMMARY

s.12; s.13



Ministry of
Public Safety and
Solicitor General

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partnerships
British Columbia

ATTACHMENT A - MARKET SOUNDING PACKAGE



MINISTRY OF PUBLIC SAFETY
AND SOLICITOR GENERAL

MINISTRY OF CITIZENS'
SERVICES

Nanaimo Correctional Centre Project

Market Sounding Package

January 8, 2019



Ministry of
Public Safety and
Solicitor General

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partnerships
British Columbia



Ministry of
Public Safety and
Solicitor General

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partnerships
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9	CONTACTS	7
10	DISCLAIMER	7

5 PURPOSE

The purpose of this market sounding exercise is to solicit market input into the overall strategy for the redevelopment of the Nanaimo Correctional Centre (NCC) Project (the Project) in the City of Nanaimo (the City), British Columbia. In particular, the project team is seeking input regarding Project timing and schedule, procurement, construction and sustainability items for the Project.



Ministry of
Public Safety and
Solicitor General



6 PROJECT BACKGROUND

The Ministries of Public Safety and Solicitor General (PSSG) and Citizens' Services (CITZ), collectively (the "Province"), are undertaking the development of a business plan to seek approval for the Project.

6.1 HISTORY OF NCC

NCC is a key component of BC Corrections' provincial operations. It houses unique and critical inmate programs with demonstrated success. Redevelopment of the facility is required to accommodate the forecasted provincial inmate population over the next ten years. The buildings that comprise the facility are more than 60 years old, and the challenges associated with the delivery of a medium-security custody program at NCC are numerous.

Originally established as a reform school for boys in 1955, NCC operated under this configuration until 1977 at which point it was converted to a provincial treatment centre for drug and alcohol abuse (from 1979 to 1981). In 1983 it was converted for use as a provincial correctional centre for minimum custody male offenders. In the mid-1990s it was upgraded to a medium-security correctional centre with the installation of a secure perimeter fence, approximately one kilometre in length, around the main part of the site. The facility currently has the capacity to accommodate up to 219 inmates on sentences of less than two years in medium and open custody dormitory style living units. The facility operates as a campus with more than a dozen buildings providing living units, program areas, facility and security administration, admissions and discharge as well as support functions such as food services and health care.

6.2 FUTURE OF CORRECTIONS PROGRAMMING IN BC

s.12; s.13

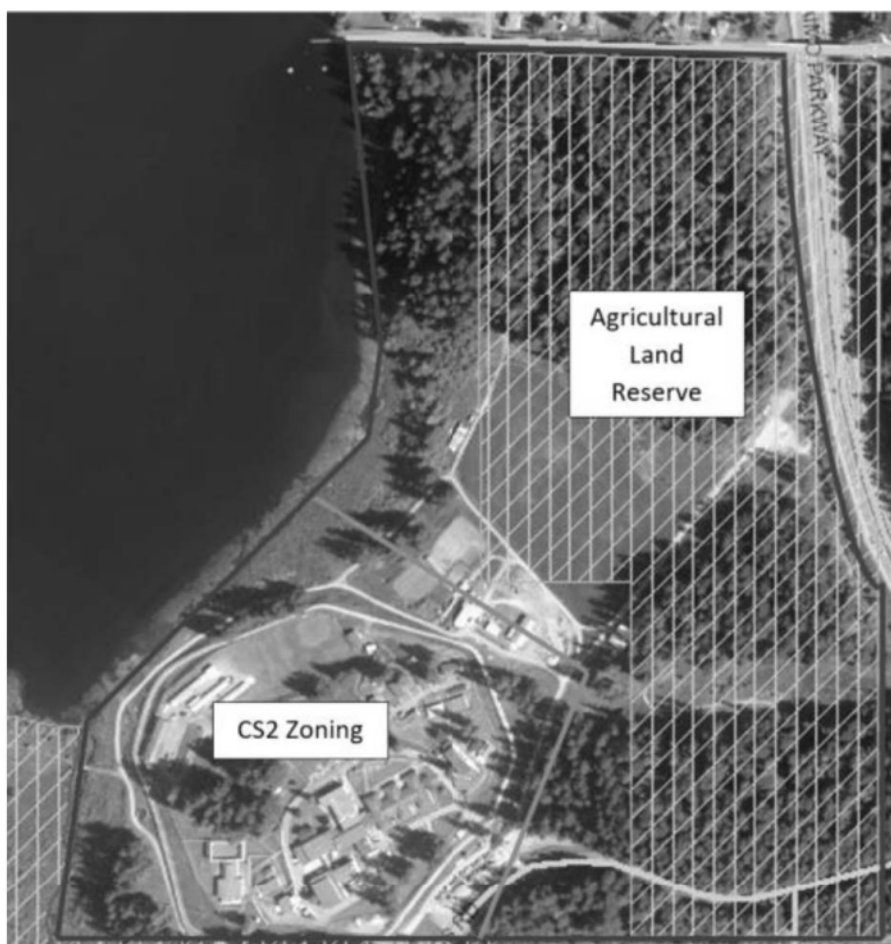
7 PROJECT SCOPE

s.12; s.13

8 PROJECT SITE

NCC is located within the city limits of Nanaimo on Brannen Lake, along Highway 19, in a mixed residential and rural/agricultural area. It is situated on a 47-hectare (116 acre) site, and is comprised of 26 buildings of varying ages and condition, totaling approximately 10,600 m² of usable building area. The site includes approximately 800 linear metres of shoreline, agricultural areas such as hay fields, and wooded areas. It is one fee simple parcel including two distinct land use zonings. NCC's programme currently occupies approximately 35 acres within the Community Service Two (CS2) zoning, which is the only land use application within the City of Nanaimo that permits correctional centres. The balance of the site, 81 acres, is zoned Rural Resource (AR1), of which the majority (65 acres) is within the Agricultural Land Reserve (ALR).

Figure 1: NCC Site Boundary



9 PROJECT SCHEDULE

s.12; s.13

10 QUESTIONS

s.12

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s.12

s.12

11 RESPONSE FORMAT

Face-face meetings will be arranged and are being planned for January 14 and 15, 2019 at Partnerships BC's offices in Vancouver.

12 CONFIDENTIALITY

The Province and Partnerships BC will maintain all of the responses in confidence. Information provided by participants, as well as the corporate name of the participants, may be included in a market sounding report. However, the information will not be attributed to individual participants.

13 CONTACTS

Cathy Silman
Partnerships British Columbia Inc.
Ph: (250) 475-4674
Catherine.Silman@partnershipsbcc.ca

Jason French
Partnerships British Columbia Inc.
Ph: (250) 475-4682
Jason.French@partnershipsbcc.ca

14 DISCLAIMER

The information contained in this package is preliminary and for the purposes of the market sounding only. The project described herein has not received government approval to proceed and, if approved, may not proceed on the scope, schedule and/or budget described in this package.

NANAIMO CORRECTIONAL CENTRE BUSINESS CASE

APPENDIX I

FINANCIAL MODEL REPORT

Confidential Draft
February 2019



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1 OVERVIEW AND CONCLUSIONS

1.1 PROCUREMENT MODELS

The purpose of this report is to document the financial models examined and the key assumptions used in the preparation of this business case.

The financial model was created to analyze two different procurement options:

- Option A based on the s.12; s.13 procurement methodology; and
- Option B based on the s.12; s.13 procurement methodology.

The scope of both options are described in more detail in Appendix F, Procurement Options Description.

Where possible, third-party expert advisors are brought into the Project team to provide credible estimates for the financial model inputs. For example, capital cost estimates are typically provided by a professional quantity surveyor for both the s.12; s.13 approaches. Other costs are estimated based on a combination of available market data and previous experience with other PPP projects in B.C. and other jurisdictions.

1.1.1 Public Sector Comparator

A PSC is the hypothetical, risk-adjusted net present cost (NPC) of a project if it were to be delivered by the public sector. In other words, it is an estimate of the total cost of the Project over its life, which includes the costs of design, construction, maintenance, facilities management (FM) and life cycle services (with adjustments for risk, insurance and taxation).

The preparation of a PSC requires the development of detailed performance specifications, a full life cycle cost profile, and a risk analysis to assess the potential cost outcomes of unexpected circumstances.

Although a PSC is useful, it is a very narrow measure of the NPC of a subset of costs. It should only be interpreted in conjunction with other factors such as the amount of risk transferred, the achievement of service quality objectives, and wider policy goals.

1.1.2 Shadow Bid Model

A Shadow Bid Model is a hypothetical, risk-adjusted NPC of a project if it were to be delivered by the private sector. Similar to the PSC, it also reflects an estimate of the total Project cost over its life.

