

A Better Infrastructure System Led By First Nations

DRAFT 2 – Feb 11, 2019

Draft – For discussion; Draft 2 has not yet been approved by FNII DB
Evolving – Institutional design continues to evolve based on continued engagement



First Nations Infrastructure Institution

Système d'infrastructures des premières nations



Developed by Fiscal Realities Economists and Urban Systems Ltd.
Developed for the FNII Technical Working Group (TWG) and FNII Development Board (DB)



Q: What will FNII do?

Planning	Procurement Option Analysis & Project Optimization	Pre-Procurement & Procurement	Project Financing	Design, Construction & Insurance	O&M & Asset Management
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FNII Innovations

<ul style="list-style-type: none"> Provide support and services for integrated planning processes to participating scheduled FNs, non-scheduled FNs, entities owned by multiple FNs, and not-for-profits providing services to Aboriginal groups and people Provide models, templates or guides for integrated planning processes Develop standards for economic plans, land use plans, infrastructure plans, preliminary financial plans Develop standards for feasibility studies Store and provide access to asset information and data to support planning processes Offer training and capacity development for Capital Managers Utilize an approach that allows the integration of community and economic infrastructure strategies 	<ul style="list-style-type: none"> Assign FNII personnel to a dedicated Project Teams to optimize projects for market Provide support to access professional services where appropriate to increase capacity of Project Teams Maintain a roster of approved professionals to help with procurement option analysis Develop standards for procurement evaluations Provide support to develop strong business cases (i.e. identify procurement options, qualitative analysis, market soundings, quantitative analysis, etc.) Explore and implement opportunities for private sector participation in infrastructure projects (especially when more appropriate distribution of risk is possible) Support community decision processes in procurement option evaluations Offer training and capacity support for Capital Managers (participating FNs own members on Project Team) Review and approve projects for FNII-coordinated procurement 	<ul style="list-style-type: none"> Provide support for pre-procurement activities like RFEOI, RFI, RFQ Develop standards for procurement documentation Provide support to prepare procurement documentation Provide guides, templates or models for procurement documentation Review procurement documentation Provide support to take projects to market and issue RFPs Provide support through open period (i.e. commercially confidential meetings and bidders workshops) Offer support for evaluation of received bids Provide support to access fairness monitors if required Provide support in final negotiations with preferred bidder Support to establish the right incentives through payment schedules and payment types Support to finalize project agreement and financial agreement to ensure appropriate distribution of risks 	<ul style="list-style-type: none"> Develop standards to adopt a sustainable lifecycle fiscal plan (that considers all estimated costs over entire asset lifecycle from conception to decommission) Coordinate review of lifecycle fiscal plans with FMB with respect to long-term fiscal sustainability and seek opinion from FMB (short of approval or certification) Coordinate Local Revenue options of participating scheduled FNs with FNFC for project financing Coordinate expanded revenue options (i.e. cannabis tax, resource tax, FNGST) of participating scheduled FNs with FNFC for project financing Coordinate use of 10-year grants of participating scheduled FNs and non-scheduled FNs with FMB for project financing Coordinate use of Other Revenue options of participating scheduled FNs with FMB and FNFA for project financing Coordinate available infrastructure program funding options from Canada, provinces, other or specific funding arrangements Coordinate project borrowing with FNFA or other lenders Develop and offer training and capacity support related to financing for Capital Managers Certify projects as having met FNII standards (provides signal to potential bidders, funders, lenders, O&M providers, and other FMA institutions that project risks have been managed by meeting standards) 	<p>Design</p> <ul style="list-style-type: none"> Develop standards to rely on seal of certified professionals for design work (elimination of unnecessary and redundant reviews) Maintain and provide access to a database of infrastructure designs Offer support to implement new infrastructure innovations (based on research and analysis of new infrastructure technologies in use) Provide support for capacity development related to design review for Capital Managers Standard to adopt existing building and construction codes with ability to modify as necessary for local circumstances, climate or geography Develop standards for contracting Provide support for capacity development and training for Capital Managers related to construction management and contracting Offer skills training for participating FNs membership to increase project participation and ability to realize contracting opportunities Monitor any key performance indicators related to construction contained in contracts <p>Insurance</p> <ul style="list-style-type: none"> Explore insurance options for coverage of infrastructure assets 	<ul style="list-style-type: none"> Develop standards to adopt existing service quality codes or guidelines with ability to modify for local circumstances or conditions Develop standards for performance of O&M activities or development and implementation of asset management plans Monitor O&M activities Provide support for to meet O&M standards Trigger (when necessary) FMB to step in to temporarily manage participants' financial systems to ensure good asset management in compliance with O&M standards Provide for the collection and management of O&M data Explore and support private sector opportunities to provide O&M Develop standards for reserve funds for infrastructure replacement and for major repairs Offer capacity development for Capital Managers related to monitoring of O&M activities, provision of training to achieve O&M standards and, where necessary, implementation of protocols for enforcement of O&M standards Maintain and provide access to a repository of operating manuals Monitor any key performance indicators related to O&M contained in contracts Provide for the inclusion of future operators on dedicated Project Teams at early planning stages through contract execution
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Related to Funding / Financing

