

Public-private partnership in Alberta, Canada: a path dependence perspective

Public-private
partnership

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Abstract

Purpose – In this study, the authors revisit Alberta's public-private partnership (P3) program after 20 years of field level experience by retracing its historical emergence and institutional evolution given its political context. Specifically, the authors adopt a path dependence perspective to reconstruct and reexamine Alberta's P3 program emergence, reflect on the successes achieved, and articulate challenges that must be overcome to institutionalize P3s as part of Alberta's infrastructure delivery environment in the future.

Design/methodology/approach – Adopting a constructivist approach and a case-based methodology, the authors (re)analyze the activities of governmental agents, private industry, and other actors as part of a new infrastructure policy introduced in 2002 to transform the provincial institutional landscape to accommodate P3.

Findings – The authors find Alberta's P3 emergence was driven by the necessity of its infrastructure deficits, political expediency, and resource scarcity. Furthermore, with well-entrenched conservative political actors as gatekeepers, Alberta's P3 implementation demonstrated stability and incremental change simultaneously, consistent with core elements of path dependency. Following the introduction of P3 in Alberta, the province lacked formal institutional structures that would transition its P3 program from good to great and enable it to become firmly embedded in the public infrastructure delivery landscape. With the subsequent absence of P3-convinced (political) leadership and uncertainty about its P3 policy direction, Alberta was unable or unwilling to consolidate the progress made at the start of the program.

Originality/value – Most recently, the emergence of new political leadership in Alberta has (re)catalyzed policy progress, pointing toward a more methodical program approach, and suggesting a rediscovered confidence in P3s in the province with the establishment of a P3 Office (P3O), including nascent formal rules for unsolicited bids. These recent changes in our view make for a much more anchored policy and could lead to program sustainability and eventual institutionalization. Given the unpredictability of the recent political change, a more robust analysis of the relationship between political party control, leadership, and P3 stability is required to anticipate future policy and organizational obstacles.

Keywords Public-private partnership, P3, Path dependence, Institutional environment, P3 policy, Institutionalization

Paper type Research paper

1. Introduction

Public-private partnership (P3) can be defined as a long-term contractual relationship between a government entity and private industry consortium for the purpose of delivering public infrastructure and/or services while sharing the associated risks and rewards (Grimsey and Lewis, 2004; Boardman *et al.*, 2016). Since inception in the early 1990s in the United Kingdom, P3s have been a controversial public policy for infrastructure and service delivery (Grimsey and Lewis, 2004; Lewis, 2021; Bovaird, 2004). Their contested nature stems from uneven performance regarding estimated versus delivered value-for-money, efficiency performance, and actual overall costs relative to the traditionally procured projects



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(Boardman *et al.*, 2016; Bovaird, 2004). While these issues remain, the need to revisit jurisdictional P3 policy adoption and implementation approach has received limited research attention (van den Hurk, 2018; Rui *et al.*, 2011). The purpose of this paper is to revisit Alberta's P3 policy and implementation approach over the past 20 years with the intent to identify policy successes, program challenges, and provide insights on how to advance Alberta's P3 policy on a sustainable path towards institutionalization.

On the surface, Alberta's P3 attempt was motivated by its limited fiscal maneuverability and the need to accelerate infrastructure projects following budget cuts made in the preceding 10 years as part of the plan to return the province to financial health (Opara, 2014; Kneebone, 2006). But behind the scenes, the need to retain political power by the governing Progressive Conservative (Klein) government was a major factor in the adoption of P3 as part of Alberta's infrastructure policy (Opara and Rouse, 2019). Replete with firmly entrenched political interests/actors with secure political tenure, Alberta's P3 initiation and implementation (just like other policy initiatives) cannot be separated from its political context. Alberta's overall P3 approach was anchored on the interwoven/interlocked nature of Alberta's local conservative party politics and governance/management approach that fused public policy decisions and political party ideologies as a central governing philosophy. The nature and reach of government operations have been historically and institutionally structured to meet the needs and ensure the dominance of the conservative party. We argue that since assuming power in 1971, a major component of public policy action in Alberta is motivated by the political security arising from uninterrupted electoral success and longevity of the ruling conservative party (Lisac, 2004; Kneebone, 2006).

Alberta has one of the fastest growing economies (pre-pandemic), and the youngest regional population in Canada (Blue Ribbon Report, 2019). As an energy-rich province, its substantial dependence on the volatile global energy markets exposes it to frequent revenue cyclicity that makes long-term project planning and implementation fiscally challenging. Politically, Alberta has been governed by a single party (Progressive Conservatives) for 47 of the last 51 years. In selecting Alberta for this study, we considered its political stability, including historical, cultural, and social structures as key determinants of its overall institutional environment. Between 1987 and 1998, Alberta was engaged in a failed partnership arrangement with a private partner, BOVAR Inc. involving the management of a hazardous waste treatment facility in Swan Hills, Alberta. The cost of this unsuccessful relationship in terms of lost public funds, political cost to the governing party, and loss of goodwill by the political leadership was something the government wanted to avoid at all costs. Compounded by the collapse in energy prices in the late 1990s that derailed capital investment, Alberta was faced with an infrastructure deficit that needed urgent attention. Furthermore, with the recession precipitated by events of 9/11 and difficult economic outlook facing Alberta, the government was compelled to revisit private sector collaboration using the new P3 policy. This new P3 policy was successfully deployed to deliver projects valued at \$7.8 billion, including 6 ring roads, (three each in Edmonton and Calgary), and 44 K-12 public schools across the province.

