Risk Transfer
BCH SRO Renewal Initiative

Risk Transfer in P3s

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Risk Transfer in P3s

BCH SRO Renewal Initiative
Risk Transfer
BCH SRO Renewal Initiative
About BC Housing

Housing solutions for healthier futures
Vancouver's Downtown East Side
Project Overview

- Concept Plan
- Business Case
- Revised scope
- Risk transfer and value for money
- Funding
Project Scope

About BC Housing
Housing solutions for healthier futures

Vancouver’s Downtown East Side
Project Objectives

Project Scope

Hazelwood Hotel
Secord Hotel
Major Project Elements

Project Objectives

Project Scope

Secord Hotel

Secondary Hotel
Multi-Level Partnership

BC Housing

City of Vancouver

Permits and approvals

Non-Profit

Existing Relationship with NP

Proponent

Building Operations Interface

Contractual Relationship as defined within the Project Agreement
Value for Money Analysis

Figure #1
Illustrative BF VFM ($’s millions):

Total PSC = $107.0
- D: Ancillary Costs = $12.0
- C: Retained Risks = $20.0
- B: Financing Costs = $15.0
- A: Base Costs = $60.0

Total ASB = $100.0
- D: Ancillary Costs = $14.0
- C: Retained Risks = $7.0
- B: Financing Costs = $17.0
- A: Base Costs (Including Premium) = $62.0

Value for Money = $7.0
The Washington Hotel
<table>
<thead>
<tr>
<th>Risk</th>
<th>Retained by BC Housing</th>
<th>Transferred to HHI</th>
<th>Shared</th>
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<tbody>
<tr>
<td>Change in law</td>
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<td>Commissioning</td>
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<td>Construction</td>
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<td>Change in the cost of furnishings and installation</td>
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<td>Design</td>
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<td>Existing site conditions</td>
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<td>Existing structural risk</td>
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<td>Financing after Project Agreement execution</td>
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<td>Force Majeure</td>
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<td>Geotechnical</td>
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<td>Labour costs during operations</td>
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<td>Life Cycle</td>
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<td>Scope changes</td>
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<td>Regulatory and code compliance</td>
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<tr>
<td>Utility unit costs and consumption</td>
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</tbody>
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Thank YOU

Questions?

BC Housing