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Introduction

The Capital Planning Manual outlines the objectives and requirements for the Government of Saskatchewan’s annual call for capital plans.

For any questions regarding the manual or call for capital plans, please contact SaskBuilds or email saskbuilds.icp@gov.sk.ca.

Objectives

The integrated capital planning process seeks to create a fundamental change in the culture of how capital planning is completed. Change will be achieved through:

- More consistent and robust information to decision makers.
- Business cases with clear scope with detailed lifecycle costing estimates.
- Identification of strategic investments rather than funding “shovel ready” projects.
- On time and on budget project delivery.
- Benchmarking and performance reporting.

Ultimately the goal is to provide better advice and information to support decision making. The government’s desired state is to have its critical and strategic infrastructure in good condition in order to deliver programs and services to citizens. In addition to identifying new assets, the integrated capital planning process seeks to identify investments in existing facilities where:

Joint-use school under construction in Martensville.
• Critical and strategic assets in poor condition are identified for priority investment.
• Less critical infrastructure in good condition is considered for potential repurpose.
• Assets in poor condition with low utilization are identified for strategic disposition.

*Figure 1 (right), identifying capital investments*

**Governance**

SaskBuilds is responsible for the delivery of the integrated capital planning process and development of the Integrated Capital Plan. SaskBuilds reports all findings and recommendations to SaskBuilds Board who then considers further recommendations to Treasury Board and Cabinet. Figure 2 identifies the structure for the various committees which support the planning process:

• A Deputy Ministers of Infrastructure Steering Committee provides leadership for the implementation and ongoing management of the integrated capital planning process.
• The Review Committee is responsible for the prioritization of all new capital requests.
• SaskBuilds seeks guidance and implements improvements with the Capital Planning Community of Practice and Asset Management committees.

*Figure 2 (right), capital planning governance*
1. Annual Integrated Capital Planning Cycle

As in the past, the planning cycle has been designed to allow for ministries and third parties (such as health regions, school districts, universities or colleges) to identify their strategic infrastructure needs in preparation for their budget requests.

Figure 3, integrated capital planning cycle
1.1 Ministry Capital Plans

Capital Asset Plans

Ministries and third parties are responsible for the management of their existing stock of infrastructure (asset management) including: asset inventories, assessments, maintenance schedules, asset renewal and development of their capital asset plans. Figure 4 demonstrates that in order to make strategic investment decisions the needs at each level must be identified and filtered based on the established screening processes.

Figure 4, capital planning prioritization funnel

- Third party (i.e. school division) capital plans identify needs.
- Ministry capital plans prioritize by sector.
- Saskatchewan Builds Capital Plan is released with the budget.

New Infrastructure Projects

The integrated capital planning process has placed increased emphasis on upfront planning rigor to ensure projects have a detailed business case which includes:

- **Needs Assessment**: the project need is clearly articulated and aligns with government/ministry strategic direction and program objectives. For example, the facility is in old and poor condition or growth has created new demand.

- **Options Analysis**: the project demonstrates a thorough analysis has occurred that explores options to address the program need which may include the status quo, program changes, alternative service delivery, asset consolidation or capital investment.

- **Procurement Strategy**: a procurement options analysis identifies viable procurement options in order to recommend the procurement strategy that best achieves the project objectives and value for money. Because different procurement methodologies require different degrees of upfront planning (design, etc.) it is important to complete this analysis at the right time in a project. SaskBuilds has expertise to help complete this work.
Why do we invest time upfront? At the initial planning stage, government has the most control over the outcome of a project. Negotiating scope and design changes once a contract has been awarded results in higher costs and schedule delays.

Figure 5, project influence over time

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1.2 SaskBuilds' Screen

SaskBuilds’ project screening provides two of the three fundamental lenses for assessing whether to make a capital investment. First, project readiness is assessed to ensure that business cases are complete. Second, new projects are prioritized based on their alignment to government goals and ranked based on their comparison to each other. The third and final lens is affordability which is managed as part of the budget process.
Project Readiness

SaskBuilds completes a risk analysis of all business cases for new capital projects submissions. The analysis considers all elements of a business case, including needs assessment, options analysis and procurement analysis. Best practices suggest that infrastructure investment decisions should be made with consideration of the full lifecycle costs including operational changes and long term asset management and maintenance costs. SaskBuilds reviews all cost estimates and assesses how well projects articulate planning, capital, operation and maintenance costs.

