P3s COME IN EVERY SHAPE AND SIZE
If you buy one – make sure you can return it!

Components of P3s

According to the Public-Private Partnerships (P3s) office of Industry Canada, there are seven (7) major functions of P3s:

> **design, building, financing, operation and maintenance, leaseback, transfer and ownership.**

The more classical P3 model, however, consists essentially of the first four (4) components (design, building, financing, and operation and maintenance), defined as follows:

- **Design** – Private sector develops the design to meet its own (profit oriented) contractual obligation. For service, the public sector would set the goals and the private sector would develop the strategies to meet these goals.

- **Building** – Private sector builds the facility, but more often than not, non-union labour is utilized to do the work.

- **Financing** – Private financial sources are used to finance the project and the private sector would own the project during the term of the contract or more.

- **Operation and Maintenance** – Private sector operates the facility or service and charges the general public a high fee for usage. Moreover, employees are often private sector workers with reduced or non-union protection.

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P3 Variations

In reality, there are often different combinations of these various components. This list is taken from the P3 office of Industry Canada:

BOO (Build Own Operate) The private sector builds, owns and operates the facility.

BOOT (Build Own Operate Transfer) The private sector builds, owns and operates the contracted facilities and transfers them to the public sector at the end of the contract term.

BOT (Build Operate Transfer) The private sector builds and operates the contracted facility during the contract term and transfers it to the public sector at the end of the term.

BTO (Build Transfer Operate) The private sector builds the contracted facility, transfers it to the public sector at the beginning of the contract and then operates the facility during the contract.

DBFO (Design Build Finance Operate) The private sector designs, builds, finances and operates the contracted facilities.

The Ontario Health Coalition (OHC) in their August 26, 2005 briefing note: "McGuinty Private P3 Hospital Plans Truth Serum" notes two other variations:

BBO (Buy Build Operate) Transfer of a public asset to a private or quasi-public entity under an upgrade and operate contract.

O&M (Operation & Maintenance Contract) A private operator operates a publicly-owned asset for a contracted term.