This study provides a critical reflection on P3 policy adoption and implementation in Alberta from 2002 to 2022, against the background of a dominant political establishment with overall tight control of public/civic life. While Alberta's P3 policy was conceived in a hurry and in difficult economic circumstances, it has been able to deliver tangible and substantial projects of about \$7.8b in the past twenty years, covering the transportation, education, and water/wastewater management sectors. However, Alberta's P3s have been through several (policy) revisions to accommodate the local institutional environment. Furthermore, it has also motivated several institutional changes that make P3s more attractive for further growth and adaptation in Alberta. This continuing bidirectional change/adaptation is central to the evolving practices surrounding P3s in Alberta.

This study investigates these institutional changes and the additional changes that are being implemented by the current Alberta government to further deepen and advance P3 implementation. The central question we address is: *(how) can we understand/explain Alberta's P3 emergence and implementation from a path dependence perspective?* We are motivated to understand how the Alberta government returned to a successful P3 partnership arrangement given the costly and negative experiences from previous attempts.

This study draws from both archival data and 35 semi-structured interviews conducted between 2013 and 2018. The interviewees included retired Premier Ed Stelmach, his longtime deputy minister, Jay Ramotar, and several senior Alberta government officials directly involved with P3 projects in Alberta during the 20 years covered by this study. We also interviewed private industry participants—construction company executives, project consultants, and civil society stakeholders, including journalists, academics, and policy experts—across the province and beyond. The interviews provided deep insights into the historical, political, organizational, and policy contexts underpinning Alberta's P3 approach.

We frame our study by employing the theoretical lens offered by *path dependency* perspective to enable us to gain insights into how the activities undertaken as part of the adoption and implementation of P3 in Alberta were initiated and organized by governmental actors. Under the path dependency perspective, policy events, pre-existing institutional structures, and organizational arrangements of the past tend to influence/motivate current and future policy events (Kay, 2005; Chan, 2020; Malpass, 2011). Essentially, we consider path dependency perspective an appropriate theoretical lens because it relies on a *historical-institutionalism* framework in retrospectively reconstituting events with a view to uncovering lessons learned from a specific set of policy events. Specifically, we consider that the phased P3 implementation, accumulated experiences from prior partnerships, and continuing presence of the same set of policy actors/managers from the failed BOVAR partnership properly situates this study within a historical-institutionalism context. Therefore, given the above factors, our retrospective and constructivist investigation into Alberta's 20-years of experience with P3s make path dependency perspective an appropriate and suitable investigative lens to achieve our research objective.

We make the following three contributions to the evolving P3 management literature. First, we add to the limited extant literature on the relevance and salience of the institutional environment on P3 execution. Essentially, we draw managerial and policy attention to the relevance of a nuanced and deeper understanding of the institutional environment evolution as a major planning consideration in P3 policy enactment and implementation (Opара *et al.*, 2017; Opара, 2014). As an under-investigated aspect of P3 policy, this study attempts to motivate policy and research attention to the salience and applicability of this aspect of P3 management. In our view, the uniqueness of the Alberta institutional environment, including its political, cultural, and social context as a frontier prairie province with a “can-do” spirit, suggests a renegotiated policy environment that aligns with the P3 policy implementation that conditioned Alberta's successful P3 approach.

Second, for some researchers, P3 implementation is considered a transplanted policy devoid of social actors (Lewis, 2021; Andon, 2012). This study demonstrates that human agents are intricately involved in policy initiation, enactment, and successful field-level implementation (Opара *et al.*, 2021, 2022; Biygautane *et al.*, 2019; Biygautane, 2022). With Alberta's experience, we demonstrate how institutional transformation (Rui *et al.*, 2011) is closely connected to the wider policy evolution in a connected/networked policy environment.

Third, as prior studies suggest, both stability and change are central planks of path dependency perspective in policy evolution (Kay, 2005; Malpass, 2011), we argue that Alberta's P3 implementation appears consistent with a path dependent process. We are

especially intrigued to understand the Conservative party's control and dominance of policy decisions for nearly five decades from a path dependence perspective. This is because of its policy and institutional connection with previous partnership attempts, observed field-level managerial approach enacted by the same set of policy actors and managers, complete with their institutional memory from past policy events, the search for a restructured policy environment, and the managed incremental adaptation of the underlying institutional environment, all acting in a mutually reinforcing or constitutive manner towards policy success. Therefore, the lessons from Alberta's P3 experience in our view expand the literature on the constitutive nature of path dependence as a practical model for bidirectional managerial approach.

The remainder of the paper proceeds as follows. In the next section, we review the use of P3s as a policy tool, the impacts on field-level experience, explore the role of accounting in Alberta's P3, and the challenges of extant experiences with P3 implementation in Alberta. Next, we focus attention on the emergence, evolution, and management of P3s in Alberta's political context. This is followed by a critical appraisal of Alberta's P3 program outcome/impact, and challenges encountered as it adapted P3 policy and modified its institutional environment to implement P3s. We conclude with a discussion of successes achieved, lessons learned, and set out possible paths towards program sustainability and institutionalization.

2. Public-private partnerships in Alberta's political environment: policy tool, organizational arrangement, and the role of accounting

2.1 Policy tool

Governments around the world have embraced P3s as a policy tool that can deliver public infrastructure projects quickly while keeping the budget in balance (Hodge *et al.*, 2010, 2017; Siemiatycki, 2013, 2015; Opара *et al.*, 2017). However, because of inconsistent performance, P3s as a policy tool have been controversial, contested and heavily debated by proponents and critics alike since they were first deployed as private finance initiative (PFI), in the UK in the early 1990s (Grimsey and Lewis, 2004; Bildfell, 2018; Lewis, 2021).

