

Better Quality of Life for All Saskatchewan People

[Program Name]

Business Case

[date]



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Purpose of the Program Business Case

SaskBuilds has developed the Program Business Case template to assist ministries, agencies, authorities, entities or corporations (referred to as “ministries” throughout the rest of this document) to summarize an evidence-based rationale for government to invest in the proposed program. The Needs Assessment represents the initial stage in the Integrated Capital Planning process that allows ministries to describe the key components of the program, identify the need for the program, and demonstrate that a thorough analysis has occurred to explore options that will address the program need.

Saskatchewan ministries interested in their programs being considered for federal funding can do so by submitting a Business Case.

Objective of the Program Business Case

The objective of the Program Business Case is to ensure that investments in public infrastructure:

- Align with the needs of key stakeholders, the ministry and government direction; and
- Are based on evidence that clearly identifies the program need and demonstrates that several solutions have been considered to address the problem.

For any questions regarding the Business Case template, please contact:
SaskBuilds at saskbuilds.icp@gov.sk.ca.

[Remove italicized content when completing]

Program Executive Summary

Note: This section of the template should be completed last and information should be summarized from the preferred option section (section 2). The summary is meant to be a high level overview and not longer than 2 pages. Please follow the prompts for wording in each section. This encourages consistency between programs.

Ministry Estimated Program Cost:	\$
Length of Program:	(First intake) DD/MM/YY to (Final reporting) DD/MM/YY
2020-21 Anticipated Budget Request	\$
Federal Funding Stream:	Public Transit Green – Climate Change Mitigation Green – Adaptation, Resilience, Disaster Mitigation Green – Environmental Quality Community, Culture and Recreation Rural and Northern Communities Not Applicable [Choose appropriate and remove others when completing]
Cabinet Direction: The program received Cabinet direction (or Budget direction) to....	

Program Overview

- The capital funding program is merit based which aims to [program outcomes].
- The program will provide a base level of funding to [entities] that will [program outcomes].
- Typical projects in this program are anticipated to be . . .
- Funding decisions will be made by . . .

Demonstrated Need

- The [sector] is experiencing [issue driving need]
- The evidence supporting this need is . . .
- The current condition of assets across the sector are good/fair/poor/critical

Options Analysis

- The ministry compared the following program options. . .
- These options are not recommended because. . .
 - Include a summary of costs and benefits of all options.

Cost Estimates – Preferred Option (reference section 2.5 for guide)

	Total Cost Spent to Date (\$000s)	Year 1 (\$000s)	Year 2 (\$000s)	Year 3 (\$000s)	Remaining Budget Estimate (\$000s)	Total Cost Estimate (\$000s)
Program Administration Costs	\$	\$	\$	\$	\$	\$
Capital Costs	\$	\$	\$	\$	\$	\$
Total Cost Estimate	\$	\$	\$	\$	\$	\$
Funding Shares of Capital Costs * if applicable						
Provincial Share XX%		\$	\$	\$	\$	\$
Federal Share XX%		\$	\$	\$	\$	\$
XX Share XX%		\$	\$	\$	\$	\$

- The cost estimates are based on X input and are considered accurate within +/-.

Program Timelines

- Planning Phase: The ministry will complete [remaining planning] in years 20XX – 20YY.
- Consultations with [remaining stakeholders] are required and are anticipated to occur in Month, Year.
- Anticipated program intake and intake timelines.
- Anticipated construction commencement.
- Indicate if there are any timelines for construction completion.
- Date of end of program.

Program Governance

- The governance of the program includes [oversight] and [management] by [groups].
- Recipients will be required to report [what] to [whom].
- Role of other agencies (third parties, other ministries, etc.).

1. Needs Assessment

The Needs Assessment section is an opportunity for ministries to clearly demonstrate the strategic objectives driving the need for this program. Ministries should summarize the factors driving the need and identify risks. Ministries should reference how the program fits with trends identified in the ministry Capital Asset Plan.

Note: *The capital planning process requires ministries to attach all documents (e.g. reports, studies) that were used to inform the needs assessment section.*

1.1 Utilization and Programming

- Identify problem(s) or opportunity(ies) that may require a capital investment.
 - Summarize related information for demographics, economic changes, environmental factors, legislation, program changes, social changes, technology changes, etc. that are driving the need for capital infrastructure.
 - Summarize the programming drivers for the program, such as enrollments, levels of service challenges, capacity challenges etc.
- How does this problem or opportunity affect program/service delivery for the ministry at a high level?
- How this problem or opportunity is in alignment with the agency's or province's strategic goals.
- What are the specific benefits that can be expected by this investment (e.g. accessibility improvements, environmental benefits, increased programming)?
- What performance measures can be used to track the targeted benefits of the program?

1.2 Current State of the Assets

- Using the information from the ministry's Capital Asset Plan, note how the physical condition of the current infrastructure compares to other assets in the ministry's portfolio. Why is this program a priority?
 - Include a summary of the state of the current asset, including the Facility Condition Index (FCI) or other relevant measures.
- Include a functional assessment of the current infrastructure's ability to meet the needs of the Province now and in the future.
- How does this program link to the ministry's level of service guidelines/targets?
- Include any stakeholder input or involvement in assessing the current state of infrastructure.