Due diligence efforts will continue to ensure projects complete the necessary planning stages and lifecycle cost estimates before investment decisions are requested.

Prioritization

To prioritize projects, SaskBuilds uses an evidence-based scoring matrix that was developed based on international best practices and input from across government. The prioritization matrix is reviewed annually by the Deputy Ministers of Infrastructure Committee and criteria are shared with the Community of Practice. Figure 6 outlines key steps in the prioritization process.

1. PREP EXHIBITS
   SaskBuilds does an initial review and prepares risk analysis for the review committee.

2. EVALUATIONS
   An independent internal review committee evaluates each submission and comes to a consensus priority score. The overall results are ranked. Ties are uncommon but allowed.

3. READINESS ANALYSIS
   SaskBuilds completes the risk analysis of project readiness, as described above.

4. DRAFT PLAN
   A final, prioritized list is included in the year's Integrated Capital Plan

1.3 Report Development

SaskBuilds’ findings and recommendations are summarized in the annual integrated capital plan. It is a strategic planning document which provides an overview of the condition of current assets, recommendations for new investment opportunities, provides a status of projects currently underway.
Recommendations made in the integrated capital plan are provided to the SaskBuilds Board before proceeding to Treasury Board and Cabinet.

It is important to note that an individual project planning lifecycle may not be aligned with the annual capital planning cycle. Figure 7 provides an overview of the steps that an individual capital project typically would follow for a ministry. The project lifecycle extends over several steps from the generation of the idea to construction and throughout the operation, maintenance and rehabilitation lifecycle phase. SaskBuilds supports business case development throughout the year and provides advice to Treasury Board and Cabinet as required.

Figure 7, lifecycle of an individual capital project

Project Performance

Monitoring and reporting on projects is a key component of effective project management. The purpose of the annual Project Status Updates and Post-Project Reviews is to take a first step towards a government-wide database of project performance. Ministries are asked to submit data on a regular basis in order to ensure the province is aware of any major changes to projects, including changes to scope, costs, schedule and risk profiles. Information collected will offer valuable insights and beneficial lessons to improve future capital planning processes.

1.4 Budget Development

The third and final lens for capital planning is affordability. This lens is applied by Treasury Board in the budget process. Capital funding and new infrastructure investments are announced in the Provincial Budget as part of the Saskatchewan Builds Capital Plan.
2. Integrated Capital Plan Submission

Section 2 of the Integrated Capital Planning Manual provides instructions on completing the submission requirements from the Call for Capital Plans. Sections 2.1 through 2.5 discuss each requirement in more detail. Templates are provided in the following sections.

2.1 Capital Projects and Programs List

The capital projects and programs list is required as a summary of all ministry capital infrastructure projects and programs with the exception of IT, fleet, equipment and leasehold improvement projects. This list should indicate all projects (in progress, advanced in the planning process, or early stage ideas; funded or unfunded) for the next 10 years. The number of projects submitted is at the organization’s discretion. Ministries will need to indicate how the funding will be allocated between planning and capital. An excel template is provided for this requirement.

This list should reflect a ministry’s anticipated capital needs over the next 10 years with details for the four year budget request. The list must include all projects submitted with a business case and may include additional new project or program ideas. As we recognize that planning often requires funding, specific columns for planning requests have been separated in the template.

The list should be prioritized to reflect the internal prioritization of the ministry.

It is reasonable to predict that a ministry’s list submitted for the integrated capital plan may change prior to the ministry’s budget submission. This may be due to better developed costing information, ministry re-prioritization, meeting budget targets or emergent needs. Any updated information should be provided to SaskBuilds and Treasury Board branch as part of the budget process.

Ministries should attach a supporting document with a description for each project or capital program (similar to a glossary) that is not supported by a business case or capital funding proposal.

2.2 Business Case Template and Guide

The Business Case Template and Guide requires an evidence-based rationale for government to invest in the proposed project. The business case 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.
2.3 Capital Asset Plan Template and Guide

It is important that capital investments are protected over the long term through maintenance and lifecycle planning. Protecting the longevity of capital assets will contribute to business continuity and minimize disruption to public services. This requires long-term asset management planning. A long-term capital asset plan is one component of effective asset management which allows government to prioritize needs and strategically allocate funding. Ministries are encouraged to develop rolling, multi-year capital asset plans that flow from and support their strategic plans, and reflect the cost of managing assets through their life cycles.