P3 policy proponents claim P3 advantages outweigh any disadvantages, simply because of the capacity to deliver projects *on-time and on-budget* (Boardman *et al.*, 2016; Hodge and Greve, 2013); generate efficiencies in governmental projects and services, via the creation of Value-for-Money (VfM) (Opара, 2018; Siemiatycki and Farooqi, 2012); and prevent the public treasury from direct borrowing that could contravene legislated debt limits (Hodge and Greve, 2013a; van den Hurk, 2018). Further, they insist P3s use of *bundling* effectively lowers overall project cost, and importantly, incorporates a *whole-of-life* cycle approach at the project design stage which ultimately makes for better long-term management and lower operational cost over the entire project life (Lewis, 2021). However, van den Hurk (2018, p. 275) suggests this is "a buy now, pay later" policy akin to using a credit card, with its attendant higher interest rate to make purchases that will come due in the future. Furthermore, P3 policy proponents insist P3s remain the only viable option to deliver projects where other asset delivery models are not feasible (Opара and Rouse, 2019). While this may be the case, we argue that the wholesale importation of policy from one environment into another without regard to the peculiarities of the institutional environment is a recipe for unintended or adverse consequences. At the inception of P3s in 2002, Alberta's institutional environment was not suited for the enactment of P3 policies without substantial modification (Jooste *et al.*, 2011). This brings to the fore the relevance of the political and institutional contexts in the enactment of a new and controversial policy such as the P3 policy in Alberta (Opара *et al.*, 2017). Given Alberta's unique political context dominated by the Progressive Conservatives for nearly 50 years, we will draw attention to this overarching environment (Section 2.4) and its implications for how Alberta managed P3 over the past two decades.

In Alberta, there was the mutual reconstitution of the (pure) P3 policy and the conscious re-engineering of the Alberta institutional environment to suit a P3 enactment. This bidirectional reconstruction (See [Figure 1](#)) was jointly led by two Alberta government institutional entrepreneurs – former Premier Ed Stelmach and his long-time Deputy Minister for Transportation and Infrastructure, Jay Ramotar ([Opara et al., 2021, 2022](#)).

2.2 P3 structure, organizational arrangement, and governance

P3s have been structured as hybrid organizations that address multiple objectives representing the diverse interests of different constituencies ([Shaoul et al., 2012](#); [Opara and Rouse, 2019](#)). P3 policy critics have assembled a substantial amount of data to suggest that the typical organizational arrangement and governance strategy supporting P3 policy enactment and implementation are unsuitable for the public sector ([Shaoul et al., 2012](#)). Furthermore, [Shaoul et al. \(2012\)](#) argue that because the public and private sectors have different profit orientations (profit-making for private entities, versus accessible and equitable service provision for public entities), P3 organizational arrangements and governance strategy make it difficult, if not impossible to reasonably realize the benefits that P3 policy advocates advance. For instance, a review of the nature and extent of government bailouts and guarantees extended to failed/failing P3 projects suggests governments' escalation of commitment eventually revert failed P3 projects to the public sector in a bid to avoid uncomfortable political consequences ([van den Hurk, 2018](#)). Another argument that policy critics advance is the adoption of contracts as a tool for P3 implementation is simply inadequate given P3's long-term nature. [Scalar \(2015\)](#) argues that the use of contracts as a tool to manage long-term contingencies is simply inadequate and necessitates restricted use. Therefore, frequent contract renegotiations have been observed with P3 projects in several jurisdictions leading to governments eventually assuming full control of such projects. For example, the London Underground ([Williams, 2010](#)), Dulles Greenway, Virginia, and Pocahontas Parkway, Virginia ([Gifford et al., 2014](#)) all had renegotiations associated with their practical implementations. The complicated nature of P3 arrangements based on detailed technical specifications and financial structuring elevate the difficulty in implementing P3s in practice, further imperiling the prospects of a successful outcome ([Sagalyn, 2011](#)).

In theory, the convergence of public and private sector objectives, P3s with their advantaged incentive structure, non-hierarchical management and organizational arrangement, and operational modalities would have the best chance of delivering enhanced performance ([Caldwell et al., 2017](#); [Shaoul et al., 2012](#)). However, this same hybridized arrangement also presents significant governance and accountability challenges for P3s, due to the differences in public and private sector understanding of accountability

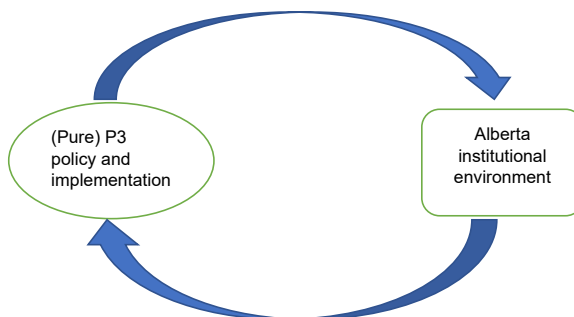


Figure 1.
An illustration of the bidirectional/symbiotic relationship between the Alberta institutional environment and P3 policy

and disclosure requirements. While public accountability is an entrenched practice in the public sector, the same is not prevalent in the private sector. According to [Stafford and Stapleton \(2017\)](#), the experience with prior private sector engagements suggests that there is a fundamental misunderstanding of the nature and extent of public sector accountability and corporate governance by the private sector.

2.3 *The role of accounting*

On revisiting the emergence and implementation of P3s in Alberta over the last 20 years, we mobilized our professional training to review the role of accounting in the enactment of P3s as a *socially constructed* phenomenon ([Opara et al., 2021, 2022](#); [Biygautane et al., 2019](#)). Using the lens of constructivist/interpretivist research we were especially concerned that the various accounting calculative technologies (including NPV, VfM, Cashflow discounting, etc.) were deployed by social actors involved with the implementation of P3s without the involvement of professional independent accountants. For instance, while in the field we noted that Alberta did not involve independent accountants' expertise in the initial determination of project VfM, cashflow calculations, and NPV for both the public sector comparator (PSC) and the contractor's P3 bids. Our review of other Canadian jurisdictions pointed to a wider adoption of accounting information and accounting technologies, but the exclusion of accountants in the P3 policy discussions and adoption. We found this curious, but not surprising.

