



Government of Bermuda
Appraisal of Bermuda Airport
Development Business Case

8 May 2015
FINAL REPORT



8 May 2015

Appraisal of Bermuda Airport Development Business Case – Final Report

Dear Anthony,

We are pleased to submit this Final Report on the business case for developing the Bermuda Airport Development. This Final Report maps the existing analysis and documentation on the proposed Bermuda Airport Development, as provided by the Government of Bermuda, to the required contents of the Five Case model in a Full Business Case. It then presents a gap analysis of the existing documentation on the Bermuda Airport Development against the requirements of a Full Business Case.

The Five Case model is based on HM Treasury's Green Book guidance for the appraisal of public sector spending proposals. Under Green Book guidance, a Full Business Case would be required to progress to the decision point on the investment, known as the "Gate 3" investment decision. This is the decision point for executing a contract with the selected private sector supplier.

We understand that the Government of Bermuda is not yet ready to make a Gate 3 investment decision, and has the opportunity to close the gaps we have identified before entering in to contracting for the concession with the selected private sector supplier. We believe that addressing the key gaps in our analysis will add substantial value to the project, both by improving Value for Money for the Government of Bermuda, and by reducing risk.

Yours sincerely,



Jessica Mello
Deloitte Ltd.

Contents

1. Executive Summary	5
Introduction	5
Approach and Methodology	5
Mapping to the Five Cases	6
Methodology Review	6
Overall Assessment and Conclusions	6
2. Appraisal Approach	8
Introduction	8
Methodology Summary	8
Navigating this Document	10
3. Mapping to the Five Cases	11
Introduction to the “Green Book” Five Case Model	11
Mapping Available Data to the Five Case Model	14
Initial Gap Analysis	19
4. Methodology Review	21
Assessment Criteria	21
Case-by-Case Assessment	22
5. Overall Assessment and Conclusions	39
Full Gap Analysis Assessment	39
Conclusions	44
Appendix 1 – Scope of this Report	47
Scope of Services and Timeline	47
Approach	47
Deliverables	47
Limitations and Assumptions	48
Appendix 2 – Project Plan	49
Appendix 3 – Summary of Available Data	50
Appendix 4 – Five Case Model Mapping Summary	69
Appendix 5 – Assumptions	70
Appendix 6 – FBC Assessment Criteria	71
Strategic Case	71
Economic Case	75
Commercial Case	78
Financial Case	82
Management Case	84
Appendix 7 – Methodology Review Supporting Evidence	87
Strategic Case	88
Economic Case	118
Commercial Case	142
Financial Case	172
Management Case	183
Appendix 8 – Acronyms and Abbreviations	199

1. Executive Summary

Introduction

The Government of Bermuda has developed plans to deliver a new terminal building for the Bermuda airport. The Government has received a proposal from the Canadian Commercial Corporation (“CCC”), a Crown Corporation of the Government of Canada, to act as the Prime Contractor to deliver the planned new terminal building. CCC would structure back-to-back or similar contracts with private Canadian contractors who will deliver both construction and ongoing facilities management of the Bermuda Airport under a 35-year Design Build Finance Operate (“DBFO”) or similar concession structure.

The Government of Bermuda and Her Majesty’s Government in London (represented by the Foreign and Commonwealth Office or “FCO”) wish to ensure that the proposal will represent Value for Money (“VFM”) for Bermuda, and will be affordable to the Government of Bermuda, before proceeding with the proposal. The Government of Bermuda wish to compare existing documentation and analysis to the requirements of a Full Business Case under the HM Treasury’s Green Book (“Green Book”) guidance for appraisal of public sector spending proposals. Under the Green Book guidance, a Full Business Case (“FBC”) is required prior to the contracting stage of a project. Key principles of the Green Book guidance for obtaining VFM are relevant to all public sector spending proposals, irrespective of the procurement process and approach to market, whether competed, sole-sourced, or otherwise.

This report seeks to map the existing documents to the requirements of an FBC and identify any gaps. The key outputs of the Final Report are therefore:

1. An outline of the reports and documentation available from the Government of Bermuda, mapped to the requirements of the FBC under each of the Five Cases, with any major gaps identified (Section 3, “Mapping to the Five Cases”).
2. Assessment of the reports and documentation against the FBC requirements to produce a full gap analysis and identify any differences in methodology, or where changes may be needed (Section 4, “Methodology Review”).
3. A conclusion on the outstanding requirements to progress to an FBC-equivalent evidence set, using the existing documentation as a base (Section 5, “Overall Assessment and Conclusions”). Where important gaps are identified, we have suggested examples of opportunities for the Government of Bermuda to add value to the project or substantially reduce risk by completing additional analysis, strengthening the business case or documenting evidence, before proceeding.

Approach and Methodology

We recognise that the studies and documents do not form a cohesive business case, and were not explicitly developed under the Five Case model of the Green Book Strategic Outline Case (“SOC”), Outline Business Case (“OBC”) and FBC staged process. Importantly, the Government of Bermuda is under no obligation to align to the Green Book guidance, although it provides a strong framework for considering how to obtain and evidence VFM.

The methodology to produce our report therefore recognises the need for a pragmatic approach to synthesise the available information to determine the overall evidence base for a post-FBC investment decision (“Gate 3” in Green Book terminology¹). This includes:

1. Mapping to the Five Cases – An assessment of the available documents and data to map them to the Green Book “Five Case” model, reflecting one-to-one, one-to-many and absent mappings. This is

¹As provided by HM Treasury, Gate 3 refers to the investment decision of a business case, whereby the decision to spend public money has been made.

critical in the development of a view of all the information available within the structure of each case, and identifying any initial gaps where evidence is not documented.

2. Assessment of alignment with FBC methodology – Detailed assessment of the evidence base for each of the Five Cases against Green Book assessment criteria to produce a full gap analysis and identify any differences in methodology. We recognise that alternative best practice models may need to be considered, given that the Government of Bermuda is under no obligation to follow Green Book guidance specifically.

Whilst our work provides an assessment of coverage to the Green Book, we have not performed due diligence or assurance of the documentation content.

Mapping to the Five Cases

The objective of this mapping activity was to align the existing evidence base to the Five Case model to enable further assessment of the methodology used against the Green Book guidance. The full outputs of this analysis are set out in Appendix 4 (“Five Case Model Mapping Summary”). As expected, a number of the documents mapped to multiple expected contents of the Green Book, showing that some documents covered a number of the areas expected in a FBC.

As shown in Appendix 4, we identified a total of 371 ‘mappings’ between the 52 data sources and the 39 sub-contents of the Five Case model. These were split as follows: 116 within the Strategic Case, 81 for the Economic, 68 for the Commercial, 54 for the Financial, and 52 for the Management Case.

We found that each of the 39 key contents of the Green Book had at least one data source available to assess against the Green Book methodology, although we found very little documentation related to certain areas, such as optimism bias, accountancy treatment, and contingency arrangements.

Methodology Review

For the methodology review, each document which had been identified as mapping to any of the Strategic, Economic, Commercial, Financial and Management Cases was assessed individually for its relevance and alignment to Green Book methodology in that case.

To conduct the review, we developed a set of consolidated review criteria based on the Green Book guidance for FBC, incorporating relevant preceding guidance from SOC and OBC. These criteria are outlined in Appendix 6 (“FBC Assessment Criteria”). These consolidated criteria were then used to assess methodology gaps for each of the Five Cases.

Full results, structured by each case, are documented in Appendix 7 (“Methodology Review Supporting Evidence”). This considers the relevance of the document to the ‘Key Review Criteria’ for each case, assessing the ‘Evidence Covered’ against the relevant case in each document, and any ‘Gaps Identified’. The results of the activity were summarised into a full assessment of each of the Five Cases in Section 4 (“Methodology Review”).

Overall Assessment and Conclusions

Strategic Case

The Strategic Case is well-defined. Whilst there are some specific areas that could be refined to align to Green Book methodology, the case is comprehensive in principle – the Strategic Case for change has been developed over a number of years and is the most mature of the Five Cases in the Bermuda Airport development business case.

Economic Case

Extensive underlying analysis exists and numerous different assessments of different project scopes and technical solutions have been carried out. This indicates that a full Economic Case may be ready to be developed, although this has not been done to date.

Key, integral steps are not present in the case. These include an economic assessment of a defined list of options to identify the most economically advantageous solution for Bermuda, and some specific Green Book and wider best practice considerations, such as use of a Public Sector Comparator, and optimism

bias assessment. Under Green Book guidance, this analysis is expected to be performed by Government prior to engaging with potential suppliers such that the most economically advantageous solution for the Government is identified in isolation from private sector influence.

As a whole, the Economic Case does not yet appear complete, based on the documents we have received from the Government of Bermuda. Given the presence of extensive underlying analysis in the existing documentation, there is an opportunity for the Government of Bermuda to leverage previous work to develop a full economic analysis of the options, aligned to the Green Book or another internationally recognised VFM methodology. It will be important to ensure that key drivers of the investment are appropriately assessed, including the wider socio-economic benefits for the local economy, e.g. job creation and stimulating the tourism industry.

Commercial Case

Significant evidence exists of considerations on the Commercial Case, including procurement strategy, commercial options analysis, and approach to the procurement. However, we identified key gaps in evidencing that the sole-sourced procurement approach that was selected will offer the best VFM, and in the Government approach to delivering VFM through commercial negotiations. Closing the major gaps in this case before a concession agreement is negotiated, and indeed potentially to make sure that the Development Agreement itself is robust from both a commercial and overall VFM perspective, could add significant value and substantially reduce risk for the Government of Bermuda.

This might include, for example, establishing the preferred procurement approach going forward from the present date, as well as providing a value driving framework to ground the rest of the procurement process. Typically, this would include detailed analysis on how to obtain best value from the procurement process through best and most effective use of legal, technical, financial, transaction and programme management support, and how negotiations will be conducted.

Financial Case

Extensive analysis exists, particularly on the affordability position for the proposed project Special Purpose Vehicle ("SPV"), and we understand that the Government of Bermuda's officials and advisors are focused on completing elements of the Financial Case. In order to complete this case to an FBC-equivalent level, we would expect the Government and their advisors to broaden their assessment of affordability beyond the SPV to the wider Government perspective by incorporating any retained services or responsibilities of Government (such as overseeing the concession), continuing to test key assumptions (including concession structure and terms), and considering specific key treatments of the project's financials such as accounting implications and balance sheet impact and associated factors such as government borrowing metrics and credit ratings.

A complete Financial Case could allow the Government to assess whether the Government can afford their obligations under the proposed concession arrangement, and to what extent it will achieve the Government's stated objectives for the project, including "a minimal impact on the government's balance sheet" (2015-2016 Budget Statement).

Management Case

Recognising the current stage of development of the project, this is the least mature of the Five Cases, indicating that the overall business case is not yet advanced enough for implementation and delivery considerations to be detailed. The Management Case is an important tool to be completed prior to the investment decision being made, in order to ensure Government's ability to deliver its responsibilities and manage dependencies under the contract, understand wider areas of project scope, manage the supplier effectively, and to have risk management and contingency plans in place.

One point in the Management Case which could add significant value to the Bermuda Government at the present time is a contingency plan should the current proposed deal with CCC fall through.

2. Appraisal Approach

Introduction

The Government of Bermuda has planned the redevelopment of Bermuda's airport, the L.F. Wade International Airport, to include a new terminal building. Bermuda's airport provides a critical link to the world for Bermuda's residents, local and international businesses, and tourism. The airport development plans have progressed to an advanced stage. As set out in a June 2014 Letter of Agreement, the Government of Bermuda has received a proposal from the Canadian Commercial Corporation, a Crown Corporation of the Government of Canada, to act as the Prime Contractor to deliver the planned new terminal building. In the proposed delivery model, the CCC would sub-contract with private Canadian contractors who will deliver both construction and ongoing facilities management of the Bermuda Airport under a 35-year Design Build Finance Operate or similar concession structure. CCC has selected AECON as the proposed contractor. The CCC's proposed role will end after the construction phase is successfully completed, while AECON will stay on as the operations concessionaire.

The Government of Bermuda are currently considering a June 2015 'Go-No-Go' decision to proceed to negotiate and enter into an Airport Development Agreement. This agreement would be a step closer to a full concession agreement. Financial close of a long-term concession agreement could potentially take place a year later, in or around September, 2016. In reaching this next 'Go-No-Go' milestone, the Government of Bermuda and the FCO wish to be confident that the proposal will represent VFM for Bermuda, and will be financially affordable and achievable for the Government of Bermuda.

Over recent years, while examining options and developing plans, a number of studies, reports and other documents have been produced by the Government of Bermuda and their advisors, and more recently by the CCC and their advisors. These studies and documents evaluate the strategic, economic, commercial, financial and management aspects of the proposed development, but are standalone documents and do not form a cohesive business case. The Government of Bermuda therefore wish to compare the existing documentation and analysis to the requirements of a FBC under the HM Treasury's Green Book guidance for appraisal of public sector spending proposals. Under Green Book guidance, an FBC would be required before entering in to a procurement contract with the private sector. Key principles of the Green Book guidance for obtaining VFM are relevant to all public sector spending proposals, irrespective of the procurement process and approach to market, whether competed, sole-sourced, or otherwise.

It is worth noting that the Government of Bermuda does not currently require the Green Book or other comparable method to prepare a business case for public sector investments, and this analysis is therefore focusing on the Green Book as a best practice rather than a policy requirement.

The Government of Bermuda have therefore commissioned Deloitte to map the existing studies, reports, and other documents to the requirements of an FBC, and identify gaps. The Government of Bermuda and their advisors can then fill any gaps in the business case to satisfy themselves as to whether CCC's proposal is the preferred way forward, is affordable, achievable, and represents VFM for the Government and the people of Bermuda, prior to proceeding.

Methodology Summary

Our approach considered the following²:

1. The evidence base is comprised of a significant number of documents, produced over a period of several years. The Green Book is not required in Bermuda and these documents were not developed under the

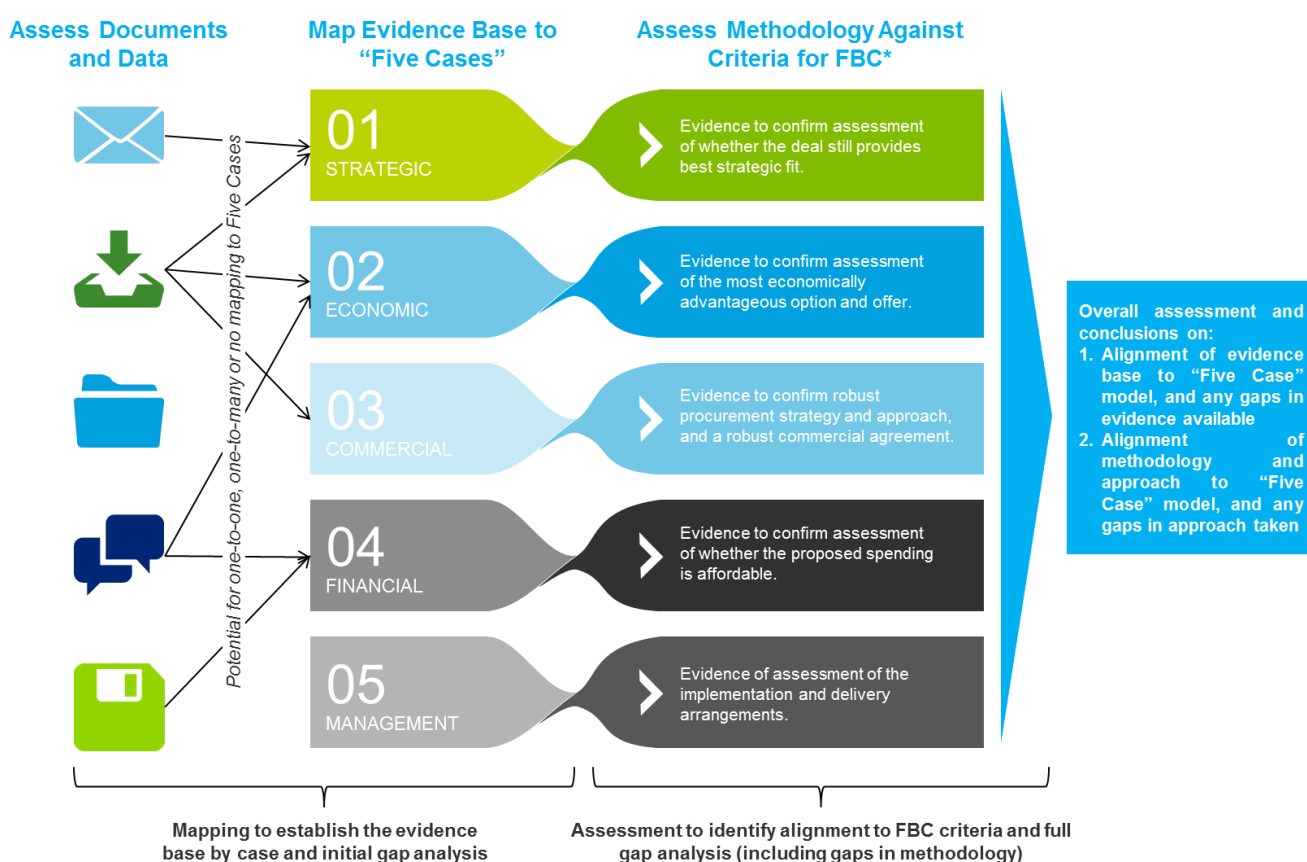
² Additional high-level assumptions and constraints are detailed in Appendix 5.

Five Case model. We therefore recognise that these documents might map to none, one or many of the components of the Five Case model;

2. In addition to not being explicitly developed under the Five Case model, the process of developing the business case did not progress in line with the Green Book SOC, OBC and FBC staged process. This means that some expected contents of the FBC may have been covered relatively early in the project development timeline, but not explicitly refreshed as the plan to develop the airport has evolved, and some parts of the business case may be more mature than others; and
3. We also recognise that there is a significant degree of overlap between a number of the studies, and these exhibit differing levels of maturity in different areas.

Taking these points together, the methodology recognised the need for a pragmatic approach to synthesise the available information to determine the overall evidence base for a Gate 3 investment decision. It needs to be explicitly recognised, however, that by its very nature the evidence available is not fully consistent with the expectations of a FBC. The following methodology was therefore developed based on Green Book guidance documents for the assessment of business cases³, recognising these constraints:

Methodology for Business Case Appraisal



The key outputs of the Draft Report and Final Report are therefore:

- An outline of the reports and documentation available from the Government of Bermuda, mapped to the requirements of the FBC under each of the Five Cases, with any major gaps identified (Section 3, "Mapping to the Five Cases").
- An assessment of the reports and documentation against the FBC requirements to produce a full gap analysis and identify any differences in methodology, or where changes may be needed (Section 4, "Methodology Review").

³ For example, "Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals", 2013, which is drawn upon throughout this analysis.

- A summary conclusion on the outstanding requirements to progress to an FBC-equivalent evidence set, considering existing documentation, taken as a whole, against the requirements for a Gate 3 investment decision. This is typically required before proceeding with contracting arrangements (Section 5, “Overall Assessment and Conclusions”). Where specific gaps are identified, we provide examples of opportunities for the Government of Bermuda to add value to the project or substantially reduce risk by completing additional analysis, strengthening the business case or documenting evidence.

Navigating this Document

The key outputs from this methodology are contained in this document as follows:

- Section 3 – “Mapping to the Five Cases”: This section provides an introduction to the Five Case model and Green Book methodology, summarises the mapping of the evidence base (reports and documentation) received, and highlights the major gaps identified in an initial gap analysis. This assessment is supported by:
 - Appendix 3 – “Summary of Available Data”: This outlines the data received, and how it aligns to the Five Case model.
 - Appendix 4 – “Five Case Model Mapping Summary”: This is the detailed analysis that maps the available data by each case, supporting the analysis performed in Section 3.
- Section 4 – “Methodology Review”: This section assesses the data available for each case, based on the mapping activity in Section 3, identifying gaps and differences in methodology. This assessment is supported by:
 - Appendix 6 – “FBC Assessment Criteria”: This summarises the assessment criteria used to assess the evidence by each case. This recognises that under the Green Book business case methodology, the FBC would typically be assessed with reference to the continued veracity of evidence documented in the OBC and, to a lesser extent, the SOC. Recognising that this is not relevant to assess whether the evidence aligns to an “FBC-equivalent” at this stage, given that the Green Book methodology and process has not been followed, a consolidated set of assessment criteria for SOC, OBC and FBC are designed, based on Green Book guidance.
 - Appendix 7 – “Methodology Review Supporting Evidence”: This appendix contains additional supporting evidence and analysis where not appropriate for the main body of the Methodology Review in Section 4.
- Section 5 – “Overall Assessment and Conclusions”: This section summarises the findings in Section 3 and 4, and provides a conclusion on the extent to which the existing documentation, taken as a whole, aligns to the Green Book expectations, whilst recognising that a substantively different process has been followed. This section outlines key areas where additional work could be carried out to bring the business case to an FBC-equivalent level.

3. Mapping to the Five Cases

Introduction to the “Green Book” Five Case Model

Overall Approach

HM Treasury’s Green Book was developed to ensure VFM for public expenditure. The content provides a method for developing the business case. This method is broken down into three stages, the SBC, the OBC, and the FBC. Each of these cases is tested using the Five Case Model. The Five Cases provide a framework for thinking about how best to structure and deliver a project. They comprise of the: Strategic, Economic, Commercial, Financial, and Management Cases.

The above helps policy makers follow the necessary steps to make informed, responsible, and effective decisions that are VFM. Put more simply, they answer the following questions comprehensively, throughout the project lifecycle:

- Where are we now?
- Where do we want to be?
- How are we going to get there?

Importance of a Business Case

HM Treasury recognise the following key rationale for a robust business case⁴:

“Policies, strategies, programmes and projects will only achieve their spending objectives and deliver benefits if they have been scoped robustly and planned realistically from the outset and the associated risks taken into account.”

The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence based and transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.

⁴ “Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals”, 2013,p.8

Three-Stage Iterative Process for Developing a Business Case

The process of developing a business case is iterative, developed in three stages. The initial stage is the high level SOC, which evolves in to the OBC and then to the FBC. The following table sets out the features of each stage.

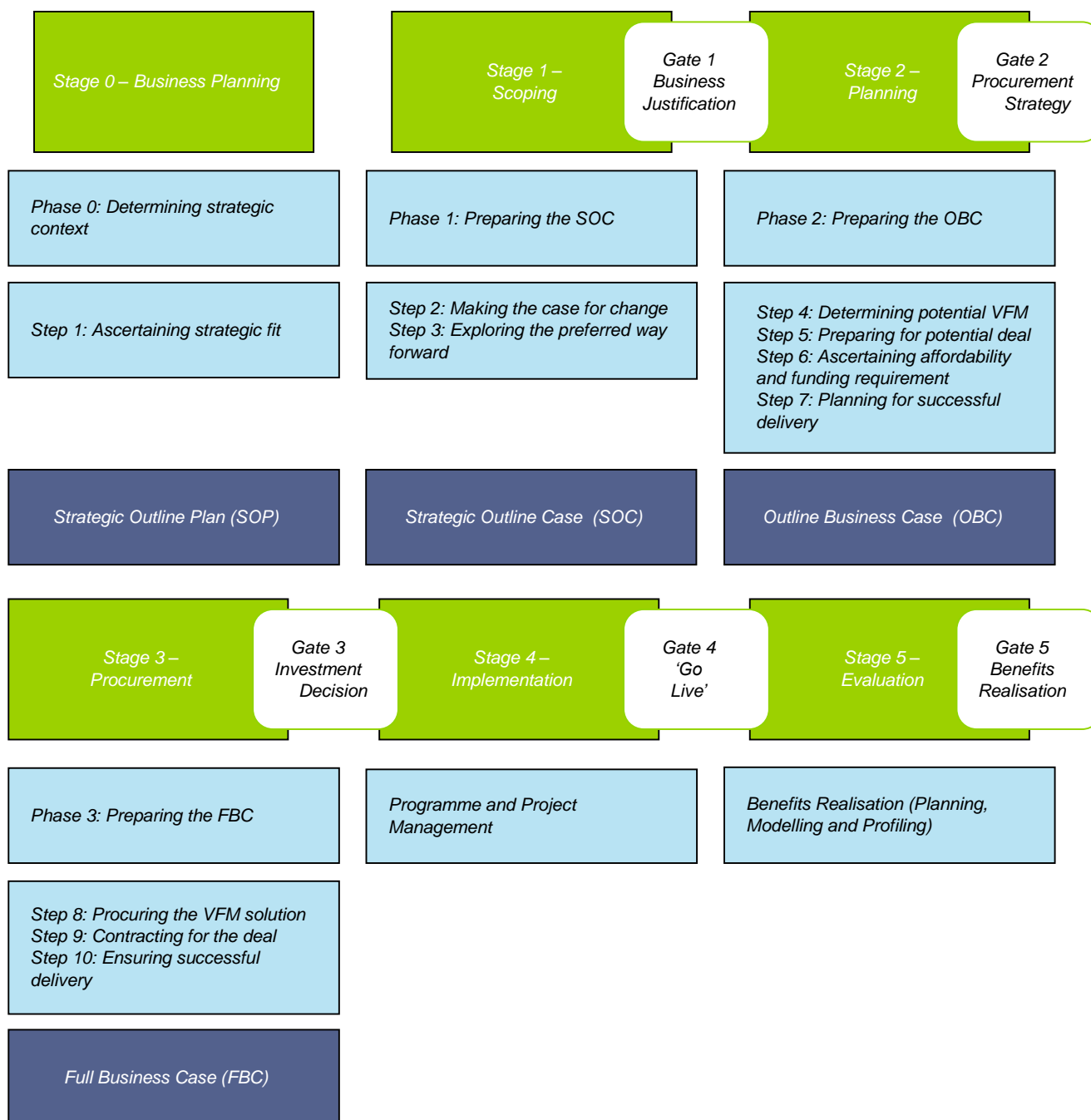
Three-stage iterative process for developing a business case

Stage	Key Features	Why do it?
Strategic Outline Case	<ul style="list-style-type: none"> • Considers issues such as needs, objectives, risks, costs and benefits at a high level • Typically used in larger programmes • Outcome may influence redefining the programme 	<ul style="list-style-type: none"> • To ensure early consultation with stakeholders • To assess prospects for achieving VFM • To consider achievability and next stages • To rule out undesirable options & avoid wasted effort later in the programme lifecycle
Outline Business Case	<ul style="list-style-type: none"> • Detailed assessment of costs, benefits and risks • Usually considers procurement options • Typically employed before engaging the market to deliver a solution 	<ul style="list-style-type: none"> • To estimate VFM & affordability before going too far e.g. engaging the market • To refine estimates of benefits/costs • To consider achievability and next stages e.g. procurement strategy
Full Business Case	<ul style="list-style-type: none"> • Reconfirmation of costs, benefits and risks • Final test of the VFM & affordability of actual market bids or OBC options 	<ul style="list-style-type: none"> • To reassess and confirm VFM & affordability before e.g. committing to a contract/ programme • To confirm estimates of benefits/ costs • To confirm implementation arrangements • To document the procurement process prior to contract award.

Decision Gates

The process to develop a business case outlined in the Green Book includes five decision gates. Each “Gate” requires the business case to have been developed to a certain level before that decision can be made, helping to safeguard VFM through the project development process.

Decision Gates and Alignment with the Three Stages of the Business Case



FBC Five Case Contents

The method for developing the Five Cases is set out in the Green Book, and is flexible and scalable for different sizes and types of projects. Each answers a different major question to support the case for making the proposed investment.

The Strategic Case ensures the project demonstrates a robust case for change, which is in line with the subject area and the public sector at large. The Economic Case tests the public value of the project. The Commercial Case deals with marketability, procurement strategy, and commercial viability. Projects' affordability is examined under the Financial Case. Lastly, the Management Case focuses on how achievable the project is by the proposed stakeholders.