This section outlines a detailed description of the ministries asset management plan and assessment methodology. This includes an assessment of the overall state and functionality of the ministry’s asset portfolio and the ability of current infrastructure to meet the needs of the province now and in the future.

2.4 Program Business Case Template and Guide

SaskBuilds has developed the Program Business Case to summarize an evidence-based rationale for government to invest in the proposed program. The Program Business 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.
Templates
3. Business Case Template and Guide

Purpose of the Business Case Template and Guide

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 assessed as ‘ready to proceed’, projects above $20 million (M) will be required to complete the Procurement Analysis input for the 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.
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). Please follow the prompts in each section. They encourage consistency so projects can be rolled up for decision makers.

<table>
<thead>
<tr>
<th>Ministry Estimated Project Cost:</th>
<th>$</th>
<th>+/- % (Range)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20 Anticipated Budget Request</td>
<td>$</td>
<td>Funding Purpose:</td>
</tr>
<tr>
<td>Facility Condition Index:</td>
<td>Geo Coordinates:</td>
<td></td>
</tr>
<tr>
<td>Location: (civic address or start and end points for highways)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project Overview

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

Demonstrated Need

- The facility is experiencing overcrowding as a result of a growing population. . .
- 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. . .

Cost Estimates (Preferred Option)

<table>
<thead>
<tr>
<th>Total Past Budgets Received ($000s)</th>
<th>Year 1 ($000s)</th>
<th>Year 2 ($000s)</th>
<th>Year 3 ($000s)</th>
<th>Remaining Budget Estimate ($000s)</th>
<th>Total Cost Estimate ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Planning Costs</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>$</td>
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<td>Internal Effort Cost Estimates</td>
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<td>Capital Costs</td>
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<td>Third Party Funding</td>
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<td>$</td>
<td>$</td>
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<tr>
<td>Total Cost Estimate</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| Estimated Annual Operating Costs (Post Construction) | $ | Net Change in Annual Operating Costs From Current State | $ |
| Estimated Annual Maintenance Costs (Post Construction) | $ | Net Change in Annual Maintenance Costs From Current State | $ |

- 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 estimated capital cost expected to begin in what year].

**Project Governance**
- The governance of the project includes [oversight] and [management] by [groups].

**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).

### 3.1 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.*

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

**3.1.1 Opportunities**
- Identify problem(s) or opportunity(ies) that may require a capital investment.
- 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 its strategic plan.
- Are there any specific benefits that can be noted as evidence that needs are being addressed by this investment (e.g. accessibility improvements, environmental benefits, increased programming)?

**3.1.2 Factors Driving the Need**
- Based on the ministry's Capital Asset Plan, Environment Scan and/or relevant program reviews, 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.
- Outline the potential benefits to citizens.
- Outline any studies underway or completed that have been used to identify the project need.

**3.1.3 Performance Measures**
- Identify the desired project outcomes and the measures that will be used to track them. They may include:
  - Safety: Are there specific improvements to capital that are required due to safety risks or compliance (e.g. code violations)?
  - Capacity: Are there specific improvements to capital that are required due to capacity to delivery programs or services?
  - Quality: Are there specific improvements to capital that are required due to improved quality of program or service delivery? What are the current and desired states of service?
  - Accessibility for persons with disabilities; and
  - Alignment with the ministry/sector level of service standards.
3.1.4 **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 measure if available.
- Include a functional assessment of the current infrastructure’s ability to meet the needs of the Province now and in the future.
- Include any stakeholder input or involvement in assessing the current state of infrastructure.

3.1.5 **Desired Infrastructure Asset State**
- Indicate the desired future state of the asset.
- How does this project link to the ministry’s level of service guidelines/targets?

3.1.6 **Risks**
- Describe risks to stakeholders, the ministry, and government if this project is not approved.
- Are the risks significant; are there any political, economic regulatory risks associated with not approving the project?
- Describe the impact on the ministry’s and/or government’s reputation.
- Are there any regulatory or policy limitations?
- Are there any demand and/or supply risks (e.g. labour capacity)?