Our analysis of the Alberta P3 approach suggests that while accounting is visibly mobilized for policy decision making, its interpretation is made opaque by the social actors that become the face of public policy. We draw attention to the fact that ordinary public servants (lacking in accounting knowledge) who are charged with policy implementation effectively interpret accounting information for the purposes of policy implementation in a way that serves their narrow/limited understanding of policy without the nuanced understanding of how accounting should be properly interpreted and deployed ([Opara et al., 2021, 2022](#); [Khadaroo, 2014](#)). For instance, with P3s, [Shaoul \(2005, p. 464\)](#) notes that concepts such as VfM are not value-free and have "little objective content". This requires a nuanced interpretation of and application in the proper policy context by certified accountants.

2.4 *Alberta's political environment*

Alberta's political environment is unique in Canada. We view the political environment as constitutive of Alberta's ultimate reality. This refers to the political characteristics that dominate daily civic life and public actions in Alberta. As the only Canadian province with a dominant one-party government, we view the nature and path of its institutional environment as substantially determined by the political arrangements that are (opaquely) negotiated by and within the governing progressive conservative party that effectively teleguide public policy without much public debate in Alberta.

Many commentators have referred to this governing arrangement in various terms (see [Kneebone, 2006](#)). In our case we align with the ideas expounded by a prominent Canadian author, Mark Lisac. In *Alberta Politics Uncovered*, Mark highlights the influence of local politics and retail politicians in teleguiding Alberta's daily life based on invented grievances (especially Western alienation). Mark insists that Alberta's political class has used this twisted argument about the myth of Western alienation (a reference to the geographic Alberta prairie region) to disguise and camouflage the abundance of bad leadership. According to Mark, "Politicians have used these misconceptions to cover inefficient government and to pursue policies that have nothing to do with the 'homegrown', grassroots government that is supposed to be Alberta's hallmark" (Mark Lisac 2004, Cover page).

Frequently, there is the conscious effort by local politicians to portray Alberta as a victim of Canadian federal government policies. With this constant usage of “victimhood”, which voters are sold as legitimate grievance, politicians can maintain their hold on power and guarantee their political tenure. Furthermore, playing the victim grants local politicians the freedom to ignore public accountability and enact policies from a centralized party perspective while discounting public debate or engagement with ordinary citizens. The bewildering aspect and missing control in Alberta is that voters are unable or incapable of holding their political leaders accountable. It is from this overall perspective that the policy initiation and implementation of Alberta P3 can be conceptualized.

This lack of governmental accountability ensures the same group of political leaders are frequently re-elected for an extended period, and thus are unwilling to enact substantial changes in their governance approach. Viewed from the prism of path dependence this is effectively a mutually reinforcing and symbiotic relationship. When a stable team of political leaders are frequently re-elected, they perceive or interpret their re-election to imply voters abhor change, and thus enact only minimalist or constrained change consistent with path dependent perspective. This in our view is the cyclical relationship that Alberta has effectively locked itself into negating the possibility of significant institutional change. Within the P3 framework, this meant that the search for viable alternatives outside the past partnership arrangements, despite its limitations, were not considered or rigorously investigated as a policy option because of the institutional limitations from a secure political position. Overall, we uncover a mutual reinforcement of the political and public policy arrangements in Alberta as ultimately supportive of our path dependent analysis of the 20 years of P3 events and practices in the province.

3. Theoretical framework: path dependency perspective

The concept of path dependency has its origin and now is well established in the multi-disciplinary areas of history, economics, policy studies and political science. Path dependence perspective remains popular with widespread use in political science studies as a historical-institutionalist research framework (Kay, 2005; Bengtsson and Ruonavaara, 2010; Torfing, 2009). One of the seminal definitions of path dependency was offered by Sewel and quoted in Mahoney (2000, p. 510), which states “what has happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time.”

The central notion behind path dependency perspective is that the evolution of institutions, organizational structures, and technological systems depends on prior historical events (Chan, 2020; Kay, 2005; Torfing, 2009). This implies the future trajectory of any organizational structure, institution, or system is dependent on the historical path of the system. Therefore, the motivation/tendency of institutions, technologies, or systems to evolve in a certain way is essentially the result of their intrinsic structural properties, actor beliefs, and inherent values. Put succinctly, path dependence perspective is simply the idea that, within an organizational or institutional setting, prior historical events contextualize and determine future events (Sewell, 1996; Rui *et al.*, 2011).

A central tenet of path dependency perspective is the notion or assumption of *stability–continuity of policies, institutions, and systems*. A process is considered path dependent when the enacted moves in a certain direction elicits further moves in that same direction, and this includes the order in which events happen that drive subsequent events (Kay, 2005; Schienstock, 2007; Schneiberg, 2007). In Alberta’s context, even though the region did not embrace a pure P3, it was a pioneer in partnerships in the 1990s with its partnership arrangements with BOVIR Inc. for the construction of a hazardous waste treatment facility well before P3s were popularized. In our analysis of this case, we consider path dependency contributed, as Alberta eventually reactivated its partnership structures within the broader

framework of P3s, and ultimately became successful given the execution of several multi-billion dollar projects over the last 20 years (See [Table 1](#) for details of Alberta P3 projects).