1.2 USE OF THE s.12; s.13 MODELS

s.12; s.13

s.12; s.13

1.3 RESULTS OF COMPARISON

Table 1 summarizes the VFM proposition of the s.12 as compared to the s.12 model. The NPC for each model is shown side by side in the table below. s.12

s.12 **Table 1: Quantitative Value for Money Analysis Results (NPC in \$000's)**

Note: The above NPC analysis (as well as all the NPC values presented throughout this report) was carried out by discounting all costs to the same base date of s.13 (assumed financial close for the s.12 model) using the same discount rate of s.13 This is the standard practice in NPC analysis.

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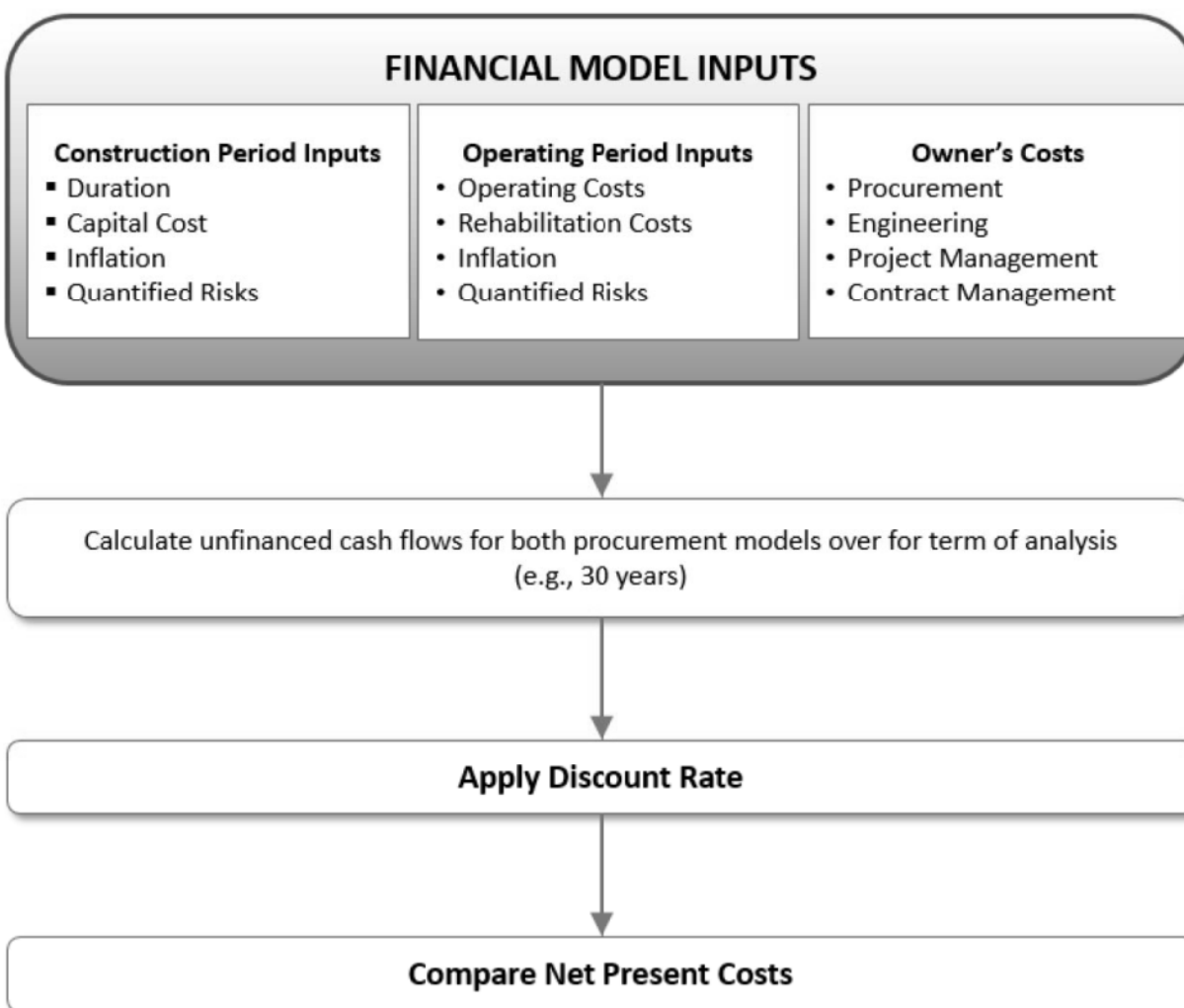


2 INTRODUCTION

2.1 METHODOLOGY OF ^{s.12} MODELS

The ^{s.12} models have been constructed in accordance with Partnerships BC's quantitative analysis guidance. Figure 1 summarizes the methodology and shows how the ^{s.12} models are constructed and then compared.

Figure 1: Financial Model Methodology



Confidential – Prepared in Anticipation of Treasury Board Deliberations

2.2 SCOPE OF THE ^{s.12} MODELS

The same scope and level of operational performance standards were assumed for both procurement options.

2.3 PROJECT TIMELINE

Table 2 provides an estimated timeline for the Project.

Table 2: Project Timeline

s.12; s.13

3 ASSUMPTIONS AND COMPONENTS OF THE s.12 MODELS

3.1 KEY ASSUMPTIONS

Table 3 and Table 4 summarize some of the key assumptions used in constructing the s.12 and the s.12 models, respectively. A number of the assumptions are described in more detail in the following sections.

Table 3: s.12 Financial Model Cost Assumptions

s.12; s.13

Table 4: s.12; s.13 Financial Model Cost Assumptions

s.12; s.13

s.12; s.13

s.12; s.13

3.2 CAPITAL COSTS

SSA Quantity Surveyors Ltd. (SSAQS) developed two Class C capital cost estimates for ^{s.12} model. No efficiency was assumed between the ^{s.12; s.13} models for this analysis. The detailed QS estimates can be found in Appendix C [NCC Class C Estimate] as attached to the Business Plan.

3.3 FACILITY OPERATING AND LIFE CYCLE COSTS

The Project team developed the FM cost estimates based on CITZ provided historical costs experienced on existing correctional facilities in the province and SSAQS provided the life cycle cost estimate for the Project.

A high-level summary of facility operating and life cycle costs for both models are provided in the tables above. It should be noted that the life cycle and FM costs are assumed to be the same for both procurement models.

3.4 INFLATION

The inflation schedule for the Project is assumed to be the same for both procurement models. The capital inflation estimate was provided by SSAQS and is shown in the table below. The base date for capital escalation is December 31st, 2018.

Table 5: Capital Inflation Estimate

Year	Rate
2019	s.12; s.13
2020	
2021	
2022	
2023	

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The assumed operating period inflation estimate of ^{s.12} was based on long-term Canadian consumer price index projection and is consistent with inflation estimates on other provincial correctional and social accommodation projects.

3.5 RISK ADJUSTMENT

Detailed risk analyses for both procurement models can be found in Appendix J [Risk Report], which describes how the key project risks were identified, and how some of the risks were quantified. ^{s.12; s.13}

A summary of risk quantification values (in both nominal dollars and NPC terms) for the ^{s.12} and the ^{s.12} procurement options are provided in Table 3 and Table 4, respectively.

3.6 OWNER'S COSTS

Table 6 and Table 7 present a high level breakdown of the procurement and implementation costs that the public sector will be expected to incur in procuring the Project as a ^{s.12} and a ^{s.12}, respectively. This cost includes external and internal advisors' fees as well as the owner's project management costs. A more detailed breakdown of these costs for both models is presented in Attachment A of this report.

In addition, under the both models, it is anticipated that partial compensation will be offered to unsuccessful proponents that have submitted compliant proposals during the request for proposals (RFP) stage of the competitive selection process. More details on the development of these cost assumptions are provided in Attachment B of this report.

It has been assumed that under both models, the public sector would procure construction insurance. The cost of this insurance has been estimated by the Risk Management Branch (RMB) of the Ministry of Finance.

Table 6 summarizes the owner's costs under a ^{s.1}₂ model.

Table 6: ^{s.12} Procurement and Implementation Costs

^{s.12}

Table 7 summarizes the owner's costs under a^{s.12} model.

Table 7:^{s.12} **Procurement and Implementation Costs**

s.12

3.7 DISCOUNT RATE

The cash flows for all procurement models have been discounted using a discount rate equivalent to the Province's forward long-term cost of borrowing of^{s.13} This rate is an approximate measure of the time value of money to the Province.

ATTACHMENT A – PROCUREMENT AND IMPLEMENTATION COSTS

s.12

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**ATTACHMENT B – ESTIMATE OF BID DEVELOPMENT, SPV COSTS, AND PARTIAL
COMPENSATION**

s.12

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MINISTRY OF PUBLIC SAFETY
AND SOLICITOR GENERAL

MINISTRY OF CITIZENS'
SERVICES

Nanaimo Correctional Centre Replacement Project

Appendix J

Risk Report

March 2019

Confidential

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partnerships
British Columbia

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1 INTRODUCTION

1.1 PURPOSE

The purpose of this report is to document the risk analysis process for the Nanaimo Correctional Centre Replacement Project (the Project) at the business case stage. The Project is being delivered by the Ministry of Public Safety and Solicitor General (PSSG) and the Ministry of Citizen's Services (CITZ) (collectively the Province). Key areas covered by this report include:

- An overview of Partnerships BC's project risk management approach and guidance from the planning stages through to implementation;
- The methodology by which risks were assessed, quantified, and incorporated into the financial analysis of the business case; and
- The results of the risk analysis conducted.

