

*Better Quality of Life for All Saskatchewan People*

[Ministry Name]

Business Case

[date]



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### ***Purpose of the Business Case***

*SaskBuilds has developed the 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 project. The Needs Assessment represents the initial stage in the Capital Planning process that allows ministries to describe the key components of the project, identify the need for the project, and demonstrate that a thorough analysis has occurred to explore options that will address the program need.*

*When the Needs Assessment is considered ‘ready to proceed’, projects above \$20 million (M) will be required to complete the Procurement Analysis input for the Business Case.*

*Saskatchewan agencies interested in their projects being considered for federal funding can do so by submitting a Business Case.*

### ***Objective of the Business Case***

*The objective of the capital planning 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 project need and demonstrates that several solutions have been considered to address the problem.*

*For any questions regarding the capital planning Business Case, please contact:  
SaskBuilds at [saskbuilds.icp@gov.sk.ca](mailto:saskbuilds.icp@gov.sk.ca).*

***[Remove italicized content when completing]***

## Project 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 projects.

<b>Ministry Estimated Project Cost:</b>		\$XXXXX million (M)	+/-	(Range) % or Unknown
<b>Funding Shares of Capital Cost:</b>	Provincial (XX%) \$XXXXX M	Federal (XX%) \$XXXXX M	Other (XX%) \$XXXXX M	
<b>Federal Funding Stream:</b>		Public Transit Green – Climate Change Mitigation Green – Adaptation, Resilience, Disaster Mitigation Green – Environmental Quality Community, Culture and Recreation Rural and Northern Communities Not Applicable <i>[Choose appropriate and remove others when completing]</i>		
<b>2020-21 Anticipated Budget Request</b>		\$XXXXX M	<b>Funding Purpose:</b>	Planning or Capital
<b>Asset Condition:</b>	Good, Fair, Poor, Critical	<b>Location:</b>	1. Civic address or start and end points for highways 2. Geo-coordinates in the degrees, minutes, and seconds format	
<b>Cabinet Direction:</b>	None provided or The project received Cabinet direction (or Budget direction) to...			

### Project Overview

- The project is a/an (new build, rehabilitation, expansion, other) of a . . .

### Demonstrated Need

- The facility is experiencing overcrowding as a result of a growing number of inmates . . .
- The evidence supporting this need is . . .
- The current condition of the asset is good/fair/poor/critical with a Facility Condition Index (or other measure) of X%.

### Options Analysis

- The ministry compared the following 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)
Planning Costs	\$	\$	\$	\$	\$	\$
Capital Costs	\$	\$	\$	\$	\$	\$
<b>Total Cost Estimate</b>	\$	\$	\$	\$	\$	\$
<b>Funding Shares of Capital Costs * if applicable</b>						
Provincial Share XX%		\$	\$	\$	\$	\$
Federal Share XX%		\$	\$	\$	\$	\$
YY Share XX%		\$	\$	\$	\$	\$
<b>Estimated Annual Operating Costs (Post Construction)</b>						\$
<b>Net Change in Annual Operating Costs From Current State</b>						\$
<b>Estimated Annual Maintenance Costs (Post Construction)</b>						\$
<b>Net Change in Annual Maintenance Costs From Current State</b>						\$

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

#### Project 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.
- Capital Phase: if approved, project is expected to begin construction in what year].

#### Project Governance

- The governance of the project includes [oversight] and [management] by [groups].
- Role of other agencies (third parties, other ministries, etc.).

#### Procurement Strategy

- The ministry intends to complete a comprehensive Procurement Options Analysis prior to determining the procurement strategy. . .
- The ministry intends to deliver the project using a design-bid-build/design-build/construction management/fully privatized service agreement/etc.

#### Planning Completed to Date

- List all studies/reports completed to date including dates (should be listed in Business Case Appendices).

## 1. Needs Assessment

*The Needs Assessment section is an opportunity for ministries to clearly demonstrate the program or strategic objectives driving the need for this project. Ministries should summarize the factors driving the need and identify risks. Ministries should reference how the project 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 project, 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 project?

### 1.2 Current State of the Asset

- 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 project a priority?
  - Include a summary of the state of the current asset, including the 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 project 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 and allow reviewers to produce a more accurate evaluation of projects.