The Five Cases

Key Question	Five Cases	Key Components
Does the project support the organisation's strategic objectives?	Strategic Case	<ul style="list-style-type: none"> ▪ The case for action ▪ Investment objectives ▪ Demonstration of strategic fit and synergies
Does the preferred option represent best value for money?	Economic Case	<ul style="list-style-type: none"> ▪ Definition of options ▪ Economic cost/benefit analysis and risk assessment of options
Is the preferred option affordable?	Financial Case	<ul style="list-style-type: none"> ▪ Assessment of Cap Ex and Op Ex funding required for the preferred option ▪ Assessment against available funding
Is the commercial model viable?	Commercial Case	<ul style="list-style-type: none"> ▪ Procurement strategy, stages and timetable ▪ Overview of commercial model
Is the preferred option achievable?	Management Case	<ul style="list-style-type: none"> ▪ Governance arrangements ▪ Implementation plan, dependencies & key risks ▪ Benefits realisation plan

Mapping Available Data to the Five Case Model

Our first analysis involved mapping the contents expected under Green Book guidance to the available data on the L.F. Wade Airport (the "Airport") redevelopment. In all, we received 52 'data' items from both the Department of Airport Operations ("DAO") and the Ministry of Finance, ranging from full reports and analysis to short briefing notes and statements. To align these to the expected contents of each of the Five Cases, we mapped each item to the "Mapped Contents" below, taken from the Green Book Supplementary Guidance:

Mapping Contents Overview

Mapped Contents	Expected Sub-Contents ⁵
Strategic Case	
Organisational Overview	<ul style="list-style-type: none"> • Strategic vision, goals, business aims and service objectives • Current activities and services, including key stakeholders and customers • Organisational structure, staff numbers, business turnover and geographical position • Existing financial and funding arrangements
Current Business Strategies	<ul style="list-style-type: none"> • How the proposed scheme fits within, supports, and promotes the strategy

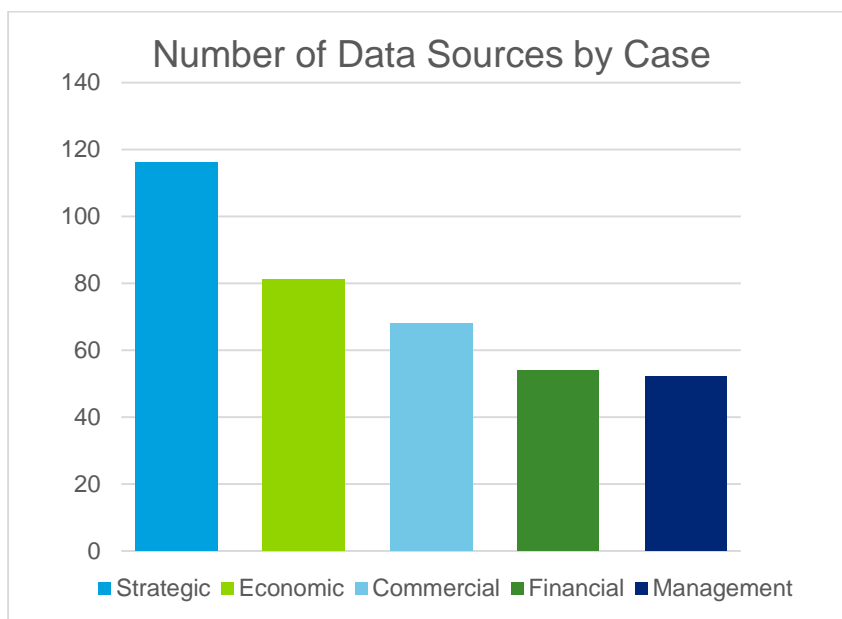
⁵ Drawn from "Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals", 2013

Mapped Contents	Expected Sub-Contents ⁵
	<ul style="list-style-type: none"> • Scheme's ability to achieve business goals, strategic aims, and plans of organisation • Business goals of the organisation
Spending Objectives	<ul style="list-style-type: none"> • Defining spending objectives in terms of desired outcomes – objectives should be specific, measurable, achievable, relevant, and time-constrained (“SMART”) • Customer focused and distinguishable from means of provision – focus on achievement of outcomes and not inputs to a potential project
Existing Arrangements	<ul style="list-style-type: none"> • Explains how services are currently organised, provided and supplied • Details about stakeholders, customers and associated throughput and turnover • Snapshot of 'where we are now' and the basis for 'do nothing'
Business Needs (current and future)	<ul style="list-style-type: none"> • Identifies difference between 'where we are now' and 'where we want to be' • Highlights problems, difficulties and inadequacies associated with status quo • Confirmation of continued need for business operations • Projections of nature and level of demand for future services • Summary of user requirements, clearly distinguishing between current and future
Potential Scope	<ul style="list-style-type: none"> • Scope of the project from the standpoint of the business, in terms of affected business areas, functionality, and organisation • Sets boundaries and limitations of the project • Options within this scope will be assessed within the Economic Case
Benefits and Risks	<ul style="list-style-type: none"> • Cash releasing benefits, financial but non-cash releasing benefits, quantifiable, and non-quantifiable benefits • Benefits and risks should be direct and indirect to the organisation
Constraints and Dependencies	<ul style="list-style-type: none"> • Constraints, actions or developments required of others (i.e. externally imposed) if the ultimate success of the project is dependent on them
Economic Case	
Critical Success Factors	<ul style="list-style-type: none"> • Strategic fit and business needs • Potential VFM • Potential achievability • Supply-side capacity and capability • Potential affordability
Long Listed Options	<ul style="list-style-type: none"> • As wide a range of options as possible that meet: spending objectives, potential scope, and benefits criteria, to create a Long List of Options • Baseline option included
Short Listed Options	<ul style="list-style-type: none"> • Include 'do nothing' option as a benchmark • Reference project or outline public sector comparator • Two other realistic options based on realistic 'second choices' • This narrowed list is the Short List of Options
Do Nothing Option	<ul style="list-style-type: none"> • Included as the minimal or 'status quo' for reference
Economic Appraisals of Costs and Benefits	<ul style="list-style-type: none"> • Capital costs, revenue costs, fixed, variable, and step costs, opportunity costs, sunk costs, full economic costs, attributable costs, organisational development, avoided costs, contingent liabilities • Cash releasing benefits (“CRB”), financial but non-cash-releasing benefits (“non-CRB”), quantifiable benefits (“QB”), non-quantifiable benefits (non-QB)
Distributional Analysis	<ul style="list-style-type: none"> • Capturing the effects on: age, gender, ethnic group, health, skill or location
Optimism Bias Adjustment	<ul style="list-style-type: none"> • Explicit empirically-based adjustments to counteract optimism bias in the appraisal
Risk Assessment	<ul style="list-style-type: none"> • Assesses impact and likelihood of each risk with a score (excludes risks that can be measured financially)

Mapped Contents	Expected Sub-Contents ⁵
Sensitivity Analysis	<ul style="list-style-type: none"> • Tests the vulnerability of options to unavoidable future uncertainties • Tests robustness of the ranking of options
Commercial Case	
Procurement Strategy	<ul style="list-style-type: none"> • Focuses on how required services, supplies or works can best be procured (for example, whether open procurement) • Must follow regulations within the given jurisdiction • Criteria should cover: specification stage, selection stage, and award stage
Service Requirements	<ul style="list-style-type: none"> • Summarises required services and outputs and the potential implementation timescales required. This will include: <ul style="list-style-type: none"> – Scope of procurement – Required service streams – Specifications of required outputs and requirements to be met – Stakeholders and customers – Procurement options – Potential developments and further phases
Charging Mechanism	<ul style="list-style-type: none"> • Consideration of mechanism to incentivise service provider to continue providing VFM over time • Reflects optimum balance between risk and return • Split into pre-delivery, operational, and extension phases
Risk Transfer	<ul style="list-style-type: none"> • Risk is allocated to party best able to manage it • Optimal allocation over maximisation of risk transfer
Key Contractual Arrangements	<ul style="list-style-type: none"> • Duration of the contract and break clauses • Roles and responsibilities of service provider and procuring authority • Charging mechanism, prices, tariffs, incentive payments • Change control • Remedies in the event of failure • Treatment of intellectual property rights • Compliance with regulations • Operational and contract administration elements of terms and conditions • Arrangements for dispute resolution • Agreed allocation of risk
Personnel Implications	<ul style="list-style-type: none"> • Whether any Transfer of Undertakings/Employment Protection applies • Terms regarding subsequent transfers at market testing intervals • Descriptions of terms regarding Trade Union recognition • Requirements for broadly comparable pensions for staff upon transfer • Codes of practice in place for well-being and staff management
Accountancy Treatment	<ul style="list-style-type: none"> • States in whose balance sheet (public/private) the assets underpinning the service will be accounted for • Explicitly declares the relevant accountancy standards
Financial Case	
Public Capital and Revenue Requirements	<ul style="list-style-type: none"> • Capital and revenue consequences of the preferred option over the life span of service • How this compares with the original capital ceiling for the scheme • Any shortfall in capital and revenue requirements
Impact on Balance Sheet	<ul style="list-style-type: none"> • Assets that are an integral part of spending, should have their accounting treatment examined • Independent opinion from the organisation's auditors
Impact on Income and Expenditure Account	<ul style="list-style-type: none"> • Assessed in current position and likely outcome should be fully recorded by a qualified accountant who understands the project and business
Overall Funding and Affordability	<ul style="list-style-type: none"> • Balance sheet organised with necessary components • Balance sheet of organisation in healthy state • Organisation is solvent and not over-trading • Cash flow of the organisation is sound • Necessary allowance made for risks

Mapped Contents	Expected Sub-Contents ⁵
Commissioner Support	<ul style="list-style-type: none"> • Agreement obtained from the purchasers for the scheme in written form • Letter should: demonstrate commissioners are actively involved, form acceptance of strategic aims, confirm financial costs, state margins of leeway, demonstrate suitable contingency arrangements in place, and provided by the appropriate individual
Management Case	
Project Management Methodology	<ul style="list-style-type: none"> • Project management structure • Reporting arrangements in relation to program • All other management and governance arrangements • Key roles and responsibilities – including appointed personnel and any vacancies
Project Management Plans	<ul style="list-style-type: none"> • Describes how, when, and by whom a specific milestone or set of targets will be achieved • Detailed analysis of how identified targets, milestones, deliverables, and products will be delivered to timescales, costs and quality
Use of Specialist Advisers	<ul style="list-style-type: none"> • Where skills and capabilities are in short supply, these are used • Indicates how and when this advice will be utilised along with expected costs
Change and Contract Management Arrangements	<ul style="list-style-type: none"> • Change management strategy linked to benefits realisation • Change management framework to manage change • Outline plan to explain what is delivered and when in terms of underlying activities
Benefits Realisation	<ul style="list-style-type: none"> • Arrangements for identification of potential benefits, their planning modelling and tracking • Ultimate responsibility for delivery of benefits identified • Register indicating how benefits are to be realised
Risk Management	<ul style="list-style-type: none"> • Identify risks in advance and minimise them • Processes to monitor risks and access to reliable up-to-date information about risks • Balance of control to mitigate against adverse risks if they materialise • Decision-making processes supported by framework for risk analysis and evaluation
Monitoring During Implementation	<ul style="list-style-type: none"> • Specify arrangements for monitoring during implementation (including who, when, how and detail of costs)
Post Implementation Evaluation Arrangements	<ul style="list-style-type: none"> • Specify post implementation evaluation arrangements (including who, when, how, and costs)
Contingency Arrangements	<ul style="list-style-type: none"> • Detail on the contingency plan with arrangements and provision for risk management

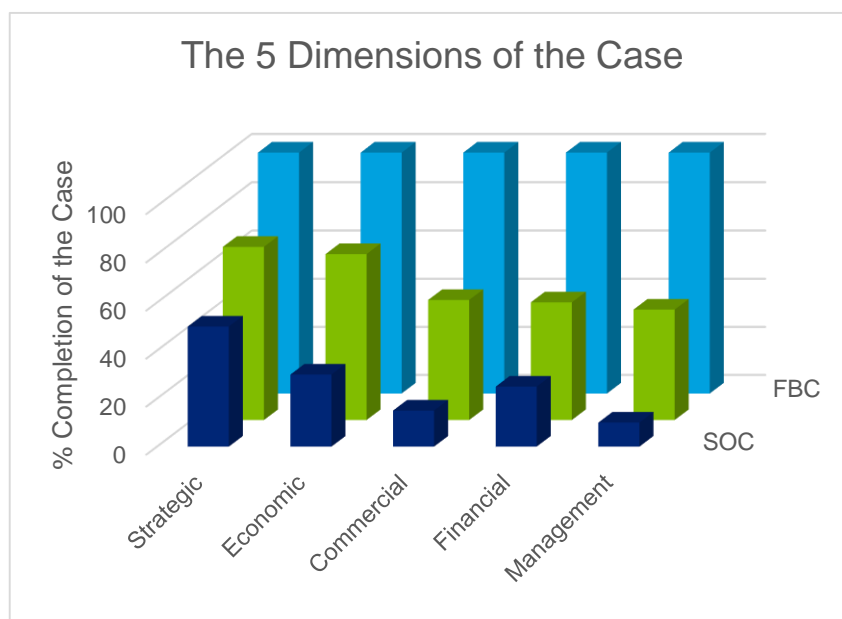
The full outputs of this analysis are set out in Appendix 3 (“Summary of Available Data”). The analysis shows that there were many studies, reports and other documents that were relevant to more than one of the Five Cases. This reflects that many of the documents were comprehensive, and covered multiple parts of the business case methodology.



It should be noted that the objective of this mapping exercise was to align the evidence base to the Five Case model for further assessment of methodology. It was not intended to provide a qualitative or quantitative assessment of the ‘completeness’ of the evidence base. In particular, it is noted that a single detailed document might provide a fuller and more rigorous evidence base than many less-detailed documents, and therefore the number of alignments itself does not provide a definitive source of comparison.

That said, the number of documents identified as mapping to the expected contents of the Green Book Five Cases may indicate the relative completeness of different cases. As shown in Appendix 4, we identified a total of 371 ‘mappings’ between the 52 data sources and the 39 sub-contents of the Five Case model. As demonstrated in the chart above, we noted a significant number of data sources that mapped to the Strategic Case (116 ‘mappings’). This declined case-by-case, with only 52 data sources mapping to the Management Case. Overall this chart tells us that there were 116 ‘hits’ within the Strategic Case, 81 for the Economic, 68 for the Commercial, 54 for the Financial, and 52 for the Management Case.

Clearly not all documents can be equally weighted, and this in itself does not allow us to conclude, for example, that the Management Case is not fully complete. However, this provides an interesting correlation with the Green Book guidance on how the Five Cases are typically expected to develop through the SOC, OBC and FBC stages, as set out in the following chart from HM Treasury's guidance.⁶



This shows the expected development of each of the Five Cases through SOC, OBC and FBC. Typically the Strategic Case and Economic Case are developed earlier than the Commercial, Financial and Management Cases. All five cases are expected to be fully developed by the FBC and Gate 3 investment decision.

Initial Gap Analysis

Our analysis mapped the data sets to the 39 contents of the Five Case model, and this deeper level of analysis was used to identify specific gaps within the evidence available.

The main finding of this mapping activity is that there are no instances where there is no evidence available at all – of the 39 expected contents within the Five Cases, there was at least one data source that mapped to each. In Section 5, the full methodology review and gap analysis, we assess the extent to which the Green Book guidance has been satisfied, or the 'breadth' or 'depth' of coverage for any of these mappings.

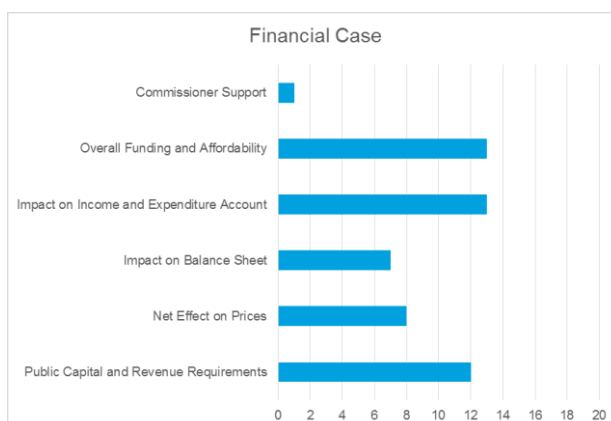
Five Case Mapping Results

The summary results of the mapping exercise are set out below.

Whilst the mapping does not demonstrate the completeness of each case, it does point to several areas which require attention in the methodology review and full gap analysis:

1. As noted above, the Strategic Case is covered by a number of documents across each expected content area.
2. The Economic Case appears to have more than 5 data sources relating to most of the content areas, but few documents considering Optimism Bias Adjustment.
3. Likewise, the Commercial Case has more than 5 data sources relating to most of the content areas, but few documents considering Accountancy Treatment.
4. The Financial Case has more than 5 data sources for each of the content areas.
5. The Management Case has, relatively speaking, the lowest number of data sources across the content areas. These include Contingency Arrangements, Post Implementation Evaluation Arrangements, and Monitoring during Implementation and Risk Management.

⁶ "Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals", 2013, p.21



The key finding of this initial gap analysis is that there is at least one data source available for the Bermuda Airport Development considering each content area of the Green Book's Five Cases. The distribution of data points indicates that the earlier cases (Strategic and Economic) are more developed than the later cases, and that the later cases may need further development before a Gate 3 investment decision is supported. There are certain areas where there are notably few data sources, and they may need further development. These include Accountancy Treatment, Impact on Balance Sheet, and Optimism Bias Adjustment.

4. Methodology Review

Assessment Criteria

As outlined in our “Appraisal Approach”, we developed a set of consolidated criteria based on the Green Book guidance for FBC, incorporating relevant preceding guidance from SOC and OBC. These are outlined in Appendix 6 (“FBC Assessment Criteria”). These consolidated criteria were then used to assess methodology gaps for each of the Five Cases.

For the methodology review, each document which had been identified as mapping to any of the Strategic, Economic, Commercial, Financial and Management Cases was assessed individually in each case-by-case detailed assessment. This means that a document could be assessed for its relevance and alignment to Green Book methodology in multiple cases. Our methodology review was produced on a document-by-document basis, with the full results structured by each case and documented in Appendix 7 (“Methodology Review Supporting Evidence”). These consider the relevance of the document to the ‘Key Review Criteria’ for each case, assessing the ‘Evidence Covered’ and any ‘Gaps Identified’.

The results of the activity were summarised into a full assessment of each of the Five Cases. This enabled us to consider the whole body of evidence and all relevant documents for each of the Five Cases, as detailed in the tables below. It should be recognised that there is a degree of pragmatism in this approach. We recognise that there was not a requirement for the documentation and development of the business case to follow Green Book guidance, and there are clearly elements of the evidence required under Green Book that do not align directly to Bermuda’s context or are excessively granular. Whilst these evidence points are a useful tool in evaluation, the summary assessment below looks to assess the completeness of each case against the ‘Key Review Criteria’ rather than being excessively prescriptive in focus on the ‘Main Evidence Required’. Further supporting detail for each assessment is available in Appendix 7.

Case-by-Case Assessment

Strategic Case

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Extracts from business and other relevant strategies Reference to relevant Government and organisational policies Organisational context Existing and future changes in needs Expected changes in volumes and mix of services Security and confidentiality issues Understanding any changes in alignment to strategy during negotiations Ongoing evaluation of business strategies and plans 	<ul style="list-style-type: none"> Overall there is a clear strategic rationale for change incorporated in documents produced over a number of years. This includes clear descriptions of business strategies, context of the airport, existing and future needs to support the Bermudian economy and Government policy objectives. There is evidence of ongoing evaluation of the case for change throughout the process. 	<ul style="list-style-type: none"> Broadly speaking, no major gaps identified, although there has been limited consideration of security and confidentiality issues throughout the documentation. However, it should be noted that a significant part of the most recent evidence base for change has been produced subsequent to or in parallel to the agreement with the prospective supplier. Recognising this, Government may want to be clear that it owns its own strategy for the airport and ongoing evaluation of that strategy, which is distinct from that of any prospective concessionaire.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Written confirmation of agreement on part of stakeholders and customers Clear statement of business outcomes and service outputs Are the spending objectives set at an appropriate level and SMART: <ul style="list-style-type: none"> - specific - measurable - achievable - relevant - timely Statement of any security and confidentiality issues 	<ul style="list-style-type: none"> Overall clear stakeholder buy-in to the case for change, and the objectives of spend. 	<ul style="list-style-type: none"> As above, it is worth noting that Government may want to be clear on owning its own required business outcomes and service outputs. When the recommended deal is more fully developed, the Government may want to assess the deal against the original spending objectives. To do so, it might wish to incorporate these in a single statement – this may feature within the procurement strategy in the Commercial Case.
S3	Does the recommended deal still provide all of the required services –	<ul style="list-style-type: none"> Change control arrangements Notification of any changes during negotiations: <ul style="list-style-type: none"> - additional services 	<ul style="list-style-type: none"> Whilst change control is not addressed, there is evidence of agreement of stakeholders. 	<ul style="list-style-type: none"> It is worth noting relatively limited consideration of the potential for subsequent change in strategic context. Government might want to

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
	both current and future?	<ul style="list-style-type: none"> - agreement of stakeholders and users - business justification and Cost Benefit Analysis 		consider the need for flexibility within the solution identified in the Economic Case, and the provisions of the Commercial Case.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> • Continued stakeholder commitment and involvement • Communication strategy 	<ul style="list-style-type: none"> • Clear and ongoing involvement of key stakeholders, including the public in the form of ministerial statements, and an indication that the tourism industry supports the case for change. 	<ul style="list-style-type: none"> • There is no defined communication strategy for the ongoing delivery of the project, and there has been no documented feedback from the public or travellers (customers).
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> • Outline of benefits realisation plan: <ul style="list-style-type: none"> - Direct and indirect to the organisation and wider public sector - Cash (£) and non-cash-releasing - Ranking of benefits by key stakeholder • Outline of risk management strategy: <ul style="list-style-type: none"> - Business risks - Service risks - Likely probabilities and impact (high, medium or low) • Assessment of internal and external constraints <ul style="list-style-type: none"> - Evidence of critical path - Related programmes and projects 	<ul style="list-style-type: none"> • High-level benefits are detailed in a number of places throughout the documentation as a whole, which also includes high-level consideration of risks and internal and external constraints. 	<ul style="list-style-type: none"> • Some of the more specific aspects of assessing benefits, risks, constraints and dependencies have not been examined in detail. This includes, for example, production of a benefits realisation plan and ranking of benefits by stakeholder. Given a strong Strategic Case for change, this is considered as an opportunity for refinement through the Management Case and subsequent delivery.

Economic Case

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> Prioritised CSFs (high, medium or low) Relevant performance measures 	<ul style="list-style-type: none"> A number of documents detail the key drivers of Bermuda’s position in the overall aviation market, and the importance of the airport for international business activities and the tourism industry. Other key factors in improving airlift and the requirements for improving the airport, are identified throughout. These include, for example, key project objectives such as addressing key challenges like storm protection. Additionally, the Ministerial Statement (document 46) provides a clear summary of some further project objectives. Taken together, there are a number of different sources which could readily be interpreted as CSFs. 	<ul style="list-style-type: none"> However, although a number of factors exist which could be interpreted as CSFs, the documentation as a whole does not explicitly outline CSFs or prioritise these for the purposes of options assessment. This is to be expected given that the documentation has not been prepared according to Green Book guidance.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> 10 to 12 main options for the Long List – full description Use of the options framework <ul style="list-style-type: none"> for business scope for potential solutions for service delivery for implementation for funding SWOT analysis of options against: <ul style="list-style-type: none"> spending objectives critical success factors benefits criteria evidence of likely support from key stakeholders Preparation and assessment of economic appraisals for: 	<ul style="list-style-type: none"> Throughout the documentation ‘options’ are defined in a number of different ways. These include: <ul style="list-style-type: none"> Options for technical solution for airport re-development, including contrasting refurbishment of existing terminal with new build, and a range of ‘project concepts’ identified at different stages in the development process. Commercial options for delivering the project, which will be considered under the Commercial Case section. The objective of the Economic Case is to identify the best VFM for Government, and 	<ul style="list-style-type: none"> Taken as a whole, there is no clear or structured assessment of all options performed in order to appraise the Economic Case of short-listed options and arrive at a preferred solution. Whilst it is clear that a wide variety of solutions have been identified, there may be a case for confirming the scope of the preferred solution and the impact of that scope on future cases, such as the Financial Case and affordability considerations. Whilst a large number of the documents touch on elements of the Economic Case, these typically

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> - do nothing/do minimum - revised PSC - best and final offers and/or - preferred bidder (if selected) • Use of appropriate tools: <ul style="list-style-type: none"> - sensitivity analysis - risk (£) quantification - evaluation of qualitative benefits (rank, weight and scoring) • Treatment of costs and benefits in accordance with Treasury 'Green Book' rules • All assumptions recorded • Achievable benefits streams • Stakeholders and customers support 	<p>that preferred solution is then assessed for delivery model and procurement strategy considerations in the Commercial Case.</p> <ul style="list-style-type: none"> – Options associated with wider re-development opportunities, such as solar photovoltaic ("PV") and landside development. • A large number of the available documents touch on elements of the Economic Case, including: <ul style="list-style-type: none"> – Potential revenue streams and scope options (e.g. commercial airspace management and renewable energy development). – Assessment of benefits associated with a 'do something' option, including benefits associated with reversing the trend of declining traffic in Bermuda, and non-monetary benefits such as support for national goals, safety and flexibility. – Assessment of the economic impact of the proposed project by direct and indirect economic impacts during construction. – Identification of some risks associated with different commercial options. – Assessment of NPV for the project based on a private sector WACC. • There is a large volume of evidence for assumptions used at different 	<p>assess different elements of different option sets, and it is therefore not clear that a preferred solution has been identified through a clear assessment of net present value ("NPV"), risks, and non-monetary benefits. Key considerations include:</p> <ul style="list-style-type: none"> – In a number of instances, options are proposed by the current proposed supplier rather than the Government. This means there is no clear appraisal of options from a Government perspective with which to engage the market. – This means it is not clear that Government has determined the optimal scope from the potential options prior to going to market. – Additionally, the project is assessed from a project/SPV rather than holistic Government perspective. For example, whilst the affordability analysis performed by Leigh Fisher includes an NPV calculation, this looks to focus on project cash flows only and uses a developer weighted average cost of capital ("WACC") rather than Government discount rate. The Green Book guidance uses HM Treasury's Social Time Preference rate of 3.5% p.a. in real terms to discount economic cash flows for the NPV.

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
			points in the development of the project.	<ul style="list-style-type: none"> – The economic assessment performed by the Bermuda College does not consider NPV. – The economic assessment performed by the Bermuda College only considers the construction period. – Whilst there is reference to optimism bias, this is not incorporated into any investment appraisal. • Additionally, concepts of VFM are often assessed at theoretical levels and not always in respect of the Economic Case or defined options. In particular, the CCC Project Concept document concludes on the VFM case with limited reference to the preferred solution as compared to alternative options, and in respect of the Commercial Case (i.e. the preferred delivery model) rather than Economic Case (the preferred option). • Some analysis of socio-economic benefits e.g. job creation, impact on tourism industry, has been performed in different documents. These are key factors in the rationale for the project and may need to be validated in the Economic Case.
E3	Has the Public Sector Comparator been constructed and assessed in	<ul style="list-style-type: none"> • Realistic solution capable of implementation • Risks identified, apportioned and measured for all project stages: <ul style="list-style-type: none"> - design 	<ul style="list-style-type: none"> • High-level assessment of different commercial options are considered, including some consideration to typical risks. 	<ul style="list-style-type: none"> • A PSC is not clearly identified as a delivery option for Economic Case appraisal. • This is expected given that the documentation has not been

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
	accordance with HM Treasury guidance?	<ul style="list-style-type: none"> - build - finance - operate Public Private Partnership ("PPP") costs, where available		prepared according to Green Book guidance, and the private finance solution has been a key project driver from the outset.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> • Assessment of earlier assumptions • Use of evaluation criteria: <ul style="list-style-type: none"> - long list of suppliers - short list of suppliers • Description of each bid received at Best and Final Offer ("BAFO") • Method of treatment for varying bids • Basis for selection of preferred bidder (if applicable) 	<ul style="list-style-type: none"> • Not Applicable: A competed procurement process was not conducted, so no procurement notice was issued. 	<ul style="list-style-type: none"> • It should be noted that there is not a clearly-defined evaluation criteria or methodology for the bid to assess the VFM of the unsolicited proposal against Government expectations. This is considered in more detail in the Commercial Case.

Commercial Case

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Description of potential deal Market soundings Existing service providers Consideration of procurement options including: <ul style="list-style-type: none"> - use of preferred bidder - public procurement notice - evaluation criteria and strategy - negotiations strategy - Invitation to Tender (ITT) - procurement plan and timetable 	<ul style="list-style-type: none"> Overall there is a significant body of evidence considering the potential procurement strategy, approach, and commercial structures. This includes consideration of potential commercial airport models under a public private partnership (PPP), including: <ul style="list-style-type: none"> - Management contracts - Lease-term concession - Developer financing and operation - Joint venture - Sale of asset There is evidence provided to support the viability of a PPP model for the airport. There is also evidence of considering procurement strategy, including considerations on: <ul style="list-style-type: none"> - Market engagement - Use of financial, legal, market valuation and project delivery consultation - Use of Request for Information / Request for Quotation RFI/RFQ process - Open book negotiation - 'Fairness Review' to help deliver VFM The benefits of the proposed procurement strategy are identified including: <ul style="list-style-type: none"> - Reduce and/or eliminate the real risk of overruns and delays 	<ul style="list-style-type: none"> Whilst there is significant evidence relating to procurement strategy, it should be noted that: <ul style="list-style-type: none"> - The available evidence is typically quite generic and frequently theoretical – there is very little specific assessment of procurement strategy in this context, recognising the specifics of the Bermuda airport. There is no evidence, for example, of incorporating market soundings - The available evidence is in large part from earlier stages in project development. There is a potential gap in the evidence to support the sole-source procurement strategy opted for from June 2014, as compared to previous evidence suggesting a competed PPP procurement process could be viable - It is not clear that some of the recommendations of reports from earlier stages in development were carried forward into the procurement strategy now proposed The proposed deal itself is not very clearly defined, particularly in respect of key drivers of value for the Government on the concession agreement - this is typically required to assess how successful a

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
			<ul style="list-style-type: none"> – Reduce heavy procurement costs – Address the urgency of job creation by cutting the time of procurement – Ensure Government gets VFM • Consideration given to the need to establish procurement parameters with CCC based on best practices. 	<p>procurement process has been prior to final signing of contracts.</p> <ul style="list-style-type: none"> • Overall, there is limited evidence of Government driving the procurement strategy agenda and how to obtain best value from a sole-source arrangement, including: <ul style="list-style-type: none"> – Whilst there is significant consideration of delivering VFM, there is not a clear negotiation strategy for how Government will do this under sole-source proposal. The 'Fairness Review' refers to an independent construction company, but it is not clear how this will be used in the negotiation of the concession under the Letter of Agreement ("LOA"). Expertise in airport concessions rather than construction may be needed too – It should be noted that the conclusion in favour of a sole-source procurement (notably citing lack of investor interest) is made by CCC, and Government may want to perform independent analysis on procurement strategy to satisfy itself on the validity of this analysis – In particular, Government may want to consider how to extract value from the procurement process – open-book negotiation, for example, may provide better-value if open book accounting and

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
				<p>gainshare mechanisms are enforced in the concession agreement</p> <ul style="list-style-type: none"> – The LOA with CCC includes provisions for Government reimbursement of costs, a mark-up on termination and a first right of refusal – it is not clear that this has been analysed as a preferred procurement approach, including the implication on market demand – Whilst sole-source procurements have some benefits, they give rise to additional required considerations to access benefits in the absence of competitive tension
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • Potential for innovation within the provision of services and solutions • Potential for risk transfer in Design, Build, Finance, Operate stages • Potential for new business and alternative revenue streams • Likely contract length 	<ul style="list-style-type: none"> • A number of documents outline potential commercial structures and associated risk transfer. • In terms of deal scope, CCC note that: <ul style="list-style-type: none"> – CCC have a requirement to demonstrate project viability to their internal Risk and Opportunities Committee – Government retains responsibility for satisfying itself that agreements contain fair and reasonable terms and meet VFM requirements – Government will need to satisfy itself of market-based pricing through a third-party audit of key aspects of the capital budget 	<ul style="list-style-type: none"> • Documents to define approach to risk transfer are typically generic - Government have not produced a clear service requirement for market, or defined scope (e.g. for ancillary opportunities) for risk transfer. • It should be noted that CCC's internal processes are likely to consider CCC's commercial position, not VFM for Bermuda. • It is likely that Bermudian Government will not want to rely on CCC's proposals to assess VFM. There is limited evidence of consideration of specific mechanisms to benchmark or assure VFM through assessing the proposed deal. • Therefore, Bermudian Government may want to consider testing VFM

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
				<p>not only in respect of capital budget, but also in terms of concession structure and provisions. These might include concession length but also:</p> <ul style="list-style-type: none"> – Pricing (revenue share, structure and incentivisation, definition of revenue, annual escalation formula etc.) – Service levels (Key Performance Indicators (“KPIs”), enforcement, cost effectiveness, safety etc.) – Labour commitments within contractual documents (levels of staff retention, training commitments, local supplier obligations etc.) – Rights to renegotiate and review aspects of the agreement – Regulation considerations
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> • Core, desirable and optional services • Delivery time-scales (phased improvements etc.) • Potential payment mechanisms • Ownership of residual assets <p>Service levels and performance measures</p> <p>Outlines some considerations on scope under different commercial structures.</p>	<ul style="list-style-type: none"> • Significant detail on potential parameters and intent of proposed deal included within the project concept documentation. 	<ul style="list-style-type: none"> • There is no defined deal for consideration. The LOA describes an agreement to reach an agreement. • To the extent intended scope of services are expressed, these are proposed by the potential supplier rather than as defined requirements and optimal structure and scope for Government. • Limited detail on concession structure, including payment mechanisms, applicable regulation etc.
C4	How will business and service change be delivered and implemented	<ul style="list-style-type: none"> • Change management plans • Proposed mechanisms and milestones 	<ul style="list-style-type: none"> • Potential supplier documents include considerations on solutions to enable change. 	<ul style="list-style-type: none"> • Limited evidence of Government consideration of how to deliver value, including through benchmarking and/or market testing.