1.2 SCOPE AND CONTEXT

This report reflects the risk management work that has been completed by the Project team to date. The process has primarily focused on identifying specific Project risks, allocating those risks between the Province and private partner (also referred to as the Contractor) for the selected procurement models, developing potential risk management strategies and incorporating quantified risks into the financial analysis of the business case.

As discussed in Part C of the business case, the two procurement models analyzed in this report are s.12 and s.12.

1.3 PROJECT BACKGROUND

In 2018, BC Corrections completed the 10-year Capital Asset Management Plan (CAMP 2018) with the intent to ensure adequate capacity for inmates that enables safe and secure custody, is sustainable and provides flexible and adaptable space. CAMP 2018 identified two high priority projects:

1. Renovations to segregation units to bring comprehensive services and programs to inmates; and
2. Replacement of NCC.

s.12; s.13

s.12; s.13

2 RISK MANAGEMENT METHODOLOGY

2.1 PARTNERSHIPS BC GUIDANCE

Project risk is defined as the chance of an event or condition happening which could cause the actual project circumstances to differ from those assumed when forecasting project outcomes or objectives. Risk is an inherent part of any project, and to ensure a successful project outcome, risk must be effectively managed. Depending on the amount of information available, risk can be measured both qualitatively and, in some instances, quantitatively.

Risk management includes the actions or planned actions that impact the probability and consequences of a risk event in order to ensure that the level of risk assumed falls within an acceptable limit for the project team. Every project must consider and manage risk in order to be successful. A project's risk exposure is fluid and adjustments will need to be made as the project moves through its various stages. Careful risk management allows project teams to anticipate key vulnerabilities and develop proactive strategies on how to best deal with them. The following figure provides an overview of the risk management process.

Figure 1: Risk Management Overview



Risk management in the context of large capital infrastructure projects does not simply involve transferring all project-related risks to the private sector. The goal of an effective contractual arrangement is to allocate project risks to the party best able to manage them at the lowest cost. This can be further enhanced when assigned risks are supported by appropriate incentives and penalties through the use of performance-based contracts. For example, under any procurement model, the Contractor is better suited than the Province to manage the physical construction activities so construction risk is transferred to the Contractor.

An efficient or optimal allocation of risk between the public and private sector participants will ultimately maximize value for money for taxpayers.

The Government of British Columbia, through Partnerships BC and in conjunction with the Risk Management Branch (RMB) of the Ministry of Finance, has established a guideline with respect to risk management for large capital infrastructure projects through the stages of planning, procurement and implementation. Notwithstanding differences in terminology, the Province's guideline is generally consistent with the principles, framework and process described in the ISO 31000:2009 Risk Management Principles and Guidelines.

A failure to fully take account of risk is one of the key factors when public projects are not delivered on time, on budget or to specification. Partnerships BC's guidance on risk management takes a systematic

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approach to risk, estimating the range of potential impacts of risk on a risk-by-risk basis through the project's planning, procurement, design and construction and operating phases.

This systematic approach to risk considers:

- An extensive risk matrix to ensure a comprehensive assessment;
- The range of possible outcomes or consequences;
- The risks associated with capital, operating and life cycle costs; and
- Specific characteristics of unique risks.

Partnerships BC uses a standardized risk matrix (also referred to as a risk register) template to consolidate risk information (refer to Section 2.3.4 for additional information about the risk matrix).

Risk analysis is dynamic and should be revisited throughout the life of a project. A project team should plan regular updates to the risk matrix as part of ongoing risk management efforts. As a project moves through the planning phase and into procurement, and more information emerges, new risks not previously recognized will be identified (especially through development of the legal documents or "Contract"¹ and associated payment mechanism). These risks should be added to the risk matrix, allocated appropriately and quantified where possible. Similarly, some risks previously identified may no longer exist and should be reclassified.

During negotiations and financial close, the main subject for negotiations becomes the Contract. The risk matrix allows for the identification and allocation of risks at a high level, but the detailed risk allocation will be reflected in the Contract wording.

2.2 RISK MANAGEMENT BRANCH

RMB, in its role as the enterprise risk management agency within government, advises government on risk management issues, reviews and approves indemnities given by government, and assists ministries in establishing their own comprehensive risk management programs.

In its role as a risk management advisor/consultant, RMB provides a wide range of risk management services to its client group, assisting them in areas such as loss control, risk financing, risk identification and transfer, and in the development of coordinated enterprise risk management programs.

During the development of the business case, the project team engaged with RMB to benefit from their experience in addressing key risk and insurance related issues throughout the project's development.

¹ The term Contract in this context refers to either a s.12
s.12 in the case of a s.12

in the case of a s.1 or a s.12
2

2.3 RISK ASSESSMENT

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation. It allows the project team to better understand how risk can affect achievement of the project objectives and ensure that effective treatment strategies and project controls are developed.

During the business case phase of the project, risk assessment can be broken down into the following steps:

- (a) Identifying and clearly describing the major potential risk events for a project;
- (b) Analyzing the range of possible consequences of the risks identified;
- (c) Evaluating the likelihood and potential impact of those consequences;
- (d) Quantifying, where possible, the dollar value of these outcomes to the project;
- (e) Developing prevention and mitigation strategies for identified risks; and
- (f) Recording the results of this process in a risk matrix.

2.3.1 Risk Identification and Description

The first step in the risk assessment process involves identifying and describing the potential risks (from both technical and financial perspectives), the causes and potential consequences. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of project objectives.

For ease of tracking, risks are organized by the stage of the project life cycle in which they are expected to occur. There are generally two key periods in a project's development:

- Planning, procurement, design and construction and transition/commissioning of the project leading up to service commencement (herein referred to as Capital Risks); and
- Operating period, which in the case of the risk analysis, is considered to last until the end of the potential operating term of a^{s.12} (herein referred to as Operating Risks).

During preparation of the business case, the project is in the planning stage. Technical and financial information about the project is gathered, analyzed and compiled into a comprehensive document that becomes the business case. The information is subject to intense due diligence at this stage, however there can be further refinement and modification throughout the project's life cycle. It is important at this stage to specify sufficient detail about each risk event, as a comprehensive description can help inform the risk quantification and the development of potential scenarios.

When preparing documentation in anticipation of the procurement stage, the risk matrix can be used to guide or confirm the risk allocation contained in the project's Contract.

2.3.2 Risk Allocation

Once the risks have been identified, each one is evaluated to determine which party (the Province or the private sector) is exposed under each procurement model and which party is best able to manage the risk at the lowest cost. From the perspective of the Province, a risk can be transferred to the private sector, shared with the private sector or retained. One of the key differences between procurement models is how risk is allocated between the parties and subsequently managed by the responsible party.

As the project progresses during the procurement process, it may become apparent that the initial allocation does not provide the best value for money for the Province, in which case the allocation may be amended as appropriate. For example, a geotechnical risk may initially be classified as transferred during the business case stage. Further geotechnical studies completed after the business case may reveal unexpected ground conditions. Rather than fully transfer the risk, it may be more cost-efficient at that point to share the risk exposure with the proponents. This example illustrates the importance of keeping a risk management plan up to date throughout a project's development.

The transferred risks, together with the portion of the shared risks expected to be transferred to the private sector, are incorporated into the draft Contract. Until negotiations with the preferred proponent begin, it is assumed that each shared risk will be "split" equally between the private sector and the Province. This assumed split is further refined during the procurement stage of the process as the contract is developed and comments are received from proponents during the Request for Proposals (RFP) stage.

The retained risks are expected to be retained by the Province and are used in part to assess the size of the project reserve necessary to protect against the risk exposure.

Project teams will typically not quantify risks that may be high impact, but have a very small probability of occurring. These include natural disasters and other "high impact, very low probability" events. Typically speaking, broader provincial emergency plans (which are beyond the scope of this analysis) would come into play under such circumstances.

2.3.3 Risk Treatment: Prevention and Mitigation

The risk allocation described above is part of an ongoing risk management process that enables parties to reduce the probability of a risk occurring as well as mitigating the consequences of a risk should it occur. A primary objective of risk management is to reduce potential negative outcomes by identifying risks, analyzing them and implementing strategies to deal with them on an ongoing basis.

While risks are often thought of as events with only negative consequences, proactive risk management can create value. For example, a comprehensive investigative testing program carried out in advance of procurement may provide project teams with more complete information and less uncertainty. New information may reduce the probability of a risk materializing or may provide the project team with an opportunity to proactively deal with the issue at a lower cost.

The treatment strategies developed should be clear and realistic and involve the necessary project team resources. The risk management process should form an integral part of the project team's broader project management.