3.1.7 **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.

3.1.8 **Additional information**
- Describe the anticipated impacts and benefits of the project on key stakeholders and citizens.
  - Responses should be quantified to substantiate the qualitative information provided.
- Attach any images that would help to describe conditions of facilities and allow reviewers to produce a more accurate evaluation of projects.
- 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.

3.2 **Preferred Option**

*This section explores 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.*

3.2.1 **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. Provide a quantitative estimate of the project scope (e.g. at least three courtrooms, nine classrooms, 18 km of highway, square metres, etc.). Please compare existing asset if applicable to the future state.
- Identify the proposed project location (full civic address and geo-coordinates in the degrees, minutes, and seconds format).
3.2.2 Rationale and Objectives
- Explain how this option will meet the needs identified in the Needs Assessment; including:
  - Whether this solution meets 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?
  - What are the key objectives of this project?
  - What impact does this project have on long-term sustainability of the ministry’s assets? and
  - If the option expands from the current state (e.g. one courtroom to two courtrooms), explain the rationale for the increase.

3.2.3 Planning to Date
- Outline any planning costs and activities that have occurred related to this project.
- Provide a list with dates of all planning outcomes that have been completed and ongoing. This may include detailed studies (e.g. feasibility, design) and substantive stakeholder consultations linked directly to results from the Needs Assessment and Options Analysis.
- What level of design (if at all) has been completed for the project? (i.e. up to 25%/ 26-50%/ 51-75%/ 76-100%)

3.2.4 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).

3.2.5 Cost Estimates 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.
- What are the estimated total capital project costs and annual capital costs? Does this include costs of disposing of the existing asset?
- What percentage of contingency is included?
- What are the key risks that this option will not be completed within the estimated project costs?
- What strategy and processes have been identified for estimating, monitoring and controlling project costs?
- Provide historical funding allocations (e.g. 2014-15, 2015-16, etc.) and the incremental funding request.
- What is the current level of cost certainty (+/- XX%)?
- Identify cost and funding components by year/time horizon including: the planning costs, capital costs, total lifecycle costs (maintenance and operations), incremental funding requirements, and results of a cost benefit analysis. As internal efforts should be captured, please note internal (i.e. full-time equivalent effort and base budgets) resources put into this project. Summarize the costs in the following table.
3.2.6 Lifecycle Costs
- Outline the current and estimated operating and maintenance life-cycle costs of the completed asset on an annual basis. This includes breakdowns of salary and non-salary expenditures such as operating utility estimates.
- Outline any risks with the estimated operating costs.
- 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).
- Demonstrate how the ministry will manage the reoccurring costs within its budget.
- 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; however, the new solution will require additional staffing (estimated at # of FTEs) to manage increased capacity of the asset).

3.2.7 Internal Resources
- 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?
- Indicate whether the ministry is planning on using its capital base allocations toward planning costs or capital costs of this project. Specify and provide a rationale.

3.2.8 Third Party 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. For Federal projects include the estimated “eligible costs” and identify the estimate of each parties share.
- Provide a summary of any relevant conditions or terms.

*Note: Projects applying for federal funding will need to complete Annex A for consideration.*
3.2.9 Project Management
• Describe the governance structure including detailed roles and responsibilities (authority delegations to approve project scope, change requests, etc.).
  o Identify key roles – which entity will request budget? Who will sign the agreements with the designer and/or builder? Ultimately own the asset?
  o In the instances with multiple parties, how will you work together?

3.2.10 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, 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.
• NOTE: Responses should not include consequences of not approving the project. That would be part of a project’s rationale.

3.2.11 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:
  o Dates on when the commitment was made; and
  o Links to any relevant news releases, etc.

3.3 Options Analysis
Ministries are required to consider all reasonable options including the status quo. If the status quo is not an option, ministries must indicate the minimum alternative. This section allows ministries to demonstrate that it has applied some rigour into assessing possible solutions. The analysis also supports government decision making.

Potential options should consider potential programmatic solutions. Programmatic solutions may include changes to delivery methods (e.g. online learning/video-conferencing court appearances, alternative delivery options) and changes to reduce demand (e.g. home care, alternative measures, legislative changes).