Another key aspect of path dependency perspective is the notion of *incremental change* (i.e. gradual, or constrained change) following the prior path of pre-existing/entrenched institutions, technologies, and systems ([Schienstock, 2007](#); [Kay, 2005](#); [Chan, 2020](#); [Malpass, 2011](#)). We observe Alberta’s P3 policies while modified to draw on and fit the institutional context was rather modest and incremental in approach. This incrementalist approach was a reflection of the still conservative bent of the existing institutions while making assumptions about the changes occurring within this overall framework ([Chan, 2020](#); [Opara *et al.*, 2021, 2022](#)). Because path dependency assumes relative stability in the political and institutional systems, it constitutes a useful starting point to explore the transformative changes with respect to existing institutions and policies ([Chan, 2020](#); [Torfing, 2009](#); [Malpass, 2011](#)) that Alberta witnessed following P3 introduction in 2002. With the relative stability of Alberta’s political systems/environment over the last 50 years and the significant changes around its infrastructure policies starting in 2002, we consider that a path dependence perspective constitutes a useful analytic tool for this study.

Given 20 years of field-level P3 practices, and because we consider the processes of P3 emergence, evolution, and institutionalization as a social phenomenon mediated by social actors ([Opara *et al.*, 2021, 2022](#); [Biygautane *et al.*, 2019](#); [Biygautane, 2022](#)), we have adopted a path dependence perspective to the analysis of this social and historical process. Furthermore, because we also consider P3s as a public policy overall, we believe the path dependence perspective provides insights as to how this policy evolution can be properly understood, evaluated, and contextualized in the public interest ([Kay, 2005](#)).

4. Research method

4.1 Context

Alberta is the third largest Canadian province by GDP and the fourth by population. Alberta has one of the fastest growing economies and the youngest population in Canada ([Statistics Canada, 2018](#)) [1], thus conferring on it an economic and demographic advantage. The province is an energy-rich prairie region that supplies the US and Canada with crude oil from the oil sands projects in the North of the region. However, Alberta’s substantial dependence on the volatile global energy markets exposes it to frequent revenue cyclicity making long-term project planning and implementation fiscally challenging.

Project	Contract price (Can\$)	Sector	Completion date
South East Anthony Henday Drive–Edmonton	493 million	Transportation	2007
North East Anthony Henday Drive–Edmonton	1.82 billion	Transportation	2016
North West Anthony Henday Drive–Edmonton	1.42 billion	Transportation	2011
Stoney Trail Road–North East (Calgary)	650 million	Transportation	2009
Stoney Trail Road–South East (Calgary)	770 million	Transportation	2013
Stoney Trail Road–South West (Calgary)	1.42 billion	Transportation	2021
Alberta Schools Alternative Procurement–ASAP Phase 1	634 million	Education	2010
Alberta Schools Alternative Procurement–ASAP Phase 2	253 million	Education	2012
Alberta Schools Alternative Procurement–ASAP Phase 3	289 million	Education	2014
Evans–Thomas Water and Wastewater Treatment Plant	60 million	Water/Waste Management	2014
<i>TOTAL</i>	<i>7.8 billion</i>		

Table 1.
Profile of Alberta P3
projects (2002–2022)

Source(s): Authors’ compilation, 2022

Politically, the Progressive Conservative party governed Alberta for 47 of the last 51 years. While its political stability is a key strength, this has created a sort of political economy that meshes the local politics with nationalistic consciousness and aspirations. In selecting Alberta, while we considered its political stability as a key determinant of the institutional environment, the province's historical, cultural, and social structures also contextualize the nature of the P3 policy approach and implementation designed to fit the unique local institutional context.

4.2 Case study approach

This study adopted a case study methodology in order to analyze Alberta's overall approach to P3 implementation given its unique political context. The adoption of the case study approach was considered most appropriate given our aim to investigate why and how (Yin, 2018) Alberta enacted P3s in the absence of a previous experience with this infrastructure delivery model. Given Alberta's difficult, and failed, prior partnership experience, we sought to investigate the role of government actors and how they contributed to Alberta's P3 program over the past 20 years. Overall, the case study approach enables researchers to investigate a particular event, policy, and/or unique occurrence/circumstance that could be isolated for the lessons they provide for policy, managerial, or organizational advancement (Yin, 2018; Eisenhardt, 1989). While cognizant of the limited generalizability of case study research, we argue that Alberta's P3 adoption and implementation approach provides sufficient political, policy, and organizational insights that merit detailed exploration and documentation for future reference and further enquiry.

4.3 Data collection and analysis

We relied on two main data sources for this study: (1) archival dataset; and (2) participant interviews (Yin, 2018). Our archival data came from official publications and media releases from the Government of Alberta regarding P3 projects. These include the Alberta P3 Guide (2011), Requests for Quotations (RFQs), Requests for Proposals (RFPs), Auditor Generals Reports, 10-Year Strategic Capital Plan Report, Value for Money Reports (VfM), P3 Contract documents, Annual reports of the Ministry of Transportation and Infrastructure, and the Ministry of Education. In addition, between 2013 and 2018, we conducted 35 semi-structured (one-on-one) interviews with major stakeholders involved with Alberta P3 projects since inception in 2002 (see Appendix 2 for a summary profile of our interviewees).

The government interviewees were selected based on their direct involvement with the P3 policy planning, legislation, and implementation over the 20-year period. The private sector interviewees were selected because they were directly involved with the construction/building of P3 projects either as contractors, consultants, or advisers. In addition, we also selected and interviewed key stakeholders in the community because of their history of policy advocacy, including, journalists, policy experts, the labour union, and the auditor-general. The interviewees provided valuable insights into the overall approach to plan, initiate and implement Alberta P3s from 2002 to 2022. Their direct involvement enabled us to understand and interpret the various managerial/organizational decisions and policy positions/materials published by the Alberta government, media writings, and other stakeholder views about the adoption and implementation of Alberta's P3 program in the period under review.

Next, we collected and analyzed local and national media reports regarding P3 infrastructure developments in Alberta. We also read and analyzed peer-reviewed academic publications on Alberta's P3 program. This helped us determine and reconstruct the actions of key government actors (such as Ministers, Cabinet officials, Deputy Ministers, and several senior government officials) in influencing the emergence, evolution, and embeddedness of P3s in Alberta.