2.3.4 Risk Matrix

A risk matrix is the key document produced in the risk management process. Developed through a series of risk workshops, it consolidates and provides a record of the following information:

- The identification and description of all relevant risks;
- Risk allocation between the Province and the private sector;
- Identification of high level prevention and mitigation strategies; and
- Where possible, quantification of the risks based on the best available information at the time.

Partnerships BC's risk process is one component of a broader enterprise risk management program that should be administered by the Province and its agencies. This risk process focuses specifically on the risks associated with the project's planning and implementation, but it does not address the effective delivery of government services, which should form part of a broader risk management program.

Attachment 1 illustrates how the risk matrix is organized and describes the information captured in the various columns. The risk matrix is a living document that informs the risk management strategies developed by the project team. It should serve as a key project management tool and be updated at key project milestones.

2.4 RISK QUANTIFICATION

A comprehensive quantitative evaluation of risk presents a range of likely cost outcomes and provides a reliable means of testing value for money between procurement models. It also encourages bidding competition during procurement by creating confidence in the financial rigor of the Province's risk-adjusted project cost estimate that was used to set the affordability ceiling to which proponents must bid.

Risk quantification occurs once the risk identification, description, allocation and categorization activities have been completed to a sufficient degree. Selected risks are quantified to ensure sufficient money in

the all-in project budget to successfully deliver the project. The risk adjustment included in the project budget must account for both transferred risks (which the Contractor will include in its bid) and retained risks (which will form part of the Province's project reserve).

If a risk is transferred, it is quantified from the perspective of the Contractor and what the project team estimates would be included in a reasonable and competitive financial proposal. If a risk is retained, it is quantified from the perspective of the Province and the cost impact the risk would have on the project.

Risk quantification can be a time consuming exercise and should focus on the most material risks to the project. Typically, only 10 – 20 of the potentially hundreds of risks are quantified. In some cases, a single quantified risk can capture the potential impact of multiple risks. While risks are quantified individually, the total quantified risk values should be viewed from a portfolio perspective. It is expected that some risks will materialize, some will not and, of those that do occur, the impact may be greater or lower than expected. The expectation is that, by quantifying the key material risks, the project team will have a sufficient reserve in place to adequately address risk events within the Project budget. The impact of individual risks on the total risk value is illustrated and described in section 3.6.

Project teams consider several factors in determining which risks to quantify. These may include:

- Materiality - If the risk were to materialize, would it have a significant impact (financial, schedule, public perception, program delivery)?
- Estimable – Can the risk impact be reasonably and accurately estimated?
- Risk Ranking - How high is the risk ranking (low/medium/high/extreme)?

The decision on which risks to quantify involves examining past precedent projects, as well as considering unique project-specific risks that warrant further attention.

Most risks are quantified using a triangular distribution which involves inputting three key variables: low/best case (5th percentile), most likely (50th percentile), and high/worst case (95th percentile). Using a triangular distribution is often regarded as a good proxy for a normal distribution but is much more straightforward in terms of obtaining the appropriate inputs. Refer to section 2.4.2 for additional information.

2.4.1 Risk Quantification and the Project Contingency

The contingency is a critically important item in the project budget and should not be removed and replaced with the quantified risk value.

In traditional cost estimating, large contingencies are often added to the expected cost, reflecting the fact that unforeseen circumstances may arise that could result in additional costs or delays. These

contingencies represent an initial estimate, based on the quantity surveyor (QS)'s experience, of the expected additional costs that may be attributed to risks usually associated with changes or unanticipated events.

Contingencies are not dealt with consistently across all QS estimates. The QS examines how developed the project planning is and bases the contingency on previous experience. When the QS creates the contingency for the Project's indicative design estimate, the QS assumes the contingency will be spent, which means the contingency cannot be regarded as a substitute for risk costing.

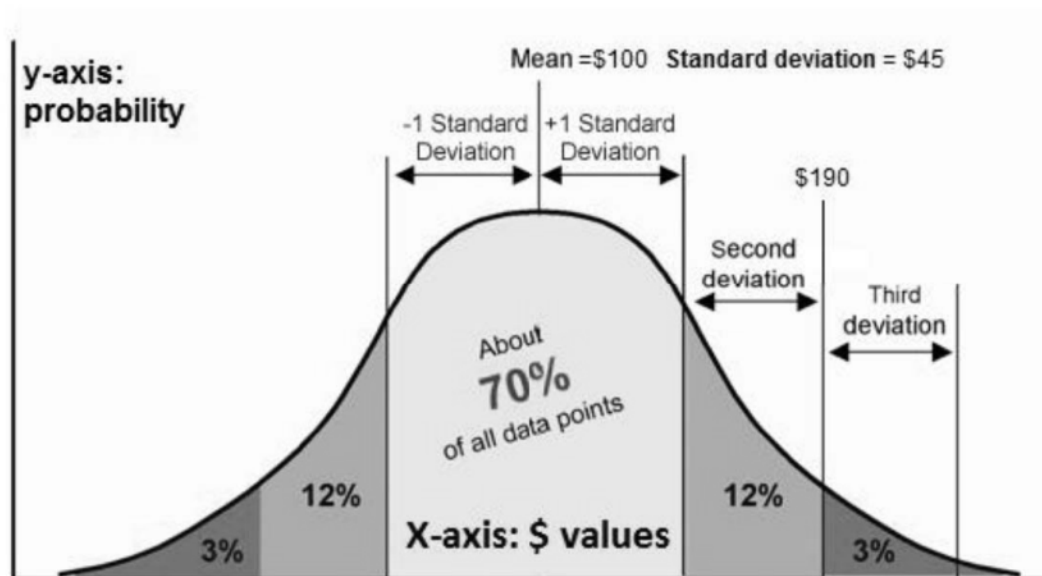
2.4.2 Monte Carlo Analysis and Risk Distributions

The expected value of each quantified risk is calculated based on the assumed distribution and the estimated probabilities and scenario outcomes for each risk. In order to quantify the overall risks and develop aggregated distributions a statistical software, called Crystal Ball, is used to perform a Monte Carlo analysis². Monte Carlo analysis provides a means of evaluating the effect of uncertainty using a large number of scenarios. It is a tool used to estimate the total variation of project risk resulting from the individual quantified risks. The Monte Carlo analysis takes the assumptions for each risk, aggregates them, and then runs thousands of simulations to produce a distribution of the total value of quantified risks.

The Monte Carlo analysis produces distributions that often approximate a normal distribution curve, also known as a bell curve, as illustrated in the figure below.

² Monte Carlo analysis involves a series of computational algorithms that rely on repeated random sampling to compute their results.

Figure 2: Example Normal Distribution Curve



To help understand the distribution, the mean of \$100 refers to the average data point and the standard deviation of \$45 refers to the amount of variability. Generally, most risks are expected to fall close to the mean as illustrated by the green section. Approximately 70 per cent of the risk outcomes are expected to fall between \$55 and \$145. If one refers to the three per cent indicated by the pink area on the far right (also referred to as the 97th percentile), one can say that there is an estimated 97 per cent chance that the risk values will be at or below \$190. This is equivalent to saying there is an estimated three per cent chance that the risk values will exceed \$190.

When developing the project budget, the percentile point selected on the risk distribution curve will depend on the level and quality of information available and the project team's level of risk aversion. This is discussed further in section 3.2.1.

3 PROJECT RISK PROCESS

3.1 RISK WORKSHOPS

The first step in the Project's risk management process was to identify the risks. Two risk workshops, facilitated by Partnerships BC, were held on January 9 and 10, 2019. Risks were separated into two broad categories:

- Capital Risks – planning, approval, procurement, design and construction; and
- Operating Risks – operations, maintenance and life cycle.

Financial and commercial risks were captured either in the Capital or Operating Risks as appropriate.

A variety of professionals from the private and public sectors participated in the risk identification and quantification exercise. These participants are subject matter experts in one or more of the following areas: procurement, architecture, cost estimating, design and construction, project management and finance.

Participants included representatives from: PSSG, CITZ, Partnerships BC and consultants retained by the Project team including HDR Architecture, SSA Quantity Surveyors and Price Waterhouse Coopers. A brief biography for each participant can be found in Attachment 3.

The QS attended all of the risk workshops to ensure that risks being quantified were not already included in the Project's contingency estimates. The ^{s.12} and ^{s.12} risk estimates assume that prudent and reasonable mitigation, before and after risk events, has been or will be completed.

During the workshops, participants thoroughly reviewed a pre-populated list of Project risks and updated it as appropriate for the Project. Attachment 2 of this report contains the Project's complete risk matrix.

After the initial risk assessment, various Project team members were engaged to quantify certain risks to assess the initial cost implications to the Project under both procurement models in the event the risks materialize.