Capital option alternatives should evaluate scope options (e.g. passing lanes vs. twinning or less classrooms with portables) and trade-offs between renovations, additions or new facilities. Additional options may involve collaboration with different programs, ministries, and/or could consider opportunities for consolidations.

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

A. Option 1
B. Option 2
C. Option 3
3.3.1 **Option Description**
- Describe the general project scope of this option.
- Provide a list of what is in-scope and out-of-scope. Provide a quantitative estimate of the option scope (e.g. at least three courtrooms, nine classrooms, 18km of highway, square metres, etc.).
- Identify the proposed location and constituency.

3.3.2 **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.

3.3.3 **Timeframe**
- Provide the best estimates of timeframes for commencing and completing each phase of the project by option considered, for example commencement and completion of Procurement Analysis and Procurement [e.g. Request for Qualifications, Request for Proposals (RFP) and Project Agreement].

3.3.4 **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.

<table>
<thead>
<tr>
<th></th>
<th>Total Past Budgets Received (2016-17 and prior) ($000s)</th>
<th>2017-18 ($000s)</th>
<th>2018-19 ($000s)</th>
<th>2019-20 ($000s)</th>
<th>Remaining Budget Estimate (2020 – xx) ($000s)</th>
<th>Total Cost Estimate ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>$</td>
<td>$</td>
<td>$</td>
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</tr>
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<td>Internal Effort Cost</td>
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</tbody>
</table>

3.4 **Options Comparison**

This section allows decision makers to understand how the ministries compared options and arrived at the recommended project.

3.4.1 **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 and Guide may provide some direction.
• The following assessment criteria below can be considered:
  o Project costs;
  o Alignment to ministry and government strategic objectives (e.g. alignment to the needs assessment);
  o Impact and benefits to stakeholders;
  o Delivery risks;
  o Project complexity;
  o Functionality;
  o Capacity; and
  o Health and safety.

3.4.2 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.
  o The project options summary table uses the weighted multi-criteria method which involves identifying discrete criteria and weights for each criterion. The project options summary 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?

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

3.4.4 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:
  o Costs that could be avoided by completing the project;
  o Savings that would be realized by investing in the project; and
  o 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.

3.5 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.

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.
3.5.1 Procurement Strategy for Projects

*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-Builds; Design-Bid-Build), material purchases using an RFP, etc.
- Identify the governance structure, 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.

3.5.2 Project Resourcing and Budget

- Identify the person responsible for developing the project budget and for ensuring that budgets are duly met and tracked throughout the duration of the project.
- Describe what resourcing plan and budget have been approved for moving the project through the planning, design, procurement, construction and transition to operations phases.

*NOTE:* Ensure that the resourcing plan demonstrates the time commitment required of governance and project team members, as well as the training required to assist team members in effectively executing their responsibilities and the budget associated to fund time and training commitments.

3.6 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 the documents below.*

<table>
<thead>
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4. Capital Asset Plan Template and Guide

It is important that capital investments are protected over the long term through maintenance and lifecycle planning. Protecting the longevity of capital assets will contribute to business continuity and minimize disruption to public services. This requires long-term asset management planning. A long-term capital asset plan is one component of effective asset management which allows government to prioritize needs and strategically allocate funding. Ministries are encouraged to develop rolling, multi-year capital asset plans that flow from and support their strategic plans, and reflect the cost of managing assets through their life cycles.

4.1 Background

For each of the categories of infrastructure (e.g. long term care facilities, hospitals, schools, bridges, highways, etc.), that is managed or funded by your ministry, please outline the following:

4.1.1 Asset Management Plan and Assessment Methodology

- Identify your ministry’s asset management plan, including a detailed description of the ministry’s capital planning process which consists of resources used, how stakeholders are engaged, and the planning prioritization process for individual projects.
- Outline the method your ministry uses to assess the condition of its assets (e.g. assessment software, visual inspection, performance data, external resources, etc.), including the frequency of assessments.
4.1.2 State of the Infrastructure Assessment

- Provide a general assessment of the physical condition of the current assets.
- Provide a general assessment of the current infrastructure’s ability to meet the needs of the province now and in the future including how the current budget proposal aligns with their capital plan.
- Provide key facts and figures about the infrastructure including number of buildings/facilities, average age of facilities, total book value, total replacement cost, annual maintenance expenditures, and estimated deferred maintenance liability (Note: Section 3 provides more in-depth analysis).
- Note activity undertaken over the past few years in the particular infrastructure area.