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
	successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> Assessment of personnel implications Assessment of known and expected change Formula for handling unexpected change: <ul style="list-style-type: none"> - benchmarking - market testing arrangements 	<ul style="list-style-type: none"> Considers Government retained risks and requirements, including (for example) delivering Governmental permits and approvals, and monitoring contract performance. 	<ul style="list-style-type: none"> Limited detail on Government ability to deliver its dependencies and requirements for the concession term.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> Market research and surveys Use of standard contractual terms and conditions <p>Benchmarks – similar projects</p>	<ul style="list-style-type: none"> Documentation considers potential funding market for PPP, and concludes overall on a robust market for airport debt. 	<ul style="list-style-type: none"> It should be noted that the documents supporting the bankability of the project raise considerations for the procurement strategy on the relative merits of the sole-source strategy.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> Overview of procurement process <ul style="list-style-type: none"> - Deviations from procurement strategy Use of legal and procurement advice (internal and external advisers) 	<ul style="list-style-type: none"> Documentation includes CCCs proposal to competitively tender 80% of construction works, which “will provide commercial tension throughout the supply chain during construction”. CCC propose Government use of legal, financial and technical advisors to maintain VFM considerations for Government and help deliver project. 	<ul style="list-style-type: none"> It should be noted that the procurement process has not been undertaken for sub-contractors. It is understood that AECOM have been selected through a non-competed process, although believed they have passed through CCC’s due diligence process. It should be noted that it is not unusual for a prime contractor to compete sub-contracts, but that is not synonymous with offering the Government value through the procurement process. A prime contractor would expect to take the risk/reward associated with its sub-contracting arrangements. In order to obtain VFM, Government would therefore be interesting in extracting value in competitive tension between potential prime contractors rather than between sub-contractors, unless

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
				<p>there are specified gain-sharing mechanisms between the prime contractor and Government in respect of sub-contract arrangements. These are not referenced in the documentation.</p> <ul style="list-style-type: none"> Whilst there is a clear aspiration to use independent advisors to help Government obtain VFM, there is limited evidence of a road map for how and when to use them throughout the project development and procurement process, rather than on an ad hoc basis. Use of technical, financial structuring and wider financial, legal, and programme management advisory support is typically documented within the Commercial Case prior to commencing the procurement process.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> Outline of the agreed deal: <ul style="list-style-type: none"> - services – current and future - delivery time-scales - design - build - operate - payment mechanisms - performance and availability - volume and usage - incentives - future change - new business and alternative revenue streams - ownership of residual assets - service levels and performance measures 	<ul style="list-style-type: none"> Evidence of CCC and sub-contractors strong expertise and track record on comparable projects is available. 	<ul style="list-style-type: none"> Documentation as a whole does not provide details of an agreed deal against which CCC will deliver. Further evidence might be explored in the future to test supplier capabilities.

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> Business, technical and cultural fit – track record 		
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> Use of specialist adviser(s) Use of standard terms and conditions Key contractual terms agreed 		<ul style="list-style-type: none"> It should be noted that negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations, and a first right of refusal. The Government may want to consider the nature of the LOA agreement and the CCC deliverables this ties the Government to (and associated cost).

Financial Case

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Indicative costs Likely sources or organisational funding Financial appraisals for recommended deal, including full assessment of: <ul style="list-style-type: none"> capital and current requirements net effect on prices impact on balance sheet income and expenditure account Stakeholder and customers agreement 	<ul style="list-style-type: none"> Preliminary construction cost budget is provided based on preferred terminal design. Preferred design has been selected based on design which is less capital intensive and more affordable. Preferred terminal design is about 50% of 08 Master Plan design costs. Airfield apron, taxi-lanes, and taxiways infrastructure listed as 40% of 08 Master Plan design costs. CCC developed affordability gap in operating phase based on air traffic forecasts, operating cash flows and financing costs. CCC's proposed design shows an affordability gap of \$35m (compared to \$186m reduction from 08 MP). Sensitivity analysis performed on key value drivers: passenger traffic, incremental Airport Improvement Fee, Commercial Sales Revenue, and Salaries & Wage costs. CCC to use limited recourse project finance structure, based upon forecast revenue streams. Source of Funds proposed as 16% equity from sponsors; mix of debt from low to near investment-grade private placement bond financing; reserves, and export credit financing, likely from Canada's EDC totalling 47% debt; 25% Cashflow from Ops; 3% Escrow from AIF; 9% funding gap covered by BDA Government. 	<ul style="list-style-type: none"> While there has been a great deal of work on the affordability of the project, it has been developed by CCC as opposed to the Government. CCC's affordability components fail to encapsulate all costs to be borne by the Government during and after the project. Financial model requires a peer review. The main element missing from the affordability of the project is that the perspective it has been developed under leaves several cost components of the Government amiss. It is therefore not robust enough to make an investment decision and requires further development. Cost of Debt needs to be challenged by Government through the use of its own advisors. Balance sheet analysis for Government, including impact on debt and credit ratings – this could have an impact on the project structure and preferred financing solution. Clearly set out the agreed accounting treatment of the project for the Government. Specifics of the savings and efficiencies need to be analysed and supported by evidence.

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
			<ul style="list-style-type: none"> • Benchmarking for airport charges and fees in Bermuda (passengers, airlines, fuel) – suggests there is room to increase passenger and fuel fees. • \$200 million capital cost over 4 years is affordable based on Leigh Fisher's estimates. • Airport Departure Tax revenue would need to be dedicated to Airport and needs to be \$40/passenger. • Base Case assumes financing is set at 65:35 (D:E ratio), 11.78% WACC, \$40 departure tax, 30 year concession, traffic grows 1.6% per annum until 2045. • Preferred terminal concept selected on technical and aesthetic criteria (landslide and terminal construction costs included). • Estimated cashflows with operating revenue, costs, and construction costs. • Land side commercial real estate study included in the 2008 HNTB feasibility study. • Peer review of air traffic forecasts including recommended changes, additions, and explanations • Brief overview of the reasoning behind selecting CCC as the procurement solution. 	<ul style="list-style-type: none"> • Financial Model and study need to be updated, and expanded to study the concession structure and all Governments costs related to the airport. • Further evidence of stakeholder consultation and agreement would be useful.

Management Case

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Agreed programmes for: <ul style="list-style-type: none"> change management business process re-engineering Staff-side representation Personnel implications 	<ul style="list-style-type: none"> Taken as a whole, there is relatively limited detail; CCC's documents do include consideration to personnel and related considerations. 	<ul style="list-style-type: none"> Recognising the stage of development of the Management Case, there is currently no agreed programme. This is expected given that there is not an agreed scope of the project or contract against which to construct a Management Case. The Government may want to consider the need for further detail in this area, and in particular the labour commitments and personnel implications in the contractual commitments made by any supplier.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Programme Methodology (MSP) Project methodology (PRINCE2) <ul style="list-style-type: none"> project board and structure project manager and team project plan project resources and budget Reporting mechanisms Use of external advisers <ul style="list-style-type: none"> legal financial other Outline arrangements for: <ul style="list-style-type: none"> benefits study and realisation plan risk management strategy and plan change management strategy and plan contract management Arrangements for evaluation: <ul style="list-style-type: none"> peer reviews Office of Government Commerce ("OGC") gateway reviews (if required) project implementation reviews 	<ul style="list-style-type: none"> From a Government perspective, detail is provided on the benefits of using CCC to guarantee the project is delivered on time and on budget. Detail is provided on the use of external advisors to support successful delivery on both Government and contractor sides. 	<ul style="list-style-type: none"> Overall, this part of the case is not well-developed. There is limited detail on the practical arrangements to ensure the successful implementation of the project. Additionally, the detail that does exist is high level and typically relates to CCC's delivery of the project, rather than considering the overall programme plan and Government delivery responsibilities. Whilst an independent construction company is anticipated to review the VFM case of the project, it is not clear whether this scope includes review of project planning. More broadly, specific detail of how project management methodologies and advisers will be used in the delivery of the project are not included. CCC's contribution, role, and responsibilities outline some aspects

#	Key Review Criteria	Main Evidence Required	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> - post-evaluation reviews • Contingency plans • Contract management strategy, including disputes resolution procedures • Skilled contract management team • Agreed schedules for service streams and outputs 		<p>of risk management and change management, but detail is limited.</p> <ul style="list-style-type: none"> • There is very limited detail on reporting, contingency planning and contract management. Some of this responsibility falls to Government, and Government may want to play a proactive role in defining this.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> • Detailed benefits realisation plan • Robust risk management strategy <p>Monitoring and reporting arrangements- registers and regular audits</p>	<ul style="list-style-type: none"> • Detail is provided on high-level benefits, and CCC provide high-level descriptions of effective risk management. 	<ul style="list-style-type: none"> • There is very limited practical detail on the management of benefits realisation or risks. It is also worth noting that the detail that does exist is typically not 'owned' by Government, who are in the large part the owner of benefits from the project. • Further work is required to develop a robust risk management strategy and monitoring and reporting arrangements.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> • Contingency plans • Arrangements for regular review 	<ul style="list-style-type: none"> • Limited detail. 	<ul style="list-style-type: none"> • There is no evidence of contingency planning from Government should the proposed deal fail.

5. Overall Assessment and Conclusions

Full Gap Analysis Assessment

In this section, we set out the findings of the full gap analysis and conclusions on the alignment of the methodology and approach taken in the documentation available on the Bermuda Airport development against the key criteria in the Green Book Five Cases model. Recognising that the Government of Bermuda is not required to use the Green Book for public sector investment business cases, our conclusions are based on the spirit or principle of the Green Book as a best practice. This is intended to prevent conclusions that are excessively prescriptive or granular, and to provide an indication of substantive gaps and opportunities to add value to the process, rather than focusing on detailed technical gaps. More detailed gaps are outlined in Section 4, supported by Appendix 7.

We understand that the equivalent of the Gate 3 investment decision is likely to be made in roughly May 2016, prior to Financial Close of the deal with CCC, giving the Government of Bermuda a year to complete the FBC. There would therefore appear to be ample time for the most important gaps to be addressed to complete a FBC.

It is recognised that the Government of Bermuda are looking to proceed to signing a Development Agreement with CCC in June 2015, which will include commercial terms (including exit provisions) for the period of further project development and negotiation with CCC prior to prospective Financial Close. There are therefore elements of the current stage of the project that are comparable to the OBC stage, which seeks to establish the preferred option and put in place arrangements for procurement. However, it should be recognised that our assessment is focused on looking forward to the outstanding areas and most important gaps to support overall progress towards a FBC-equivalent body of analysis and evidence. The question of whether the business case has been developed to OBC stage and is sufficient to support advancing the procurement process with CCC may be a valuable exercise, but is outside our scope of work and therefore has not been evaluated.

There are several key areas, particularly in the Commercial Case, which we believe offer opportunities for the Government of Bermuda to add significant value to the process and substantially reduce risks in the project. The Government of Bermuda may wish to consider when and how to address these key areas, and whether they wish to undertake further work prior to signing a Development Agreement, but specific consideration on this roadmap is outside the scope of this report.

A detailed analysis of each of the Five Cases by key review criteria and against the required supporting evidence for each is set out in Appendix 7. A summary gap analysis assessment by case is included below:

Strategic Case

The Strategic Case is designed to evidence that the project is supported by “a compelling case for change that provides holistic fit with other parts of the organisation and public sector”. Through our mapping activity we identified 39 evidence points as containing information relevant to the Strategic Case.

Overall the case for change is clear--the airport is identified as a critical piece of infrastructure and the current terminal does not meet Bermuda's needs or international requirements. This is well documented and consistent across a number of reports and documents produced since 2006.

The recommended deal looks to provide synergy and fit with Bermuda Airport's business strategy, and address spending objectives and business needs. We find that this criteria is discussed in detail in CCC's proposal entitled, “Project Concept for the Redevelopment of L.F. Wade International Airport,” dated 25th March 2015, and the Memorandum of Understanding between the Government of Bermuda and CCC dated 10th November, 2014. However, we note that a significant part of the most recent evidence base for change has been produced subsequent to or in parallel to the agreement with the prospective supplier. Recognising this, Government may want to be clear that it owns its own strategy for the airport and ongoing evaluation of that strategy, which is distinct from that of any prospective concessionaire.

We have also seen significant evidence of continued stakeholder engagement and communication on the plans to develop the Bermuda Airport over a number of years. We note that there has been no documented feedback from the public (customers), which could hinder any form of future dispute resolution being carried out.

Likely benefits, risks, constraints and dependencies of the proposed deal have been examined for the Strategic Case. These areas are present across a number of documents, with a bulk of the risk management strategy shown in CCC's proposal entitled, "Project Concept for the Redevelopment of L.F. Wade International Airport," dated 25th March 2015. Some more specific Green Book aspects of addressing benefits, risks, constraints and dependencies have not been examined in detail (for example, production of a benefits realisation plan and ranking of benefits by stakeholder). Given a strong Strategic Case for change, there is an opportunity to address and refine these areas through the Management Case. Likewise, there could be a more thorough assessment of security and confidentiality issues.

We find that in principle, the Strategic Case is well-defined. Whilst there are some specific areas that could be enhanced to align to Green Book methodology, the case is comprehensive in principle – the Strategic Case for change has been developed over a number of years and is the most mature of the five cases in the Bermuda Airport development business case.

Economic Case

Once a 'case for change' has been established, the Economic Case examines whether "the intervention represent(s) best public value". Our initial mapping exercise showed that there were fewer documents in support of this case compared to the Strategic Case, with 24 of 52 data sources having some alignment.

There are documents addressing many components of an Economic Case, and a number of the underlying inputs for an Economic Case have been analysed in earlier and more recent proposed development plans. For example:

- A 2014 Traffic Review and Forecast provides a very detailed assessment of key features that would be used in an options assessment, including understanding in detail the market enablers and how change might impact traffic. It provides support for a 'do something' option in respect of increasing air traffic and reversing the trend of declining traffic in Bermuda. However, this and other documents do not provide an options analysis or compare and contrast different options side-by-side to arrive at the most economically advantageous option to reverse the identified negative trend. Without an options analysis, it is difficult to establish whether the most economically advantageous option has been selected. In the Economic Case we would expect VFM to be assessed, taking in to account benefits and costs, the time value of money (NPV analysis), and optimism bias, as well as an assessment of risks and non-monetary benefits.
- Revenue streams, operating costs and CAPEX costs have been assessed, primarily from the perspective of the project/SPV, for various options over a number of years, and in financial rather than economic terms. These analyses could potentially be very useful inputs to create an economic NPV analysis of the options to establish the preferred option on the basis of VFM.
- A number of documents detail the key drivers of Bermuda's position in the overall aviation market, and high level objectives for the airport project from the Government's point of view, such as job creation and risk reduction. Whilst these are not specifically labelled as Critical Success Factors for the options, they could readily be adapted as such, prioritised, and then used to inform the monetary and non-monetary benefits assessment in the options appraisal.

The detailed methodology review and assessment also highlighted several key gaps, including:

- Most notably, there has been no long-list of options identified, short-listed and assessed for NPV, the wider economic impact, risks, and non-monetary benefits. Whilst different variants of project scope were assessed in sequence, these were not clearly defined and compared side-by-side to identify the preferred option as a solution to the Strategic Case for change.

This gap makes it difficult to assess that the most economically advantageous solution has been selected. This is particularly significant in satisfying Government that the optimal solution for Bermuda has been selected, prior to engaging with potential suppliers. There are, for example, a number of areas of sub-scope for the new airport development (including solar PV, fast ferry, and land-side development) that are not clearly assessed to identify the optimal scope of the overall airport development project.

- We understand that a Public Sector Comparator is currently being generated by the Government and its advisors. A PSC is important to understand by how much, if at all, the private procurement method will be more economically sound than a public sector delivery method. This also has implications for the Financial Case, which needs to consider the pros and cons, constraints and dependencies, of different financing solutions.
- Consideration to cost overruns on capital programmes has been evidenced, but there is no explicit or quantitative consideration of optimism bias in the documents related to the Economic Case.

As a whole, the Economic Case does not yet appear complete, based on the documents we have received from the Government of Bermuda. As there is both theoretical discussion of VFM and extensive analysis of key value drivers present in existing documentation, there is an opportunity for the Government of Bermuda to leverage previous work to develop a full economic analysis of the options, aligned to the Green Book or another internationally recognised VFM methodology.

Commercial Case

The purpose of the Commercial Case is to consider the commercial implications of the most economically advantageous solution identified from the Economic Case, and establish and evidence that the “proposed deal is attractive to the market place, can be procured and is commercially viable”.

Whilst sole-source procurements offer certain benefits, the absence of competitive tension may make achieving VFM more challenging, making a robust Commercial Case potentially more important.

We found 16 data sources that supported this case. In our detailed assessment of these documents we identified a number of clear gaps in our comparison between the Green Book guidance and the documentation on the Bermuda Airport project. Key considerations include:

- Throughout the analysis we have found substantial evidence pointing toward a potential procurement strategy, approach, and commercial structures. These are all key to answering whether the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail.
- The documentation indicates there has been a great deal of high-level analysis considering various PPP strategies, most notably in the February 2014 Airport Development Models white paper and the earlier PPP Opportunity Scan. It appears that these documents indicated a clear direction for the development of a Procurement Strategy, which appeared to include a PPP (the specific model not yet identified), to be taken to market through a competitive RFP process. There was also early indication from various sources that while the market may have been challenging, there was private sector appetite and bankability for airport deals, and the Bermuda Airport was considered a possible candidate for a PPP and private financing.
- In June 2014, representatives of CCC and the Government of Bermuda met, marking the start in the documentation of a new procurement approach. The documentation we have viewed does not set out how the Government of Bermuda analysed the costs and benefits of a sole-source procurement strategy against those of the anticipated competitive RFP process for a PPP, except at a high, conceptual level. As a result, there is no robust evidence indicating that a sole-source PPP would offer more VFM than a competitive procurement strategy for a similar concession. There is therefore a potential gap in the evidence to support the sole-source procurement strategy opted for from June 2014, as compared to previous evidence suggesting a competed PPP procurement process could be viable. As with the Economic Case, Green Book guidance typically expects this procurement strategy to be conducted by Government in isolation from the private sector, including a detailed commercial options analysis to determine the optimal commercial structure for the project, the terms and provisions with which Government are willing to engage the market, and how to conduct the procurement in order to obtain best-value from the private sector. This might include, for example, considering the case of responsibility for bid or project development costs. This process seeks to prevent the potential private sector bidders from influencing the procurement process and commercial structure in a way which does not obtain best value for Government. This approach to obtaining VFM is relevant to all public sector spending proposals, irrespective of the procurement process and approach to market, whether it is ultimately competed or otherwise. CCC’s proposal does assess some of the arguments for a single-source procurement approach, for example concluding that there is a lack of investor interest for comparable projects. Government would typically want to assess this case independently.

- The Government has signed both an LOA and an MOU with CCC. There are a number of terms within the two agreements that may affect the economic viability of exiting negotiations with CCC and choosing an alternative option. For example, if the Government developed a PSC at this stage and discovered it yields better VFM than a PPP with CCC, the financial penalties for withdrawing from the CCC arrangement may offset the benefits of the proposed PSC.
- CCC's internal processes will naturally consider their own commercial position rather than the position of the Government of Bermuda. While their proposed deal may aim to offer VFM, a supplier's estimation of VFM will not consider all components affecting the Bermuda Government. Therefore, the Bermuda Government may wish to develop its own assessment of the VFM of CCC's proposal.
- In a sole-source procurement approach, the lack of competitive tension and pressure on supplier pricing can make it more difficult to achieve VFM. For this reason, buyers in sole-source arrangements typically need to take a more pro-active approach to achieving VFM than in a competitive RFP process. For example, a buyer in a sole-source arrangement can determine how to deliver value by benchmarking proposed concession terms to market. Building in such mechanisms to the procurement process outlined by Government may help obtain a close-to-market on key concession terms such as length, pricing, service levels, labour commitments, and future rights and obligations.
- The documentation we have viewed does not set out how CCC selected AECON, how their process follows best practices, or how competitive tension in the supply chain between AECON and their competed sub-contractors would benefit the Government of Bermuda.

Overall the Commercial Case is the area where we believe the Government of Bermuda could add most value to the process and substantially reduce risk by developing the case further. Two main points of development could add immediate value:

- First, developing a Procurement Strategy, which would establish the preferred procurement approach going forward from the present date, as well as provide a value driving framework to ground the rest of the procurement process. Typically, this would include detailed analysis on how to obtain best value from the procurement process through best and most effective use of legal, technical, financial, transaction and programme management support, and how negotiations will be conducted.
- Second, (and this may be considered within the Procurement Strategy) a method to ensure the proposed concession arrangement offers VFM and is at market. Benchmarking the proposed concession terms to market would be one approach. This could be defined in the Procurement Strategy, for completion before the concession agreement is negotiated with CCC. This may be similar to the Fairness Assessment mentioned in several documents, although we would typically expect specifics on how this will be conducted and its commercial implications to be documented to support the Commercial Case.

Financial Case

The Financial Case assesses the affordability of the project, based on the optimal scope and commercial structure identified in the Economic and Commercial Cases. We would also emphasise that the affordability assessment does not evidence good VFM – a below-market deal could be affordable, and visa-versa.

We understand that affordability was a key driver behind the choice for a private finance solution to fund the project. The Financial Case asks the critical question, "Is the proposed spending affordable?" Affordability is based on the Government's ability to cover all its costs for the project, rather than the SPV's ability to support CAPEX. Understanding the expected financial position prior to entering the procurement stage also allows Government an evidence base to satisfy itself that the procurement has achieved its financial objectives.

There were a total of 21 data sources that helped answer the question of affordability. While the support is detailed and extensive, the extent of focus on 'affordability' appeared to be on making a bankable deal for the private sector, rather than focused on the overall position of Government. Many of the key studies and models were developed by the prospective supplier rather than Government. 'Affordability' in this context needs to be understood from the overall Government, rather than project SPV perspective, and incorporate any retained services or additional requirements of Government. These may include any items of scope within the economically preferred option that are not being procured from the supplier, such as the solar PV farm.

There is an opportunity to improve consideration of the affordability of the project from the perspective of the Government. In order to progress the analysis, further areas for consideration include:

- We would expect the Government to generate the analysis as to whether it is an affordable project. To the extent that they may rely on analysis from the prospective supplier, this might need detailed testing and challenging, and also Government consideration of the key assumptions of the concession structure and terms (such as payment adjustments for KPIs) that might need to be stress-tested from a Government affordability perspective. It is typical during this process to see advisors challenged existing studies and models, to assess their robustness.
- The Government's retained costs associated with the project may need to be assessed, included in the analysis, and budgeted for. These may include, for example, regulation, monitoring the concession, operating costs of Customs and Immigration in the new terminal, and associated infrastructure like the Causeway bridge. The budgetary impact of assigning revenue such as departure tax to the concession may also need to be assessed.
- Accounting treatment and balance sheet impact of the proposed concession arrangement for the Bermuda Government may need to be established. This typically has implications that may need to be considered for the preferred commercial structure and Commercial Case, and also potentially for government borrowing metrics and credit ratings. Minimising the impact on Bermuda's balance sheet (and by implication, on Bermuda's sovereign credit ratings), is one of the criteria set by the Government to give a green light to the airport project, according to the Bermuda Government's 2015-16 Budget Statement.

We understand that many of the above points are in process. For example, Government officials are examining balance sheet impact and accounting treatment.

As the case seems to be actively undergoing development, it appears the Government team intends to close gaps before Financial Close of the deal. Overall, while many elements of the Financial Case have been developed, or continue to be in process, the case is not yet complete.

Management Case

The Management Case asks whether the project, as defined in the preceding cases, can be delivered successfully, and helps equip the Government to achieve this. It covers areas such as programme and contract management; the use of external advisors throughout the process; transitioning staff and operations to the new model; evaluation and realisation of expected benefits; risk management; and contingency should the recommended deal fail at any stage.

Through our mapping activity we identified 14 reports and documentation as containing information relevant to the Management Case.

CCC's Project Concept in particular touches on a number of implementation areas including the transition of staff to the new concession arrangement, the need for risk management, and contingency plans. Being part of a conceptual document, these are high-level analyses.

A number of documents have highlighted lessons learned from other airport concession projects and large Bermuda capital projects, which could be used in the development of the Management Case.

Of the five cases for the Bermuda Airport business case, the Management Case is currently the least mature. Overall, it appears that the business case for the Bermuda Airport has not yet progressed to the stage of developing the Management Case in full, as key components of the proposal such as the concession structure will need to be established before implementation and delivery can be fully planned.

It will be important to ensure that adequate time is allowed in the process for the Management Case to be fully developed before Financial Close, such that the project can be successfully delivered and implemented. The Government of Bermuda and its advisors may also need to consider the requirements of the Management Case from a Government perspective, recognising that a number of key areas of scope may be retained by Government.

Conclusions

Strategic Case

The Strategic Case is well-defined. Whilst there are some specific areas that could be refined to align to Green Book methodology, the case is comprehensive in principle – the Strategic Case for change has been developed over a number of years and is the most mature of the Five Cases in the Bermuda Airport development business case.

Economic Case

Extensive underlying analysis exists and numerous different assessments of different project scopes and technical solutions have been carried out. This indicates that a full Economic Case may be ready to be developed, although this has not been done to date.

Key, integral steps are not present in the case. These include an economic assessment of a defined list of options to identify the most economically advantageous solution for Bermuda, and some specific Green Book and wider best practice considerations, such as use of a Public Sector Comparator, and optimism bias assessment. Under Green Book guidance, this analysis is expected to be performed by Government prior to engaging with potential suppliers such that the most economically advantageous solution for the Government is identified in isolation from private sector influence.

As a whole, the Economic Case does not yet appear complete, based on the documents we have received from the Government of Bermuda. Given the presence of extensive underlying analysis in the existing documentation, there is an opportunity for the Government of Bermuda to leverage previous work to develop a full economic analysis of the options, aligned to the Green Book or another internationally recognised VFM methodology. It will be important to ensure that key drivers of the investment are appropriately assessed, including the wider socio-economic benefits for the local economy e.g. job creation and stimulating the tourism industry.

Commercial Case

Significant evidence exists of considerations on the Commercial Case, including procurement strategy, commercial options analysis, and approach to the procurement. However, we identified key gaps in evidencing that the sole-sourced procurement approach that was selected will offer the best VFM, and in the Government approach to delivering VFM through commercial negotiations. Closing the major gaps in this case before a concession agreement is negotiated, and indeed potentially to make sure that the Development Agreement itself is robust from both a commercial and overall VFM perspective, could add significant value and substantially reduce risk for the Government of Bermuda.

This might include, for example, establishing the preferred procurement approach going forward from the present date, as well as providing a value driving framework to ground the rest of the procurement process. Typically, this would include detailed analysis on how to obtain best value from the procurement process through best and most effective use of legal, technical, financial, transaction and programme management support, and how negotiations will be conducted.

Financial Case

Extensive analysis exists, particularly on the affordability position for the proposed project SPV, and we understand that the Government of Bermuda's officials and advisors are focused on completing elements of the Financial Case. In order to complete this case to an FBC-equivalent level, we would expect the Government and their advisors to broaden their assessment of affordability beyond the SPV to the wider Government perspective by incorporating any retained services or responsibilities of Government (such as overseeing the concession), continuing to test key assumptions (including concession structure and terms), and considering specific key treatments of the project's financials such as accounting implications and balance sheet impact and associated factors such as government borrowing metrics and credit ratings.

A complete Financial Case could allow the Government to assess whether the Government can afford their obligations under the proposed concession arrangement, and to what extent it will achieve the Government's stated objectives for the project, including "a minimal impact on the government's balance sheet" (2015-2016 Budget Statement).

Management Case

Recognising the current stage of development of the project, this is the least mature of the Five Cases, indicating that the overall business case is not yet advanced enough for implementation and delivery considerations to be detailed. The Management Case is an important tool to be completed prior to the investment decision being made, in order to ensure Government's ability to deliver its responsibilities and manage dependencies under the contract, understand wider areas of project scope, manage the supplier effectively, and to have risk management and contingency plans in place.

One point in the Management Case which could add significant value to the Bermuda Government at the present time is a contingency plan should the current proposed deal with CCC fall through.

Appendices

Appendix 1 – Scope of this Report

Scope of Services and Timeline

The purpose of this engagement is to assess whether the existing analysis and documentation on the proposed Bermuda Airport Development is sufficient to support a go/no-go investment decision based upon HM Treasury's Green Book guidance for the evaluation of public sector spending proposals.

The RFP outlines the following timeline, which we will aim to achieve:

- 12 business days from contract signing – Draft report submitted to GOB and FCO for comment
- 20 business days from contract signing – Written and evidence based report with clear assumptions

Due to the nature of this project and its timeline, we will commence work once all the required data has been collected. The 20 business day engagement timeline will take effect on receipt of the necessary data in order to avoid our engagement time being spent on data collection. Confirmation of 20 day period commencement will be sent to Financial Secretary, Anthony Manders.

Approach

Based on the above objectives, we will perform a Gap Analysis between the existing reports and documentation on the Airport development and a Green Book-standard Full Business Case.

1. Mapping to the Five Cases
 - a. First, we will map existing reports and documentation provided by the client to the Five Cases – Strategic, Economic, Financial, Commercial and Management.
 - b. We will identify the key elements in each Case and ascertain whether each element has been covered in the existing documentation.
 - c. We will identify any major elements which are missing from the Five Cases, and comment whether they need to be added.
2. Methodology Review
 - a. For each element of each Case, we will review whether the methodology used in the existing documentation conforms to Green Book guidance.
 - b. If another approach was applied, we will note whether it is an internationally recognised methodology.
 - c. We will assess whether the existing analysis is sufficient to meet Green Book guidance for a Full Business Case, or if the analysis needs to be re-worked.
 - d. We will provide comments and observations on whether the underlying assumptions used in the existing documentation are relevant and supported by evidence. However we will not validate or provide assurance on the assumptions. The client must retain sole responsibility for the assumptions underlying the existing analyses.
3. Overall Assessment and Conclusion
 - a. Given any gaps and methodology differences identified, we will assess whether the existing documentation satisfies the requirements in each case of the Full Business Case, or if additional work needs to be undertaken. Such additional work will be outside the scope of this engagement.