<ul style="list-style-type: none"> Provide funding for integrated planning activities and processes to participating scheduled FNs, non-scheduled FNs, entities owned by multiple FNs, and not-for-profits providing services to Aboriginal groups and people Provide funding for planning-related training and education for Capital Managers 	<ul style="list-style-type: none"> Provide funding for procurement option analysis Provide funding for contracted professional expertise where necessary for procurement option analysis or project optimization Provide funding for education and training activities related to procurement option analysis for Capital Managers (and participating FNs own members on Project Team) 	<ul style="list-style-type: none"> Provide funding for pre-procurement activities and preparation of procurement documents or the mechanism to roll these costs into total project costs Provide funding for capacity development of Capital Managers to facilitate efficient pre-procurement and procurement activities 	<ul style="list-style-type: none"> Support the monetization of federal transfers by working with Canada, FMB and FNFA or other lenders Support the securitization of Local Revenues or emerging revenues by working with FNFC and FNFA or other lenders Support the securitization of Other Revenues by working with FNFA or other lenders Work with Canada, provinces or other entities to facilitate the incorporation of other available infrastructure program funding If created, manage the transfer from Canada into an "Infrastructure Investment Fund" 	<p>Design</p> <ul style="list-style-type: none"> Provide a mechanism to roll costs for design work into project costs <p>Construction</p> <ul style="list-style-type: none"> If an "Infrastructure Investment Fund" is created, manage the distribution of funds for project construction 	<ul style="list-style-type: none"> Provide support to analyze options to recover O&M costs (funding plus fiscal tools) Provide mechanisms to ensure more efficient, more certain cost recovery methods for O&M activities Support incorporation of other revenue streams to contribute to the funding of O&M activities
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Working with Regional Partners