4.2 Sector and Utilization Trends (Demand Side)

Each ministry completes an Environmental Scan which will provide details on demographics and trends affecting a ministry programs and future needs. To complete this section, please liaise with the officials in your ministry who prepare the environmental scan. The questions below should use available information and identify the impact on capital and/or the ability of the asset portfolio to support program changes and demand.

- Identify capital demand, by considering a broad range of factors:
  - Demographics - consider both current and future indicators, such as population change by age cohort; impacts of births, deaths, immigration and emigration; and issues specific to program areas;
  - Program changes – these include new initiatives, program terminators or changes in program parameters;
  - Technological changes – examples include the impact of technological options (e.g. do programs need to be delivered in a physical location?) and technological “disrupters” (e.g. driverless cars, electric vehicles, ridesharing applications);
  - Economic or business changes – these include current and project financial or economic/market trends and opportunities – on general, or specific to the service sector;
  - Environmental factors – these include the impact of any potential changes to environmental standards or government targets (e.g. greenhouse gas emission targets, energy efficiency targets);
  - Usage trends – historical trends of usage, waitlists or other internal information;
  - Social changes – trends that could affect service delivery needs; and
  - Legislation – factors to consider here include any new statutory requirements affecting the ministry.

4.3 Current State (Supply Side)

4.3.1 Condition of Assets

This section requires analysis of the overall state of the ministry’s asset portfolio. It is up to the ministry’s discretion whether information should be presented in one or multiple tables. Please try to limit the overall number of tables.

- How does your ministry or sector define: new, good, fair, poor and critical condition of assets? (Do different asset types have different definitions in your sector?)
- Prepare a table (or tables) that represent the condition of your ministry’s or sector’s assets.

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<thead>
<tr>
<th></th>
<th>Total</th>
<th>New</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
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Based on the analysis completed on the portfolio, provide analysis describing:

- For the portfolio:
  - What does the ministry’s data show in terms of the trend?
  - How many assets, at the current rate of replacement, does the ministry predict will become critical in the next 1, 5 and 10 years?

- For Critical Assets: (describe what the ministry plans to do about them)
  - Some questions that a ministry might consider in this analysis:
    - Are there any assets that can be disposed of?
    - Do you have a map of the critical assets?
    - Can you identify opportunities for consolidation?
    - How many require full replacement?
    - How long will it take to replace them at current funding levels?
    - What would a reasonable replacement schedule look like?
    - What are the impact (to citizens/staff/users, operational, significant risks) to continuing use of these assets?
    - What is the ministry plan for the critical assets?

4.3.2 Functionality

This section requires analysis of the overall functionality of the ministry’s asset portfolio. Functionality refers to the ability of the asset to meet the needs of the program. Functional issues may exist that impede desired uses of the asset or reduce efficiency (e.g. staff cannot get from one part of the building to another without exiting to the exterior, patients have to visit three different floors in different wings to get required screening tests, or additional security staff are required). It is up to the ministry’s discretion whether information should be presented in one or multiple tables. If information to complete the tables is unavailable, please provide background on major functional issues in your sector and highlight any particular assets or asset trends that impact functionality.

- Describe level of service standards within your ministry or sector.
- Assess your portfolio against the level of service standards by completing the table below (or multiple tables for different asset types).

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<th>Partially Adequate</th>
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- After defining the level of functionality and if there is a lack of functionality describe
  - Key functional problems.
  - What are possible solutions and options?
  - What are the impacts of inadequately functioning facilities including: impacts to citizens, staff, operational budgets, waitlists, and desired outcomes?
4.4 Maintenance

Based on status quo funding levels outline the ministry’s/sector’s maintenance priorities.

<table>
<thead>
<tr>
<th>Maintenance Priority</th>
<th>Deferred maintenance ($000s)</th>
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<td>Asset xxx</td>
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<td>Asset Group XXX</td>
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- Indicate your ministry’s incremental maintenance requests by fiscal year.