Deliverables

As set out in the RFP, we will produce two deliverables: a Draft Report and a Final Report.

We will produce a Draft Report on Day 12 of the engagement, outlining the reports and documentation received from the client, how these map to the Five Cases, and any major gaps identified.

We will produce a Final Report on Day 20 of the engagement, which will include the full Gap Analysis, identifying gaps, differences in methodology, whether underlying assumptions are supported by evidence, and improvements or changes which are needed. We will also set out whether the existing documentation is sufficient to satisfy the requirements of each case in a Full Business Case so that a Gate 3 investment decision can be taken, and the project can move into the contracting phase.

Limitations and Assumptions

In order to avoid any discrepancies, the following are activities out of scope:

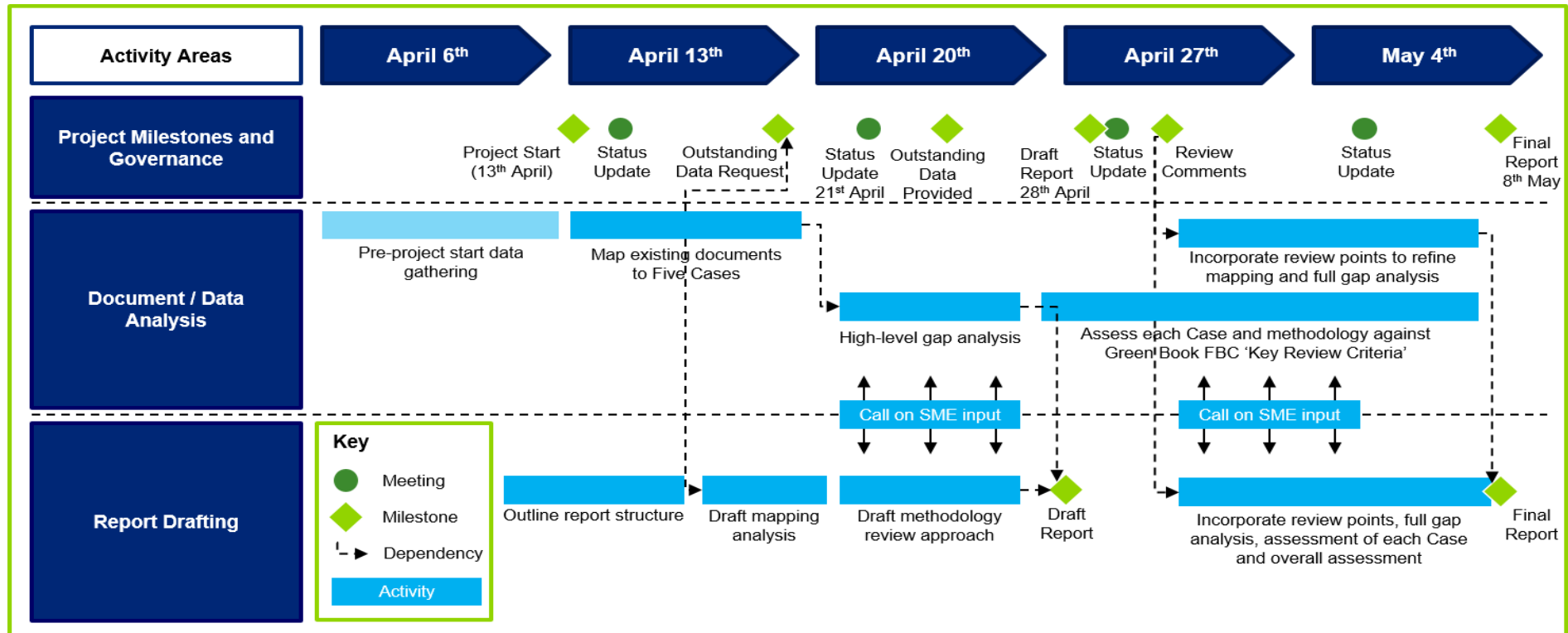
- Legal advice on Commercial Case
- Validating assumptions
- Comments on cost data
- Technical advice
- Validating data provided to us
- Tax advice
- Accounting advice

The purpose of this appraisal is to scrutinise the existing Airport appraisal using HM Green Book. It will serve as a guideline to help identify any gaps in the process. Work outside of such will not be provided by Deloitte as part of this project.

The following is a list of Project Assumptions upon which Deloitte has based the scope of services, how they will be performed, and the associated fees. Any deviation from the Project Assumptions may cause changes to the timeline, fees and expenses, deliverables, level of effort required, or otherwise impact Deloitte's performance of the Services.

- The 20 business day engagement timeline will take effect on receipt of the documentation requested by Deloitte in our initial data request list, in order to avoid engagement time being spent on data collection;
- The Client will provide the Deloitte team with access to any further reports or documentation requested in a timely manner;
- Key contacts including the Financial Secretary, General Manager of the L.F. Wade International Airport, staff and any other key resources will be available to participate in meetings or provide information, etc. according to the project timelines;
- The Client will be responsible for scheduling any meetings, site visits, etc., in the time frame required in order to achieve the project milestones;
- Deloitte will communicate with the key stakeholder group, including the Financial Secretary, General Manager of the L.F. Wade International Airport, and the appointed FCO representative. Deloitte is not responsible for managing relations with any additional stakeholders.
- Deloitte will submit project deliverables to the Financial Secretary for formal approval and written sign-off.

Appendix 2 – Project Plan



Appendix 3 – Summary of Available Data

The following data sources have been used in the construction of this report. Data was received from the Ministry of Finance and the Department of Aviation Operations.

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
1	3YEAR STRATEGIC PLAN -with UPDATES MARCH 2013	3 Year Strategic Planning 2012/13 - 2014/15	N/A	Word	<p>A strategic plan for the L.F. Wade airport outlining objectives, action steps, air operations, a SWOT analysis, and key timelines for achieving strategic objectives to:</p> <ol style="list-style-type: none"> 1. Work towards ICAO Category 1 airport status. 2. Plan and initiate mission critical capital projects. 3. Identify and secure revenue streams. 4. Work towards energy self-sustainability. <p>However, it should be noted that this 3 year plan does not cover this proposed airport development.</p>	<p><u>Strategic Case</u></p> <ul style="list-style-type: none"> • Organisational Overview • Current Business Strategies • Spending Objectives • Existing Arrangements • Business Needs (current and future)
2	2013 Audit	Aerodrome Inspection Report	12 April 2013	PDF	<p>An aerodrome inspection report that outlines inspection findings on infrastructure, visual aids, and the Safety Management and Quality System, recording five non-compliances and three observations, according to the Convention of International Civil Aviation.</p>	<p><u>Strategic Case</u></p> <ul style="list-style-type: none"> • Business Needs (current and future) • Economic Case • Commercial Case • Financial Case • Management Case

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
3	141202 Topic Guide	Topic List for Interviews	N/A	Word	List of questions put together by Mott MacDonald to determine the Economic Impact of the new terminal complex. Questions were administered in an interview format. No responses included.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Spending Objectives • Benefits and Risks <u>Economic Case</u> <ul style="list-style-type: none"> • Critical Success Factors • Economic Appraisals of Costs and Benefits
4	150121_GOVT ORG_CHART	Government of Bermuda organizational Chart - January 2015	January 2015	PDF	Outlines the entire Bermuda Government structure as of January 2015.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Organisational Overview
5	343039 - Bermuda - Additional data - Issue 2	Traffic Forecast - Additional data - Issue 2	20 March 2015	Excel	Key GDP and related input assumptions for air traffic forecast published (20 March, 2015) by Mott MacDonald. Forecasting data is organised by airline, and departure city for 2014 vs 2015.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements • Constraints and Dependencies
6	343039 - Bermuda - Additional data	Traffic Forecast - Additional data	5 March 2015	Excel	Key GDP and related input assumptions for air traffic forecast published (5 March, 2015) by Mott MacDonald. Forecasting data is organised by airline, and departure city for 2014 vs 2015.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements • Constraints and Dependencies
7	343039 - Bermuda - Air Traffic Forecast - v2.0	Air Traffic Forecast	February 2015	PDF	Report on Mott MacDonald's air traffic forecasts for a number of scenarios based on four separate air traffic segments (Bermudians, business visitors, relatives, vacationers)	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Do Nothing Option • Economic Appraisals of Costs and Benefits • Sensitivity Analysis

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
8	343039 - Bermuda Peak and stand forecast - Issue 2 – 20131218	Peak and Stand - Traffic Forecast Model Results	18 December 2014	Excel	Peak and Stand traffic forecast model results published by Mott MacDonald. Data included in data set 9.	<u>Strategic Case</u> <ul style="list-style-type: none"> Existing Arrangements Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Do Nothing Option Economic Appraisals of Costs and Benefits
9	343039 - Bermuda - Traffic Forecasting Assumptions Book v3 1	Traffic Forecasting Assumptions Book - Working Copy	16 February 2015	PDF	Assumptions behind traffic forecasting models for each four scenarios and the base case, and overview of key drivers. Published by Mott MacDonald.	<u>Strategic Case</u> <ul style="list-style-type: none"> Existing Arrangements Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Do Nothing Option Economic Appraisals of Costs and Benefits Sensitivity Analysis
10	343039 - Bermuda - Draft Forecast Report - v1.1 – 20141218	Draft - Traffic review and forecast	18 December 2014	PDF	Report on air traffic by Mott MacDonald. Provides more context and analysis of opportunities to data set 7, including examining overview of market, aviation market context, how airport drives economic growth, traffic forecast estimates, and business development. This provides a partial view of a future potential for Bermuda's airport.	<u>Strategic Case</u> <ul style="list-style-type: none"> Current Business Strategies Spending Objectives Existing Arrangements Business Needs (current and future) Potential Scope Benefits and Risks Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Critical Success Factors Short Listed Options* Do Nothing Option Economic Appraisals of Costs and Benefits Distributional Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> Service Requirements <u>Management Case</u>

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> Benefits Realisation
11	acrp evaluating terminal renewal v replacement	Guidebook for Evaluating Terminal Renewal Versus Replacement Options	N/A	PDF	General report produced by the Airport Cooperative Research Programme ("ACRP") providing guidance for evaluating terminal renewals versus terminal replacement. This is not specific to this project.	N/A – this is not a specific evidence point for the development of this project.
12	ACRP Privatisation Report	Considering and Evaluating Airport Privatization	N/A	PDF	Generalised, detailed report outlining evaluation and key considerations in airport privatisation. This extensive guidebook for policy makers considers airport privatisation. This is not specific to this project.	N/A – this is not a specific evidence point for the development of this project.
13	Airport Development and Business Model Workshop attendee list 042114	Airport Development & Business Model Workshop Attendee List	21 April 2014	Word	List of attendees with respective organisations who attended Airport development and business model workshop April 21 2014.	N/A – whilst evidence a workshop took place, this does not demonstrate the considerations on business model and how they were used in the development of the project.
14	Airport Development Models Report 012714 no TOC	Airport Development P3 models Report	1 February 2014	PDF	Report produced by Aaron Adderley in early-2014 summarising PPP options applicable to the airport, assessing a high-level Economic Case and CAPEX implications, and outlining a project development and procurement timetable.	<u>Strategic Case</u> <ul style="list-style-type: none"> Current Business Strategies Spending Objectives Existing Arrangements Business Needs (current and future) Potential Scope Benefits and Risks Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Critical Success Factors Do Nothing Option Economic Appraisals of Costs and Benefits Distributional Analysis Risk Assessment Sensitivity Analysis

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Key Contractual Arrangements <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Net Effect on Prices • Impact on Income and Expenditure Account • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans • Use of Specialist Advisers • Change and Contract Management Arrangements
15	Airport Development Project Concept - Interim Draft - March 25 2015	Project Concept for the Redevelopment of L.F. Wade International Airport Bermuda	25 March 2015	PDF	<p>An airport redevelopment concept report developed by CCC in March 2015, covering:</p> <ol style="list-style-type: none"> 1. Strategic rationale. 2. Market context. 3. Design and construction technical and planning details. 4. Proposed commercial structure. 5. Proposed operational structure. 6. Economic / VFM analysis. 7. Financial / affordability analysis. 	<u>Strategic Case</u> <ul style="list-style-type: none"> • Organisational Overview • Current Business Strategies • Spending Objectives • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Critical Success Factors • Long Listed Options • Short Listed Options* • Do Nothing Option

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits • Distributional Analysis • Risk Assessment • Sensitivity Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Key Contractual Arrangements • Personnel Implications <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Net Effect on Prices • Impact on Income and Expenditure Account • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans • Use of Specialist Advisers • Change and Contract Management Arrangements • Benefits Realisation • Risk Management • Monitoring During Implementation • Post Implementation Evaluation Arrangements • Contingency Arrangements
16	Airport Development Project Concept Annexes	Project Concept for the Redevelopment of L.F. Wade	25 March 2015	PDF	Attached annexes for data set 15. They include details about CCC team, MOU, LOA, design brief,	<u>Strategic Case</u> <ul style="list-style-type: none"> • Organisational Overview • Current Business Strategies

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
		International Airport Bermuda			concept, workshop notes, credit analysis, and cost of debt analysis.	<ul style="list-style-type: none"> • Spending Objectives • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Critical Success Factors • Long Listed Options • Short Listed Options* • Do Nothing Option • Economic Appraisals of Costs and Benefits • Distributional Analysis • Risk Assessment • Sensitivity Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Key Contractual Arrangements • Personnel Implications <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Net Effect on Prices • Impact on Balance Sheet • Impact on Income and Expenditure Account • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Use of Specialist Advisers • Change and Contract Management Arrangements • Benefits Realisation • Risk Management • Monitoring During Implementation • Post Implementation Evaluation Arrangements • Contingency Arrangements
17	Airport Terminal Development EIA Oct2014	The economic impact of constructing a new Terminal Complex at L F Wade International Airport	June 2014	PDF	Economic Impact Assessment of the new airport produced by the Bermuda College. Carried out in late 2014.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Benefits and Risks • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits • Distributional Analysis • Optimism Bias Adjustment • Risk Assessment • Sensitivity Analysis <u>Financial Case</u> <ul style="list-style-type: none"> • Impact on Balance Sheet
18	Airport Terminal Development Only EIA Oct 2014	Addendum: Economic Impact of constructing a new Terminal Complex at L F Wade International Airport	July 2014	PDF	Addendum to the EIA by the Bermuda College, including the total economic impact of the new terminal.	<u>Economic Case</u> <ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits • Distributional Analysis • Optimism Bias Adjustment • Risk Assessment • Sensitivity Analysis
19	Article on privatisation	Room in the Boom	June 2010	PDF	Article on Canadian PPP infrastructure projects, examining examples of how PPP's have enabled large-scale projects. Published in 'RICS Property World' in 2010. This is not specific to this project.	N/A – this is not a specific evidence point for the development of this project.

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
20	BDA Airport Fees and Charges benchmarking 2015	2015 BDA Airport Fees and Charges Benchmarking	N/A	PDF	Overview of Bermuda's airport fees and charges in comparison with other regional and leading airports.	<u>Strategic Case</u> <ul style="list-style-type: none"> Existing Arrangements Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Sensitivity Analysis <u>Financial Case</u> <ul style="list-style-type: none"> Net Effect on Prices Impact on Income and Expenditure Account
21	BDA Capex Affordability Analysis FINAL 8-8-13	Capex Affordability Analysis	7 August 2013	PDF	Capital expenditure affordability study by Leigh Fisher in August 2013. Study was performed for three scenarios with an additional baseline scenario, and included considerations and lessons learned from comparator concessions.	<u>Strategic Case</u> <ul style="list-style-type: none"> Existing Arrangements <u>Economic Case</u> <ul style="list-style-type: none"> Sensitivity Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> Procurement Strategy Service Requirements Charging Mechanism Risk Transfer Key Contractual Arrangements <u>Financial Case</u> <ul style="list-style-type: none"> Public Capital and Revenue Requirements Net Effect on Prices Impact on Income and Expenditure Account Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> Benefits Realisation
22	BDA May8_final_edit	Terminal Feasibility Study	8 May 2008	PPT	Terminal feasibility study progress report by HNTB in May 2008. Outlines three separate concepts for consideration.	<u>Strategic Case</u> <ul style="list-style-type: none"> Spending Objectives Potential Scope <u>Economic Case</u> <ul style="list-style-type: none"> Long Listed Options

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> Economic Appraisals of Costs and Benefits <u>Financial Case</u> <ul style="list-style-type: none"> Public Capital and Revenue Requirements Impact on Income and Expenditure Account
23	Bda Realty Marketing Report 11july08	Initial Land Use Assessment Report	N/A	PDF	Land use assessment report published by Bermuda Realty in 2008, examining revenue generation options from airport real estate.	<u>Strategic Case</u> <ul style="list-style-type: none"> Potential Scope Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Critical Success Factors Long Listed Options Short Listed Options* Economic Appraisals of Costs and Benefits <u>Financial Case</u> <ul style="list-style-type: none"> Public Capital and Revenue Requirements Impact on Income and Expenditure Account
24	Bermuda Airport - Project Structure1	Project Structure	N/A	PPT	Diagram showing the proposed project structure for the Bermuda Airport, incorporating CCC and AECON.	<u>Commercial Case</u> <ul style="list-style-type: none"> Procurement Strategy Charging Mechanism Risk Transfer Key Contractual Arrangements
25	Bermuda LeighFisher Phase 1 Review 03 05 2015	Independent Peer Review of Aviation Activity Forecasts	March 2015	PDF	Independent peer review of aviation activity forecasts by Leigh Fisher in March 2015. A review of Mott MacDonald's forecasts for the airport. This is currently incomplete pending a further assessment of Mott MacDonald's completed forecast.	<u>Strategic Case</u> <ul style="list-style-type: none"> Existing Arrangements Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> Critical Success Factors Do Nothing Option Economic Appraisals of Costs and Benefits

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Sensitivity Analysis <u>Financial Case</u> <ul style="list-style-type: none"> • Impact on Income and Expenditure Account
26	Bermuda Master Plan December 2006	Bermuda International Airport Master Plan	December 2006	PDF	<p>Master Plan published by HNTB corporation in 2006. This represents a comprehensive plan detailing each phase of the proposed project, with coverage including:</p> <ol style="list-style-type: none"> 1. Overview of existing facilities. 2. Aviation activity forecasts. 3. Assessment of facility requirements. 4. Evaluation of concepts/options. 5. Recommended option. 6. Cost benefit analysis and financial assessment of recommended option. 7. Project delivery commercial options. 	<u>Strategic Case</u> <ul style="list-style-type: none"> • Organisational Overview • Current Business Strategies • Spending Objectives • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Critical Success Factors • Long Listed Options • Short Listed Options* • Do Nothing Option • Economic Appraisals of Costs and Benefits • Distributional Analysis • Optimism Bias Adjustment • Risk Assessment • Sensitivity Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Key Contractual Arrangements • Personnel Implications <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Net Effect on Prices • Impact on Income and Expenditure Account • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans • Use of Specialist Advisers • Change and Contract Management Arrangements • Benefits Realisation • Risk Management • Monitoring During Implementation • Post Implementation Evaluation Arrangements • Contingency Arrangements
27	Bermuda Privatisation Models	Privatization Models White Paper	December 2008	PDF	Study of privatisation models available to the Bermuda Government for the airport. Produced by Jacobs Consultancy in December 2008.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer
28	bermuda_master_plan_townhall_061112_v3	Bermuda National Tourism Master Plan	11 June 2012	PDF	Bermuda National Tourism Plan presentation given in June 2012. Airport development is mentioned.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Business Needs (current and future)
29	Bill of Quantities	Bill Of Approximate Quantities	N/A	PDF	Bill of approximate quantities and estimates for airport terminal feasibility study. Produced by HNTB, Woodburne and CG Architects in 2007.	<u>Economic Case</u> <ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits <u>Financial Case</u>

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Net Effect on Prices • Impact on Balance Sheet • Impact on Income and Expenditure Account <u>Management Case</u> <ul style="list-style-type: none"> • Contingency Arrangements
30	Budget Statement Airport	New Airport Terminal	N/A	PDF	Public statement in regards to the Bermuda Airport, the objectives and criteria for the project and its development, and the affiliation with CCC thus far.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Spending Objectives <u>Economic Case</u> <ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits • Risk Assessment <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Risk Transfer • Accountancy Treatment • Financial Case • Public Capital and Revenue Requirements • Impact on Balance Sheet • Impact on Income and Expenditure Account • Overall Funding and Affordability • Commissioner Support <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans • Use of Specialist Advisers • Risk Management
31	CapEX FY2013	DAO Capital Expenditure Report	6 March 2013	PDF	Airport's capital expenditure report for year end March 31, 2013.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
32	Copy of Email From Mott MacDonald (19 March 2015)	Copy of Email (19/3/15) From Mott MacDonald	19 March 2015	Word	Correspondence between Mott Macdonald and the Department of Airport Operations on the Leigh Fisher peer review, from March 2015.	N/A – this is useful context for the current status of the project, but does not provide specific detail aligned to the cases.
33	DAO Energy Survey Quote 8 Dec 14	Alternate Energy Evaluation with Recommendations	8 December 2006	PDF	Proposal by Onsite Engineering Services for the evaluation of alternate energy solutions for the Airport.	<u>Strategic Case</u> • Potential Scope
34	Discussion with Price Waterhouse re Airport Investment by telephone	Discussion with Price Waterhouse re Airport Investment by telephone	16 November 2010	Word	Minutes from meeting between Price Waterhouse and DAO in November, 2010. Includes considerations on application of PPP framework.	<u>Strategic Case</u> • Potential Scope • Constraints and Dependencies <u>Economic Case</u> • Long Listed Options • Short Listed Options <u>Commercial Case</u> • Procurement Strategy • Key Contractual Arrangements <u>Financial Case</u> • Overall Funding and Affordability
35	Econ Impact Full report 2003	2003 Economic Impact Report	September 2004	PDF	Department of Tourism economic impact report from 2003. An analysis of the impact of tourism on the Bermudian economy.	<u>Strategic Case</u> • Constraints and Dependencies <u>Economic Case</u> • Critical Success Factors
36	ECONOMIC INDICATORS	Economic Indicators	N/A	Word	Reference list for the economic indicators found in the Master Plan and Feasibility study.	N/A – this is supporting evidence only and does not directly contribute to the evidence base of the project for this analysis.
37	electricity consumption 2	N/A	N/A	Excel	Spreadsheet showing monthly electricity usage/costs for two units at the airport. Records from Jan 2009 to Jul 2012.	<u>Strategic Case</u> • Existing Arrangements <u>Financial Case</u> • Impact on Balance Sheet

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
38	Feasibility Study - HNTB 2008	Terminal Complex Feasibility Study	9 September 2008	PDF	Feasibility study for new terminal published by HNTB in September 2008.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Current Business Strategies • Spending Objectives • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks <u>Economic Case</u> <ul style="list-style-type: none"> • Critical Success Factors • Short Listed Options* <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Impact on Income and Expenditure Account <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans
39	Fees and Charges January 2013	DAO Fees and Charges	January 2013	Word	List of airport fees and charges administered by the DAO to passengers, airlines, and aircraft.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Existing Arrangements
40	HistoricalRealGDPValues	Real Historical GDP and Growth Rates of GDP for Baseline Countries/Regions	18 December 2014	Excel	Spreadsheet giving real GDP and annual growth rates for the world. Separated by regions and level of development.	N/A – this is not a specific evidence point for the development of this project.
41	LeighFisher - Bermuda - 31 July 2013 v3 3	Financial Model	July 2013	Excel	Multiple spreadsheets produced by Leigh Fisher showing the CapEx affordability and CAPEX and OPEX under different scenarios.	<u>Economic Case</u> <ul style="list-style-type: none"> • Economic Appraisals of Costs and Benefits • Sensitivity Analysis <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements • Net Effect on Prices

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Impact on Balance Sheet • Impact on Income and Expenditure Account • Overall Funding and Affordability
42	LF Wade International AirportKPMG DRAFT	PPP Opportunity Scan	N/A	PDF	PPP Opportunity scan produced by KPMG outlining business strategy and key objectives.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Spending Objectives • Existing Arrangements • Business Needs (current and future) • Potential Scope • Benefits and Risks • Constraints and Dependencies <u>Economic Case</u> <ul style="list-style-type: none"> • Sensitivity Analysis <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Risk Transfer • Financial Case • Impact on Balance Sheet • Impact on Income and Expenditure Account • Overall Funding and Affordability
43	LOA - Executed Copy	Letter of Agreement	June 2014	PDF	Letter of agreement between CCC and Bermuda Government in June 2014. Signed by both parties.	<u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Key Contractual Arrangements • Personnel Implications <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Project Management Plans • Use of Specialist Advisers

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Change and Contract Management Arrangements • Monitoring During Implementation
44	May8_final-__	Terminal Feasibility Study - Progress Review	8 May 2008	PPT	Feasibility study progress review by HNTB including short listed options. Outlines the three major concepts and business strategy. Duplication with #22.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Spending Objectives • Potential Scope <u>Economic Case</u> <ul style="list-style-type: none"> • Long Listed Options • Economic Appraisals of Costs and Benefits <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements
45	May2013 Airfield	N/A	N/A	PDF	Sketches of the existing airport layout produced in 2013.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Potential Scope
46	Ministerial Statement_Airport Redevelopment 2014	Ministerial Statement	21 November 2014	Word	Statement by Bob Richards (Minister of Finance) in regards to the Memorandum of Understanding between the Government and CCC.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Organisational Overview • Current Business Strategies • Spending Objectives • Business Needs (current and future) • Potential Scope • Benefits and Risks • Constraints and Dependencies <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements Memorandum of Understanding <ul style="list-style-type: none"> • Risk Transfer • Key Contractual Arrangements • Personnel Implications <u>Financial Case</u> <ul style="list-style-type: none"> • Public Capital and Revenue Requirements

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> Impact on Income and Expenditure Account Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> Project Management Methodology Project Management Plans
47	MOU Executed Copy	Memorandum of Understanding	10 November 2014	PDF	Signed Memorandum of Understanding between the Ministry of Finance and CCC from November 2014.	<u>Strategic Case</u> <ul style="list-style-type: none"> Business Needs (current and future) Benefits and Risks <u>Commercial Case</u> <ul style="list-style-type: none"> Procurement Strategy Service Requirements Key Contractual Arrangements Personnel Implications <u>Management Case</u> <ul style="list-style-type: none"> Project Management Methodology
48	Privatisation Review by Roddy Bogus	Public/Private Partnerships	N/A	PDF	Presentation by Parsons and Brinckerhoff on airport PPPs. An informative summary not specific to Bermuda.	N/A – this is not a specific evidence point for the development of this project.
49	Statement of Operations YE March 31 2014 LM	Statement of Operation Results	N/A	PDF	Five year trend of revenue and cost streams from 2009-2014 for the Bermuda Airport.	<u>Strategic Case</u> <ul style="list-style-type: none"> Business Needs (current and future)
50	Summary of DECEMBER 2014 DUE DILLIGENCE VISITS	Summary of December 2014 Due Diligence Visits	N/A	Word	Summary of December 2014 visits and meetings.	N/A – whilst evidence of this activity, it does not provide specific evidence of the considerations in the project development for this analysis.
51	CCC Approach	N/A	N/A	Word	Context behind the LF Wade redevelopment by MoF. Identifies their key motives behind the project and discusses why CCC is the best procurement option.	<u>Strategic Case</u> <ul style="list-style-type: none"> Current Business Strategies Spending Objectives Business Needs (current and future) Benefits and Risks Constraints and Dependencies <u>Commercial Case</u>

#	File Name	Title	Date Where Provided	Data Type	Content Description	Five Case Model Mapping
						<ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Accountancy Treatment <u>Financial Case</u> <ul style="list-style-type: none"> • Impact on Balance Sheet • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Plans • Change and Contract Management Arrangements
52	140501 DELOITTE Bermuda Airport G2G structure-3	N/A	N/A	PPT	Slide deck describing the vision of the project, how CCC is the best procurement method, and the UK's involvement in the decision to contract.	<u>Strategic Case</u> <ul style="list-style-type: none"> • Current Business Strategies • Spending Objectives • Business Needs (current and future) • Benefits and Risks • Constraints and Dependencies <u>Commercial Case</u> <ul style="list-style-type: none"> • Procurement Strategy • Service Requirements • Charging Mechanism • Risk Transfer • Accountancy Treatment <u>Financial Case</u> <ul style="list-style-type: none"> • Impact on Balance Sheet • Overall Funding and Affordability <u>Management Case</u> <ul style="list-style-type: none"> • Project Management Methodology • Monitoring During Implementation