<ul style="list-style-type: none"> Coordinate development and delivery of FNII services with regional partners (FN technical organizations like TSAG, OFNTSC, APC, etc.) Support regional partners to form aggregations of FNs and other entities to improve planning processes Support, and coordinate where appropriate, regional partners to develop and offer their training programs and capacity development programs related to planning Support regional partners in the analysis and communication of their collected data related to planning 	<ul style="list-style-type: none"> Coordinate with regional partners (FN technical organizations like TSAG, OFNTSC, APC, etc.) to place appropriate personnel on dedicated Project Teams Utilize regional partners' knowledge of and relationships with potential bidders to improve efficiency of procurement option analysis 	<ul style="list-style-type: none"> Based on their expertise with specific infrastructure technologies and any available knowledge of potential bidders, receive input from regional partners to increase efficiency of pre-procurement activities and improve preparation of procurement documentation to improve quality of received bids 	<ul style="list-style-type: none"> Support regional partners (FN technical organizations like TSAG, OFNTSC, APC, etc.) to form aggregations of FNs to achieve larger scale projects required to improve project financing terms, attract private sector involvement, achieve a more appropriate distribution of risk, lower costs, and reduce timelines 	<p>Design</p> <ul style="list-style-type: none"> Rely on input from regional partners with respect appropriate designs (i.e. infrastructure solutions and technologies that are effective and with which regional operators are familiar) Support regional partners in the collection of designs for storage to assist in research and analysis of new technologies <p>Construction</p> <ul style="list-style-type: none"> Rely on regional partners to assist in the identification of appropriate building and construction codes and any modifications required Coordinate with regional partners for the delivery of construction-related activities (i.e. inspection) Rely on regional partners for their knowledge of local labour force to maximize FN participation and contracting opportunities Rely on regional partners for skills inventory data collection to identify opportunities for specific training related to future works Coordinate the development and delivery of training with regional partners (possibly including through the Tulo Centre) 	<ul style="list-style-type: none"> Rely on regional partners in the identification of appropriate service quality guidelines and any required modifications Coordinate with regional partners in the delivery of training and capacity development programs for O&M providers Coordinate with regional partners for the efficient delivery of O&M activities Support regional partners in the collection of O&M data Coordinate with regional partners to monitor O&M activities Coordinate enforcement protocols with FMB with respect to insufficient O&M performance
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Q: What are the legislative requirements associated with these innovations?

Planning	Procurement Option Analysis & Project Optimization	Pre-Procurement & Procurement	Project Financing	Design, Construction & Insurance	O&M & Asset Management
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Legislative Elements – Establishment and Organization

<ul style="list-style-type: none"> Establish the institution Provide the institution with the required capacities (i.e. enter contracts; acquire, hold, dispose of property; raise, invest or borrow money; sue or be sued) Define its governance structure, define how board members are appointed, reappointed, terms, qualifications, etc. Provide the ability to hire staff

Legislative Elements – Purposes

<ul style="list-style-type: none"> Mandate to support integrated planning for participating scheduled FNs, non-scheduled FNs, entities controlled by multiple FNs, and not-for-profits providing services to Aboriginal groups or persons Mandate to develop training and capacity development programs related to integrated planning 	<ul style="list-style-type: none"> Mandate to support procurement option analysis Mandate to support development of business cases Mandate to explore options to optimize projects (with respect to market acceptance, interest and participation) Mandate to develop training and capacity development programs related to procurement option analysis and preparation of procurement documentation Mandate to explore and implement private sector opportunities to participate in infrastructure projects (when risks can be distributed more appropriately) 	<ul style="list-style-type: none"> Mandate to support procurement activities Mandate to review procurement documentation Mandate to develop training and capacity development programs related to procurement processes 	<ul style="list-style-type: none"> Mandate to support the monetization of federal transfers Mandate to support the securitization of local, emerging and other revenues Mandate to support the incorporation of other available infrastructure program funding Mandate to manage transfers into an "Infrastructure Investment Fund" if one is created Mandate to support regional partners to form aggregations of FNs for the purposes of improving financing terms Mandate to coordinate review of lifecycle fiscal plans with FMB 	<ul style="list-style-type: none"> Mandate to maintain a database of plans and designs Mandate to support research and analysis on new infrastructure technologies Mandate to support capacity development for Capital Managers related to design review, construction management, and contracting Mandate to support skills training for participating FNs membership Mandate to explore the development of new insurance options Mandate to support regional partners in the collection of infrastructure designs for storage Mandate to monitor any key performance indicators related to construction contained in contracts 	<ul style="list-style-type: none"> Mandate to monitor O&M activities of FNII-certified projects Mandate to provide support for operators to meet O&M standards Mandate to support capacity development for Capital Managers related to O&M Mandate to maintain a repository of operating manuals Mandate to support the monitoring of any key performance indicators related to O&M
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Legislative Elements – Functions and Powers