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4.5 Capital Plan

Based on the analysis completed in this plan, Ministries are asked to outline a 10-year capital plan using the “Project and Programs List” (or a ministry’s own format) for three funding scenarios. This plan should include preventative maintenance and renewal, core capital, asset replacements, rehabilitations, and expansions or any other planned infrastructure capital investment.

Note: Ministries should specify specific replacements where prioritized (i.e. specify the top 10 schools) but can include the rate of replacement for additional out-years (i.e. four elementary schools/year; two long-term care facilities).

- Based on additional analysis please analyze different scenarios:
  - Status quo investment levels;
  - Decrease of 5%; and
  - Sustainable level of investment.
- Provide analysis of the state of the sector’s portfolio (e.g. based on each scenario how many assets or what proportion of the ministry’s portfolio is in critical condition in 5 years? In 10 years? What does each scenario mean to ongoing maintenance costs?).
5. Program Business Case Guide and Template

Purpose of the Program Business Case Template and Guide

SaskBuilds has developed the Program Business Case Template and Guide 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.

A capital program is a collection of smaller capital projects. A program can include internal ministry projects (i.e. safety upgrades to multiple assets) or it can be delivered by funding external parties (e.g. municipalities and community based organizations).

The Needs Assessment represents the initial stage in the 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.

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.
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). Please follow the prompts in each section. They encourage consistency so programs can be rolled up for decision makers.

<table>
<thead>
<tr>
<th>Ministry Estimated Program Cost:</th>
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<td>Length of program:</td>
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<td>2019-20 Anticipated Budget Request</td>
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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 . . .

Cost Estimates (Preferred Option)

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<thead>
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<th></th>
<th>Total Past Budgets Received ($000s)</th>
<th>Year 1 ($000s)</th>
<th>Year 2 ($000s)</th>
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<th>Remaining Budget Estimate ($000s)</th>
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</table>

- The cost estimates are based on X input and are considered accurate within +/-.
- Is the program expected to have lifecycle fiscal implications for recipients post-construction? How is this being managed?
Program Timelines
- Consultations with [remaining stakeholders] are required and are anticipated to occur in Month, Year.
- Anticipated program intake.
- Anticipated funding announcement.
- Anticipated construction commencement.
- Indicate if there are any timelines for construction completion.

Program Governance
- The governance of the program includes [oversight] and [management] by [groups].
- Recipients will be required to report [what] to [whom].

5.1 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.  
Note: The Capital Planning process requires ministries to attach all documents (e.g. reports, studies) that were used to inform the needs assessment section.

5.1.1 Opportunities
- Identify problem(s) or opportunity(ies) that may require a capital investment.
- How does this problem or opportunity affect program/service delivery for the sector at a high level?
- How this problem or opportunity is in alignment with the ministry’s strategic plan.

5.1.2 Factors Driving the Need
- Based on the ministry’s Capital Asset Plan, Environment Scan and/or relevant program reviews, summarize related information for demographics, economic changes, environmental factors, legislation, program changes, social changes, technology changes, etc. that are driving the need for a capital program.
- Outline the potential benefits to citizens.
- Outline any studies underway or completed that have been used to identify the program need.

5.1.3 Performance Measures
- Identify the desired program outcomes and the measures that will be used to track them. They may include:
  - Safety: Are there specific improvements to capital that are required due to safety risks or compliance (e.g. code violations)?
  - Green: Are their specific environmental outcomes of this program? What is the programs potential impact on greenhouse gas emissions?
  - Culture: Are their specific culture or community outcomes for this project?
  - Capacity: Are there specific improvements to capital that are required due to capacity to delivery programs or services?
  - Quality: Are there specific improvements to capital that are required due to improved quality of program or service delivery? What are the current and desired states of service?
  - Accessibility for persons with disabilities; and
  - Alignment with the ministry/sector level of service standards.

5.1.4 Current State of the Assets
- Using the information from the ministry’s Capital Asset plan note the asset condition trends that are driving this program. Why is this program a priority?
- Include a summary of the state of the current assets, including the FCI or other measure if available.
- Include a functional assessment of the current infrastructure’s ability to meet the needs of the Province now and in the future.
- Include any stakeholder input or involvement in assessing the current state of infrastructure.
5.1.5 **Desired Infrastructure Asset State**
- Indicate the desired future state of the assets.
- How does this program link to the ministry’s or sector’s level of service guidelines/targets?