## 2. Preferred Option

*This section provides/offers decision-makers with key components of the ministry's recommended project 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 project.*

### 2.1 Project Description and Scope

- Briefly describe the preferred project option.
- Is this: new construction, rehabilitation, expansion or another type of project (explain)?
- Provide a list of what is in-scope and out-of-scope of the project.
  - Current state of asset- e.g. X m<sup>2</sup>, Y enrollment capacity, or Z KMs of single lane highway
  - Desired future state of asset- e.g. A m<sup>2</sup>, B enrollment capacity, or C KMs of dual lane highways.
- Identify the proposed project location (full civic address and geo-coordinates in the degrees, minutes, and seconds format). For example:
  - SaskBuilds, 720-1855 Victoria Avenue, Regina, SK, S4P 3T2
  - 50° 26' 48.6683" N, 104° 36' 27.2398" W

### 2.2 Rationale and Objectives

- Describe risks to stakeholders, the ministry, and government if this project 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 project have on the ministry or sector's portfolio?
- Impact on the citizen – while the capital planning framework is evidence-focused, if there are particular examples that describe the impacts on citizens or staff, please include these examples.

### 2.3 Planning to Date

- Outline any planning costs and activities that have occurred related to this project including: feasibility studies, consulting, information technology, furnishings etc., and what date they were completed on.
- Indicate if Cabinet and/or Treasury Board has given any direction for further planning/design/project development.

### 2.4 Timelines

- How much lead time would this project require (in months) to be ready for construction?
- Identify the target dates for commencement and completion of the project and the level of certainty around them.
- Identify contingency plans for timing beyond the planned schedule, plus the potential impact of delays to the ministry and other stakeholders.

- Where applicable, responses should list anticipated dates or time horizons (e.g. 2017, 12 months) for each project stage:
  - The Needs Assessment and Options Analysis;
  - Procurement Analysis;
  - Procurement;
  - Construction;
  - Substantial Completion; and
  - Operation (i.e. maintenance and rehabilitation).

## 2.5 Cost Estimate Details of Preferred Option

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

- Provide an estimate of total costs for this option broken down by categories including planning, land acquisition, design, construction, operating costs, maintenance, renewal, and/or decommissioning. Where applicable responses should reference reports or studies related to lifecycle 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%		\$	\$	\$	\$	\$
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<b>Estimated Annual Maintenance Costs (Post Construction)</b>						\$
<b>Net Change in Annual Maintenance Costs From Current State</b>						\$

### 2.5.1 Planning Costs

- What planning work are these costs associated with?

### 2.5.2 Capital Costs



- Does this include costs of disposing of the existing asset?
- What percentage of contingency is included?
- Provide historical funding allocations (e.g. 2017-18, 2018-19, etc.) and the incremental funding request.
- What is the current level of cost certainty (+/- XX%)?

### **2.5.3 Lifecycle Costs**

- Outline the current and estimated operating and maintenance life-cycle costs of the completed asset. This should include incremental costs for operations, staffing, maintenance, etc.
- Outline any risks with the estimated operating costs, such as uncertainty in estimating program service levels.
- Quantify all expected phases in operating costs (i.e. operating costs anticipated to be high in the early stages of the project due to set-up and implementation, and lower for the ongoing annual operating cost).
- For projects early in development, include directional estimates (i.e. increase/decrease from current state) for each option (e.g. a new build is anticipated to save maintenance costs and be more energy efficient.)

### **2.5.4 Internal Resources**

- Does the ministry have the resources (internal staff/consultants) required to complete detailed planning and/or manage the project within its budget or is incremental funding/FTEs required?

### **2.5.5 Third Party or Other Funding**

- Describe any third parties that are participating in the project and their proposed role (e.g. other levels of government, private sector).
- Include the amount and percentage of funding they bring to this project 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.

### **2.5.6 Federal Funding**

- Provide the estimated “eligible costs.”
- Provide the estimated contribution based on the project’s eligibility (for information on federal funding eligibility and funding shares, see the attached Integrated Bilateral Agreement Dashboard).
- Note: Projects applying for federal funding will need to complete the Federal Funding Annex for consideration.

## **2.6 Project Governance**

- Describe the governance structure including detailed roles and responsibilities (authority delegations to approve project scope, change requests, etc.).
  - Identify key roles – which entity will request budget? Who will sign the agreements with the designer and/or builder? Who will manage the contract? Ultimately, who own the asset?
  - In the instances with multiple parties, how will you work together?

- What strategy and processes have been identified for estimating, monitoring and controlling project costs?