Appendix 4 – Five Case Model Mapping Summary

Serial Number	File Type	Title	Author	Date	File Name	Strategic Case							Economic Case							Commercial Case					Financial Case					Management Case							
						Organizational Overview	Current Business Strategies	Spending Objectives	Existing Arrangements	Business Needs (current and future)	Potential Scope	Benefits and Risks	Constraints and Dependencies	Critical Success Factors	Long Listed Options	Short Listed Options*	Do Nothing Option	Economic Appraisals of Costs and Benefits	Distributional Analysis	Optimism Bias Adjustment	Risk Assessment	Sensitivity Analysis	Procurement Strategy	Service Requirements	Charging Mechanism	Risk Transfer	Key Contractual Arrangements	Personnel Implications	Public Capital and Revenue Requirements	Impact on Balance Sheet	Impact on Income and Expenditure Account	Overall Funding and Affordability	Commissioner Support	Project Management Methodology	Project Management Plans	Use of Specialist Advisers	Change and Contract Management Arrangements
1	Word	3 Year Strategic Planning 2012/13 - 2014/15	Department of Airport Operations	N/A	3YEAR STRATEGIC PLAN -with UPDATES MARCH 2013	✓	✓	✓	✓	✓																											
2	PDF	Aerodrome Inspection Report	Department of Civil Aviation	12-Apr-13	2013 Audit					✓																											
3	Word	Topic List for Interviews	Mott MacDonald	N/A	141202 Topic Guide			✓			✓		✓																								
4	PDF	Government of Bermuda organizational Chart - January 2015	N/A	1-Jan-15	150121 GOVT ORG CHART	✓																															
5	Excel	Traffic Forecast - Additional data - Issue 2	Mott MacDonald	20-Mar-15	343039 - Bermuda - Additional data - Issue 2				✓		✓																										
6	Excel	Traffic Forecast - Additional data	Mott MacDonald	5-Mar-15	343039 - Bermuda - Additional data				✓		✓																										
7	PDF	Air Traffic Forecast	Mott MacDonald	1-Feb-15	343039 - Bermuda - Air Traffic Forecast - v2.0				✓		✓						✓																				
8	Excel	Peak and Stand - Traffic Forecast Model Results	Mott MacDonald	18-Dec-14	343039 - Bermuda Peak and stand forecast - Issue 2 - 20131218				✓		✓		✓	✓																							
9	PDF	Traffic Forecasting Assumptions Book - Working Copy	Mott MacDonald	16-Feb-15	343039 - Bermuda - Traffic Forecasting Assumptions Book v3 1				✓		✓		✓	✓			✓																				
10	PDF	Draft - Traffic review and forecast	Mott MacDonald	18-Dec-14	343039 - Bermuda - Draft Forecast Report - v1.1 - 20141218		✓	✓	✓	✓	✓	✓	✓	✓					✓																		
11	PDF	Guidebook for Evaluating Terminal Renewal Versus Replacement Options	ACRP	N/A	acrp evaluating terminal renewal v replacement																																
12	PDF	Considering and Evaluating Airport Privatization	ACRP	N/A	ACRP Privatisation Report																																
13	Word	Airport Development & Business Model Workshop Attendee List	N/A	21-Apr-14	Airport Development and Business Model Workshop attendee list 042114																																
14	PDF	Airport Development P3 models Report	Aaron Adderley	1-Feb-14	Airport Development Models Report 012714 no TOC		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓									
15	PDF	Project Concept for the Redevelopment of L.F. Wade International Airport Bermud	CCC	25-Mar-15	Airport Development Project Concept - Interim Draft - March 25 2015	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓									
16	PDF	Project Concept for the Redevelopment of L.F. Wade International Airport Bermud	CCC	25-Mar-15	Airport Development Project Concept Annexes	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓									
17	PDF	The economic impact of constructing a new Terminal Complex at L F Wade Intern	Bermuda College	1-Jun-14	Airport Terminal Development EIA Oct2014						✓	✓	✓	✓	✓	✓	✓																				
18	PDF	Addendum: Economic Impact of constructing a new Terminal Complex at L F Wade	Bermuda College	1-Jul-14	Airport Terminal Development Only EIA Oct 2014						✓	✓	✓	✓	✓	✓	✓																				
19	PDF	Room in the Boom	Ross Templeton	1-Jun-10	article on privatisation								✓	✓	✓	✓	✓																				
20	PDF	2015 BDA Airport Fees and Charges Benchmarking	N/A	N/A	BDA Airport Fees and Charges benchmarking 2015				✓		✓						✓																				
21	PDF	Capex Affordability Analysis	Leigh Fisher	7-Aug-13	BDA Capex Affordability Analysis FINAL 8-8-13				✓								✓	✓	✓	✓	✓	✓		✓		✓	✓										
22	PPT	Terminal Feasibility Study	HNTB	8-May-08	BDA May8_final_edit			✓			✓		✓																								
23	PDF	Initial Land Use Assessment Report	Bermuda Realty company Limited	N/A	Bda Realty Marketing Report 11jul08					✓		✓	✓	✓		✓								✓		✓											
24	PPT	Project Structure	N/A	N/A	Bermuda Airport - Project Structure1													✓		✓	✓	✓															
25	PDF	Independent Peer Review of Aviation Activity Forecasts	Leigh Fisher	1-Mar-15	Bermuda LeighFisher Phase 1 Review 03 05 2015				✓		✓	✓	✓				✓										✓										
26	PDF	Bermuda International Airport Master Plan	HNTB	1-Dec-06	Bermuda Master Plan December 2006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓									
27	PDF	Privatization Models White Paper	Jacobs Consultancy Canada	1-Dec-08	Bermuda Privatization Models				✓	✓	✓	✓						✓	✓	✓	✓																
28	PDF	Bermuda National Tourism Master Plan	Department of Tourism	11-Jun-12	bermuda_master_plan_townhall_061112_v3					✓																											
29	PDF	Bill Of Approximate Quantities	HNTB	N/A	Bill of Quantities							✓													✓	✓	✓										✓
30	PDF	New Airport Terminal	N/A	N/A	Budget Statement Airport			✓				✓				✓		✓		✓				✓	✓	✓	✓	✓	✓				✓				
31	PDF	DAO Capital Expenditure Report	DAO	6-Mar-13	CapEX FY2013				✓																												
32	Word	Copy of Email (19/3/15) From Mott MacDonald	N/A	19-Mar-15	Copy of E MAIL RE PHASE 1 REPORT MMTO BDA 19 3 15																																
33	PDF	Alternate Energy Evaluation with Recommendations	Onsite Engineering Services	8-Dec-14	DAO Energy Survey Quote 8 Dec 14						✓																										
34	Word	Discussion with Price Waterhouse re Airport Investment by telephone	N/A	16-Nov-10	Discussion with Price Waterhouse re Airport Investment by telephone					✓		✓	✓					✓			✓						✓										
35	PDF	2003 Economic Impact Report	TMC	1-Sep-04	Econ Impact Full report 2003						✓	✓																									
36	Word	Economic Indicators	N/A	N/A	ECONOMIC INDICATORS																																
37	Excel	N/A	N/A	N/A	electricity consumption 2				✓																	✓											
38	PDF	Terminal Complex Feasibility Study	HNTB	9-Sep-08	Feasibility Study - HNTB 2008		✓	✓	✓	✓	✓	✓												✓		✓			✓	✓							
39	Word	DAO Fees and Charges	N/A	1-Jan-13	Fees and Charges January 2013				✓																												
40	Excel	Real Historical GDP and Growth Rates of GDP for Baseline Countries/Regions	N/A	18-Dec-14	HistoricalRealGDPValues																																
41	Excel	Financial Model	Leigh Fisher	1-Jul-13	LeighFisher - Bermuda - 31 July 2013 v3 3							✓					✓							✓	✓	✓	✓										
42	PDF	PPP Opportunity Scan	N/A	N/A	LF Wade International AirportKPMG DRAFT			✓	✓	✓	✓	✓	✓				✓	✓	✓		✓				✓	✓	✓										
43	PDF	Letter of Agreement	CCC	1-Jun-14	LOA - Executed Copy													✓	✓	✓	✓	✓	✓						✓	✓	✓	✓			✓		
44	PPT	Terminal Feasibility Study - Progress Review	HNTB	8-May-08	May8_final_			✓		✓				✓										✓												✓	
45	PDF	N/A	N/A	N/A	May2013 Airfield					✓																											
46	Word	Ministerial Statement	Ministry of Finance	21-Nov-14	Ministerial Statement_Airport Redevelopment 2014	✓	✓	✓		✓	✓	✓	✓					✓	✓		✓	✓	✓	✓	✓		✓	✓									
47	PDF	Memorandum of Understanding	N/A	10-Nov-14	MOU Executed Copy					✓		✓						✓	✓			✓	✓														
48	PDF	Public/Private Partnerships	Parsons Brinckerhoff	N/A	Privatisation Review by Roddy Bogus																																
49	PDF	Statement of Operation Results	N/A	N/A	Statement of Operations YE March 31 2014 LM					✓																											
50	Word	Summary of December 2014 Due Diligence Visits	N/A	N/A	Summary of DECEMBER 2014 DUE DILLIGENCE VISITS																																
51	Word	N/A	Ministry of Finance	N/A	CCC Approach		✓	✓		✓								✓	✓					✓		✓		✓									
52	PPT	N/A	N/A	N/A	140501 DELOITTE Bermuda Airport G2G structure-3		✓	✓		✓								✓	✓	✓	✓			✓		✓									✓		

Appendix 5 – Assumptions

The following high-level assumptions framed the completion of this report:

1. We have only been able to review documentation that has been provided to us. We are aware that there is ongoing project activity that we have not assessed but anticipate this may address some identified gaps.
2. The Green Book has been used as a source of best practice only, although it is recognised that it is not a required standard or guidance in Bermuda.
3. It is recognised that the Government of Bermuda are looking to proceed to signing a Development Agreement with CCC by the end of June 2015, which will include commercial terms (including exit provisions) for the period of further project development and negotiation with CCC prior to prospective Financial Close. There are therefore elements of the stage of the project that are comparable to the OBC stage, which seeks to establish the preferred option and put in place arrangements for procurement. However, it should be recognised that our assessment and scope of work is focused on looking forward to the outstanding areas and most important gaps to support overall progress towards a FBC-equivalent body of analysis and evidence, rather than assessing 'OBC-readiness'.
4. As identified in Appendix 2, the following activities are out of scope:
 - Legal advice on Commercial Case
 - Validating assumptions
 - Comments on cost data
 - Technical advice
 - Validating data provided to us
 - Tax advice
 - Accounting advice

Appendix 6 – FBC Assessment Criteria

The following section provides a summary of the review criteria proposed by HM Treasury guidance for each Case of the “Five Case” model (Strategic, Economic, Commercial, Financial and Management), and at each business case stage (SOC, OBC and FBC)⁷.

Recognising that the business case for Bermuda airport’s development has not followed this staged process strictly, each of these review criteria are consolidated to provide an “FBC-equivalent” set of assessment criteria for use in the analysis in this report. The assessment criteria therefore allow the assessment of an iterative process to a point in time snapshot.

The tables below outline the ‘mapping’ between the HM Treasury guidance and the consolidated review criteria used. This ‘mapping’ includes a code to indicate the consolidated criteria each element of the HM Treasury guidance is used in. The letter indicates the relevant case, and the number indicates the consolidated review criteria (for example, “E3” refers to the third consolidated review criteria in the Economic Case). It should be noted that the HM Treasury guidance has been incorporated directly below, and as such will refer to some procedures and standards of practice specific to the UK. Any and all of these evidence points that do not translate to Bermuda’s practice have been removed or amended as appropriate in the consolidated review criteria produced.

Strategic Case

Analysis of Green Book Review Criteria

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Strategic Outline Case		
Is the proposed scheme an integral part of the organisation’s business strategy?	<ul style="list-style-type: none"> Extracts from business and other relevant strategies Reference to relevant Government and organisational policies 	S1
Is the proposed scheme sufficiently large and stand alone to form a project or could it be more sensibly be undertaken as part of another programme or project?	<ul style="list-style-type: none"> Relevant extracts from business and other strategies Reference to scoping documentation Relevant extracts from strategy board minutes 	N/A
Are the spending objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?	<ul style="list-style-type: none"> SMART spending objectives Evidence of stakeholder and customer involvement and support 	S2
	<ul style="list-style-type: none"> Clear statement of business outcomes and service outputs 	S2

⁷ “Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals”, 2013 (Chapter 8: “Reviewing the Business Case: SOC, OBC and FBC”)

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Is the scope for potential change to current services and business processes clearly defined?	<ul style="list-style-type: none"> Statement of any security and confidentiality issues 	
Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?	<ul style="list-style-type: none"> Outline of benefits realisation plan Direct and indirect to the organisation and wider public sector Cash (£) and non-cash-releasing Ranking of benefits by key stakeholder 	S5
Have the main risks been identified, alongside arrangements for their management and control?	<ul style="list-style-type: none"> Outline of risk management strategy Business risks Service risks Likely probabilities and impact (high, medium or low) 	S5
Have the key organisational constraints and business dependencies been identified?	<ul style="list-style-type: none"> Evidence of critical path Related programmes and projects Assessment of internal and external constraints 	S5
Outline Business Case		
Are the SOC spending objectives and planning assumptions still valid?	<ul style="list-style-type: none"> Are they set at an appropriate level and SMART: <ul style="list-style-type: none"> - specific - measurable - achievable - relevant - timely Still supported by stakeholders and customers? 	S2
Do the services to be procured in the SOC still provide best fit in relation to organisational needs?	<ul style="list-style-type: none"> Organisational context Existing and future changes in needs Expected changes in volumes and mix of services Other existing, planned or possible services Security and confidentiality issues 	S1
Have any outstanding differences at SOC stage between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Continued stakeholder commitment and involvement Communication strategy 	S4
Has the assessment of likely benefits, risks, constraints and dependencies in the SOC been	<ul style="list-style-type: none"> Updated benefits criteria – benefits study Updated risk assessment – risk study 	S5

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
revisited and examined in further detail?	<ul style="list-style-type: none"> Ongoing assessment – business strategies and plans 	
Full Business Case		
Does the recommended deal still provide synergy and best fit with other parts of the organisation's business strategy?	<ul style="list-style-type: none"> Notification of any changes during negotiations Ongoing evaluation of business strategies and plans 	S1
Strategic fit Does the recommended deal still satisfy OBC spending objectives and business needs?	<ul style="list-style-type: none"> Notification of any changes during negotiations Written confirmation of agreement on part of stakeholders and customers 	S2
Spending objectives and business outcomes Does the recommended deal still provide all of the required services – both current and future? Related service requirements and outputs	<ul style="list-style-type: none"> Change control arrangements Notification of any changes during negotiations: <ul style="list-style-type: none"> - additional services - agreement of stakeholders and users - business justification and CBA 	S3

Consolidated Assessment Criteria Used

#	Key Review Criteria	Main Evidence Required
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Extracts from business and other relevant strategies Reference to relevant Government and organisational policies Organisational context Existing and future changes in needs Expected changes in volumes and mix of services Security and confidentiality issues Understanding any changes in alignment to strategy during negotiations Ongoing evaluation of business strategies and plans
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Written confirmation of agreement on part of stakeholders and customers Clear statement of business outcomes and service outputs Are the spending objectives set at an appropriate level and SMART: <ul style="list-style-type: none"> - specific - measurable - achievable - relevant - timely

#	Key Review Criteria	Main Evidence Required
		<ul style="list-style-type: none"> • Statement of any security and confidentiality issues
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> • Change control arrangements • Notification of any changes during negotiations: <ul style="list-style-type: none"> - additional services - agreement of stakeholders and users - business justification and CBA
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> • Continued stakeholder commitment and involvement • Communication strategy
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> • Outline of benefits realisation plan: <ul style="list-style-type: none"> - Direct and indirect to the organisation and wider public sector - Cash (£) and non-cash-releasing - Ranking of benefits by key stakeholder • Outline of risk management strategy: <ul style="list-style-type: none"> - Business risks - Service risks - Likely probabilities and impact (high, medium or low) • Assessment of internal and external constraints <ul style="list-style-type: none"> - Evidence of critical path - Related programmes and projects

Economic Case

Analysis of Green Book Review Criteria

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Strategic Outline Case		
Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> • Prioritised CSFs (high, medium or low) • Relevant performance measures 	E1
Has a sufficiently wide range of options been identified and assessed within the long list?	<ul style="list-style-type: none"> • Use of any feasibility study • 10 to 12 main options – full description • Use of the options framework <ul style="list-style-type: none"> - for business scope - for potential solutions - for service delivery - for implementation - for funding 	E2
Has a preferred way forward been identified following robust analysis of the available options?	<ul style="list-style-type: none"> • SWOT analysis of options against: <ul style="list-style-type: none"> - spending objectives - critical success factors - benefits criteria - evidence of likely support from key stakeholders 	E2
Has the preferred way forward been unpacked within a short list for further examination and appraisal?	<ul style="list-style-type: none"> • Minimum of four options, including: <ul style="list-style-type: none"> - do nothing or do minimum - Public Sector Comparator (PSC)⁸ 	N/A – covered under other evidence points under E2.
Outline Business Case		
Were the long-listed options in the SOC revisited and subjected to further scrutiny?	<ul style="list-style-type: none"> • New options • CSFs revisited • Options ranked, weighted and scored 	N/A – covered under other evidence points under E2.
Were the short-listed options in the SOC revisited and subjected to robust analysis?	<ul style="list-style-type: none"> • Economic appraisals for shortlisted options, including: <ul style="list-style-type: none"> - do nothing or do minimum - PSC - PFI (PPP) solution(s) • Use of appropriate tools: <ul style="list-style-type: none"> - sensitivity analysis - risk (£) quantification - evaluation of qualitative benefits (rank, weight and scoring) • Treatment of costs and benefits in accordance with Treasury 'Green Book' rules. 	N/A – covered under other evidence points under E2.

⁸ The PSC provides an estimate of how much it will cost the public sector, as a traditional supplier, to deliver the project. This is distinct from the 'do nothing' option.

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> Realistic solution capable of implementation Risks identified, apportioned and measured for all project stages: <ul style="list-style-type: none"> - design - build - finance - operate PFI (PPP) costs, where available 	E3
Does the preferred option represent best VFM or the most economically advantageous offer?	<ul style="list-style-type: none"> Rigorous use of spending appraisal tools and techniques All assumptions recorded Achievable benefits streams Stakeholders and customers support 	E2
Full Business Case		
Was a wide range of bids received from service providers in response to OJEC [the RFP]?	<ul style="list-style-type: none"> Assessment of earlier assumptions Use of evaluation criteria: <ul style="list-style-type: none"> - long list of suppliers - short list of suppliers Description of each bid received at Best and Final Offer ("BAFO") Method of treatment for varying bids Basis for selection of preferred bidder (if applicable) 	E4
Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Preparation and assessment of economic appraisals for: <ul style="list-style-type: none"> - do nothing/do minimum - revised PSC - best and final offers and/or - preferred bidder (if selected) Use of appropriate tools: <ul style="list-style-type: none"> - sensitivity analysis - risk (£) quantification - evaluation of qualitative benefits (rank, weight and scoring) - Treatment of costs and benefits in accordance with Treasury 'Green Book' rules. 	E2

Consolidated Assessment Criteria Used

#	Key Review Criteria	Main Evidence Required
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> • Prioritised CSFs (high, medium or low) • Relevant performance measures
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> • 10 to 12 main options – full description • Use of the options framework <ul style="list-style-type: none"> - for business scope - for potential solutions - for service delivery - for implementation - for funding • SWOT analysis of options against: <ul style="list-style-type: none"> - spending objectives - critical success factors - benefits criteria - evidence of likely support from key stakeholders • Preparation and assessment of economic appraisals for: <ul style="list-style-type: none"> - do nothing/do minimum - revised PSC - best and final offers and/or - preferred bidder (if selected) • Use of appropriate tools: <ul style="list-style-type: none"> - sensitivity analysis - risk (£) quantification - evaluation of qualitative benefits (rank, weight and scoring) • Treatment of costs and benefits in accordance with Treasury ‘Green Book’ rules • All assumptions recorded • Achievable benefits streams • Stakeholders and customers support
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> • Realistic solution capable of implementation • Risks identified, apportioned and measured for all project stages: <ul style="list-style-type: none"> - design - build - finance - operate • PFI (PPP) costs, where available
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> • Assessment of earlier assumptions • Use of evaluation criteria: <ul style="list-style-type: none"> - long list of suppliers - short list of suppliers • Description of each bid received at BAFO • Method of treatment for varying bids • Basis for selection of preferred bidder (if applicable)

Commercial Case

Analysis of Green Book Review Criteria

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Strategic Outline Case		
Has a high-level assessment of the potential deal and its likely acceptability to the supply side been undertaken?	<ul style="list-style-type: none"> • Description of potential deal • Market soundings • Existing service providers 	C1
Outline Business Case		
Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> • Consideration of procurement options including: <ul style="list-style-type: none"> - use of EC directives - use of preferred bidder - OJEC notice - evaluation criteria and strategy - negotiations strategy - ITT - procurement plan and timetable - draft OJEC 	C1
Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • Potential for innovation within the provision of services and solutions • Potential for risk transfer in Design, Build, Finance, Operate stages • Potential for new business and alternative revenue streams • Likely contract length 	C2
Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> • Core, desirable and optional services • Delivery time-scales (phased improvements etc.) • Potential payment mechanisms • Ownership of residual assets • Service levels and performance measures 	C3
Is there a clear understanding of the business change agenda?	<ul style="list-style-type: none"> • Change management plans • Proposed mechanisms and milestones • Assessment of personnel implications 	C4
Is the potential deal still likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> • Market research and surveys • Use of HM Treasury standard contractual terms and conditions • Benchmarks – similar projects 	C5
Full Business Case		
	<ul style="list-style-type: none"> • Overview of procurement process 	C6

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Was the procurement undertaken in accordance with EC/GATT regulations and accepted best?	<ul style="list-style-type: none"> - Deviations from procurement strategy • Use of legal and procurement advice (internal and external advisers) 	
Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> • Outline of the agreed deal: <ul style="list-style-type: none"> - services – current and future - delivery time-scales - design - build - operate - payment mechanisms - performance and availability - volume and usage - incentives - future change - new business and alternative revenue streams - ownership of residual assets - service levels and performance measures • Business, technical and cultural fit – track record 	C7
Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> • Use of specialist adviser(s) • Use of standard terms and conditions • Key contractual terms agreed 	C8
How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> • Assessment of known and expected change • Formula for handling unexpected change: <ul style="list-style-type: none"> - benchmarking - market testing arrangements 	C4

Consolidated Assessment Criteria Used

#	Key Review Criteria	Main Evidence Required
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> • Description of potential deal • Market soundings • Existing service providers • Consideration of procurement options including: <ul style="list-style-type: none"> - use of preferred bidder - public procurement notice - evaluation criteria and strategy - negotiations strategy - Invitation to Tender (ITT) - procurement plan and timetable
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • Potential for innovation within the provision of services and solutions • Potential for risk transfer in Design, Build, Finance, Operate stages • Potential for new business and alternative revenue streams • Likely contract length
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> • Core, desirable and optional services • Delivery time-scales (phased improvements etc.) • Potential payment mechanisms • Ownership of residual assets • Service levels and performance measures
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> • Change management plans • Proposed mechanisms and milestones • Assessment of personnel implications • Assessment of known and expected change • Formula for handling unexpected change: <ul style="list-style-type: none"> - benchmarking - market testing arrangements
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> • Market research and surveys • Use of standard contractual terms and conditions • Benchmarks – similar projects
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> • Overview of procurement process <ul style="list-style-type: none"> - Deviations from procurement strategy • Use of legal and procurement advice (internal and external advisers)
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> • Outline of the agreed deal: <ul style="list-style-type: none"> - services – current and future - delivery time-scales - design - build - operate - payment mechanisms - performance and availability - volume and usage - incentives - future change

#	Key Review Criteria	Main Evidence Required
		<ul style="list-style-type: none"> - new business and alternative revenue streams - ownership of residual assets - service levels and performance measures • Business, technical and cultural fit – track record
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> • Use of specialist adviser(s) • Use of standard terms and conditions • Key contractual terms agreed

Financial Case

Analysis of Green Book Review Criteria

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Strategic Outline Case		
Has a high-level assessment of affordability and source(s) of required funding been undertaken?	<ul style="list-style-type: none"> Indicative costs (£) Likely sources or organisational funding 	F1
Outline Business Case		
Is the solution still likely to be affordable?	<ul style="list-style-type: none"> Financial appraisals for preferred option, including full assessment of: <ul style="list-style-type: none"> capital and current requirements net effective on prices balance sheet impact income and expenditure account stakeholder and customers agreement 	F1
Full Business Case		
Is the proposed spending still affordable?	<ul style="list-style-type: none"> Financial appraisals for recommended deal, including full assessment of: <ul style="list-style-type: none"> capital and current requirements net effect on prices impact on balance sheet (FRS5 etc.) income and expenditure account Stakeholder and customers agreement; Confirmation of finance directorate. 	F1

Consolidated Assessment Criteria Used

#	Key Review Criteria	Main Evidence Required
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • Indicative costs • Likely sources or organisational funding • Financial appraisals for recommended deal, including full assessment of: <ul style="list-style-type: none"> - capital and current requirements - net effect on prices - impact on balance sheet - income and expenditure account • Stakeholder and customers agreement

Management Case

Analysis of Green Book Review Criteria

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
Strategic Outline Case		
Has a high-level assessment of the achievability and deliverability of the project been undertaken?	<ul style="list-style-type: none"> Indicative time-scales Use of special advisers Feasibility study Peer review 	N/A – Items covered under M2 below.
Outline Business Case		
Are all the necessary arrangements in place for the successful completion of the next phase?	<ul style="list-style-type: none"> Programme Methodology (MSP) Project methodology (PRINCE2) <ul style="list-style-type: none"> project board and structure project manager and team project plan project resources and budget Reporting mechanisms Use of external advisers <ul style="list-style-type: none"> legal financial other Outline arrangements for: <ul style="list-style-type: none"> benefits study and realisation plan risk management strategy and plan change management strategy and plan contract management Arrangements for evaluation: <ul style="list-style-type: none"> peer reviews OGC gateway reviews (if required) project implementation reviews post-evaluation reviews Contingency plans 	M2
Full Business Case		
Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Agreed programmes for: <ul style="list-style-type: none"> change management business process re-engineering Staff-side representation Personnel implications 	M1
Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Contract management strategy, including disputes resolution procedures Skilled contract management team 	M2

Green Book Review Criteria		Consolidated Review Criteria
Key Review Criteria	Main Evidence Required	Mapping
	<ul style="list-style-type: none"> Agreed schedules for service streams and outputs 	
How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> Detailed benefits realisation plan Robust risk management strategy Monitoring and reporting arrangements- registers and regular audits 	M3
Are all the necessary arrangements in place for post-project evaluation?	<ul style="list-style-type: none"> Agreed arrangements for evaluation: <ul style="list-style-type: none"> peer reviews Office of Government Commerce (OGC) gateway reviews (if required) project implementation reviews Post-evaluation reviews 	M2
Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> Contingency plans Arrangements for regular review 	M4

Consolidated Assessment Criteria Used

#	Key Review Criteria	Main Evidence Required
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> • Agreed programmes for: <ul style="list-style-type: none"> - change management - business process re-engineering • Staff-side representation • Personnel implications
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> • Programme Methodology (MSP) • Project methodology (PRINCE2) <ul style="list-style-type: none"> - project board and structure - project manager and team - project plan - project resources and budget • Reporting mechanisms • Use of external advisers <ul style="list-style-type: none"> - legal - financial - other • Outline arrangements for: <ul style="list-style-type: none"> - benefits study and realisation plan - risk management strategy and plan - change management strategy and plan - contract management • Arrangements for evaluation: <ul style="list-style-type: none"> - peer reviews - OGC gateway reviews (if required) - project implementation reviews - post-evaluation reviews • Contingency plans • Contract management strategy, including disputes resolution procedures • Skilled contract management team • Agreed schedules for service streams and outputs
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> • Detailed benefits realisation plan • Robust risk management strategy • Monitoring and reporting arrangements- registers and regular audits
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> • Contingency plans • Arrangements for regular review

Appendix 7 – Methodology Review Supporting Evidence

This appendix summarises the assessment of the reports and documentation against the consolidated FBC requirements outlined in Appendix 6. This assessment is summarised in the main body of the report within Section 4 (“Methodology Review”).

Each of the Strategic, Economic, Commercial, Financial and Management Cases are assessed here individually, with the following analysis for each case:

- Introduction: For clarity, this section restates the purpose of the case, and the documents identified through our first phase activity as mapping to that case⁹.
- Detailed Data Assessment: This section analyses each relevant report or document against the consolidated review criteria for the Full Business Case, as outlined in Appendix 6 (“FBC Assessment Criteria”). This recognises the need to perform this analysis on both a case-by-case basis (Strategic, Economic etc.), as well as at the level of each individual document, given the number of evidence points in each document that provide insight for each case.
- Case Summary: In order to produce a full view of how the body of reports, documents and evidence points align to the requirements of the case, a summary is produced from the analysis of each individual document to demonstrate how these documents, taken as a whole, align to the FBC assessment criteria for each of the Strategic, Economic, Commercial, Financial and Management Cases. This summary is the key output of the analysis in this appendix, and is pulled forward to the main body of the report in Section 4 (“Methodology Review”).

⁹ “Green Book Supplementary Guidance on Delivering Public Value from Spending Proposals”, 2013, p.8

Strategic Case

Introduction

The Strategic Case is designed to evidence that the project is supported by “a compelling case for change that provides holistic fit with other parts of the organisation and public sector”.

Through our mapping activity we identified 39 reports and documentation as containing information relevant to the Strategic Case, which will be assessed in this analysis.