1.3 Additional information

- Attach any images that would help to describe conditions of assets or needs and allow reviewers to produce a more accurate evaluation of the proposed program.

2. Preferred Option

This section provides/offers decision-makers with key components of the ministry's recommended program option. Responses should be concise but must demonstrate the benefits and impacts on stakeholders and that the ministry has a clear plan to manage the program.

2.1 Program Description and Scope

- Briefly describe the preferred program option.
- Is this: new construction, rehabilitation, expansion or another type of program (explain)?
- Provide a list of what is in-scope and out-of-scope of the program.
- Describe the anticipated recipient(s) (e.g. communities of X size or community-based organizations).

2.2 Rationale and Objectives

- Describe risks to stakeholders, the ministry, and government if this program is not approved.
- Explain how this option will meet the needs identified in the Needs Assessment; including:
 - How does this solution meet all of the needs identified?
 - What trade-offs are required in this option?
 - What impact does this program have on the ministry or sector's portfolio?
 - What are the key objectives of this program?
 - What impact does this program have on long-term sustainability of the ministry's or sector's assets?
 - If the program will fund expansions from the current state, explain the rationale for the increase.

2.3 Planning to Date

- How advanced is the program design?
- Has consultation been conducted? With whom? Is more planned?
- How advanced is the program governance?
- For merit-based programs, has evaluation criteria been established?
- Indicate if Cabinet and/or Treasury Board has given any direction for program development.

2.4 Timelines

- Anticipated consultations with stakeholders.
- Anticipated program intake and intake timelines.
- Anticipated construction commencement.
- Indicate if there are any timelines for construction completion.
- Indicate program end date.

2.5 Cost Estimate Details of Preferred Option

If a ministry cannot estimate costs, please describe the challenges in estimating a cost.

	Total Cost Spent to Date (\$000s)	Year 1 (\$000s)	Year 2 (\$000s)	Year 3 (\$000s)	Remaining Budget Estimate (\$000s)	Total Cost Estimate (\$000s)
Program Administration Costs	\$	\$	\$	\$	\$	\$
Capital Costs	\$	\$	\$	\$	\$	\$
Total Cost Estimate	\$	\$	\$	\$	\$	\$
Funding Shares of Capital Costs * if applicable						
Provincial Share XX%		\$	\$	\$	\$	\$
Federal Share XX%		\$	\$	\$	\$	\$
XX Share XX%		\$	\$	\$	\$	\$

- The cost estimates are based on X input and are considered accurate within +/-.
- Is the program expected to have lifecycle fiscal implications for the owner post-construction? How is this being managed?
- How will the program manage operating and maintenance life-cycle costs of the completed assets?
- Does the province own any risks with the estimated operating costs?
- How will this program promote best practice lifecycle costs of applicable projects within the program intake?

2.5.1 Third Party or Other Funding

- Describe any other parties that are participating in the program and their proposed role (e.g. other levels of government, private sector, community based organizations).
- Include the amount and percentage of funding they bring to this program and whether their share of the funding is currently available (or dependent on fundraising or other reasons).
- Provide a summary of any relevant conditions or terms.

2.5.2 Federal Funding

- Provide the estimated “eligible costs.”
- Provide the estimated contribution based on the program’s eligibility (for information on federal funding eligibility and funding shares, see Infrastructure Canada’s website <https://www.infrastructure.gc.ca/plan/about-invest-a-propos-eng.html>).

2.6 Program Governance

- Describe the governance structure including detailed roles and responsibilities (authority delegations to approve funding requests, change requests, etc.).
 - Identify key roles – which entity will request budget? Who will sign the agreements with the project proponent? Who are the likely proponents? Who will hold the

contract with the designer and/or builder? Who will ultimately own the assets? Who is at risk for cost overruns?

- In the instances with multiple parties, how will you work together?
- What will the program require in terms of reporting from recipients?
- What accountability requirements will be managed as part of this program (e.g. checking invoices, eligible costs, and reimbursements)?
- What strategy and processes have been identified for estimating, monitoring and controlling program costs?

2.7 Major Program Delivery Risks

- Identify the major risks to successfully deliver the program.
- Are there any risks that potential recipients lack the capacity to apply, manage the program or lack the fiscal ability to cover their share of the project?
- Describe any special program circumstances such as accelerated time-line, risk adoption, etc., that may affect the program.
- Describe the risk on the ministry's and/or government's reputation if the program does not proceed or its objectives are not met.
- Are there any regulatory or policy limitations?
- What are the technology related risks to the program (e.g. information management, information technology planning)?
- Does the ministry have the resources (internal staff/external consultants) necessary to complete planning and/or manage the program within its budget or is incremental funding required?