Finally, we used NVivo (a qualitative data analysis software) to help us code, organize and categorize our data. We later reconstituted them into major themes. We continued to read and re-read our interviews, archival data, and match them up with our knowledge of the P3 literature until we arrived at specific themes such as P3 institutional environment, key success factors, P3 emergence policies/enabling environment, embeddedness/institutionalization, political support, organizational capacity, external consultant engagement, and stakeholder engagement.

5. Alberta's P3 program: emergence, evolution, and embeddedness

5.1 Emergence

Alberta's partnerships arrangements started well before P3s became globally popular. Alberta established its first partnership arrangement in 1987 with BOVAR Inc for the building and operation of a hazardous waste treatment facility in Swan Hills (Opара and Elloumi, 2017; Opара, 2014). After a few tumultuous years of operation, the partnership collapsed. With the loss of financial investment, political capital, and reputational damage, the Alberta government was notably wary of any further private partnership attempts in the future. The experiences from this failed partnership with BOVAR Inc. formed the basis for and conditioned the nature of a new private partnership arrangement in 2002/2003 and informed the mode of adoption and implementation of its nascent P3 policy (Opара *et al.*, 2021, 2022; Opара and Elloumi, 2017; Opара, 2014).

Given this context, it is no surprise the governmental actors, while interested in reviving the partnerships arrangements with new actors in the private sector, were invested in avoiding the mistakes of the past. The structural arrangements, organizational infrastructure, and contractual framework that guided this renewed effort were clearly different. However, an important question remains: why did the Alberta government return to a partnership arrangement given the negative experiences and adverse consequences of the past?

The answer can be found in the stipulations of path dependency perspective. Under this perspective, institutions, organizations, and systems exhibit stability or what is known as *stickiness*. The notion of continuity is a central pillar of path dependency perspective and could explain the difficulty in moving in a completely new or different direction for the Alberta government. In this case there is a pre-existing knowledge base that was easily mobilized, improved, and refocused in a way that pays increased dividend or return (Kay, 2005; Mahoney, 2000). More importantly, according to the former Transportation and Infrastructure Deputy Minister Jay Ramotar, "Alberta was keen on getting it right this time around with P3s". He recalls one of his first conversations with his senior staff team after a government cabinet meeting:

My first meeting with my team in the board room, I said: "Guys, I want to talk about P3s—Anybody know about P3s?" "No." "Anybody heard about P3s?" "No." I said, "Okay, so here's a chance for us to build something brand new, made in Alberta for Albertans." (Former Deputy Minister Jay Ramotar).

The return the Alberta government wanted was the faster delivery of infrastructure projects, especially with the impending parliamentary elections just about two years away. With the recession induced by the events of 9/11, the economic outlook was bleak for a province/government that is heavily dependent on global energy markets, and this volatility in revenue constrained Alberta government's capacity to deliver on its promises to citizens and grow the economy in a meaningful way.

The convergence of political pressures, an unfriendly economic outlook, and the instinctive relapse to a familiar partnership model made the emergence of P3s in Alberta almost inevitable. What was different this time were the tweaks included in the new partnership arrangement to make it deliver expected results.

The deputy minister for Transportation and Infrastructure, who was leading the implementation of the government's P3 policy, outlined his initial frustrations with securing parliamentary approval from local politicians of the majority governing party to proceed with P3s even after a Royal Commission had recommended P3 and the Cabinet had approved the new P3 policy.

We did not secure approval the first time. Thus, we went back and made changes, came up with better answers for them, and then we got approval to proceed, and use the Southeast as a pilot P3 project (Former Deputy Minister Jay Ramotar).

These tweaks harken to another central pillar of path dependency perspective – *incremental or gradual approach to change*. Incrementalism in path dependency suggests that systems tend to follow the path of pre-existing institutions. Essentially, any changes made are small, and the resulting change is gradual or incremental. In our view, alternative paths for expedited infrastructure delivery certainly existed for Alberta, but the choice to return to a partnership arrangement represents an incremental or gradual change from the pre-existing institutional arrangements for infrastructure delivery. Therefore, we argue that even though change was needed regarding infrastructure delivery mechanisms, the change that Alberta opted for was a *constrained change* consistent with the stipulations of a path dependency perspective.

Part of the change relates to the incentives that would attract a certain mix of construction companies to bid on the new Alberta P3 projects. The government focused on attracting the best companies from around the world. Here is what one of the construction companies commented about the Alberta investment environment to accommodate the P3 model:

Definitely Alberta is pro-P3 for sure. The Alberta environment is very attractive to investment. The folks who get here from overseas are very happy with Alberta. The margins are very high and attractive (Construction industry manager).

Notably, the emergence of Alberta's P3 also sparked the germination of surrounding/supporting organizational structures and knowledge building. For instance, the Auditor General's Office has this to say at the commencement of P3s in Alberta:

As of 2002, we had no capacity to audit P3s, we did not know what they were, and we had to quickly acquire the skills and competencies to audit P3s. (Principal Auditor, The Auditor General's Office)

One of the local journalists interviewed shared similar thoughts:

I was clearly against P3s, simply because I did not understand them. I considered they would damage the natural landscape of Edmonton. But after I was taken on a tour of the SEAHD while under construction, my views changed (Edmonton Journalist).

Furthermore, while the Alberta Union of Public Employees (AUPE) had to quickly learn about P3s, they also confirmed labour's concerns based on prior privatization attempts in Alberta:

AUPE had an "unpleasant experience with privatization in Alberta, and no knowledge of P3s at all. In the case of road P3s, now we know more, because I started researching what was going on across many jurisdictions. We have not been adversely impacted by it" (AUPE Senior Researcher).