Once the Project team provided its initial estimates for the quantified risks, Partnerships BC reviewed the estimates and provided feedback to ensure the estimates included sufficient justification, and that the assumptions were reasonable and consistent with the Project scope and risk description. This feedback resulted in further adjustments to the initial assumptions. The risks were then further reviewed through a series of due diligence meetings. The completed risk quantification results and worksheets are included in Attachment 2.

3.2 RISK RESULTS ANALYSIS

s.12

Table 1 presents these

risks and the anticipated allocation in both the s.12 and s.12 models.

Table 1: Quantified Risk Allocation

s.12

s.12

The Monte Carlo analysis produced simulation results for both the Capital Risks and the Operating Risks for the s.12 and s.12 models, capturing the total, retained and transferred risk amounts. These results are discussed in sections 3.3 and 3.4 respectively.

3.2.1 Selected Risk Percentile

The s.12 percentile of the risk distributions was selected to reflect a prudent level of risk aversion given

s.12

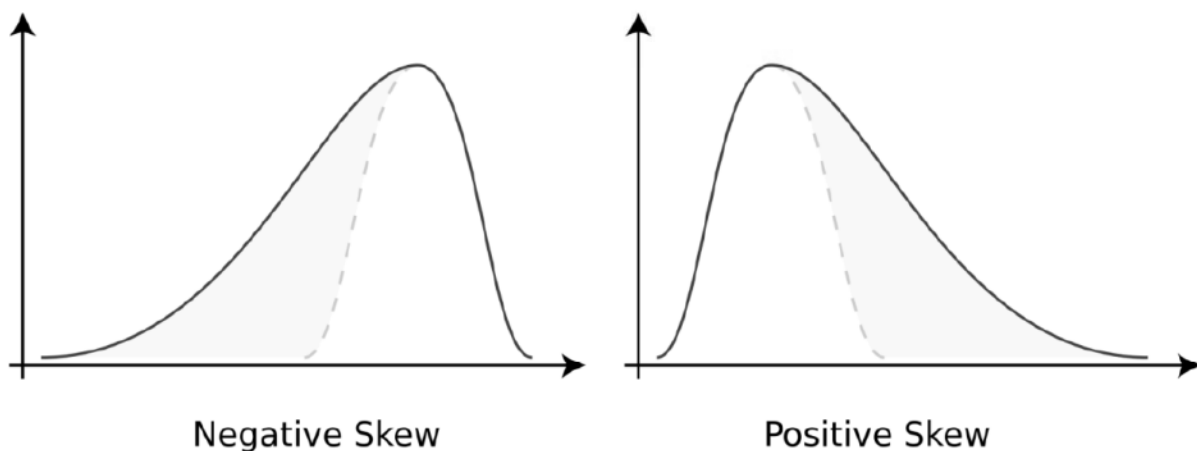
s.12

s.12 As the Project is further developed, the quantified risks and the risk percentile will be revisited as the level of uncertainty decreases.

3.2.2 Skewness Effect

Skewness is a statistic that measures the asymmetry in a distribution. Figure 3 illustrates the effect of negative and positive skew on a normal bell curve. Skewness causes a curve to appear distorted or skewed either to the left or the right and is common in quantified risks.

Figure 3: Skewness Effect



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Skewness effect precludes simply adding together the retained and transferred distribution curves to get an accurate total risk value. Care was taken when determining the values of the risks entered into the financial model to account for the skewness effect and ensure the selected values summed to the s.12 percentile of the total risk curve and not the s.12 percentile of the individual retained and transferred risk curves.

3.2.3 Correlation

Correlation is a measure of the extent of interdependence between two or more variables. A positive correlation means that as one value increases, the other value increases as well. A negative correlation means that as one value increases, the other value decreases. Correlation does not imply causation. While certain quantified risks are likely to be correlated, this risk analysis has not included any correlation assumptions. This is a conservative assumption and tends to understate the aggregate risk value.

3.3 QUANTIFIED CAPITAL RISK RESULTS

Figure 4 below presents the retained Capital Risk distribution. It illustrates that the retained capital risk distribution and therefore the related risk values are similar for both models.

Figure 4: Total Retained Capital Risk Graph –s.12

s.12

Figure 5 presents the transferred Capital Risk distribution. Similarly to retained capital risks, it illustrates that the transferred capital risk distribution and therefore the related risk values are similar for both models.

Figure 5: Total Transferred Capital Risk Graph – s.12

s.12

Table 2 summarizes the results of the Monte Carlo analysis for the Capital Risks in real (uninflated) dollars³.

Table 2: Capital Risk Value Summary (Real \$000's)

Capital Risk	s.12
Risks retained by the Province	
Transferred risk added to the construction contract by the Contractor	
Total¹	
s.12	

3.4 QUANTIFIED OPERATING RISK RESULTS

Figure 6 presents the overall Operating Risk distribution (which approximates a normal distribution) for the s.12 models. The graph indicates the relative level of risk between the two procurement models. In a s.12 model, the Operating Risks are retained by the Province, while in a s.12 model, the majority of risks are transferred.. The s.12 percentile values were incorporated into the financial model and are summarized in Section 3.6 **Error! Reference source not found..**

³ All references to real dollars (non-inflation adjusted) will be inflated/escalated in the financial model to nominal (as-spent dollars) based on the assumed cost spend curve.

Figure 6: Total Operating Risk Graph (excluding OP7) – s.12

s.12

3.4.1.1 Deferred Life Cycle Risk

s.12; s.13

3.4.1.2 Operating Risk Summary

Table 3 summarizes the results of the Monte Carlo analysis for the Capital Risks in real (uninflated) dollars.

Table 3: Operating Risk Value Summary (Real \$000's)

Operating Risk	s.12
Risks retained by the Province (excluding OP7)	

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Operating Risk		s.12	
Risks retained by the Province (OP7 only)			
Transferred risk added to the operating contract by the Contractor			
Total			

3.5 UNQUANTIFIED RISKS

s.12; s.13

3.6 RISK QUANTIFICATION SUMMARY

The quantified risks and their allocation between the Province and the Contractor are summarized in Table 4 for both procurement models.

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Table 4: Project Risk Allocation Summary

s.12; s.13

Table 5 summarizes the risk quantification amounts included in the financial analysis. As discussed in section 3.2.2, the retained and transferred risk totals were adjusted downward for both models so that the sum equals the^{s.12} percentile of the total risk distributions.

Table 5: Risk Quantification Summary (\$000's)

s.12

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s.12 ; s.13

4 NEXT STEPS AND PROJECT / MANAGEMENT RESERVE

s.12; s.13

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s.12; s.13

Table 6: Capital Risk Reserve Amounts (Real \$000's)

Capital Risk	Amount
Management Reserve	s.12
Project Reserve	
Total	

The allocation between Management Reserve and Project Reserve is determined as follows:

s.12; s.13

ATTACHMENT 1: RISK MATRIX SECTION DESCRIPTIONS

The following attachment explains the different sections of the template risk matrix. It is organized into categories, each of which is explained in the figures below.

Figure 7: First Portion of Risk Matrix

Category	ID#	Risk Name	Quantify (Y/N)	Description	Cause	Effect	L	C	Inherent Risk (Risk Rating)
----------	-----	-----------	----------------	-------------	-------	--------	---	---	-----------------------------

Category: This categorizes the risks into sub-groups for ease of reference.

ID#: This is the number column for tracking the risks. The convention is to group related risks and assign a letter/number combination.

Risk Name: This column captures the assigned name for the risk.

Quantify (Y/N): There are a large number of risks in the matrix, many of which can't be quantified or, if quantified, the cost impact would be immaterial. The two possible letters for this column are "Y" for quantified and "N" for not quantified.

Description: This column is where the detailed description of the risk is inserted. It is important to specify sufficient detail about each risk event to develop appropriate and effective risk management and allocation strategies. A comprehensive description can help inform the risk quantification and the development of potential scenarios and outcomes.

Cause: Events that could cause the risk to materialize.

Effect: Potential impacts if the risk does materialize.

Risk Assessment: The last three columns in Figure 7 are described below in the tables.

Table 7: Likelihood and Severity of Consequence

Column	Description
L	Likelihood of occurrence
C	Severity of consequence
Inherent Risk (Risk Rating)	Inherent risk ranking and is a product of L X C. The possible outcomes are low, medium, high or extreme.