Detailed Data Assessment

#	Key Review Criteria	Evidence Covered	Gaps Identified
1 – 3 year Strategic Planning 2012/13 – 2014/15			
S1	Does the recommended deal provide synergy and best fit with the organisation’s business strategy?	<ul style="list-style-type: none"> Provides general context of the DAO and LF Wade airport operations. Details the business needs for the future, more specifically pertaining to the ICAO airport standards. Outlines business and operational strategies for the current operation’s next three years. The document appears to be a useful input to plans for the airport redevelopment. 	<ul style="list-style-type: none"> Focuses on the current airport operation rather than the recommended deal to redevelop the airport. Does not provide support specific to the recommended airport redevelopment deal, such as business strategy, changes in volumes, security and confidentiality issues, changes in alignment to strategy, nor evaluation of business strategies and plans.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	dependencies been examined in detail?		
2 – Aerodrome Inspection Report (12 April 2013)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Audit developed by ICAO highlighting the areas of the Airport's infrastructure that require improvement. Helps to evidence the need for change- the current facilities are not meeting expected standards. Provides some detail in regards to the security of the existing infrastructure. 	<ul style="list-style-type: none"> There is no evidence for business strategy, organisational context, changes in volumes, changes in alignment, nor evaluations of business strategies and plans. Appears to be a useful input in developing the case for change.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
3 – Topic List for Interviews			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
4 – Government of Bermuda Organizational Chart – January 2015			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> While non-specific to the Airport Redevelopment, this chart provides a diagram of how the Bermuda Government operates and is structured. 	<ul style="list-style-type: none"> The document provides context but does not support business strategies, changes in need, changes in volumes, security, changes in alignment, nor evaluation of business strategies.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
5 – Traffic Forecast – Additional data – Issue 2 (20 March 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Details expected changes in volumes and mix of services through the projected traffic forecast for 2015 and actuals for 2014. 	<ul style="list-style-type: none"> Addresses change in volume. Does not address other components of this set of criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> Forecasted data pertaining to the change in average ticket fare indexes partially justifies the business action. 	<ul style="list-style-type: none"> Neither change control arrangements, nor notifications of change negotiations are included in this data set.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
6 – Traffic Forecast Data – Additional data (5 March 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Details expected changes in volumes and mix of services through the projected traffic forecast for 2015 and actuals for 2014. 	<ul style="list-style-type: none"> Addresses expected changes in volume and mix of services. Does not address other components of this set of criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> Forecasted data pertaining to the change in average ticket fare indexes partially justifies the business action. 	<ul style="list-style-type: none"> Neither change control arrangements, nor notifications of change negotiations are included in this data set.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
7 – Air Traffic Forecast (February 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> While there are no details pertaining to the proposed plan, there are several scenarios outlining potential change in volumes. 	<ul style="list-style-type: none"> Addresses expected changes in volume. Does not address other components of this set of criteria. It should be noted that forecasts are produced by the prospective supplier.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Describes four scenarios of potential traffic forecasts that are crucial to assessing internal and external constraints. 	<ul style="list-style-type: none"> Data does not support benefit realisation plan, nor risk management strategy. Shows limited specific evidence for internal constraints.
8 – Peak and Stand – Traffic Forecast Model Results (18 December 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Breakdown of the expected changes in volumes through passenger forecasts, separated by origin. 	<ul style="list-style-type: none"> Addresses expected changes in volumes. Does not address other components of this set of criteria. It should be noted that this provides supporting evidence for other parts of the case, and is not contextualised to the project.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria
9 – Traffic Forecasting Assumptions Book – Working Copy (16 February 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> While there are no details pertaining to the proposed plan, there are supporting assumptions for several scenarios outlining potential change in volumes. 	<ul style="list-style-type: none"> Addresses change in volumes. Does not address other components of this set of criteria. It should be noted that forecasts are produced by the prospective supplier.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria
10 – Draft – Traffic review and forecast (18 December 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The forecast and business strategy are in line with the organisation's strategy, but are not specific to the recommended deal. Provides context for the change in volumes. Outlines several potential future changes by highlighting opportunities in the aviation market to improve the organisation's position. 	<ul style="list-style-type: none"> No support of organisational context. Not specific to the recommended deal.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	customers been satisfactorily resolved?		
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Provides substantial support assessing the constraints of the project through analysis of the aviation market, route development strategy, and traffic forecasts. 	<ul style="list-style-type: none"> No support for realisation plan, nor risk management strategy.
14 – Airport Development P3 Models Report (1 February 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Outlines several types of PPP procurement strategies, fulfilling the need to assess relevant strategies and organisational policies. 	<ul style="list-style-type: none"> The report lacks support tying potential procurement options to the specifics of the LF Wade Airport.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> PPP options set out by key DAO personnel. 	<ul style="list-style-type: none"> Other stakeholders' views are not represented in this document.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
15 – Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> There is sufficient supporting documentation to satisfy this criteria. 	<ul style="list-style-type: none"> There are no gaps identified for this criteria. However, it should be noted that this report is produced by the prospective supplier, rather than Government.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Spending objectives appear SMART, and a clear statement of business outcomes and service outputs, although these are documented by the prospective supplier. Letter of Agreement provides some support for agreement between stakeholders and concessionaire. 	<ul style="list-style-type: none"> Little evidence for security and confidentiality issues. Agreement between Government and concessionaire does not provide evidence of an agreement between stakeholders and customers.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Supports a cohesive action plan from key stakeholders. 	<ul style="list-style-type: none"> Ultimately, communication of the Strategic Case may need to be owned by the Government rather than the supplier.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
16 – Project Concept for the Redevelopment of L.F. Wade International Airport - ANNEXES (25 March 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Annexes support business strategies within both MOU and LOA. Government and organisational policies are explained. Detail of concept of the project is provided. 	<ul style="list-style-type: none"> The appendix section does not cover the evaluation of business strategies and plans. It should also be noted that this report is produced by the prospective supplier, rather than Government.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Written confirmation is detailed in the LOA between Government and the prospective supplier. 	<ul style="list-style-type: none"> No details of business outcomes, nor are the spending objectives outlined. Security and confidentiality issues are not addressed.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> MOU provides a brief context of the change control arrangements. 	<ul style="list-style-type: none"> This information relates to change control in the negotiation process, rather than in respect of the airport project itself.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
17 – The Economic Impact of Constructing a New Terminal Complex (June 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Calculations of the economic impact support the organisation's business strategy. 	<ul style="list-style-type: none"> Evidence requirements outside business strategy are not detailed in this document.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> A portion of the Benefits analysis from the CBA are assessed. 	<ul style="list-style-type: none"> Change control arrangements and changes during negotiations are not supported.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
20 – BDA Airport Fees and Charges Benchmarking (2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Airport fees and charges provide background of the existing organisational arrangements. Their subsequent comparison benchmarks to similar markets provide organisational context and an understanding of the context of change. 	<ul style="list-style-type: none"> Limited evidence for security issues, changes in alignment, and evaluation of business plans.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Fees and Charges provide some context for benefit realisation. 	<ul style="list-style-type: none"> Benefits are not ranked. No reference to risk management strategy, nor constraints.
21 – Capex Affordability Analysis (7 August 2013)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> SWOT analysis provides a foundation for the organisational context, and demonstrates an element of strategic planning and evaluation. 	<ul style="list-style-type: none"> Other areas of this set of criteria are not covered in this document.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required	<ul style="list-style-type: none"> Provides considerations on PPP options and their implications / lessons learned. 	<ul style="list-style-type: none"> Limited detail on business justification and CBA.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	services – both current and future?		
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> High-level assessment of the impacts of the proposed procurement strategies. 	<ul style="list-style-type: none"> Does not provide a detailed assessment of each of these points.
22 – Terminal Feasibility Study (8 May 2008)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Provides general context for status of the project, short-listed design options, and the recommended concept, as at May 8, 2008. 	<ul style="list-style-type: none"> Design concepts do not appear to align with any strategies or policies. The master plan concept covered in this document is no longer the preferred option.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
23 – Initial Land Use Assessment Report			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> Details the potential revenue streams from the altered real estate offerings of the existing and new complexes. 	<ul style="list-style-type: none"> No support for control arrangements or changes during notifications.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Considers potential co-development opportunities, i.e. related programmes and projects. 	<ul style="list-style-type: none"> Not clear how these opportunities and considerations are incorporated into options scope within Economic Case.
24 – Project Structure			
S1	Does the recommended deal provide synergy and best fit with	<ul style="list-style-type: none"> A chart outlining the structure of the recommended deal partially satisfies the organisational context. 	<ul style="list-style-type: none"> Addresses organisational context. Does not address other parts of this set of criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	the organisation's business strategy?		
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
25 – Independent Peer Review of Aviation Activity Forecasts (March 2015)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Peer review assessing the robustness and accuracy of MM's forecast data in relation to air traffic arrivals in Bermuda. While this only scrutinises existing data, it does align with future changes and expected changes in volumes. 	<ul style="list-style-type: none"> Business strategies, organisational policies, security issues, changes in alignment, nor evaluations are represented in this data source.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	customers been satisfactorily resolved?		
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> As the original forecasted data does, the peer review also assesses constraints in detail. 	<ul style="list-style-type: none"> The document does not assess benefits and risks of the recommended deal.
26 – Bermuda International Airport Master Plan (December 2006)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Document provides in depth detail of the context, and reason for change. This plan, however, has been superseded given that the scope of the work has been altered significantly. The bulk of the work behind traffic forecasts, existing structures, constraints, etc are all still valid considerations and demonstrate initial strategic thinking. 	<ul style="list-style-type: none"> This is a 2006 document and shows strategic thinking earlier in the process. It does not cover strategic fit with the current airport redevelopment plan.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The spending objectives of this proposal are not aligned with those in the latest proposals. 	<ul style="list-style-type: none"> This is a 2006 document and the spending objectives and business needs outlined here are no longer applicable.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> Provides a CBA based on the 2006 concept and plan. In this 2006 document, the redevelopment is a stand-alone operation without a proposed concessionaire. The concept has changed substantially between 2006 and 2015. 	<ul style="list-style-type: none"> Does not outline the change control arrangements, as there is no reference to a PPP. A CBA is provided, but it is not relevant to the current 2015 proposed redevelopment plan.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and	<ul style="list-style-type: none"> Significant relevant evidence is provided, although some of the numbers included in this 	<ul style="list-style-type: none"> Gaps include the assessment of benefits and constraints / dependencies of the new, proposed facility.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	dependencies been examined in detail?	source are out of date. For example, the physical plan, as well as the design of the facility has changed since this source's publication. This affects the commercial space and other proposed rental areas, which have since changed.	
27 – Privatization Models White Paper (December 2008)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Potential privatisation models are outlined, which provide background information on the procurement strategy. 	<ul style="list-style-type: none"> Does not include additional contextual evidence.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Some assessment of constraints and dependencies within the proposed privatisation model. 	<ul style="list-style-type: none"> Limited assessment of benefits or risks.
28 – Bermuda National Tourism Master Plan (11 June 2012)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The 2012 Bermuda National Tourism Master Plan provides sufficient support for business strategies and the need for new infrastructure solutions to address traveller volumes. Helps to support the case for change. 	<ul style="list-style-type: none"> Supports the need for improved tourism infrastructure but is does not address the airport in detail.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The tourism industry is a key stakeholder to the airport. The document shows support from the tourism industry for a new airport. 	<ul style="list-style-type: none"> Shows that the tourism industry may support a new airport, but is not detailed or specific to the current proposed airport deal.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
30 – New Airport Terminal			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Provides detail on strategic rationale for airport redevelopment – as part of a wider strategy to “help reposition and re-brand Bermuda as a visitor and business destination: First Tier, First Class, First World”. 	<ul style="list-style-type: none"> As expected in a high-level summary of project, limited additional detail provided. Additionally, statement was provided at the same time as commercial rationale / procurement strategy.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	dependencies been examined in detail?		
31 – DAO Capital Expenditure Report (6 March 2013)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> CapEx report for the year end March 2013 supports internal constraints. 	<ul style="list-style-type: none"> As expected for a document of this nature, no mention made of benefits, risks, or dependencies.
33 – Alternate Energy Evaluation with Recommendations (8 December 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Survey into the effects of implementing a more efficient energy system for the existing airport. Provides some reference to organisational policies. 	<ul style="list-style-type: none"> As expected for a document of this nature, no detail of strategies, context, changes, volume changes, security, changes in alignment.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
34 - Discussion with Price Waterhouse re Airport Investment by telephone (16 November 2010)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Minutes from a call in 2010, which allude to the initial suggestion of a PPP procurement strategy for the project. 'Roundtable' discussion of procurement strategies and redefining business strategy. 	<ul style="list-style-type: none"> Covers procurement/PPP strategies. Does not address other areas of this set of criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
35 – Economic Impact Report (2003)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Addresses dependencies of tourism on the air traffic arrivals and the air visitor expenditure. 	<ul style="list-style-type: none"> Assessment is dated 2003, so whilst provides a clear strategic rationale, is not a project-specific assessment.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Assessment of dependencies of tourism on the air traffic arrivals and the air visitor expenditure. 	<ul style="list-style-type: none"> No assessment of benefits, risks, nor constraints.
37 – DAO Electricity Consumption			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Historical monthly electricity bill for the existing structure that lends some assessment to internal constraints. 	<ul style="list-style-type: none"> No assessment of benefits, risks, or dependencies.
38 – Terminal Complex Feasibility Study (9 September 2008)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Provides background detail of strategic rationale for change, including: <ul style="list-style-type: none"> Improving storm surge protection Meeting regulatory safety requirements Improving financial performance Increasing operational efficiency Provides facilities to meet demand Providing sustainability Enhancing customer convenience 	<ul style="list-style-type: none"> Does not provide details on volumes.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Provides detail on anticipated improvements which could be interpreted as spending objectives. 	<ul style="list-style-type: none"> Detail is high level and is not SMART, or considering multiple impacted stakeholders and their priorities.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Provides some consideration of risks of 'do nothing' option, e.g. risks of storm surge and associated damage. 	<ul style="list-style-type: none"> No detailed assessment of benefits, risks, nor dependencies.
39 – DAO Fees and Charges (January 2013)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> All airport fees and charges for the existing operation provide evidence for a benefit source. 	<ul style="list-style-type: none"> No full outline of benefit realisation plan. No assessment of risks, constraints, nor dependencies.
42 – PPP Opportunity Scan			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Sets out the DAO's strategies for the project. Surveys the scope of the work, the stage in the process, and their relation to executing the project through a PPP. 	<ul style="list-style-type: none"> Does not address security and confidentiality issues, nor the expected changes in volumes.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Addresses budgetary constraints. 	<ul style="list-style-type: none"> No benefit realisation plan, risk management strategy, nor dependencies are analysed in any detail.
Terminal Feasibility Study – Progress Review			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Provides evidence for continued stakeholder commitment, as it is a briefing to the Government of Bermuda as to where they are in their process. 	<ul style="list-style-type: none"> No evidenced communication strategy.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
45 – Airfield Diagram			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
46 – Ministerial Statement (21 November 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Provides strategic rationale for change and strong Government support for new terminal. This includes that, "The new terminal will show the arriving passenger that he/she has entered a country that is indeed First Tier, First Class and First World. The new terminal will create a buzz in tourism circles and substantially enhance the airport terminal experience for the travelling public". 	<ul style="list-style-type: none"> As expected for a statement of this nature, this does not address detailed assessment of strategy.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Provides public with a clear narrative of what the Government plans to do to the airport and who the key stakeholders are. The formal announcement of the MOU indicates stakeholder commitment and involvement. 	<ul style="list-style-type: none"> Suggests some stakeholder management is taking place, but is not evidence of a comprehensive stakeholder management approach.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
47 – Memorandum of Understanding (10 November 2014)			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Demonstrates Government of Bermuda's commitment to the airport infrastructure as "crucial conditions for the promotion of world class airport services and overall domestic economic development of Bermuda". 	<ul style="list-style-type: none"> The data contents do not align with other points in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Non-binding agreement between CCC and the Government of Bermuda. It provides a short excerpt on the two parties' intent to align in the future. 	<ul style="list-style-type: none"> Spending objectives and business needs are not addressed, nor are any security or confidentiality issues.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Document assesses some “General Benefits” of enacting the MOU. 	<ul style="list-style-type: none"> It should be noted that the benefits were identified with CCC, rather than Government consideration of benefits in isolation from potential suppliers.
49 – Statement of Operation Results			
S1	Does the recommended deal provide synergy and best fit with the organisation’s business strategy?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Operating revenue and budget for the existing structure. Provides benchmark information on the constraints and dependencies for the project. 	<ul style="list-style-type: none"> No assessment of benefits or risks.
51 - CCC Approach			
S1	Does the recommended deal provide synergy and best fit with the organisation’s business strategy?	<ul style="list-style-type: none"> Details strategic rationale for change. 	<ul style="list-style-type: none"> Document produced to explain commercial rationale for engagement with CCC, and therefore does not demonstrate Government consideration of strategy in isolation and in advance of engagement with prospective suppliers. Security and confidentiality issues.

#	Key Review Criteria	Evidence Covered	Gaps Identified
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Written confirmation of the Government's approval of the recommended deal. 	<ul style="list-style-type: none"> Other key stakeholders and customers not represented.
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> Document assesses benefits of prospective deal. 	<ul style="list-style-type: none"> Benefits assessed at a high level, not in detail. It should be noted that this was produced after engagement with prospective supplier.
52 - Bermuda Airport G2G Structure			
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Evidence for the strategy behind the recommended deal. 	<ul style="list-style-type: none"> Whilst this does provide context of the case for change, rationale for prospective deal is typically expected as part of Commercial Case.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Evidence of stakeholder commitment and involvement. 	<ul style="list-style-type: none"> No reference to communication strategy.
S5	Has the assessment of likely benefits, risks, constraints and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	dependencies been examined in detail?		

Strategic Case Summary

Based on the analysis above we can conclude the following on how the reports, documents and evidence points provided, when taken as a whole, align to the FBC assessment criteria:

#	Key Review Criteria	Evidence Covered	Gaps Identified
S1	Does the recommended deal provide synergy and best fit with the organisation's business strategy?	<ul style="list-style-type: none"> Overall there is a clear strategic rationale for change incorporated in documents produced over a number of years. This includes clear descriptions of business strategies, context of the airport, existing and future needs to support the Bermudian economy and Government policy objectives. There is evidence of ongoing evaluation of the case for change throughout the process. 	<ul style="list-style-type: none"> Broadly speaking, no major gaps identified, although there has been limited consideration of security and confidentiality issues throughout the documentation. However, it should be noted that a significant part of the most recent evidence base for change has been produced subsequent to or in parallel to the agreement with the prospective supplier. Recognising this, Government may want to be clear that it owns its own strategy for the airport and ongoing evaluation of that strategy, which is distinct from that of any prospective concessionaire.
S2	Does the recommended deal still satisfy the original spending objectives and business needs?	<ul style="list-style-type: none"> Overall clear stakeholder buy-in to the case for change, and the objectives of spend. 	<ul style="list-style-type: none"> As above, it is worth noting that Government may want to be clear on owning its own required business outcomes and service outputs. When the recommended deal is more fully developed, the Government may want to assess the deal against the original spending objectives. To do so, it might wish to incorporate these in a single statement – this may feature within the procurement strategy in the Commercial Case.
S3	Does the recommended deal still provide all of the required services – both current and future?	<ul style="list-style-type: none"> Whilst change control is not addressed, there is evidence of agreement of stakeholders and users. 	<ul style="list-style-type: none"> It is worth noting relatively limited consideration of the potential for subsequent change in strategic context. Government might want to consider the need for flexibility within the solution identified in the Economic Case, and the provisions of the Commercial Case.
S4	Have any outstanding differences between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none"> Clear and ongoing involvement of key stakeholders, including the public in the form of ministerial statements, and an indication that the tourism industry support the case for change. 	<ul style="list-style-type: none"> There is no defined communication strategy for the ongoing delivery of the project, and there has been no documented feedback from the public or travellers (customers).

#	Key Review Criteria	Evidence Covered	Gaps Identified
S5	Has the assessment of likely benefits, risks, constraints and dependencies been examined in detail?	<ul style="list-style-type: none"> High-level benefits are detailed in a number of places throughout the documentation as a whole, which also includes high-level consideration of risks and internal and external constraints. 	<ul style="list-style-type: none"> Some of the more specific aspects of assessing benefits, risks, constraints and dependencies have not been examined in detail. This includes, for example, production of a benefits realisation plan and ranking of benefits by stakeholder. Given a strong Strategic Case for change, this is considered as an opportunity for refinement through the Management Case and subsequent delivery.

Economic Case

Introduction

The Economic Case is designed to evidence that the project represents best public value.

Through our mapping activity we identified 24 reports and documentation as containing information relevant to the Economic Case, which will be assessed in this analysis.

Detailed Data Assessment

#	Key Review Criteria	Evidence Covered	Gaps Identified
3 – Topic List for Interviews 02 Topic Guide			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> This document details interview questions associated with a range of potential identified benefits in relation to the airport and wider development opportunities, including: <ul style="list-style-type: none"> Construction and operation of new terminal. New developments (solar PV generation, fast ferry terminal, a landside development, and hotel and conference centre). Wider benefits (promoting FDI, tourism and other forms of economic development). 	<ul style="list-style-type: none"> Document does not detail specific defined scope or clear options for economic assessment. This is to be expected given that it is designed to support an activity to refine scope and specified options, but these may be expected to be assessed elsewhere under the Economic Case. Noted that these benefits are identified by supplier rather than Government side. The data contents provide limited additional evidence against these requirements, and do not assess economic options.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
7 – Air Traffic Forecast (February 2015)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Details four passenger air traffic forecast scenarios. Assumptions are outlined to support the range of scenarios assessed. 	<ul style="list-style-type: none"> Whilst document demonstrates significant work to outline scenarios and sensitivities for assessment in the business case in the form of these air traffic forecasts, it provides very little direct evidence of options assessment. Additionally, it should be noted that all forecasts anticipate rising passenger volumes, and we might expect a sensitivity to test a stronger down-side scenario.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
8 – Peak and Stand – Traffic Forecast Model Results (18 December 2014)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-	<ul style="list-style-type: none"> Details evidence of use of extensive underlying assumptions for passenger volume forecasts/ scenarios. 	<ul style="list-style-type: none"> The analysis may be an important input to these aspects of economic case, but are not developed in to the options analysis required for this section. Noted that this analysis and its underlying assumptions are owned by the supplier rather than government side.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	listed options subjected to robust analysis? Was the most economically advantageous offer selected?		
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
9 – Traffic Forecasting Assumptions Book – Working Copy (16 February 2015)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Details evidence of use of extensive underlying assumptions for passenger volume forecasts / scenarios. 	<ul style="list-style-type: none"> Whilst offering supporting evidence, the data contents do not align with any of the evidence requirements listed in this criteria. Noted that these assumptions are owned by the supplier rather than government side.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
10 – Draft – Traffic Review and Forecast (18 December 2014)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> Document details key drivers of Bermuda’s position in the overall aviation market, and international business activities and tourism industry factors. A number of these and factors to be considered in developing greater airlift could be easily re-interpreted as CSFs for airport development options. 	<ul style="list-style-type: none"> Document does not explicitly outline CSFs to enable options assessment. Noted that the document was prepared by the supplier’s advisors.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Document provides a very detailed assessment of key features that would be used in an options assessment, including understanding in detail the market enablers and how change might impact traffic. It provides a case for a ‘do something’ option in respect of increasing air traffic and reversing the trend of declining traffic in Bermuda. 	<ul style="list-style-type: none"> However, the document does not explicitly provide an options analysis or compare and contrast different options to arrive at the most economically advantageous option to reverse this trend. This is to be expected as the document was prepared by the supplier, so would only take in to account the range of options being considered by the supplier. The range of options considered in the Economic Case by the Government should be much broader than those which could be offered by one particular supplier (e.g., Do minimum, Do nothing.)
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
14 – Airport Development P3 Models Report (1 February 2014)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Document details potential revenue streams and scope options in the form of commercial airspace management and renewable energy development. This could be considered a long-listed set of procurement options/PPP options, which could form part of a larger options analysis. 	<ul style="list-style-type: none"> Document does not define clear options for the economic assessment of the solution for the Strategic Case. Focuses solely on options in respect of the Commercial Case (e.g. appropriate PPP model). Other options – scale and scope of the development, non PPP options, Do Nothing/Do Minimum, are not part of this document. The analysis is not developed through to the selection of an economically preferred option.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
15 – Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> Document details key drivers of Bermuda’s position in the overall aviation market, and international business activities and tourism industry factors. A number of these and factors to be considered in developing greater airlift could be easily re-interpreted as CSFs for airport development options. 	<ul style="list-style-type: none"> Document does not explicitly outline CSFs to enable options assessment. Document is produced by the proposed supplier rather than by the government. It cannot, by its nature, include CSFs against which a broad range of options could be assessed.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> • Document outlines significant assessment and appraisal of the proposed project concept for the terminal area, including (but not limited to): <ul style="list-style-type: none"> – Aviation market, traffic and airline analysis – Analysis of tourism and international business development initiatives to reverse decline – Development of concept options for terminal area – Development of high-level CAPEX scenarios – High-level operating model, structures and allocation of scope – Exploration of commercial and organisational structures • Some options for configuration of the terminal are considered, for example a Pier Terminal vs. Linear Terminal. • Document includes a section with considerations on achieving VFM. This concludes that traditional procurement routes are not likely to be viable, and suggests that the “unique combination of project guarantees, expert aviation knowledge and construction expertise to de-risk the deal whilst making it bankable”. 	<ul style="list-style-type: none"> • Document does not clearly define options for assessment using economic appraisal, risk assessment and analysis of non-monetary benefits. The choice between Pier Terminal and Linear Terminal, for example, is made based on high-level qualitative discussion outside a typical VFM options assessment structure. • Whilst there is a financial assessment represented, this is a summary of a CAPEX affordability analysis and does not apply discounted cash flow or Net Present Value (NPV) approaches to appraise the costs, benefits, and risks of different options side-by-side in an economic analysis. • Whilst the document details that the prospective supplier are aware of the need to demonstrate VFM through the procurement process proposed, the means for assessing this are outlined in theoretical ways and practice assessment of VFM is not clearly established. • Additionally: <ul style="list-style-type: none"> – Key platforms of economic value that are discussed in the document (such as use of local sourcing) are outlined in an ‘in principle’ rather than in specific ways. – It is noted that the “technical and design aspects of the airport redevelopment project are still at a very preliminary stage”, suggesting this is not ready for contract execution until these are developed and agreed. • Taken together these points suggest that the case is more akin to an OBC, which would be expected to establish the preferred option and put in place the arrangements for procurement of the scheme, than the FBC. However, elements of the OBC case expectations for defining the options for assessment and selecting the preferred option and requirements for procurement are not evidenced. This is expected to some extent, given that this is an outline of a supplier proposal rather than a government investment appraisal.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted across this assessment that there is not a clearly defined methodology for treatment of the unsolicited proposal and how to assess the VFM and strength of the Economic Case associated with it.
16 – Project Concept for the Redevelopment of L.F. Wade International Airport - ANNEXES (25 March 2015)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Document provides supporting detail for the proposed airport design. 	<ul style="list-style-type: none"> Document does not explicitly perform an assessment on variant options. Because this is a proposal from one supplier, it does not include a wide range of options outside this supplier. Costs, benefits, risks, are not quantified and compared for different options, side-by-side. Do nothing/Do minimum, PSC, are not considered.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	providers in response to the procurement notice?		
17 – The Economic Impact of Constructing a New Terminal Complex at L F Wade International Airport (June 2014)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Document assesses total economic impact of proposed project, considering direct and indirect economic impacts. Document references optimism bias as a factor in economic appraisals. 	<ul style="list-style-type: none"> Assessment is based on CAPEX estimates from the 2008 Master Plan, and therefore does not provide a direct Economic Case assessment for the current proposals. Assessment does not produce economic assessment of different options. Assessment is focused on construction period only. Assessment does not consider economic appraisal of options from a VFM perspective, i.e. including the time value of money (NPV analysis). Document does not address optimism bias as an integral part of economic assessment, but adjusts for this as a sensitivity analysis on CAPEX. Focuses on benefits (positive impacts), and does not quantify costs and risks.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
18 – Addendum: Economic Impact of Constructing a New Terminal Complex at L F Wade International Airport (July 2014)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Addendum estimates the total economic impact of construction at a range of building costs / CAPEX values (ranging from \$175m-\$300m). 	<ul style="list-style-type: none"> Whilst these CAPEX figure bands are closer to current proposals, the assessment includes the same gaps as identified in the above document, i.e.: <ul style="list-style-type: none"> Assessment does not produce economic assessment of different options, and is focused on construction period only. Assessment does not consider economic appraisal of option from a VFM perspective, i.e. including the time value of money (NPV analysis) or assessment of risks or non-monetary benefits. Document does not address optimism bias as an integral part of economic assessment, but adjusts for this as a sensitivity analysis on CAPEX.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
20 - BDA Airport Fees and Charges Benchmarking			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> It is noted that whilst this document provides benchmarking analysis of regional peer airport fees and charges, it is not clear how it has been used to support an economic assessment of any given option.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
21 - Capex Affordability Analysis (7 August 2013)			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Document includes a SWOT analysis for the airport in Bermuda. 	<ul style="list-style-type: none"> Whilst there is a SWOT analysis this is not used to drive assessment of different defined options. Whilst there is a sensitivity analysis of different traffic scenarios, airport departure taxes and financing options, the financial model assessment is focused on affordability as compared to economic appraisal. Considerations on this and in respect of PPP structuring options are therefore considered in the Commercial Case and Financial Case analyses.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
22 - Terminal Feasibility Study (8 May 2008)			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> This study demonstrates that various options have been considered for the Bermuda Airport over a number of years, prior to the current (2015) concept being considered. However it appears that options have been assessed and dismissed in succession, rather than compared side-by-side, resulting in the selection of a preferred option. Incorporates high-level designs for a range of design concepts, including Pier Concept, Triangle Concept, and Bar Concept. Includes details of a high-level evaluation of these design concepts using a qualitative 'Evaluation Matrix', concluding on the Pier Concept. Includes a summary financial analysis with estimated cash flow and costs. This includes operating revenue and operating costs for the existing terminal, as compared to the CAPEX, operating revenue and operating costs for the new terminal. 	<ul style="list-style-type: none"> Whilst it is clear some different design concepts have been considered, these are not assessed by an Economic Case methodology against the strategic objectives. These concepts also do not appear to map to the current proposal, which concludes on a different preferred design. Financial analysis is extremely high level and does not provide any clear assumptions or method for comparison between the Existing Terminal and New Terminal options on an Economic Case basis (i.e. including NPV, risk assessment and non-monetary benefits). Additionally, it does not compare the Pier, Triangle and Bar concepts against the 'do nothing' cash flows identified.
E3		<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?		
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
23 - Initial Land Use Assessment Report			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Outlines potential viability of a range of non-airport development proposals, including a 152 berth marina and a fast ferry dock. These proposals could be included if a long list of options is developed for appraisal. 	<ul style="list-style-type: none"> Whilst provides some potential sub-options for redevelopment activity, the document was produced in 2008, and options have not clearly been assessed by Economic Case or incorporated into subsequent project development activity.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
25 - Independent Peer Review of Aviation Activity Forecasts (March 2015)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> This represents an initial peer review of Mott Macdonald activity forecasts for the airport (with a subsequent review expected based on detailed bottom-up forecasts), and could in theory be used to support a sensitivity analysis; however, the assessment is not conclusive and does not provide a complete assessment for these purposes.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
26 - Bermuda International Airport Master Plan (December 2006)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> 2006 document provides significant detail on airport facility requirements, background information and key constraints, that could be interpreted as CSFs. 	<ul style="list-style-type: none"> CSFs are not explicitly identified and prioritised for options assessment.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to	<ul style="list-style-type: none"> Options for development are assessed with reference to non-monetary benefits, such as support for national goals, safety, flexibility, and also with financial implications. 	<ul style="list-style-type: none"> Approach taken was technically-led production of a recommended new terminal concept, based on analysing a set of terminal configurations to reach a recommendation. Defined options were not economically

#	Key Review Criteria	Evidence Covered	Gaps Identified
	robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Includes comparison between re-development of existing terminal as compared to construction of a new terminal. The option of developing the existing terminal could be useful in developing a range of options such as a Do Minimum option. 	<p>assessed in full and no NPV analysis or risk assessment was included.</p> <ul style="list-style-type: none"> Not clear how these are carried forward as requirements for the current private sector proposal.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> High-level assessment of 'Design-Build' commercial option is included. 	<ul style="list-style-type: none"> This is not defined as an option for assessment under an Economic Case.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
29 - Bill Of Approximate Quantities			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Includes detailed CAPEX estimates from 2008 assessment. 	<ul style="list-style-type: none"> Assessment does not feature as part of current proposals or option, and Economic Case assessment of any options is not made.
E3	Has the PSC been constructed and assessed in	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	accordance with HM Treasury guidance?		
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
30 - New Airport Terminal			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> Documents high level objectives for the new airport terminal, including: <ul style="list-style-type: none"> Minimise the impact on Government balance sheet Reduce the risk of overruns and delays Reduce procurement costs Address job creation Ensure VFM 	Objectives are outlined at a high level.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Outlines the proposed mechanism for assessing VFM through a 'fairness assessment'. Clear identification of some risks associated with different commercial options. 	<ul style="list-style-type: none"> As expected given the nature of the statement, further detail on the assessment of the proposed option against the defined criteria is considered elsewhere in the evidence base. Risks associated with different commercial options to be assessed as part of Commercial Case; assessment of project options is a separate Economic Case assessment to determine the solution with the best overall economic value, outside commercial delivery models.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	providers in response to the procurement notice?		
34 - Discussion with Price Waterhouse re Airport Investment by telephone (16 November 2010)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
35 - Economic Impact Report (2003)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> Whilst considering the economic impact associated with tourism, the data contents do not align with any of the

#	Key Review Criteria	Evidence Covered	Gaps Identified
	assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?		evidence requirements listed in this criteria or in relation to this project or its options.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
38 - Terminal Complex Feasibility Study (9 September 2008)			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> Assesses key challenges, such as storm protection, which could be interpreted as CSFs. 	<ul style="list-style-type: none"> CSFs are not explicitly identified and prioritised for options assessment.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> Whilst outlining a potential solution for airport development the Economic Case associated with this is not detailed.
E3	Has the PSC been constructed and assessed in	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	accordance with HM Treasury guidance?		
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
41 - Financial Model (July 2013)			
E1	Have the Critical Success Factors ("CSFs") for options appraisal been identified?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Model enables calculation of NPV based on traffic scenarios, departure tax scenarios, and additional revenue streams associated with the 'Bermuda Commercial Airspace initiative', concession length, and CAPEX values. 	<ul style="list-style-type: none"> Whilst demonstrating consideration of NPV assessment it is not clear from this and other documents which options have been assessed for NPV, how these factor in wider economic impacts, risk assessment, or non-monetary benefits to assess across different options. A separate consideration for the Financial Case will be the extent to which this assesses the financial implications of different concession assumptions or provisions for revenue share.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
42 - PPP Opportunity Scan			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> Incorporates key ‘Project Objectives’ which could be interpreted as CSFs. 	<ul style="list-style-type: none"> CSFs are not explicitly identified and prioritised for options assessment.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Considers at a high-level the impact of project scope on the project. 	<ul style="list-style-type: none"> Defined options not identified for Economic Case assessment.
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
44 - Terminal Feasibility Study - Progress Review (8 May 2008)			
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> Prioritised CSFs (high, medium or low) Relevant performance measures 	<ul style="list-style-type: none"> Substantively covers same material as #22.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to	<ul style="list-style-type: none"> 10 to 12 main options – full description Use of the options framework <ul style="list-style-type: none"> for business scope for potential solutions for service delivery 	<ul style="list-style-type: none"> Substantively covers same material as #22.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> - for implementation - for funding • SWOT analysis of options against: <ul style="list-style-type: none"> - spending objectives - critical success factors - benefits criteria - evidence of likely support from key stakeholders • Preparation and assessment of economic appraisals for: <ul style="list-style-type: none"> - do nothing/do minimum - revised PSC - best and final offers and/or - preferred bidder (if selected) • Use of appropriate tools: <ul style="list-style-type: none"> - sensitivity analysis - risk (£) quantification - evaluation of qualitative benefits (rank, weight and scoring) • Treatment of costs and benefits in accordance with Treasury 'Green Book' rules • All assumptions recorded • Achievable benefits streams • Stakeholders and customers support 	
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> • Realistic solution capable of implementation • Risks identified, apportioned and measured for all project stages: <ul style="list-style-type: none"> - design - build - finance - operate • PFI (PPP) costs, where available 	<ul style="list-style-type: none"> • Substantively covers same material as #22.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> • Assessment of earlier assumptions • Use of evaluation criteria: <ul style="list-style-type: none"> - long list of suppliers - short list of suppliers • Description of each bid received at BAFO 	<ul style="list-style-type: none"> • Substantively covers same material as #22.