5.2 Evolution

Alberta's P3 program, while conceived in difficult economic circumstances, was uniquely designed to respond to Alberta's peculiar institutional environment. For instance, the original (pure) P3 arrangement is to have tolls in suitable situations to recoup the investment made by the project consortium or the government. Alberta did not model its P3 program in this way,

even when that is the practice in several countries including other Canadian jurisdictions (for instance, see the 407 highway in Toronto). Another evolutionary distinction of Alberta's P3 was the exclusion of a substantive P3 office that would serve as a coordinating point for the government-wide program. The benefits of this structural element have been well documented in the P3 literature (Istrate and Puentes, 2011; Opara, 2020). Again, Alberta chose to have a limited office in the Ministry of Transportation and Infrastructure that served to bridge the intra-governmental relations for the two involved ministries of Education, and Transportation and Infrastructure.

Furthermore, Alberta extended its P3 evolutionary path opting to contribute to the capital base of the project consortium. At the time, Alberta argued its relatively small P3 market, unique location, and geography necessitated a major boost to attract reputable P3 construction companies to the province. While this may be true at the time given the limited number of major construction companies that could bid on major/mega (i.e. multi-billion dollar) projects, the 2008–09 global financial crisis (GFC) rendered this point mute.

An intriguing aspect of these evolutionary steps is that while Alberta was modifying its P3 policy and implementation approach, it was also modifying its institutional environment to align with the P3 policy model it was enacting. This simultaneous and mutual (bi-directional) process could explain some of the institutional differences we observe with the way Alberta adopted and implemented P3. This is consistent with Jooste *et al.* (2011) who argue that while P3s may share similar characteristics, its implementation seems to follow the peculiarities, attributes, and is reflective of each jurisdiction's uniqueness consistent with Alberta's approach.

Some of our interviewees seem to share the perspective that Alberta's P3 program evolved in a way that is accommodative of P3s. A senior government executive expressed it this way:

From the first P3 we have evolved. We've spent a lot of time on risks – measuring, ranking, allocating, etc. Industry pushes back too. They want to be fair and willing to pay to pass that risk and they always tends to push back. And we say: no (Senior Executive Director, Ministry of Transportation and Infrastructure).

An industry executive shares his thoughts on how they see Alberta's evolution in terms of learning from the P3 experience in managing risks as part of value creation:

Alberta wants to transfer all the risks to the private sector, but also provides a significant amount of data about what is out there. No one has run into a huge surprise as to what is out there. Generally, those risks have been transferred to parties who are in the best position to bear them, and make decisions about them. The risk process has worked fairly well – yes, there are environmental concerns, utility lines buried, but they have been properly distributed (Senior Construction Industry executive).

Meanwhile, managing risks as part of value creation is at the core of the P3 model. Theoretically, P3s thrive by transferring risk to the party that is best positioned to bear that risk following a comprehensive project risk analysis. Thus, for example, the transfer of construction and environmental risks to the private sector minimizes government's overall risk exposure and thus creates value for money (VfM) for taxpayers (Opara, 2018; Opara *et al.*, 2017; Opara and Rouse, 2019).

Notably, just as the rationale/motivations that were advanced for P3s in Alberta have changed over time (Siemiatycki, 2015; Hodge and Greve, 2013a, b), Alberta's P3 program evolved in a phased pattern (Opara, 2014; Opara and Elloumi, 2017). This phased approach to P3 implementation could be interpreted in two possible ways. One, it was the driven by the need to learn from doing. With that approach, the P3 team in Alberta Transportation and Infrastructure were able to scale up slowly from the first 12 km \$493 million pilot project (SEAH) completed in 2004 to the 27 km \$1.2 billion project (NEAH) completed in 2016.

Two, it could be interpreted as a continuation of a path dependent process where current project implementation approach was determined by prior actor experiences, field-level pragmatic considerations, and pre-existing institutional arrangements.

5.3 *Embeddedness*

Although Alberta's P3 program remains tenuous, we must recognize the efforts of previous actors who reached into the institutional environment to mobilize notable Alberta frontier "can-do" spirit, and iconic cultural symbols. A memorable image from the P3 program was the tag-line, the "*Alberta Advantage*". The other referred to the ingenuity of Albertans, "*An Alberta Solution for an Alberta Problem*". These schemata were, according to the stipulations of path dependency perspective, an effort to both maintain stability, while aiming for incremental change (Kay, 2005; Chan, 2020). This facilitated a situation where the actions of governmental P3 agents were synchronized with rhetoric and pre-existing and recognizable/dominant artifacts that are firmly anchored in the social and cultural (institutional) environment. Thus, government agents were successful in signifying their intent to enact modest change, and at the same time aimed to remain faithful to the cultural and symbolic aspects of the institutional environment (Brown *et al.*, 2012; Hardy and Maguire, 2017; Tracey *et al.*, 2011).

Alberta's P3 program has experienced a dormant phase in the past few years, since 2015. This has limited its overall embeddedness, moreover with the limited range of sectors that experienced the deployment of P3 projects compared to other Canadian jurisdictions. While completing inherited P3 projects, Alberta's NDP government was not fully convinced about the merits of P3s and effectively froze the commencement of new P3 projects in 2016 (Opara, 2020).

Overall, Opara (2020) finds Alberta's P3 program stalled at the *diffusion stage*, as it was not extensively deployed to other sectors of the economy. We argue that the implementation disruption in the intervening years was a key factor in P3 growth in Alberta. There is also a case to be made that path dependency is also a contributing factor as the NDP government recoiled into a position of stability, rather than make changes by extending the use of P3s to other sectors. This is a choice we consider consistent with Alberta's institutional environment, where forces constantly tug between a conservative and progressive governing position. This is also consistent with extant research suggesting right-leaning conservative governments tend to align with P3s because they seem to be market-driven consistent with the New Public Management (NPM) principles, while left-leaning progressive governments tend to abhor P3s because they are considered anti-labour in their orientation (Bovaird, 2004).