Table 8: Likelihood of Occurrence Description

LIKELIHOOD			
Descriptor		Approximate Probability (range / single value)	Frequency (for example, in a 30-year context)
5	Almost Certain	.90 - 1.00 [.95]	e.g. Once a year or more
4	Likely	.55 - .89 [.72]	e.g. Once every three years
3	Possible	.25 - .54 [.40]	e.g. Once every ten years
2	Unlikely	.05 - .24 [.15]	e.g. Once every thirty years
1	Rare	.00 - .04 [.02]	e.g. Once every hundred years

Table 9: Severity of Consequence Description

CONSEQUENCE		
	Descriptor	Effect
5	Catastrophic	Project or program irrevocably finished
4	Major	Program or project re-design, re-approval; i.e. fundamental re-work
3	Significant	Delay in accomplishing program or project objectives
2	Minor	Normal administrative difficulties
1	Insignificant	Negligible effects

Table 10: Inherent Risk Ranking Description

RISK RANKING					
5	LOW	MED	HIGH	EXT	EXT
4	LOW	MED	HIGH	HIGH	EXT
3	LOW	MED	MED	HIGH	HIGH
2	LOW	LOW	MED	MED	MED
1	LOW	LOW	LOW	LOW	LOW
LIKELIHOOD	1	2	3	4	5
	CONSEQUENCE				

LIKELIHOOD (L) x CONSEQUENCE (C)		
Score	0 - 5 =	LOW
Score	6 - 10 =	MED
Score	12 - 16 =	HIGH
Score	20 - 25 =	EXT

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Figure 8 shows the next columns of the risk matrix. Each of them is explained in further detail below.

Figure 8: Next Portion of Risk Matrix

Initial Allocation under [Insert Procurement Model]	Initial Allocation under [Insert Procurement Model]	Treatment Description	Status
---	---	-----------------------	--------

Initial Allocation: This refers to the initial allocation of the risk under the specific procurement models being analyzed. The possibilities are transferred, retained or shared.

Treatment Description: This is the field where potential management and mitigation strategies are described. These strategies are determined based on experience and knowledge pertaining to the risk event and relate to the Initial Allocation field. Even when a risk is transferred, this field needs to be completed as there still may be actions required in order to successfully transfer the risk at a reasonable price.

Status: This refers to the current status of the mitigation action. A risk can either be identified, active or treated, as described below.

Table 11: Status Option Descriptions

Options	Description
Identified	Risk that are known to exist but are expected to occur well into the future. The project has not yet moved forward into a phase where it makes sense to actively manage the risk.
Active	Risks that continue to exist and are being actively managed.
Treated	Risks that have been mitigated. Take a geotechnical risk, for example, where the mitigation strategy was to drill bore holes and distribute the data to proponents. Once this is done, the risk should be considered 'treated'.

In addition to the columns described above, project teams have the option of including additional information as they see fit to help make the risk matrix a more useful project management tool. For example, the following columns can be added at the project team's discretion:

- a 'Risk Owner' column to assign people to manage specific risks;
- a 'Project Agreement' column that can describe during the procurement where in the contract a particular risk is addressed; and
- a 'Treatment Option' column with three separate possibilities:
 - Accept and Influence: Refers to a risk that is best managed by the Province but is not under its direct control.
 - Accept and Control: Refers to a risk that cannot be transferred to the private sector or that is best managed and mitigated by the Province.
 - Transfer: Refers to a risk that can be transferred effectively to the private sector.

ATTACHMENT 2: PROJECT RISK MATRIX AND QUANTIFICATION WORKSHEETS

See attached.

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ATTACHMENT 3: RISK ANALYSIS PARTICIPANTS

Michael Houle, Chief Project Officer, NCC Project and Senior Advisor at Partnerships BC:

Michael Houle oversees all matters related to the justice sector and client and market engagement. During the course of his 30-year career, he has been responsible for the implementation of a number of major North American capital projects, resulting in measurable benefits to end users and taxpayers. Michael's experience also includes the leadership and structuring of alternative service delivery projects that optimized efficiencies in corporate, IT and operational service delivery.

Kim Anderson, Assistant Vice President, Accommodation Sector at Partnerships BC:

Kim is Assistant Vice President at Partnerships BC, with a focus on the accommodation sector. Kim is responsible for managing client and stakeholder relationships, leading the development of concept plans and business cases, and executing procurement processes for major infrastructure projects. She brings 18 years of project management, design and construction experience as a Professional Engineer to her clients and Partnerships BC.

Tim Spiegel, Spiegel, Skillen & Associates:

Tim has been practising as a Professional Quantity Surveyor for over 40 years and is considered to be one of the most accomplished and experienced Professional Quantity Surveyors in Canada. He is responsible for providing all senior management aspects of quantity surveyor services for the project including the program and parametric estimates, risk analysis support, life cycle cost projections and projected cash flow.

Richard Bolus, Facilitator and P3/DB Advisor at HDR|CEI:

Richard is a trained facilitator and accredited Design Charrette Leader proficient in the management of issue resolution. Richard has P3/DB experience as an Owner's Representative architectural advisor on the Wood Innovation Design Centre and Emily Carr University of Art and Design project. Richard brings more than 35 years experience within the architectural and engineering field, with 32 years in the role of Partner-in-Charge.

Del De Mederios, Director of the Workplace Developments Services in the Real Property Division of CITZ:

Del is accountable for the management and leadership of a team responsible for the implementation of major and complex accommodation and real estate projects utilizing private sector project managers, architects, engineers, specialist consultants and contractors; he also manages client and consultant relationships and oversees the quality and timeliness of project deliverables.

Gorman Lee, Development Manager, Workplace Developments Services in the Real Property Division of CITZ:

Gorman is accountable for the management and leadership accommodation and real estate projects utilizing private sector project managers, architects, engineers, specialist consultants and contractors; he also manages client and consultant relationships and oversees the quality and timeliness of project deliverables.

Dave Friesen, Deputy Provincial Director Capital Projects at BC Corrections, PSSG:

Dave is accountable for the planning and management of new building projects to ensure the physical infrastructure supports safe and secure correctional operations. expansion programs, and in the oversight of their implementation.

His recent involvement with PPP projects (Surrey Pretrial Services Expansion; Okanagan Correctional Centre) has included concept plan and business case development, financial evaluation of proponents, budget development, market sounding, and coordination of the Treasury Board and Cabinet approval processes.

John Pastorek, Warden – Capital Projects at BC Corrections, PSSG:

John has considerable experience in managing various projects within BC Corrections, including the planning, construction and opening of Okanagan Correctional Centre and Burnaby Correctional Centre for Women. He was involved in development of the facility program and review of the facility management component of the proponent submissions for the Surrey Pre-trial Expansion Project.

Jaosn French, Project Director at Partnerships BC:

Jason is a Project Director and is currently managing the day to day relationship on the Project. He responsible for managing client and stakeholder relationships, the development of concept plans and business cases, and executing procurement processes for major infrastructure projects. Jason brings 14 years of project management, design and construction experience as a project manager to his clients and Partnerships BC.

ATTACHMENT 4: RISK QUANTIFICATION

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Nanaimo Correctional Centre

Attachment A

CONFIDENTIAL

[Month / Year]

This booklet is a compilation of the risks identified and quantified by the Project team in [date]. The risk methodology and quantification was facilitated by Partnerships BC.

RISK MATRIX												
Project Name:		Nanaimo Correctional Centre										
Revision Date:		30-Jan-19										
IDENTIFICATION							ASSESSMENT					TREATMENT
Category	ID#	Risk Name	Quantify (Y/N)	Description	Cause	Effect	L	C	Inherent Risk (Risk Rating)	Initial Allocation under DB	Initial Allocation under DBFM	Treatment Description
Status												

s.12; s.13

IDENTIFICATION							ASSESSMENT					TREATMENT	
Category	ID#	Risk Name	Quantify (Y/N)	Description	Cause	Effect	L	C	Inherent Risk (Risk Rating)	Initial Allocation under DB	Initial Allocation under DBFM	Treatment Description	Status

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Project Information	
Project Name	Nanaimo Correctional Centre
Client	PSSG & CTZ
Procurement Model 1	s.12
Procurement Model 2	

Schedule Inputs	
Procurement (Months)	s.12
Design and Construction (Months)	
Target Service Commencement	
Total Project Time (Months)	

Cost Inputs	
s.12	

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s.13

LIKELIHOOD			
	Descriptor	Approximate Probability (range / single value)	Frequency (for example, in a 30-year
5	Almost Certain	.90 - 1.00 [.95]	e.g. Once a year or more
4	Likely	.55 - .89 [.72]	e.g. Once every three years
3	Possible	.25 - .54 [.40]	e.g. Once every ten years
2	Unlikely	.05 - .24 [.15]	e.g. Once every thirty years
1	Rare	.00 - .04 [.02]	e.g. Once every hundred years

CONSEQUENCE		
	Descriptor	Effect
5	Catastrophic	Project or program irrevocably finished
4	Major	Program or project re-design, re-approval; i.e. fundamental re-work
3	Significant	Delay in accomplishing program or project objectives
2	Minor	Normal administrative difficulties
1	Insignificant	Negligible effects

RISK RANKING					
5	LOW	MED	HIGH	EXT	EXT
4	LOW	MED	HIGH	HIGH	EXT
3	LOW	MED	MED	HIGH	HIGH
2	LOW	LOW	MED	MED	MED
1	LOW	LOW	LOW	LOW	LOW
LIKELIHOOD	1	2	3	4	5
CONSEQUENCE					