<ul style="list-style-type: none"> Ability to support participating FNs and other entities to meet established standards respecting planning processes and planning documents for economic planning, land use planning, infrastructure planning, preliminary financial planning, and feasibility studies Ability to partner with regional FN technical organizations (like TSAG, OFNTSC, APC, etc) for planning-related purposes Ability to provide funding for integrated planning activities to participating scheduled FNs, non-scheduled FNs, entities owned by multiple FNs and not-for-profits providing services to Aboriginal groups or persons Ability to gather information and data related to integrated planning and infrastructure Ability to coordinate service delivery with regional partners Ability to support regional partners in forming aggregations 	<ul style="list-style-type: none"> Ability to support procurement option analysis that meets FNII established standards Ability to support development of procurement documentation that meets FNII established standards Ability to perform activities to optimize projects for market Ability to form a dedicated Project Team and assign members to the team for the purpose of optimizing projects for maximum market acceptance and participation Ability to schedule or phase projects to match resource availability in the market Ability to provide funding for procurement option evaluations Ability to partner with regional groups for procurement-related purposes Ability to provide funding to contract outside professionals where necessary Ability to review and approve projects for FNII-coordinated procurement 	<ul style="list-style-type: none"> Ability to provide funding for pre-procurement activities and procurement-related activities or the ability to provide a mechanism to roll such costs into project costs Ability to work with regional partners to efficiently perform pre-procurement activities and develop procurement documentation Ability to support preparation of procurement documentation that meets FNII established standards Ability to provide support through procurement process 	<ul style="list-style-type: none"> Ability to support the use of a lifecycle costing approach that meets FNII established standards Ability to certify infrastructure projects as having achieved FNII standards Ability to manage transfers into and distributions from an "Infrastructure Investment Fund" if one is created Ability to partner with regional groups for financing-related purposes 	<ul style="list-style-type: none"> Ability to provide support to meet FNII established standards respecting design review, adoption (and potential modification) of existing codes, and contracting Ability to collect designs and maintain and provide access to a repository Ability to offer a mechanism to roll costs of design works into total project costs Ability to partner with regional groups for design-related or construction-related purposes Ability to coordinate with regional partners for the delivery of construction-related activities Mandate to manage distributions from an "Infrastructure Investment Fund" if one is created 	<ul style="list-style-type: none"> Ability to compel participating FNs or regional partners to assign potential operators dedicated Project Team Ability to enforce FNII established standards respecting O&M activities Ability to monitor O&M activities and data related to O&M from participating FNs Ability to provide funding for O&M or asset management activities or triaging of protocols to ensure streams to recover O&M costs Ability to partner with regional groups for O&M-related purposes
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Legislative Elements – Standards and Procedures

<ul style="list-style-type: none"> Establish standards respecting economic plans, land use plans, infrastructure plans, and financial plans Establish standards for feasibility studies 	<ul style="list-style-type: none"> Establish standards respecting procurement option evaluations Establish standards respecting procurement documentation 	<ul style="list-style-type: none"> Establish standards respecting procurement documentation 	<ul style="list-style-type: none"> Establish standards respecting use of a sustainable lifecycle fiscal planning approach 	<ul style="list-style-type: none"> Establish standards respecting the reliance on certified professionals Establish standards respecting the adoption (and potential modification) of existing building and construction codes Establish standards respecting infrastructure construction contracting 	<ul style="list-style-type: none"> Establish standards respecting performance of O&M activities or development of asset management plans Establish standards for reserve funds for major repair of infrastructure or decommissioning, replacement or renewal Establish standards to adopt (and potentially modify) existing service quality codes or guidelines
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Legislative Elements – Regulations

<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to integrated planning 	<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to project optimization or procurement option analysis or evaluation 	<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to pre-procurement or procurement activities 	<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to certification of projects, review of sustainable lifecycle fiscal plans, provision of funding for project-related activities or support in accessing or arranging project financing 	<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to design work, project construction, or investigation, development or implementation of any infrastructure asset insurance mechanisms 	<ul style="list-style-type: none"> Ability to establish any regulations the institution may require to achieve its mandate related to O&M or asset management activities or triaging of protocols to ensure O&M standards are achieved
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