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> • Method of treatment for varying bids • Basis for selection of preferred bidder (if applicable) 	

Economic Case Summary

Based on the analysis above we can conclude the following on how the reports, documents and evidence points provided, when taken as a whole, align to the FBC assessment criteria:

#	Key Review Criteria	Evidence Covered	Gaps Identified
E1	Have the Critical Success Factors (“CSFs”) for options appraisal been identified?	<ul style="list-style-type: none"> A number of documents detail the key drivers of Bermuda’s position in the overall aviation market, and the importance of the airport for international business activities and the tourism industry. Other key factors in improving airlift and the requirements for improving the airport, are identified throughout. These include, for example, key project objectives such as addressing key challenges like storm protection. Additionally, the Ministerial Statement (#46) provides a clear summary of some further project objectives. Taken together, there are a number of different sources which could readily be interpreted as CSFs. 	<ul style="list-style-type: none"> However, although a number of factors exist which could be interpreted as CSFs, the documentation as a whole does not explicitly outline CSFs or prioritise these for the purposes of options assessment. This is to be expected given that the documentation has not been prepared according to Green Book guidance.
E2	Has a sufficiently wide range of long-list options been identified and assessed, and the short-listed options subjected to robust analysis? Was the most economically advantageous offer selected?	<ul style="list-style-type: none"> Throughout the documentation ‘options’ are defined in a number of different ways. These include: <ul style="list-style-type: none"> Options for technical solution for airport re-development, including contrasting refurbishment of existing terminal with new build, and a range of ‘project concepts’ identified at different stages in the development process. Commercial options for delivering the project, which will be considered under the Commercial Case section. The objective of the Economic Case is to identify the best VFM for Government, and that preferred solution is then assessed for delivery model and procurement strategy considerations in the Commercial Case. Options associated with wider re-development opportunities, such as solar photovoltaic (“PV”) and landside development. A large number of the available documents touch on elements of the Economic Case, including: 	<ul style="list-style-type: none"> Taken as a whole, there is no clear or structured assessment of all options performed in order to appraise the Economic Case of short-listed options and arrive at a preferred solution. Whilst it is clear that a wide variety of solutions have been identified, there may be a case for confirming the scope of the preferred solution and the impact of that scope on future cases, such as the Financial Case and affordability considerations. Whilst a large number of the documents touch on elements of the Economic Case, these typically assess different elements of different option sets, and it is therefore not clear that a preferred solution has been identified through a clear assessment of net present value (“NPV”), risks, and non-monetary benefits. Key considerations include: <ul style="list-style-type: none"> In a number of instances, options are proposed by the current proposed supplier rather than the Government. This means there is no clear appraisal

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> - Potential revenue streams and scope options (e.g. commercial airspace management and renewable energy development). - Assessment of benefits associated with a 'do something' option, including benefits associated with reversing the trend of declining traffic in Bermuda, and non-monetary benefits such as support for national goals, safety and flexibility. - Assessment of the economic impact of the proposed project by direct and indirect economic impacts during construction. - Identification of some risks associated with different commercial options. - Assessment of NPV for the project based on a private sector WACC. • There is a large volume of evidence for assumptions used at different points in the development of the project. 	<p>of options from a Government perspective with which to engage the market.</p> <ul style="list-style-type: none"> - This means it is not clear that Government has determined the optimal scope from the potential options prior to going to market. - Frequently this means that the project is assessed from a project/SPV rather than holistic Government perspective. For example, whilst the affordability analysis performed by Leigh Fisher includes an NPV calculation, this looks to focus on project cash flows only and uses a developer weighted average cost of capital ("WACC") rather than Government discount rate. The Green Book guidance uses HM Treasury's Social Time Preference rate of 3.5% p.a. in real terms to discount economic cash flows for the NPV. - The economic assessment performed by the Bermuda College does not consider NPV. - The economic assessment performed by the Bermuda College only considers the construction period. - Whilst there is reference to optimism bias, this is not incorporated into any investment appraisal. • Additionally, concepts of VFM are often assessed at theoretical levels and not always in respect of the Economic Case or defined options. In particular, the CCC Project Concept document concludes on the VFM case with limited reference to the preferred solution as compared to alternative options, and in respect of the Commercial Case (i.e. the preferred delivery model) rather than Economic Case (the preferred option). • Some analysis of socio-economic benefits e.g. job creation, impact on tourism industry, has been performed in different documents. These are key factors in the rationale for the project and may need to be validated in the Economic Case.

#	Key Review Criteria	Evidence Covered	Gaps Identified
E3	Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none"> High-level assessment of different commercial options are considered, including some consideration to typical risks. 	<ul style="list-style-type: none"> A PSC is not clearly identified as a delivery option for Economic Case appraisal. This is expected given that the documentation has not been prepared according to Green Book guidance, and the private finance solution has been a key project driver from the outset.
E4	Was a wide range of bids received from service providers in response to the procurement notice?	<ul style="list-style-type: none"> Not Applicable: A competed procurement process was not conducted, so no procurement notice was issued. 	<ul style="list-style-type: none"> It should be noted that there is not a clearly-defined evaluation criteria or methodology for the bid to assess the VFM of the unsolicited proposal against Government expectations. This is considered in more detail in the Commercial Case.

Commercial Case

Introduction

The Commercial Case is designed to evidence “that the proposed deal is attractive to the market place, can be procured and is commercially viable”.

Through our mapping activity we identified 16 reports and documentation as containing information relevant to the Commercial Case, which will be assessed in this analysis.

Detailed Data Assessment

#	Key Review Criteria	Evidence Covered	Gaps Identified
10 - Draft - Traffic review and forecast (18 December 2014)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that, in line with other documents provided by the proposed supplier, whilst this does not provide evidence for government consideration of the optimal procurement strategy, it does include some considerations on parameters of a potential deal, such as potential agreements between the Bermuda Tourism Authority, travel agents, airlines and the airport operator.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> Document does include considerations of an 'airlift development plan', incorporating: <ul style="list-style-type: none"> Airline engagement Key stakeholders Marketing and communications Budget and incentives Resource and skills 	<ul style="list-style-type: none"> It should be noted that, in line with other documents provided by the proposed supplier, this does not provide evidence for government consideration of the optimal delivery of commercial value from the prospective contract. Notably, as identified in the 'Main Evidence Required', this might require consideration of appropriate incentivising mechanisms, and of obtaining value through benchmarking and/or market testing.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> Document details some parameters of a potential deal to include use of Bermuda Tourism Authority budgets with Bermuda airport marketing budgets. 	<ul style="list-style-type: none"> Document not a direct assessment of bankability.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> Document does include considerations of an 'airlift development plan'. 	<ul style="list-style-type: none"> However, document does not provide details of an agreed deal.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<p>The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the government liable for bearing supplier costs through negotiations.</p>	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the government liable for bearing supplier costs through negotiations.
14 - Airport Development P3 Models Report (1 February 2014)			
C1	Has the procurement strategy for the successful delivery of the required services been considered	<ul style="list-style-type: none"> Provides an assessment of potential airport development models under PPP, including: <ul style="list-style-type: none"> Management contracts Lease-term concession Developer financing and operation 	<ul style="list-style-type: none"> It should be noted that there is limited evidence of how the recommendations from this report, including the pre-procurement activity and implementation of the procurement strategy, were carried forward.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	and prepared in sufficient detail?	<ul style="list-style-type: none"> – Joint venture – Sale of asset • Outlines a procurement strategy, including: <ul style="list-style-type: none"> – Details key drivers of viability for potential deal, including (for example) ensuring appropriate flexibility in the agreement, and being clear on the scope of PPP desirable. – Recommends a pre-procurement pan prior to market engagement, including “financial, legal, market valuation and project delivery consultation” prior to initial engagement with industry. – Outlines a procurement plan for competed RFI/RFQ process. 	
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • Documents provides consideration on risk transfer associated with different commercial structures. 	<ul style="list-style-type: none"> • It should be noted that there is limited evidence of how the recommendations from this report were carried forward.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
15 - Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Concludes in favour of sole-source procurement over competitive procurement recognising: <ul style="list-style-type: none"> Lack of investor interest. Costs of setting up and running a traditional procurement process. Document provides a description of how commercial model assures VFM. This includes identifying World Bank references to the benefits of unsolicited proposals, and identifying benefits associated with 'almost halving the cost and time associated with a traditional procurement process'. Recommends evidence of market-based pricing to be obtained through a third-party audit of key aspects of the capital budget. Recommends an open-book negotiation, with the appointment of independent Government advisors to the deal, to provide independent advice to Government. 	<ul style="list-style-type: none"> Limited supporting evidence in the form of market soundings to evidence lack of market viability of airport concession. Evidence for sole-source procurement provided at theoretical level and not assessed quantitatively in the context of this procurement. It should be noted that, in line with other documents provided by the proposed supplier, this does not provide evidence for Government consideration of the optimal procurement strategy. It should be noted that CCC stress "it is important to emphasise CCC's entirely commercial role". Limited evidence of consideration of specific mechanisms to benchmark or assure VFM through the unsolicited proposal process. Such considerations are included at a theoretical level, such as acknowledging "a need to demonstrate the process within this

#	Key Review Criteria	Evidence Covered	Gaps Identified
			<p>proposal retains the core principle of being demonstrably value for money".</p> <ul style="list-style-type: none"> Third-party audit remains to be completed, and would only cover the capital budget under this proposal.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> Document notes that the project viability would need to be demonstrated to CCC's internal Risk and Opportunities Committee. 	<ul style="list-style-type: none"> It should be noted that internal approval processes for CCC are likely to consider CCC's commercial position, rather than Bermudian Government VFM.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> Concludes that Bermuda can access "the benefits of a competitive, public procurement process without triggering its drawbacks". Document refers to openness to use of local sourcing, and important consideration for Government. 	<ul style="list-style-type: none"> While the benefits of avoiding the drawbacks of public procurement are outlined (faster and less expensive), there is limited evidence to demonstrate how a "risk-sharing, 'Government-to-Government' approach" achieves "the benefits of a competitive, public procurement process." Scope of services proposed by potential supplier rather than Government. This includes all design details (landside development and infrastructure etc.). Proposal at this stage is not clear on extent of local sourcing or how this might be contractualised.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> Considers Government retained risks and requirements, including (for example) delivering Governmental permits and approvals, and monitoring contract performance. 	<ul style="list-style-type: none"> Recognising that this is a document produced by the proposed supplier, there is limited detail on Government ability to deliver its dependencies and requirements for the concession term.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> Document considers a range of comparators for the concession model of delivery, and evidences a 'robust market for airport debt'. 	<ul style="list-style-type: none"> Recognising the bankability of the project may raise questions on the relative merits of a sole-source vs. a competed procurement strategy.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> Document considers the competitive tendering of 80% of construction works, which "will provide commercial tension throughout the supply chain during construction". 	<ul style="list-style-type: none"> It should be noted, of course, that the procurement has not been undertaken. It is understood from the evidence available that AECON have been selected through a non-competed process. It is not unusual for a prime contractor to compete sub-contracts, but is not

#	Key Review Criteria	Evidence Covered	Gaps Identified
			<p>synonymous with offering the Government value through the procurement process. A prime contractor would expect to take risk/reward associated with its sub-contracting arrangements. Government would be interested in obtaining value in competitive tension amongst potential prime contractors, unless there are specified gain-sharing mechanisms between the prime contractor and Government in respect of sub-contract arrangements. These are not referenced.</p> <ul style="list-style-type: none"> Limited evidence of scrutiny to date on proposals by independent advisors in advance of go/no go decision.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> Evidence of strong expertise and track record on comparable projects, from CCC and sub-contractors. 	<ul style="list-style-type: none"> Specifics of structuring and scope are not fully defined in this document.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
16 – Project Concept for the Redevelopment of L.F. Wade International Airport - ANNEXES (25 March 2015)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C2	Is there sufficient scope for a potential deal, which will	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	meet organisational needs whilst offering best VFM?		
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below. 	<ul style="list-style-type: none"> This data source includes relevant details from MOU and LOA, and these will be assessed individually under the relevant document below.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the

#	Key Review Criteria	Evidence Covered	Gaps Identified
			Government liable for bearing supplier costs through negotiations.
21 - Capex Affordability Analysis (7 August 2013)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Documents provides assumption for most likely PPP deal, including: <ul style="list-style-type: none"> – 30 year concession – Mandatory CAPEX requirement – No upfront payment from Concessionaire Summarises appetite for private sector involvement in comparators. Summarises key considerations and value drivers for concession structure and parameters. 	<ul style="list-style-type: none"> Assessment is not specific to proposed terms for current concession. Assessment does not incorporate market soundings for this specific opportunity.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> Not clear what concession assumptions or provisions for revenue share etc. have been incorporated in assessment.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> Provides considerations and lessons learned from privatising airports in the Americas. 	<ul style="list-style-type: none"> High-level considerations only and it is not clear that these have been used to inform any current proposed concession structure.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
24 - Project Structure			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	The data contents do not align with any of the evidence requirements listed in this criteria.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> Scope of services and commercial relationships outlined in structure diagram. 	<ul style="list-style-type: none"> Diagram provided by AECON. It should be noted that, in line with other documents provided by the proposed supplier, this does not provide evidence for Government consideration of the optimal structure and scope of services.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
26 - Bermuda International Airport Master Plan (December 2006)			
C1	Has the procurement strategy for the successful delivery of the required services been considered	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	and prepared in sufficient detail?		
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • Outlines a range of potential commercial structures for project including: <ul style="list-style-type: none"> – Design, Bid, Build, Operate – Agency Construction Manager – Construction Manager at Risk – Design-Build – Build-Operate-Transfer • Concludes with recommendation for further consideration of market and approach. 	<ul style="list-style-type: none"> • Generic considerations are provided only.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> • Outlines some considerations on scope under different commercial structures. 	<ul style="list-style-type: none"> • Generic considerations are provided only.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.
C7		<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> • The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Can the selected service provider deliver the required deliverables and services?		
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
27 - Privatization Models White Paper (December 2008)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Concludes that Government may consider assessing the level of interest by soliciting a Request for Qualifications (RFQ) from prospective developers. 	<ul style="list-style-type: none"> Limited firm consideration of procurement strategy.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> Outlines a range of potential commercial structures for project including: <ul style="list-style-type: none"> Private Developer Designs-Builds-Finances Facility Private Developer Builds-Finances Facility Private Developer Designs-Builds-Operates Facility 	<ul style="list-style-type: none"> Generic considerations are provided only.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	successfully over the lifespan of the contract period?		
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
30 - New Airport Terminal			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Statement proposes sole-source procurement strategy to: <ul style="list-style-type: none"> “Reduce and/or eliminate the real risk of overruns and delays Reduce heavy procurement costs Address the urgency of job creation by cutting the time of procurement Ensure Government gets Value for Money”. 	<ul style="list-style-type: none"> As expected in a high-level statement, limited detail on how fairness assessment would ensure value for money, or how commitments such as local employment would be contractualised through procurement plan. Again, as expected in a high-level statement, limited analysis of relative benefits of sole-source procurement strategy in the circumstances of this procurement. There are clearly-identified benefits of a

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> Statement proposes that the CCC sole-source proposal will achieve this through: <ul style="list-style-type: none"> “CCC guarantees the construction project is delivered on budget and on time Heavy procurement costs, especially consultants’ fees that became such a significant cost element in the new hospital wing project, are mitigated The overall procurement time is greatly reduced – by about half – fulfilling the urgency requirement for the creation of jobs. Subcontracting to local contractors will engage local labour A fairness assessment will be provided by an independent international firm to ensure value for money” 	<p>sole-source procurement strategy through the current unsolicited proposal. However, it should be noted that this is likely to give rise to additional required considerations on extracting best value from the procurement process and strategy itself. It should also be noted that previous procurement failures in themselves may not be evidence of the failure of a competed process to secure value through competitive tension, as such failures could have been due to ineffective allocation of construction risk, for example.</p>
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
34 - Discussion with Price Waterhouse re Airport Investment by telephone (16 November 2010)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Evidence of early stage (2010) consideration to PPP models, including potential need to bundle Bermuda airport with another Caribbean jurisdiction to make this more attractive, given that the market is very challenging (or was at the time- 2010). 	<ul style="list-style-type: none"> A procurement strategy was clearly in development in 2010. However, it was not followed, and was superseded by the preferred sole-source approach.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
42 - PPP Opportunity Scan			
C1	Has the procurement strategy for the successful delivery of the required services been considered	<ul style="list-style-type: none"> “PPP Opportunity Scan” concludes that “The size and nature of the Airport suggest that, given an appropriate procurement process and risk assignment meaningful competition could be generated for the Airport project”. 	<ul style="list-style-type: none"> Whilst these are relatively early-stage considerations in the project development process, it should be noted that it is not clear how these considerations were factored in to decisions on current procurement strategy.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	and prepared in sufficient detail?		
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8		<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Have negotiations resulted in a robust and legally enforceable contract?		<ul style="list-style-type: none"> It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
43 - Letter of Agreement (June 2014)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Outlines exclusive negotiation process for the structuring, development and implementation of the project. This includes Go/No-Go decision point for the project for completion of Airport Development Agreement. Prior to this decision point in order to use the CCC Work Product both parties may need to agree reasonable commercial terms and conditions. CCC would have a right of first offer for three years. Subsequent to the Development Agreement, CCC would be reimbursed for all costs plus a 20% mark-up on termination. Outlines preferred long term concession model. Outlines CCC role to source Canadian development and construction expertise, through a non-competitive process. 	<ul style="list-style-type: none"> It is not clear how the preferred procurement strategy in the LOA was arrived at, recognising previous evidence to suggest a competed process was viable. It should be noted that it is not a clearly defined part of a procurement strategy or an output of market sounding activity that Government would bear bidder-side costs.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> Document is clear that Bermuda retains responsibility for satisfying itself that agreements contain fair and reasonable terms and meet value for money requirements. 	<ul style="list-style-type: none"> It should be noted that this is clear that Bermudian Government should not rely on CCC proposals to assess VFM.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> LOA describes an agreement to reach an agreement. 	<ul style="list-style-type: none"> LOA does not provide detail on the precise nature of the agreement and scope of services that is being pursued within the potential deal.
C4	How will business and service change be delivered and implemented	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	successfully over the lifespan of the contract period?		
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
46 - Ministerial Statement (21 November 2014)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Statement outlined benefits of proposed procurement approach, and notes that prior to delivering procurement strategy the Government will establish the procurement parameters with CCC based on best practices. 	
C2	Is there sufficient scope for a potential deal, which will	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	meet organisational needs whilst offering best VFM?		
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the

#	Key Review Criteria	Evidence Covered	Gaps Identified
			Government liable for bearing supplier costs through negotiations.
47 - Memorandum of Understanding (10 November 2014)			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
51 - CCC Approach			
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> Re-caps key drivers of procurement strategy and choice to use CCC sole-source procurement route. 	<ul style="list-style-type: none"> Does not include supporting analysis such as market soundings, robust comparison of costs and benefits of different procurement options.
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.
52 - DELOITTE Bermuda Airport G2G Structure			
C1	Has the procurement strategy for the successful delivery of the required services been considered	<ul style="list-style-type: none"> Outlines 'Fairness Assessment' process to obtain VFM. "This involves the hiring of an independent, international construction company to fully examine and assess the details of the entire arrangement to determine whether or not Government has obtained VFM." 	<ul style="list-style-type: none"> It should be noted that the VFM case associated with the airport will not relate only to the CAPEX/construction element of the project, but also to the concession terms and structure.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	and prepared in sufficient detail?		<ul style="list-style-type: none"> Detail of the how the fairness assessment will achieve VFM is not provided. Eg, if it is determined that the arrangement does not represent VFM, does the supplier agree to the terms outlined in the fairness assessment?
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C8	Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It should be noted that final negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations.

Commercial Case Summary

Based on the analysis above we can conclude the following on how the reports, documents and evidence points provided, when taken as a whole, align to the FBC assessment criteria:

#	Key Review Criteria	Evidence Covered	Gaps Identified
C1	Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none"> • Overall there is a significant body of evidence considering the potential procurement strategy, approach, and commercial structures. • This includes consideration of potential commercial airport models under a public private partnership (PPP), including: <ul style="list-style-type: none"> – Management contracts – Lease-term concession – Developer financing and operation – Joint venture – Sale of asset • There is evidence provided to support the viability of a PPP model for the airport. • There is also evidence of considering procurement strategy, including considerations on: <ul style="list-style-type: none"> – Market engagement – Use of financial, legal, market valuation and project delivery consultation – Use of RFI/RFQ process – Open book negotiation – ‘Fairness Review’ to help deliver VFM • The benefits of the proposed procurement strategy are identified including: <ul style="list-style-type: none"> – Reduce and/or eliminate the real risk of overruns and delays – Reduce heavy procurement costs – Address the urgency of job creation by cutting the time of procurement – Ensure Government gets VFM • Consideration given to the need to establish procurement parameters with CCC based on best practices. 	<ul style="list-style-type: none"> • Whilst there is significant evidence relating to procurement strategy, it should be noted that: <ul style="list-style-type: none"> – The available evidence is typically quite generic and frequently theoretical – there is very little specific assessment of procurement strategy in this context, recognising the specifics of the Bermuda airport. There is no evidence, for example, of incorporating market soundings. – The available evidence is in large part from earlier stages in project development. There is a potential gap in the evidence to support the sole-source procurement strategy opted for from June 2014, as compared to previous evidence suggesting a competed PPP procurement process could be viable – It is not clear that some of the recommendations of reports from earlier stages in development were carried forward into the procurement strategy now proposed • The proposed deal itself is not very clearly defined, particularly in respect of key drivers of value for the Government on the concession agreement - this is typically required to assess how successful a procurement process has been prior to final signing of contracts • Overall, there is limited evidence of Government driving the procurement strategy agenda and how to obtain best value from a sole-source arrangement, including: <ul style="list-style-type: none"> – Whilst there is significant consideration of delivering VFM, there is not a clear negotiation strategy for how Government will do this under sole-source proposal. The ‘Fairness Review’ refers to an independent

#	Key Review Criteria	Evidence Covered	Gaps Identified
			<p>construction company, but it is not clear how this will be used in the negotiation of the concession under the Letter of Agreement (“LOA”). Expertise in airport concessions rather than construction may be needed too.</p> <ul style="list-style-type: none"> – It should be noted that the conclusion in favour of a sole-source procurement (notably citing lack of investor interest) is made by CCC, and Government may want to perform independent analysis on procurement strategy to satisfy itself on the validity of this analysis. – In particular, Government may want to consider how to extract value from the procurement process – open-book negotiation, for example, may provide better-value if open book accounting and gainshare mechanisms are enforced in the concession agreement – The LOA with CCC includes provisions for Government re-imbursement of costs, a mark-up on termination and a first right of refusal – it is not clear that this has been analysed as a preferred procurement approach, including the implication on market demand – Whilst sole-source procurements have some benefits, they give rise to additional required considerations to access benefits in the absence of competitive tension
C2	Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best VFM?	<ul style="list-style-type: none"> • A number of documents outline potential commercial structures and associated risk transfer. • In terms of deal scope, CCC note that: <ul style="list-style-type: none"> – CCC have a requirement to demonstrate project viability to their internal Risk and Opportunities Committee. – Government retains responsibility for satisfying itself that agreements contain fair and reasonable terms and meet VFM requirements. 	<ul style="list-style-type: none"> • Documents to define approach to risk transfer are typically generic - Government have not produced a clear service requirement for market, or defined scope (e.g. for ancillary opportunities) for risk transfer. • It should be noted that CCC’s internal processes are likely to consider CCC’s commercial position, not VFM for Bermuda. • It is likely that Bermudian Government will not want to rely on CCC’s proposals to assess VFM. There is limited evidence of consideration of specific mechanisms to

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> Government will need to satisfy itself of market-based pricing through a third-party audit of key aspects of the capital budget. 	<p>benchmark or assure VFM through assessing the proposed deal.</p> <ul style="list-style-type: none"> Therefore, Bermudian Government may want to consider testing VFM not only in respect of capital budget, but also in terms of concession structure and provisions. These might include concession length but also: <ul style="list-style-type: none"> Pricing (revenue share, structure and incentivisation, definition of revenue, annual escalation formula etc.) Service levels (Key Performance Indicators (“KPIs”), enforcement, cost effectiveness, safety etc.) Labour commitments within contractual documents (levels of staff retention, training commitments, local supplier obligations etc.) Rights to renegotiate and review aspects of the agreement Regulation considerations
C3	Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none"> Significant detail on potential parameters and intent of proposed deal included within the project concept documentation. 	<ul style="list-style-type: none"> There is no defined deal for consideration. The LOA describes an agreement to reach an agreement. To the extent intended scope of services are expressed, these are proposed by the potential supplier rather than as defined requirements and optimal structure and scope for Government. Limited detail on concession structure, including payment mechanisms, applicable regulation etc.
C4	How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none"> Potential supplier documents include considerations on solutions to enable change. Considers Government retained risks and requirements, including (for example) delivering Governmental permits and approvals, and monitoring contract performance 	<ul style="list-style-type: none"> Limited evidence of Government consideration of how to deliver value, including through benchmarking and/or market testing. Limited detail on Government ability to deliver its dependencies and requirements for the concession term.
C5	Is the potential deal likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none"> Documentation considers potential funding market for PPP, and concludes overall on a robust market for airport debt. 	<ul style="list-style-type: none"> It should be noted that the documents supporting the bankability of the project raise considerations for the procurement strategy on the relative merits of the sole-source strategy.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C6	Was the procurement undertaken in accordance with best practice?	<ul style="list-style-type: none"> Documentation includes CCCs proposal to competitively tender 80% of construction works, which “will provide commercial tension throughout the supply chain during construction”. CCC propose Government use of legal, financial and technical advisors to maintain VFM considerations for Government and help deliver project. 	<ul style="list-style-type: none"> It should be noted that the procurement process has not been undertaken for sub-contractors. It is understood that AECON have been selected through a non-competed process, although believed they have passed through CCC’s due diligence process. It should be noted that it is not unusual for a prime contractor to compete sub-contracts, but that is not synonymous with offering the Government value through the procurement process. A prime contractor would expect to take the risk/reward associated with its sub-contracting arrangements. In order to obtain VFM, Government would therefore be interesting in extracting value in competitive tension between potential prime contractors rather than between sub-contractors, unless there are specified gain-sharing mechanisms between the prime contractor and Government in respect of sub-contract arrangements. These are not referenced in the documentation. Whilst there is a clear aspiration to use independent advisors to help Government obtain VFM, there is limited evidence of may require a road map for how and when to use them throughout the project development and procurement process, rather than on an ad hoc basis. Use of technical, financial structuring and wider financial, legal, and programme management advisory support is typically documented within the Commercial Case prior to commencing the procurement process.
C7	Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none"> Evidence of CCC and sub-contractors strong expertise and track record on comparable projects is available. 	<ul style="list-style-type: none"> Documentation as a whole does not provide details of an agreed deal against which CCC will deliver. Further evidence might be explored in the future to test supplier capabilities.

#	Key Review Criteria	Evidence Covered	Gaps Identified
C8	Have negotiations resulted in a robust and legally enforceable contract?		<ul style="list-style-type: none"> It should be noted that negotiations have not commenced, supporting the overall conclusion that the project status is more comparable to OBC than FBC, albeit that the decision to proceed would leave the Government liable for bearing supplier costs through negotiations, and a first right of refusal. The Government may want to consider the nature of the LOA agreement and the CCC deliverables this ties the Government to (and associated cost).

Financial Case

Introduction

The Financial Case is designed to evidence that the project is affordable.

Through our mapping activity we identified 21 reports and documentation as containing information relevant to the Financial Case, which will be assessed in this analysis.