LIKELIHOOD (L) x CONSEQUENCE (C)		
Score	0 - 5 =	LOW
Score	6 - 10 =	MED
Score	12 - 16 =	HIGH
Score	20 - 25 =	EXT

DROP DOWN LISTS

No.	Risk Category/Name	Quantify	Description	Notes	Cause	Effect	L	C	INH Risk	Project specific or Global	Initial Allocation under	Treatment Option
		Y					Almost Certain	Catastrophic	EXT	Specific	Retained	Accept & Influence
		N					Likely	Major	HIGH	Global	Transferred	Accept & Control
		TBD					Possible	Significant	MED		Shared	Transfer
							Unlikely	Minor	LOW			
							Rare	Insignificant				

IHH RISK CALCULATOR

Almost Certain	5	Catastrophic	5
Likely	4	Major	4
Possible	3	Significant	3
Unlikely	2	Minor	2
Rare	1	Insignificant	1

LOW	1
LOW	2
LOW	3
LOW	4
LOW	5
MED	6
MED	8
MED	10
HIGH	12
HIGH	15
HIGH	16
EXT	20
EXT	25

Procurement Models.12

Value (Nominal vs. Real)
Nominal (\$000's)
Real (\$000's)

Treatment Description	Status	Responsible Party
	Identified	
	Active	
	Closed	

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Nanaimo Correctional Centre Replacement Project

Appendix K – DB Project Schedule

March 2019

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Nanaimo Correctional Centre Replacement Project

Appendix L – Draft Strategic Communications Plan

March 2019

Last Updated - January 22, 2019

**NANAIMO CORRECTIONAL CENTRE REPLACEMENT PROJECT:
STRATEGIC COMMUNICATIONS PLAN**

I. FORWARD

s.12; s.13

II. SITUATIONAL ANALYSIS

Background:

In 2016, a Concept Plan was drafted to establish the need for investing in a Nanaimo Correctional Centre (NCC) replacement and repurposing project. In response, the Ministry was directed to analyze a broader range of options that would consider the aging adult custody centre infrastructure on Vancouver Island. This analysis, undertaken during 2017, identified four shortlisted options requiring further analysis.

In March 2018, government approved proceeding to the development of a business case, the initial phase of which would analyze the four shortlisted options and identify one recommended option. \$2-million was approved for this purpose.

s.12

The development of the business case took a two-phased approach. The first phase was the analysis of the following four replacement options:

s.12; s.13

Each of these options was extensively evaluated based on the following conditions: how it meets the long-term programmatic needs of Adult Custody; the impact on stakeholders (including staff, inmates and other justice sector partners); the cost to tax payers over a 30-year period; and land implications.

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Strategic Considerations:

Requests for Proposals (RFPs) looking for consultants to assist with the business case development were posted on BC Bid in April - May 2018. This was the first instance where this project was to be made public.

Recognizing the importance of stakeholder support, BC Corrections and the Ministry of Citizens' Services pre-emptively notified staff, union officials and other stakeholders in advance of the RFP postings and again proactively notified all stakeholders following the conclusion of the first phase of the business case development.

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Tactical Considerations:

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III. COMMUNICATIONS

Communication Objectives:

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Stakeholders:

Internal Stakeholders:

- Corrections Branch HQ
- Ministry of Public Safety and Solicitor General GCPE
- Other PSSG branches – Police Services Division
- Partnerships BC
- Ministry of Citizens' Services
- Ministry of Citizens' Services GCPE
- Provincial Health Services Authority – Correctional Health Services, Forensic Psychiatric Services, BC Emergency Health Services
- Ministry of Justice – Court Services, Prosecution Services, Corporate Management Services
- Ministry of Indigenous Relations and Reconciliation

- Adult Custody Staff
- Community Corrections Staff
- Investigations and Standards Office

External Stakeholders:

- BCGEU – Component 1 (Dean Purdy & Oliver Demuth) Component 6 (Mike Eso and Judy Fox-McGuire) and Component 12 (Maria Middlemiss)
- Mayor and Council – City of Nanaimo
- Mayor and Council – City of Duncan
- Vancouver Capital Regional District
- Nanaimo Regional District
- Residents of Nanaimo and Duncan
- Vancouver Island Tourism Association
- School Districts (Victoria, Nanaimo and Duncan)
- Island Health
- BC Ambulance Services
- RCMP
- Nanaimo Police Department
- BGIS WSI (Facility Manager)
- Compass Foods (Food Services Provider)

*Updated stakeholder contact information in progress.

Project/Communication Milestone Dates:

Activity	Timeline
----------	----------

s.12; s.13

Project Partners/Communications Protocol:

BC Corrections, in collaboration with Ministry of Public Safety and Solicitor GCPE, will be responsible for overall issues management and media inquiries regarding BC Corrections' mandate, operations and capital planning. The Ministry of Technology, Innovation and Citizens' Services GCPE will be responsible for responding to technical project development and status inquiries. Both GCPE shops and ministries will inform each other of all media inquiries etc.

The Ministry of Citizens' Services (Development Services Group) will develop internal project briefing materials.

Partnerships BC will respond to prospective and preferred proponent inquiries.

Project Communications Committee:

Project Leads:

Michael Houle, Chief Project Officer
Del de Medeiros, Project Director, CITZ
Dave Friesen, Deputy Chief Project Officer, BC Corrections
John Pastorek, BC Corrections Project Director

Project Communications Leads:

Alicia Bertrand, BC Corrections;

Ian Indridson and Jason Watson, PSSG GCPE;

Joanne Whittier and Catherine Wood, CITZ GCPE; and

Elizabeth Thomson, Partnerships BC.

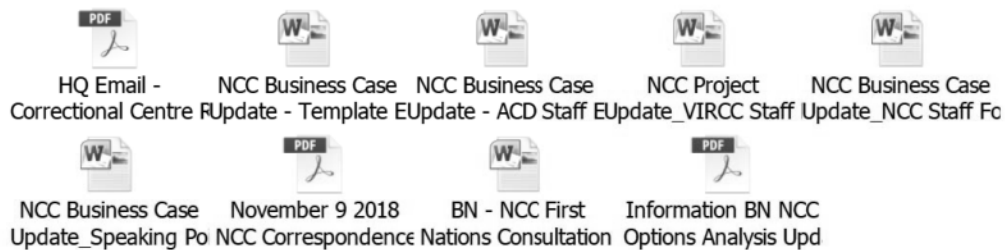
Key Messages:

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Additional Key Messages for staff:

s.12; s.13

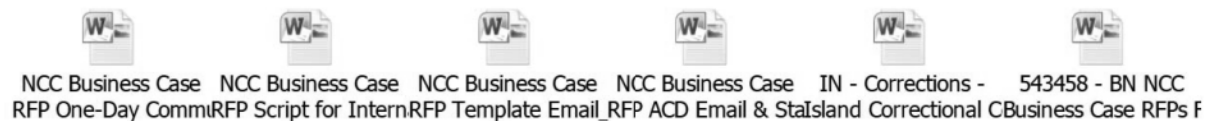
Phase-One Business Case Development Update Communications Materials:



Summer 2018 Interim Communications Materials:



RFP Communications Materials:



IV. IMPLEMENTATION

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s.12; s.13

Evaluation:

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Partnerships British Columbia

4/3/2019 16:28

APPENDIX M - Funding Analysis Model



Project: Nanaimo Corrections Centre
Client: Ministry of Public Safety and Solicitor General
Ministry of Citizens' Services

Version: Base Case

see Log worksheet for version details

Disclaimer

[illegible]

Log of Model Changes and Results

Version #	Description	Date	[Item 1]	[Item 2]	[Item 3]	[Item 4]	[Item 5]	[Item 6]	[Item 7]
unlocked	Base Case								
	description of change 1								
	description of change 2								
	description of change 3								
	description of change 4								
	description of change 5								
	description of change 6								
	description of change 7								
	description of change 8								
	description of change 9								
	description of change 10								
	description of change 11								
	description of change 12								
	description of change 13								
	description of change 14								
	description of change 15								
	description of change 16								
	description of change 17								
	description of change 18								
	description of change 19								
	description of change 20								