## 2.7 Major Project Delivery Risks

- Identify the major risks to successfully deliver the project on-time and on-budget (e.g. utilities, land acquisition, aggressive schedule, labour availability, etc.).
- Include risks associated with long-term maintenance and rehabilitation of the project, including ministry managed mitigation measures. Identify land ownership, and if not government-owned or leased, describe the plan for acquisition.
- Identify any other land-related approvals required for the project to proceed (e.g. annexation, rezoning, utility work, etc.).
- Describe any special project circumstances such as accelerated time-line, risk adoption, etc. that may affect the project.
- Describe the risk on the ministry's and/or government's reputation if the project does not proceed or its objectives are not met.
- Are there any regulatory or policy limitations?
- What are the technology related risks to the project (e.g. information management, information technology planning)?
- Does the ministry have the resources (internal staff/external consultants) necessary to complete detailed planning and/or manage the project 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 projects. Ministries are required to list those announcements as well as special circumstances that may affect the project. Provide information on any publicly announced commitments to the project, including:
  - Dates on when the commitment was made; and
  - Links to any relevant news releases, etc.

### 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.

Potential options may include:

- Programmatic solutions. Programmatic solutions may include changes to delivery methods/ alternative delivery and changes to reduce demand
- Capital option alternatives should evaluate scope options and trade-offs between renovations, additions or new assets.

#### 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.

	Capital Cost	Operations & Maintenance Cost	Criteria 1	Criteria 2	Criteria 3
<i>Preferred Option</i>					
<i>Alternative Option 1</i>					
<i>Alternative Option 2</i>					
<i>Alternative Option 3</i>					

#### 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 project scope of this option.
- Provide a list of what is in-scope. Provide a quantitative estimate of the option scope (e.g. at least three courtrooms, nine classrooms, 18km of highway, square metres, etc.).
- Provide a list of what is out-of-scope.
- Identify the proposed location and constituency.

### **3.2.2 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 project (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.

### **3.2.3 Timeframe**

- Provide the best estimates of timeframes for commencing and completing each phase of the project for the specific option considered.

### **3.2.4 Option Costs**

- Provide an estimate of total costs for this option broken down by categories including planning, land acquisition, design, construction, operating costs, maintenance, renewal, and/or decommissioning. Where applicable responses should reference reports or studies related to lifecycle costs.
- If detailed option costs are not available, provide information in comparison to the preferred option – is it more/less expensive for planning, capital, operations and maintenance?

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XX Share XX%		\$	\$	\$	\$	\$
<b>Estimated Annual Operating Costs (Post Construction)</b>						\$
<b>Net Change in Annual Operating Costs From Current State</b>						\$
<b>Estimated Annual Maintenance Costs (Post Construction)</b>						\$
<b>Net Change in Annual Maintenance Costs From Current State</b>						\$

## 4. Procurement Analysis and Strategy

Completing a Procurement Analysis is an important step to determine the procurement method for a project that will meet project objectives and provide the best value for government. Following procurement analysis please refer to Priority Saskatchewan Procurement Guide, available on the SaskBuilds website.

### 4.1 Procurement Strategy for Projects (over \$20M)

All projects over \$20M are expected to complete procurement analysis. Projects over \$50M are subject to additional business case measures for federal funding. SaskBuilds has resources and expertise for completing procurement analysis. If you are at that stage, please contact SaskBuilds for assistance. SaskBuilds' officials will work with you to determine the appropriate level of analysis to your project and will share tools and resources to support aspects of procurement analysis.

### 4.2 Procurement Strategy for Projects (under \$20M)

**NOTE:** Only projects under \$20M which are requesting capital funding are required to complete this section. Projects over \$20M assessed as 'ready to proceed' through the Integrated Capital Planning process will require completion of a Procurement Analysis. Contact SaskBuilds for further direction.

- Describe the proposed procurement strategy and governance structure. For example, traditional procurement methods (i.e. Design-Build; Design-Bid-Build), material purchases using an RFP, etc.

- Identify the project team, or project manager responsible for implementing the project.
- Briefly describe your ministry's process for selecting the proposed procurement strategy and if other procurement options were considered.
- Outline any impediments to the implementation of an effective procurement strategy.

## 5. Project Appendices

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

Date of the Report	Report Name

## 6. Guide for Completing a Multi-Criteria Analysis of Options

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

### 6.1 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 project options:
  - The project options summary table in the Business Case template may provide some direction.
- The following assessment criteria below can be considered:
  - Project costs; alignment to ministry and government strategic objectives (e.g. alignment to the needs assessment); impact and benefits to stakeholders; delivery risks; project complexity; functionality; capacity; and health and safety.

### 6.2 Options Ranking Comparison

- Identify the comparison method used to arrive at the recommended project option. Ministries should use the methodology that best suits their needs.
  - The project 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 project objectives?

### 6.3 Participants

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

### 6.4 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 project;
  - Savings that would be realized by investing in the project; and
  - Revenues (if any) that would be generated or affected once the project 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.