5.1.6 **Risks**
- Describe risks to stakeholders, the ministry, and government if this program is not approved.
- What is the urgency of the risk? Imminent? 10 years?
- Are the risks significant; are there any political, economic regulatory risks associated with not approving the program?
- Describe the impact on the ministry’s and/or government’s reputation.
- Are there any regulatory or policy limitations?
- Are there any demand and/or supply risks (e.g. labour capacity)?

5.1.7 **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.

5.1.8 **Additional information**
- Describe the anticipated impacts and benefits of the program on key stakeholders and citizens.
  - Responses should be quantified to substantiate the qualitative information provided.
- Attach any images that would help to describe conditions of facilities and allow reviewers to produce a more accurate evaluation of programs.
- 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.

5.2 **Preferred Option**

*This section explores 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.*

5.2.1 **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. Provide a quantitative estimate of the program scope (e.g. estimated $XXM will fund xx projects over X years).
- Describe the anticipated recipient(s) (e.g. communities of X size or community-based organizations).

5.2.2 **Rationale and Objectives**
- Explain how this option will meet the needs identified in the Needs Assessment; including:
  - Whether this solution meets 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? and
  - If the program will fund expansions from the current state, explain the rationale for the increase.
5.2.3 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?

5.2.4 Timelines
- Anticipated consultations with stakeholders.
- Anticipated program intake.
- Anticipated funding announcement.
- Anticipated construction commencement.
- Indicate if there are any timelines for construction completion.

5.2.5 Cost Estimates of Preferred Option

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- The cost estimates are based on X input and are considered accurate within +/-.
- Is the program expected to have lifecycle fiscal implications for recipients 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?

5.2.6 Internal Resources
- Does the ministry have the resources (internal staff/external consultants) necessary to complete detailed planning and/or manage the program within its budget or is incremental funding required?
- Indicate whether the ministry is planning on using its capital base allocations toward planning costs or capital costs of this program. Specify and provide a rationale.

5.2.7 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. For federal programs include the estimated “eligible costs” and identify the estimate of each parties share.
• Provide a summary of any relevant conditions or terms.
• Note: Programs applying for federal funding will need to complete Annex A for consideration.

5.2.8 Program Management
• Describe the governance structure including detailed roles and responsibilities (authority delegations to approve funding proposals, individual project scope, change requests, etc.).
  o Identify key roles – which entity will request budget? Who will sign the agreements with the project proponent? Who is the likely proponent? Who will hold the contract with the designer and/or builder? Ultimately own the asset? Who is at risk for cost overruns?
  o 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)?

5.2.9 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 project 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.
• Note: Responses should not include consequences of not approving the program. That would be part of a program’s rationale.

5.2.10 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:
  o Dates on when the commitment was made; and
  o Links to any relevant news releases, etc.
• Have there been any local commitments to the project?

5.3 Options Analysis

Ministries are required to consider all reasonable options including the status quo. If the status quo is not an option, ministries must indicate the minimum alternative. This section allows ministries to demonstrate that it has applied some rigour into assessing possible solutions. The analysis also supports government decision-making.

Options considered could include alternative program delivery solutions, merit versus base funding, different program criteria, and different targeted outcomes.

Alternative Options

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

A. Option 1
B. Option 2
C. Option 3
5.3.1 **Option Description**
- 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. Provide a quantitative estimate of the program scope (e.g. estimated $XXM will fund XX projects over X years).

5.3.2 **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 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.

5.3.3 **Timeframe**
- 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.

5.3.4 **Option Costs**

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<th>Total Past Budgets Received ($000s)</th>
<th>Year 1 ($000s)</th>
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- Is the program expected to have lifecycle fiscal implications for recipients 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?
5.4 **Option Comparison**

This section allows decision-makers to understand how the ministries compared options and arrived at the recommended program.

5.4.1 **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 Guide 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.

5.4.2 **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 program options summary 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?

5.4.3 **Participants**

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

5.4.4 **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 or user fees (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 or better meets the desired outcomes compared to the alternative options or demonstrate the value of each of the suitable options.
5.4.5 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 the documents below.

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For more information,

Reach out to us at any time:

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