MODEL INPUT SUMMARY												
MODEL CHECK		CHECK										
General Inputs												
OK	Project Name	-										
CHECK	Client Name	1										
OK	GST Rate	-										
OK	Recoverable GST - Provincial Component	-										
OK	Recoverable GST - Federal Component	-										
OK	Funding of Unrecoverable GST	-										
PPP Inputs		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029
OK	Annual Service Payment	-	-	-	-	-	-	-	-	-	-	-
CHECK	Project IRR	1	-	-	-	-	-	-	-	-	-	-
Appropriate Funding?		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029
PPP Assets												
OK	PPP Asset #1	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #2	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #3	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #4	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #5	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #6	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #7	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #8	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #9	-	-	-	-	-	-	-	-	-	-	-
OK	PPP Asset #10	-	-	-	-	-	-	-	-	-	-	-
Non-PPP Assets												
OK	Non-PPP Asset #1	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #2	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #3	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #4	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #5	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #6	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #7	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #8	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #9	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #10	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #11	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #12	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #13	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #14	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #15	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #16	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #17	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #18	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #19	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #20	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #21	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #22	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #23	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #24	-	-	-	-	-	-	-	-	-	-	-
OK	Non-PPP Asset #25	-	-	-	-	-	-	-	-	-	-	-
ASP Interest Rate												
OK	PPP Liability Amortized to Zero	-										
Balance Sheet		2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029
CHECK	Balanced?	-	-	-	-	-	1	1	1	1	1	1
Funding Sources		Provincial	-	-	-	-	-	-	-	-	-	-
OK	IDC Rate	-	-	-	-	-	-	-	-	-	-	-
OK	Early Draw (Months)	-	-	-	-	-	-	-	-	-	-	-
OK	Interest Rate on Debt Repayment	-	-	-	-	-	-	-	-	-	-	-

Summary of Accounting Guidelines

Description	Treatment	Notes	OCG Guidance for "Tangible Capital Assets"
When can costs begin to be capitalized rather than expensed?	Has historically been Approved Business Case (for MoH) and RFP preparation and subsequent steps in procurement (for MoT)	This point is currently under review by OCG and likely to end up being consistent across ministries	
► Construction costs	Capitalized		<p>The cost of a tangible capital asset must be capitalized at the time of acquisition or construction and amortized over its useful life. The cost of a tangible capital asset includes direct construction or development costs (such as materials or labour) and overhead costs directly attributed to the acquisition, construction or development of the asset. These costs may include by not limited to:</p> <ul style="list-style-type: none"> ► amounts paid to vendors; ► transportation/freight charges to the point of initial use; ► handling and storage charges; ► direct production costs (for assets produced or constructed), such as labour (non-government employee costs), materials, supplies, etc.; ► engineering, architectural and other outside services for designs, plans, specifications and surveys; ► acquisition and preparation costs of buildings and other facilities; ► an appropriate share of the costs of the equipment and facilities used in construction work and tenant improvement costs; ► fixed equipment and related installation costs required for activities in a building or facility; ► direct costs of inspection, supervision and administration of construction contracts and construction work; ► legal and recording fees and damage claims; ► fair values of land, facilities and equipment donated to the province; ► appraisal costs; ► advertising costs; ► application fees; ► management fees; ► utility costs; ► site preparation costs; ► transportation insurance costs; ► customs and duty charges; ► interest charges during acquisition, construction or development (up to substantial completion of 97%). ► risk and controls reviews ONLY if it forms an integral part of a contract external to government for the development of major systems software and this review relates to the implementation phase <p>Items not capitalized:</p> <ul style="list-style-type: none"> ► Costs of a general nature such as expenditures for feasibility studies, post implementation reviews, training, training materials, etc.
► Transferred risk	Capitalized		
► Other direct costs	Capitalized		
► Financing fees	Capitalized		
► Successful bidder bid response costs	Capitalized		
► Arrangement and commitment fees	Capitalized		
► SPV costs during construction relating to construction	Capitalized		
► Interest during construction	Capitalized	Calculated on total of above using Project IRR which is a reasonable proxy to use	
► Equipment	Capitalized	<p>MoT projects, through BCTFA, borrows money from Treasury for funding</p> <p>MoH typically funds by way of grants</p> <p>Accounting rule is that IDC is attributable to costs which are funded by borrowed money</p>	
► Equipment risk	Capitalized		
► Procurement Costs	Capitalized	<ul style="list-style-type: none"> ► Partnerships BC ► Legal Advisor ► Business Advisor ► Fairness Advisor ► Conflict of interest Adjudicator ► Programmer Estimate ► Quantity Surveyor ► Equipment Advisor 	
► Preload Costs	Capitalized		
► Land	Capitalized		

Summary of Accounting Guidelines

Description	Treatment	Notes	OCG Guidance for "Tangible Capital Assets"
► IMIT	Capitalized		
► Planning Costs	Capitalized; some portion will be expensed (reasonable amount attributable to operations; please check with the Agency)	<ul style="list-style-type: none"> ► Architect Team ► Facility Management Advisor ► Project Team costs 	Public Private Partnership (P3) Planning Costs Where P3 planning costs are related to the acquisition or development of a capitalizable asset that will be owned by the province or one that will be a capital lease asset of the province, costs similar to those capitalized under traditional procurement (see above), should be capitalized. Only P3 planning costs incurred after the commencement of the preparation of a request for proposal directly related to the acquisition or development of the asset should be capitalized. Where the P3 planning costs relate to the acquisition of both a capitalizable asset of the province and future operating costs only the portion that relates to the acquisition of the asset are capitalized. The ratio between capital and operating costs in the concession agreement may be used to determine the allocation.
► Renovation	Capitalized or expensed, depending on the nature of the cost; refer to relevant Ministry CFO for guidance		
► Insurance	Capitalized during construction, expensed during operations		
► Independent certifier	Capitalized		
Timing of ASP liability repayment	Principal amortization on the ASP liability commences once asset has been fully constructed and commissioned		
Depreciation methodology	Straight line for all assets		Straight line for all assets
Recording Depreciation			Mid-Month Rule: If assets are acquired or construction completed on or after the 16th of the month, amortization will not start until the following month
Unrecoverable GST/GST on capital (Note: with recent changes introduced by the BC government to harmonise PST with GST, concept of irrecoverable GST may/will be extended to GST, however, at this time CRA has not been able to clarify)	Capitalized and amortized over the relevant asset life	Highways – no GST/GST on acquisitions Hospitals – some irrecoverable GST/GST (expensed)	
Deferred capital contribution	When cash received from RHD, Dr Cash and Cr Deferred Capital Contribution. Upon payment, Cr Cash and Dr Asset		
Amortization of ASP	The ASP attributable to capital is split out from the total ASP on an annual basis by deducting the corresponding period FM, lifecycle/rehab and SPV costs. The implied interest rate which is being paid on the PPP debt liability is calculated. The ASP attributable to capital is separated into an interest component and a principal/amortization component.		
Amortization of deferred capital contributions	Amortized over the same useful life as the asset purchased		
Lifecycle / rehab costs	Capitalised if major / extension of useful life, otherwise expensed		
► Operations & maintenance / FM costs	Expensed		

Summary of Accounting Guidelines

Description	Treatment	Notes	OCG Guidance for "Tangible Capital Assets"
<p>► Irrecoverable GST / GST during operations</p> <p>(Note: with recent changes introduced by the BC government to harmonise PST with GST, concept of irrecoverable GST may/will be extended to GST, however, at this time CRA has not been able to clarify)</p>	Expensed	<p>Irrecoverable GST/GST on the services is charged on an annual basis.</p> <p>The calculation of the liability should be on the basis on the total asset cost excluding finance fees.</p> <p>Not applicable for MoT projects.</p>	
► Minor equipment	Expensed	Look to Agency policy for definition of minor equipment	
► Patients physical move	Expensed	<p>Costs of physically relocating patients from existing space to new/renovated space</p> <p>Not applicable for MoT projects.</p>	
► Materials management	Expensed	<p>This line item is to cover any costs incurred with changing the current management of meds inventories, including location (centralized vs. decentralized inventory system).</p> <p>Not applicable for MoT projects.</p>	
► Moving costs	Expensed	Cost allowance to cover the costs associated with testing equipment, possible doubling of services required during transition phase.	
► Site management	Expensed	Sundry cost items associated with facilitating construction on the site, such as signage, etc.	
► Increased security	Expensed	Increased security over normal operational levels for during the transition period.	
► Communications	Expensed	All communications resources required during the transition period	
► Staffing	Expensed	Over-time for packing and moving	
► Process re-design costs	Expensed	All costs associated with implementing the recommended operational changes from the process re-design analysis	
► Transition Team	Expensed	Move co-ordination team costs	
► Lab Equipment Move	Expensed	<p>Includes decontamination, de-installation, specimen moving, clean-up, etc.</p> <p>Not applicable for MoT projects.</p>	
► HR Costs	Expensed	Severance packages and other costs associated with changing staff needs over time, as well as costs related to addressing other staff-related issues not captured in other areas above.	
► Education/orientation	Expensed	All costs associated with the education of staff on the new space, their new areas, and any new equipment	
► Updated manuals, materials	Expensed	Separate line item for materials used to support education initiative during transition process	
► Cleaning	Expensed	Costs of sterilizing the space in the new D&T building, and the space in the renovated portions such that it is ready for clinical operations	
► Site office	Expensed	Costs of setting up and maintaining a separate project office.	
► Insurance (one time)	Expensed	Costs of insuring pieces of equipment during the move.	
► Unsuccessful bidder honorarium	Expensed		

Operating Costs

One Time (IT, Staff, Partial Comp. etc..)
Ongoing / PCOE

Capital

Insurance
Vehicle Fleet?
IMIT >\$5k
Anything else Jail Specific?

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