Detailed Data Assessment

#	Key Review Criteria	Evidence Covered	Gaps Identified
14 - Airport Development P3 Models Report (1 February 2014)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> The report gives a high level overview of the pros and cons of various development options and proposes one PPP model with a high level timeline from setting objectives through to financial and commercial close. Briefly summarises and puts in to context Leigh Fisher's August 2013 Capital Expenditure Affordability study, which put the affordability price at \$200m, in addition to a scenario analysis. Highlights the importance of revenue streams to support affordability and bankability. Proposes that a Lease Concession and Developer Financing PPP model is a possible option for the Bermuda Airport. 	<ul style="list-style-type: none"> The document explores procurement options, affordability, and proposes a way forward, but is early-stage and states clearly that, "much consultation will be required before identifying any PPP model for the Airport project."
15 - Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> A preliminary phased construction cost budget is provided based on the preferred terminal design. Sets out the preferred design which is selected largely on the basis of a streamlined and efficient design which is less capital intensive and supports affordability. The estimated capital cost of the preferred terminal design is stated to be roughly 50% of the 2008 Master Plan design cost. The estimated capital cost of the airfield apron, taxi-lanes and taxiways infrastructure is stated to be roughly 40% of the 2008 Master Plan design cost. 	<ul style="list-style-type: none"> Affordability is assessed from the point of view of CCC rather than the Government of Bermuda. Whilst the CCC have provided a strong affordability analysis on the proposal, it focuses on Capital Expenditure Affordability, i.e., the project itself. The Government of Bermuda may need to assess affordability from the point of view of its own budget and balance sheet. All of the Government's costs for the new terminal operation may need to be budgeted for, e.g., computers, equipment, fit-out for Customs and

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> • The CCC team identified an affordability gap in the operating phase based on air traffic forecasts, operating cash flows and financing costs. • Based on CCC's proposed design, Sources of Funds estimated at \$353m and Uses of Funds are estimated at \$388m—an affordability gap of \$35m (a \$186m reduction in the gap over the 2008 Master Plan). • The remaining \$35m affordability gap is unlikely to be closed, based on the report, and will remain with the Government of Bermuda. A Source of Funds is not identified. • Sensitivity analysis performed on key value drivers including passenger traffic, an incremental Airport Improvement Fee, Commercial Sales Revenue, and Salaries & Wage costs. • CCC plans to use a limited recourse project finance structure, financing the project cost based upon forecast revenue streams rather than upon Government debt or balance sheet. • The proposed Source of Funds is provisionally identified as 16% equity from sponsors; a mix of debt from low- to near-investment-grade private placement bond financing; reserves, and export credit financing, likely from Canada's EDC totalling 47% debt; 25% Cashflow from Operations; 3% Escrow from advanced Airport Improvement Fee; and a 9% Funding Gap to be covered by the Government of Bermuda. 	<p>Immigration. These are Bermuda Government costs and are not accounted for in CCC's proposal.</p> <ul style="list-style-type: none"> • Additionally, the scope of the affordability assessment is based on CCC's proposed project scope rather than the total project scope (i.e. incorporating Government retained costs and additional project scope, such as Solar PV panels or fast ferry terminal). • The assumptions on costs, revenues, financing and sensitivity analyses in the construction and operating phases in CCC's proposal may need to be challenged by the Government of Bermuda's own advisors. E.g., Will the entire Departure Tax be allocated to the airport? Is a 1-month debt service payment reserve sufficient? Is the Cost of Debt analysis accurate? Is there appetite in the Private Placement market for this investment? Is refinancing risk accounted for in the financial model? • The financial model may need to be challenged if the Government of Bermuda intends to rely upon it to make an investment decision. It then may need to be translated into the context of the Bermuda Government's budget and balance sheet. • A Source of Funds for the remaining Affordability Gap (currently identified by CCC at \$35m) may need to be identified and budgeted for. • The feasibility of collecting \$13m in Airport Improvement Fees from passengers may need to be tested. • The allocation of risk between the Government of Bermuda and the CCC team may need to be challenged by the Government of Bermuda's advisors. The appropriate sharing of demand risk (air traffic volumes) between the two parties in particular should be very closely examined. • The sharing of pre-close transaction costs should be challenged and examined.

#	Key Review Criteria	Evidence Covered	Gaps Identified
			<ul style="list-style-type: none"> Responsibilities that remain with the Government of Bermuda have associated costs and may need to be budgeted for. E.g., maintaining offsite infrastructure and airport access; delivering Governmental permits and approvals; Guaranteeing stability in the legal framework applicable to the project and project investments; Coordinating Government agencies and stakeholders and procuring required enabling legislation; Oversight and monitoring of the concession performance including construction, operational standards, service standards, environmental standards and; Civil Aviation and related functions. We expect the Affordability Analysis performed by the CCC team will be refined as the design and related costs are developed and finalised. A balance sheet analysis for the Government of Bermuda may be needed. Accounting treatment for the Government of Bermuda may be needed. Stakeholders and customers should be consulted on the Financial Case
16 - Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> A Credit Analysis and Cost of Debt Analysis, which feed in to the affordability model in the main Project Concept document, are outlined in the Annex. 	<ul style="list-style-type: none"> The assumptions underlying the projected Cost of Debt may need to be challenged by the Government of Bermuda's own advisors. Typically, these would be considered in parallel to the project commercial structures.
17 - The economic impact of constructing a new Terminal Complex at L F Wade International Airport (June 2014)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Document assesses total economic impact of proposed project, considering direct and indirect economic impacts. 	<ul style="list-style-type: none"> Assessment is based on out-dated CAPEX estimates from the 2008 Master Plan, and therefore does not provide a direct assessment of costs for current proposal.

#	Key Review Criteria	Evidence Covered	Gaps Identified
			<ul style="list-style-type: none"> Does not consider funding options or financial appraisals for the recommended deal.
20 - BDA Airport Fees and Charges Benchmarking			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Benchmarks charges and fees levied in Bermuda on airport passengers, on airlines, and on fuel. Suggests that there is room to increase passenger charges and fees, a small increase in fuel fees, but no scope to increase charges to airlines, when compared to Caribbean and US airports. 	<ul style="list-style-type: none"> CCC's affordability analysis is based upon generating revenue from a new Airport Improvement Fee, an increase in the Security Fee (both levied on passengers), and inflationary increases to all aeronautical fees. The benchmarking analysis does not tie directly to the assumptions made in CCC's proposal, specifically relating to which fees and charges have scope for increase while remaining competitive compared to Caribbean and North American airport charges and fees. The benchmarking analysis appears to demonstrate that on average, 'all-in' passenger charges across Caribbean airports is roughly \$58. This differs from the CCC affordability analysis, which states that a competitive 'all-in' passenger charge in the Caribbean is \$90-95. This is the basis of CCC's assumption that an Airport Improvement Fee of \$31 can be added, which would contribute to the Source of Funds (including \$13m accumulated prior to close). The above points demonstrate how the benchmarking analysis, if valid, could be used to check and challenge CCC's financial assumptions, to ensure they are robust and achievable. The author of the benchmarking study (un-named) states that the benchmarking needs to be validated.
21 - Capex Affordability Analysis (7 August 2013)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Leigh Fisher's report estimates that, using baseline assumptions, roughly \$200 million capital cost over 4 years would be affordable. 	<ul style="list-style-type: none"> Leigh Fisher has assessed affordability from the point of view of the airport project. The Government of Bermuda may need to assess affordability from the point of view of its own budget and balance sheet,

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> A key underlying assumption is that the Airport Departure Tax revenue would need to be dedicated to the Airport and would need to be \$40 per enplaned passenger. Base Case assumptions include: financing set at 65:35 D:E ratio, 11.78% WACC, \$40 departure tax, 30-year concession, Traffic grows 1.6% annually through to 2045, i.e., from 795k pax in 2012 to 1.4mn pax in 2045. Based on a 30-year concession. Identifies challenges and success factors of Airport PPPs, and recommendations to avoid issues. 	<p>and take in to account its own costs outside the project SPV. The proposed concession structure will impact affordability and this 2013 study may need to be updated to take in to account the proposed concession structure.</p> <ul style="list-style-type: none"> The assumptions are similar to those in the 2015 CCC proposal but slightly different – e.g., Departure Tax estimated at \$40. These may need to be updated and tested. Underlying assumptions may need to be challenged and tested by the Government of Bermuda or its advisors. E.g., is it realistic that air traffic growth will continue at the same rate through 2045? Is the useful life of the asset 25 years? Is a 50% reduction in energy costs realistic? Should more sensitivity analyses be performed, e.g., a reduction or stagnation in passenger traffic growth? (only positive growth scenarios are shown); sensitivities on the WACC and hurdle rate. As Leigh Fisher's model is critical to the affordability assessment, it should be quality reviewed and tested by the GOB or another third party.
22 - Terminal Feasibility Study (8 May 2008)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Presents several terminal concepts – written in 2008. Provides an overview of the terminal concept options, selects a preferred option based primarily on technical and aesthetic criteria, with Landside and Terminal construction costs included (2 of 42 concept evaluation criteria). Presents summary estimated cashflows including operating revenue, operating costs and construction costs. Affordability is not estimated. 	<ul style="list-style-type: none"> The concepts in this presentation are no longer considered options. CCC's current proposal is based upon a concept with a much lower capital cost (roughly half), which should be more affordable than the 2008 concept. The 2008 concept is therefore no longer relevant in terms of affordability, except as a proposal against which the affordability of CCC's current concept can be compared.

#	Key Review Criteria	Evidence Covered	Gaps Identified
23 - Initial Land Use Assessment Report			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Considers the potential for land side commercial real estate development, and was an input to a 2008 feasibility study by HNTB on the Bermuda airport terminal redevelopment. Provides recommendations on what land uses, square footage and lease/sale rates would be appropriate based on market data. 	<p>Does not provide comprehensive evidence to satisfy criteria and is no longer relevant</p> <ul style="list-style-type: none"> Focuses on land side – which is out of scope for the terminal. Does not consider affordability.
25 - Independent Peer Review of Aviation Activity Forecasts (March 2015)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Prepared for the Bermuda Department of Airport Operations. Assesses and challenges the assumptions and methodology of Mott MacDonald's Bermuda air traffic forecasts, which were prepared for CCC. Suggests recommended changes, additions and explanations required from Mott MacDonald in order for the Bermuda Airport to rely upon the figures for their planning. Air traffic forecasts are a critical input to a financial affordability model, for both revenue and design specs (size) of the planned terminal building. 	<ul style="list-style-type: none"> No gaps – this achieves what it sets out to achieve, although further review is required as the forecasts are updated.
26 - Bermuda International Airport Master Plan (December 2006)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> The plan presents a chapter of financial implications including capital and operating costs, passenger forecasts, revenue enhancement opportunities, a benefit-cost-analysis, and a discussion of procurement structures. Mentions that “private funding of the entire terminal complex appears unlikely, as the expense of the project cannot be entirely covered by projected revenues,” and asserts that the key benefits are off-airport developments including lodging, dining, and shopping. The report indicates that the 2006 master plan for the terminal building was not affordable. 	<ul style="list-style-type: none"> The concepts in this report are no longer considered options. (By comparison, CCC's current proposed design is roughly half the cost and intends to close the affordability gap.) The 2006 Master Plan is therefore no longer relevant in terms of affordability, except as a proposal against which the affordability of CCC's current concept can be compared.
29 - Bill Of Approximate Quantities			
F1		<ul style="list-style-type: none"> 2008 construction cost estimates for the HNTB Bermuda airport master plan provided by a quantity surveyor. 	<ul style="list-style-type: none"> No longer relevant to the current proposed airport development.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Is the proposed spending affordable?		
30 - New Airport Terminal			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • Outlines the GOB's reasoning for selecting CCC as the procurement solution for the Bermuda Airport Development. • Discusses affordability at a conceptual level including: limitations on the Government's ability/willingness to raise debt for the project; developer financing minimises impact on the Government's balance sheet; reduces risk of overruns, delays and heavy procurement and consultant costs; ensures the Government gets value for money. • A fairness assessment is mentioned, to ensure value for money. 	<ul style="list-style-type: none"> • The statement is conceptual and focuses on the benefits of the CCC procurement solution. A more robust and evidence based review of affordability, balance sheet impact, GOB budgetary impact, quantifying both potential positive and negative impacts on affordability resulting from the sole-source procurement proposal. • The specifics of the savings and efficiencies may need to be analysed and supported by evidence. • The scope and nature of the fairness assessment may need to be set out to ensure it can indeed help achieve value for money. Will it also help ensure affordability?
34 - Discussion with Price Waterhouse re Airport Investment by telephone (16 November 2010)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • 2010 discussion of PPP and other financing and delivery opportunities for the Bermuda Airport development based on the 2008 HNTB master plan. • PwC indicated that PPP financing would be challenging based on market conditions at that time. • Suggested a financial review, among other things. 	<ul style="list-style-type: none"> • Very top level indication of financing and affordability challenges under the market conditions at that time (November 2010). • This conversation does not meet any requirements for the Financial Case but does indicate the Airport team were considering the Financial Case at that time.
37 - DAO Electricity Consumption			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • Excel tables showing actual electricity consumption by the Bermuda Airport. 	<ul style="list-style-type: none"> • This may be an input to the financial analysis. No further information is provided.

#	Key Review Criteria	Evidence Covered	Gaps Identified
38 - Terminal Complex Feasibility Study (9 September 2008)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Outlines high level construction costs and cash flow over the life of the project, based on HNTB's 2008 Bermuda Airport master plan. 	<ul style="list-style-type: none"> No longer relevant to the current Bermuda Airport proposal, except as a comparison.
41 - Financial Model (July 2013)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Excel model underlying the Leigh Fisher 8 August 2013 Capex Affordability study. 	<ul style="list-style-type: none"> The model and study may need to be updated, and expanded to study affordability for the Bermuda Government, taking in to account the concession structure and including all of the Government's costs and responsibilities related to the airport, aviation, and supporting services and infrastructure.
42 - PPP Opportunity Scan			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> KPMG reviewed at a high level the opportunity for a PPP to construct HNTB's 2006 airport masterplan concept and HNTB's \$544m total capex estimate (\$398m for the terminal complex itself). KPMG indicates that Financial Considerations (affordability) are "Acceptable", and that a large component of costs could be covered by its revenue by increasing the current levy per passenger by 2,628% in the base case. KPMG note that the project could be viewed by the public as "excessive" given the \$544m cost. 	<ul style="list-style-type: none"> Suggests that the 2006 Master Plan could be affordable. This review was intended to be very high level, and was based on a terminal concept which is no longer being considered. Some of the insights are nonetheless still applicable and should be re-checked against the current proposed project concept. Underlying assumptions may need to be tested.
44 - Terminal Feasibility Study - Progress Review (8 May 2008)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Similar to earlier document, "BDA May8_final_edit" 	<ul style="list-style-type: none"> Similar to earlier document, "BDA May8_final_edit"
46 - Ministerial Statement (21 November 2014)			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Statement considers that the proposed commercial structure will mean "no new debt for Bermuda". 	<ul style="list-style-type: none"> Implication for Bermudian balance sheet treatment might need more detailed assessment, including implications (for example) on Government debt rating.

#	Key Review Criteria	Evidence Covered	Gaps Identified
51 - CCC Approach			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • Outlines the GOB's reasoning for selecting CCC as the procurement solution for the Bermuda Airport Development. • Discusses affordability at a conceptual level including: limitations on the Government's ability/willingness to raise debt for the project; minimising impact on the Government's balance sheet; reduces risk of overruns, delays and heavy procurement costs; ensures the Government gets value for money. 	<ul style="list-style-type: none"> • The document is conceptual and a more robust and evidence based review of affordability, balance sheet impact, GOB budgetary impact, quantifying potential positive and negative impacts on affordability resulting from the sole-source procurement proposal.
52 - DELOITTE Bermuda Airport G2G Structure			
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> • This document appears to have been developed for local stakeholder consultation. • Budgetary and balance sheet impacts are mentioned, as follows: • Revenues will support repayment of debt of the developer. Details are yet to be determined. • Will the Departure Tax become earmarked for the airport? • Yes • Won't this deplete the Consolidated Fund by removing one of its revenue sources? • <i>Very little, because the expenses from running the airport will also be removed from central Government. Only the net of the two will affect the Consolidated Fund.</i> 	<ul style="list-style-type: none"> • High Level view of affordability. • Further evidence of stakeholder consultation and agreement would be useful.

Financial Case Summary

Based on the analysis above we can conclude the following on how the reports, documents and evidence points provided, when taken as a whole, align to the FBC assessment criteria:

#	Key Review Criteria	Evidence Covered	Gaps Identified
F1	Is the proposed spending affordable?	<ul style="list-style-type: none"> Preliminary construction cost budget is provided based on preferred terminal design. Preferred design has been selected based on design which is less capital intensive and more affordable. Preferred terminal design is about 50% of 08 Master Plan design costs. Airfield apron, taxi-lanes, and taxiways infrastructure listed as 40% of 08 Master Plan design costs. CCC developed affordability gap in operating phase based on air traffic forecasts, operating cash flows and financing costs. CCC's proposed design shows an affordability gap of \$35m (compared to \$186m reduction from 08 MP). Sensitivity analysis performed on key value drivers: passenger traffic, incremental Airport Improvement Fee, Commercial Sales Revenue, and Salaries & Wage costs. CCC to use limited recourse project finance structure, based upon forecast revenue streams. Source of Funds proposed as 16% equity from sponsors; mix of debt from low to near investment-grade private placement bond financing; reserves, and export credit financing, likely from Canada's EDC totalling 47% debt; 25% Cashflow from Ops; 3% Escrow from AIF; 9% funding gap covered by BDA Government. Benchmarking for airport charges and fees in Bermuda (passengers, airlines, fuel) – suggests there is room to increase passenger and fuel fees. \$200 million capital cost over 4 years is affordable based on Leigh Fisher's estimates. Airport Departure Tax revenue would need to be dedicated to Airport and needs to be \$40/passenger. 	<ul style="list-style-type: none"> While there has been a great deal of work on the affordability of the project, it has been developed by CCC as opposed to the Government. CCC's affordability components fail to encapsulate all costs to be borne by the Government during and after the project. Financial model requires a peer review. The main element missing from the affordability of the project is that the perspective it has been developed under leaves several cost components of the Government amiss. It is therefore not robust enough to make an investment decision and requires further development. Cost of Debt needs to be challenged by Government through the use of its own advisors. Balance sheet analysis for Government, including impact on debt and credit ratings – this could have an impact on the project structure and preferred financing solution. Clearly set out the agreed accounting treatment of the project for the Government. Specifics of the savings and efficiencies need to be analysed and supported by evidence. Financial Model and study need to be updated, and expanded to study the concession structure and all Governments costs related to the airport. Further evidence of stakeholder consultation and agreement would be useful.

#	Key Review Criteria	Evidence Covered	Gaps Identified
		<ul style="list-style-type: none"> • Base Case assumes financing is set at 65:35 (D:E ratio), 11.78% WACC, \$40 departure tax, 30 year concession, traffic grows 1.6% per annum until 2045. • Preferred terminal concept selected on technical and aesthetic criteria (landslide and terminal construction costs included). • Estimated cashflows with operating revenue, costs, and construction costs. • Land side commercial real estate study included in the 2008 HNTB feasibility study. • Peer review of air traffic forecasts including recommended changes, additions, and explanations • Brief overview of the reasoning behind selecting CCC as the procurement solution. 	

Management Case

Introduction

The Management Case is designed to evidence “that what is required from all parties is achievable”.

Through our mapping activity we identified 14 reports and documentation as containing information relevant to the Management Case, which will be assessed in this analysis.

Detailed Data Assessment

#	Key Review Criteria	Evidence Covered	Gaps Identified
10 - Draft - Traffic review and forecast (18 December 2014)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> Provides some detail on how benefits will be delivered. While not aligned with the actual proposed plan, the traffic forecasts and aviation market details outline how a key benefit is generated. 	<ul style="list-style-type: none"> No benefits realisation plan, or risk management strategy. Lacks detail for the lifespan of the proposed project.

#	Key Review Criteria	Evidence Covered	Gaps Identified
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
14 - Airport Development P3 Models Report (1 February 2014)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Considers at a high-level how different PPP structures impact management control and responsibilities. 	<ul style="list-style-type: none"> These considerations are not in respect of the preferred commercial option (concession agreement) specifically.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The document considers benefit streams associated with commercial airspace management and renewable energy. 	<ul style="list-style-type: none"> Detail on delivery of these opportunities is not provided.
M4	Are contingency plans in place should the	<ul style="list-style-type: none"> High level timeline is provided on planning for and delivering the procurement process for a competed PPP procurement. 	<ul style="list-style-type: none"> Detail underpinning this timeline has changed significantly since the document was produced and single-source procurement strategy determined.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	recommended deal fail at any stage?		
15 - Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> This document touches on staff transition to the new concession arrangement in Section 7.2: Embracing and Enhancing the Existing team. This section outlines principles of the proposed approach to staff transition, a proposed org chart of the management team, and anticipated changes in headcount. No detailed change plans are provided. 	<ul style="list-style-type: none"> It is worth noting that the document is prepared by the prospective supplier rather than Government. Full detail is not yet available on key elements of the supplier offer in respect of labour commitments (such as staff retention and staff training commitments) and use of local labour. Recognising the sensitivity and local importance of these plans, Government may want to retain control of key elements of this part of the Management Case.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> The document indicates that Phase 1 of the current planning process with CCC will include risk management. No detail is provided. Mention of providing external advisors to assist in the contract although there is nothing reported in detail. Broad description of the project structure. Includes a diagram showing how CCC fits into the airport operation. 	<ul style="list-style-type: none"> Currently a lack of detail on key elements of implementation planning and approach. No reference to programme management, change management, reporting mechanisms. Contingency plans have not been documented. Service streams and outputs have yet to be agreed. Evaluation, contract management, schedules, are mentioned but not detailed in this document. Use of advisors for CCC is mentioned but the Bermuda Government's use of advisors may need to be documented separately by the Government. Overall CCC's "Project Concept" document is, by its very nature, conceptual, and outlines principles of programme management and delivery from CCC's point of view, but does not detail a delivery plan or address delivery from the GOB's point of view.
M3	How will the benefits be delivered and associated business and service risks managed	<ul style="list-style-type: none"> Limited current detail on benefits and risk management for concession period. Some high-level consideration of how commercial structures support risk management and deliver benefits. 	<ul style="list-style-type: none"> Robust risk and benefit management strategy and monitoring and reporting have not yet been included in the plan.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	throughout the lifespan of the service?		
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> Brief and high-level analysis behind contingency plans. 	<ul style="list-style-type: none"> There are currently no contingency plans set in place if the development fails.
16 - Project Concept for the Redevelopment of L.F. Wade International Airport (25 March 2015)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Full outline of the contracting team, yet to be agreed by the Bermuda Government. 	<ul style="list-style-type: none"> No agreed programmes.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Project approach is conceptually outlined in Annexes 1-5: CCC Team, CCC Bermuda MOU, Letter Agreement, Design Brief, and Conceptual Drawings. These touch on certain aspects of project management methodology, reporting, risk management, contract management, but are not fleshed out with detail yet at this stage. Some inputs provided by CCC's external advisers to-date are included. Brief overview of the contract management team (AECON). 	<ul style="list-style-type: none"> Specific detail of how project management methodology and advisers will be used in the delivery of the project are not included at this stage. Whilst many areas are touched upon conceptually, the full delivery plan may need to be completed as the concession plan matures. The Government of Bermuda may need its own implementation and delivery plans, distinct from CCC's. Areas such as contingency, contract management, reporting, use of external advisors, and evaluation may need to be driven by the Government of Bermuda for their own benefit.
M3	How will the benefits be delivered and associated business and service risks managed	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	throughout the lifespan of the service?		
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
21 - Capex Affordability Analysis (7 August 2013)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> Provides lessons learned for privatisation of airports in Latin America and Caribbean, and identification of risk issues in respect of: <ul style="list-style-type: none"> Aeronautical charging regime Concession arrangements Labour Financial objectives of concessionaire CAPEX investment 	<ul style="list-style-type: none"> Does not provide any detail on robust management of risks in practice. Whilst this document provides lessons learned from comparable developments, a full benefits delivery and risk management plan is required.
M4		<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Are contingency plans in place should the recommended deal fail at any stage?		
26 - Bermuda International Airport Master Plan (December 2006)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Benefits study has been included. 	<ul style="list-style-type: none"> Benefits realisation plan is not included, and overall Master Plan is from 2006 and does not form part of current management proposals.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
29 - Bill Of Approximate Quantities			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Several advisors were used to generate the estimates for this project. 	<ul style="list-style-type: none"> As expected given the nature of the document, no specific arrangements are in place for use of advisers.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4		<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	Are contingency plans in place should the recommended deal fail at any stage?		
30 - New Airport Terminal			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Document details poor track record for delivering of public capital projects in Bermuda, and proposed use of CCC to guarantee the project is delivered on time and budget. 	<ul style="list-style-type: none"> As expected in a document of this nature, detail on how CCC will ensure delivery on time in terms of practical management methodologies is not included.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
38 - Terminal Complex Feasibility Study (9 September 2008)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Document includes section on 'Implementation' covering: <ul style="list-style-type: none"> Moving forward with enabling projects Public outreach Causeway coordination Land development Ongoing financial due diligence 	<ul style="list-style-type: none"> Delivery is addressed at a very high level. Whilst this provides evidence of past consideration of implementation, this is based upon the 2008 plan and does not form part of current proposals.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.

#	Key Review Criteria	Evidence Covered	Gaps Identified
43 - Letter of Agreement (June 2014)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Preliminary intent letter shows the high level concession structure under which implementation would be carried out, including the use of ProjectCo as the prime contractor with Bermuda. 	<ul style="list-style-type: none"> Specifics of agreed programmes have not been developed. Staff-side representation is not included. Personnel implications are not included.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Document outlines use of specialist consultants, advisors and subcontractors. 	<ul style="list-style-type: none"> As expected for a project of this nature, very limited detail provided on specifics of implementation.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
46 - Ministerial Statement (21 November 2014)			
M1	Have the business and cultural implications of	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria

#	Key Review Criteria	Evidence Covered	Gaps Identified
	the intended service been fully understood and taken into account?		
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Document highlights CCC's guarantee that the project will be delivered on time. It also notes the use of an independent construction firm to review the project model to ensure VFM. 	<ul style="list-style-type: none"> As expected for a document of this nature, there is limited detail on specific provisions for project management, or whether the scope of this review would include project management methodology.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. It is worth noting that there is limited provision for contingency plans should the procurement not be successful.
47 - Memorandum of Understanding (10 November 2014)			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Agreed programme to engage with CCC on any airport related matters. Does not detail any specifics of the plan. 	<ul style="list-style-type: none"> Business and cultural implications of service are not fully taken into account.

#	Key Review Criteria	Evidence Covered	Gaps Identified
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
51 - CCC Approach			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M2	Are all the arrangements in place for the successful implementation and	<ul style="list-style-type: none"> Change management strategy is addressed at a high-level. Outlines the overall structure of the concession agreement. 	<ul style="list-style-type: none"> There are no arrangements in place.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	delivery of the required services?		
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria. 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria.
52 - DELOITTE Bermuda Airport G2G Structure			
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> Document highlights CCC's guarantee that the project will be delivered on time. It also notes the use of an independent construction firm to review the project model to ensure VFM. 	<ul style="list-style-type: none"> There is no detail on specific provisions for project management, or whether the scope of this review would include project management methodology.
M3		<ul style="list-style-type: none"> Very high level outline provided on project timing. 	<ul style="list-style-type: none"> Detail is high level and not a detailed plan.

#	Key Review Criteria	Evidence Covered	Gaps Identified
	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?		
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria 	<ul style="list-style-type: none"> The data contents do not align with any of the evidence requirements listed in this criteria

Management Case Summary

Based on the analysis above we can conclude the following on how the reports, documents and evidence points provided, when taken as a whole, align to the FBC assessment criteria:

#	Key Review Criteria	Evidence Covered	Gaps Identified
M1	Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none"> Taken as a whole, there is relatively limited detail; CCC's documents do include consideration to personnel and related considerations. 	<ul style="list-style-type: none"> Recognising the stage of development of the Management Case, there is currently no agreed programme. This is expected given that there is not an agreed scope of the project or contract against which to construct a Management Case. The Government may want to consider the need for further detail in this area, and in particular the labour commitments and personnel implications in the contractual commitments made by any supplier.
M2	Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none"> From a Government perspective, detail is provided on the benefits of using CCC to guarantee the project is delivered on time and on budget.. Detail is provided on the use of external advisors to support successful delivery on both Government and contractor sides. 	<ul style="list-style-type: none"> Overall, this part of the case is not well-developed. There is limited detail on the practical arrangements to ensure the successful implementation of the project. Additionally, the detail that does exist is high level and typically relates to CCC's delivery of the project, rather than considering the overall programme plan and Government delivery responsibilities. Whilst an independent construction company is anticipated to review the VFM case of the project, it is not clear whether this scope includes review of project planning. More broadly, specific detail of how project management methodologies and advisers will be used in the delivery of the project are not included. CCC's contribution, role, and responsibilities outline some aspects of risk management and change management, but detail is limited. There is very limited detail on reporting, contingency planning and contract management. Some of this responsibility falls to Government, and Government may want to play a proactive role in defining this.

#	Key Review Criteria	Evidence Covered	Gaps Identified
M3	How will the benefits be delivered and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> Detail is provided on high-level benefits, and CCC provide high-level descriptions of effective risk management. 	<ul style="list-style-type: none"> There is very limited practical detail on the management of benefits realisation or risks. It is also worth noting that the detail that does exist is typically not 'owned' by Government, who are in the large part the owner of benefits from the project. Further work is required to develop a robust risk management strategy and monitoring and reporting arrangements.
M4	Are contingency plans in place should the recommended deal fail at any stage?	<ul style="list-style-type: none"> Limited detail. 	<ul style="list-style-type: none"> There is no evidence of contingency planning from Government should the proposed deal fail.

Appendix 8 – Acronyms and Abbreviations

Acronym	Full Title
Green Book	HM Treasury's Green Book
CCC	Canadian Commercial Corporation
DBFO	Design Build Finance Operate
FCO	UK Foreign and Commonwealth Office
VFM	Value for Money
SOC	Strategic Outline Case
OBC	Outline Business Case
FBC	Full Business Case
DAO	Department of Airport Operations
CRB	Cash Releasing Benefits
QB	Quantifiable Benefits
CBA	Cost Benefit Analysis
RFP	Request for Proposal
ICAO	International Civil Aviation Organisation
ACRP	Airport Cooperative Research Program
MOU	Memorandum of Understanding
LOA	Letter of Agreement
EIA	Economic Impact Assessment
PPP	Public-Private Partnership
BAFO	Best and Final Practice
SPV	Special Purpose Vehicle
SMART	Specific, Measurable, Achievable, Relevant, Time-constrained
CSF	Critical Success Factors
PV	Photo-Voltaic
NPV	Net Present Value
WACC	Weighted Average Cost of Capital
KPI	Key Performance Indicators
OGC	Office of Government Commerce

This document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms. Deloitte Ltd. is an affiliate of DCB Holding Ltd., a member firm of Deloitte Touche Tohmatsu Limited.

Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.