2.8 Stakeholder Engagement

- Identify the key stakeholders.
- Provide descriptions of the consultation that have occurred with these key stakeholders to date, and any planned consultation yet to occur (e.g. First Nations, municipal authorities).
- Identify any legislative requirements regarding consultation.

2.9 Public Commitments

- Announcements by elected officials signal the urgency of some programs. Ministries are required to list those announcements as well as special circumstances that may affect the program. Provide information on any publicly announced commitments to the program, including:
 - Dates on when the commitment was made; and
 - Links to any relevant news releases, etc.
- Have there been any local commitments to projects within the program?

3. Options Analysis

This section is for outlining alternative options to be compared with the preferred option explained in section 2. Ministries are required to consider all reasonable options including the status quo (a minimum of two options in comparison to the preferred option should be evaluated). If the status quo is not an option, ministries must indicate the minimum alternative.

3.1 Options Comparison Summary

Once options analysis has been completed (section 6 provides a guide to completing multi-criteria analysis). Provide a summary of the comparison between options. The table below shows a possible summary option where key trade offs/benefits are compared to costs. Ministries may choose to display comparison differently.

	Program Cost	Administration Cost	Criteria 1	Criteria 2	Criteria 3
Preferred Option					
Alternative Option 1					
Alternative Option 2					
Alternative Option 3					

3.2 Alternative Option [#]

The following sections should be completed for each alternative option considered:

- A. Alternative Option 1
- B. Alternative Option 2
- C. Alternative Option 3
- D. etc. . . .

3.2.1 Option Description

- Describe the general scope of this option.
- Provide a list of what is in-scope. Provide a quantitative estimate of the option scope (e.g. estimated \$XXM will fund XX projects over X years).
- Provide a list of what is out-of-scope.

3.3 Advantages and Disadvantages

- Identify major trade-offs in comparison between this option, the preferred option and the need identified in the needs assessment.
- Identify and describe the fiscal impact of this program (e.g. if it is a cheaper option – what are the trade-offs? If it is a more expensive option – what do you gain?).
- Are their particular aspects of this option that affect the delivery timeframe, the impact to users or unique dependencies?
- Identify and describe the advantages and disadvantages of this option against the ministry’s assessment criteria.

3.4 Timeframe

- Provide the best estimates of timeframes
- How much lead time would this program require (in months) to be ready for program intakes, announcements and construction?
- Identify the target dates for commencement and completion of the program and the level of certainty around them.

3.5 Option Costs

	Total Cost Spent to Date (\$000s)	Year 1 (\$000s)	Year 2 (\$000s)	Year 3 (\$000s)	Remaining Budget Estimate (\$000s)	Total Cost Estimate (\$000s)
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XX Share XX%		\$	\$	\$	\$	\$

4. Appendices

Ministries must attach all documents (e.g. reports, studies, analysis) that were used to inform the needs assessment and options analysis for this program. Only include those documents that SaskBuilds does not already have or those which have been updated. Please list all the documents below.

Date of the Report	Report Name

5. Guide for Completing a Multi-Criteria Analysis of Options

Note: Remove this guide when completing the business case. Not required for submission.

5.1 Assessment Criteria

- Provide a list of the criteria used for the evaluation of each option. Indicate which criteria is a ‘must have’ in-order for that option to proceed (e.g. capacity and functional requirements). Typically, only options that have met the ‘must have’ criteria proceed for comparison with other program options:
 - The program options summary table in the Business Case template and may provide some direction.
- The following assessment criteria below can be considered:
 - Program costs; alignment to ministry and government strategic objectives (e.g. alignment to the needs assessment); impact and benefits to stakeholders; delivery risks; program complexity; functionality; capacity; and health and safety.

5.2 Options Ranking Comparison

- Identify the comparison method used to arrive at the recommended program option. Ministries should use the methodology that best suits their needs.
 - The program options summary table uses the weighted multi-criteria method which involves identifying discrete criteria and weights for each criterion. The table uses a numeric scale to identify each option’s alignment to the criteria (e.g. 1-3). Other options include:
 - High, Medium, Low; or
 - The traffic colouring system (e.g. green, yellow and red).
- Based on the comparison, outline the preferred option. Provide a summary of the rationale for the preferred option and explain any key differences or trade-offs of other options. Where options have different costs please explain the differences between lower and higher cost options. Does it save money in the long term? Does it meet key program objectives?

5.3 Participants

- Identify all internal and external participants (e.g. consultants, stakeholders) that were involved in scoring the programs options.

5.4 Cost / Benefit Comparison

- Compare the key trade-offs and differences in costs anticipated for both capital costs and ongoing operations and maintenance costs.
- Identify the net financial impact. Include considerations of:
 - Costs that could be avoided by completing the program;
 - Savings that would be realized by investing in the program; and
 - Revenues (if any) that would be generated or affected once the program is complete.
- Consider the benefits in comparison with the estimated costs, to provide an assessment of the value for money and whether net benefits will be achieved.
- Demonstrate why the recommended option provides better value compared to the alternative options or demonstrate the value of each of the suitable options.