Recently, there are indications Alberta's P3 program is being reactivated and revamped to further its embeddedness and institutionalization as an accepted and sustainable policy framework. Two key elements of a new P3 policy motivate us to come to this view. First, the Alberta government has made public its intention to establish a high-profile and visible P3 office (P3O). Second, it has published a document on solicited bids designed to encourage P3 market actors to come forwards with projects that could be considered as part of the accelerated infrastructure delivery plan for Alberta. We consider these moves as further embedding and institutionalizing P3s in Alberta, in a way that the previous approach could not. Again, we see an alignment with the path dependency stipulations of *continuity* and *incrementalism* in play here all at once.

Finally, P3 project embeddedness is almost taken for granted now in Alberta with the new and improved roles of the public and private sector actors. For instance, in describing how the role of the contractor has positively changed under P3s, a private sector interviewee had this to say:

The role of the contractor has changed from being an executor of instructions to a creative solution provider. The contractor has changed from an opportunist to a partner in the ultimate output. There is an interest in the longevity of the product as they are also responsible for its maintenance. (Construction Industry Executive).

Another public sector interviewee added:

The fact that they [referring to the private sector] have their “skin in the game” makes a difference. It is a win-win mentality that seems to pervade the new environment. This collaborative environment is the key to our progress with P3s. (Retired Premier Ed Stelmach).

A private sector construction official shared his thoughts this way:

There is a new realization that this situation has come to stay given the political push to make it deliver projects on-time and on-budget (Construction Industry Executive).

6. Discussion and conclusion: achievements, lessons, challenges and path forward

Alberta’s institutional environment remains the central organizing or overarching structure that informed Alberta’s P3 program. It was because of this that certain key aspects of a pure P3 were modified to accommodate Alberta’s P3 program. For instance, the use of the tolling model was rejected in favor of the competing availability payment model. Similarly, the government’s contribution to the capital base of the successful bidder was equally justified as a way to attract reputable companies to the Alberta P3 market. Tolling has typically been a core aspect of a pure P3 as it is designed to recoup the cost of the investment via user fees. Alternatively, availability payments are adopted when the public sector intends to incur the cost of the investment via periodic payments from the public treasury and thereby avoid the imposition of user fees.

Furthermore, while aspects of P3s were modified to suit the P3 policy arrangements, certain institutional environment factors were modified to make P3s work in Alberta. To many observers, Alberta remains a deeply conservative society; however, institutional entrepreneurs Ed Stelmach and Jay Ramotar were convinced Alberta society can be remade to accept P3s as a *made-in-Alberta* policy for Alberta citizens (Opava *et al.*, 2021, 2022).

Notably, Alberta presents a case of where existing (political, cultural, and social) institutional arrangements are very strong, and thus this was an opportunity to deploy the path dependency perspective in the study of the emergence and implementation of P3s. We argue that with the emphasis on stability and incremental change, Alberta was caught in the cross-current of conflicting interests intent on moving government policy in their preferred direction. Ultimately, the more centrist team of Stelmach and Ramotar were successful in the establishment of a P3 policy direction that delivered tangible infrastructure within a short time, and thus justified their persistence and mobilization of major stakeholders in pursuit of their interest in reconstituting the institutional environment to favour P3s (Opava *et al.*, 2021, 2022; Biygautane *et al.*, 2019).

6.1 Successes achieved

In the past 20 years, a substantial tangible benefit of the Alberta P3 program is the successful delivery of 10 major projects at the cost of \$7.8b (See Table 1). Furthermore, there has been a surge of economic and recreational activities in the cities (Edmonton and Calgary) where these projects are located, with surrounding areas experiencing an increase in new housing and enhanced road transportation improvements. There are also intangible benefits (non-financial benefits) not visible to outsiders (EPEC, 2011; Aschieri, 2014). First, it has created a new institutional environment more open to alternative policy positions outside the

conventional models for infrastructure delivery and, we posit for other policy positions. Effectively, the opening up of the policy environment is an invisible benefit of the P3 policy struggles that transpired in Alberta over the past 20 years. Second, there are measurable impacts/benefits created related to the overall user experience and well-being emanating from reduced commuter time, ease of intra-city transportation, and less traffic, noise, and pollution in residential neighbourhoods (EPEC, 2011; Aschieri, 2014).

A recent quote from the government about the success of P3s suggests how Edmonton rings roads could impact residents. What is notable here is that it suggests how slowly change has come to this region, which again ties in with its *institutional stickiness*:

This is an exciting step in moving toward the long-range vision of the Edmonton Ring Road that began in the 1970s. The ring road, once completed, will change the way residents in the Capital Region connect with the people and services that matter to them – reducing commute times and traffic congestion. It will also dramatically benefit industry that uses the freeway as a vital route in all four directions, getting our products to market more quickly and efficiently (GoA, News Bulletin, July 16, 2012).

In our view, P3 policy acceptance has come via a string of successful projects in both the road and education sectors. According to a prominent local Journalist:

Politically, it has worked very well for the government. They can now sell it as a win-win. It is now so hard to argue against P3s in Alberta. (Senior Political Editor/Journalist, Edmonton Journal).

6.2 Lessons learned

In the process of implementing P3s, Alberta learned several lessons. For instance, at the policy level, Alberta learned that even with generous and attractive incentives, and even though it was willing to bend over backwards to accommodate private construction industry players by contributing to their capital base, these actions were insufficient to keep them interested in or attracted to Alberta. This was exemplified by the no bids received when the ASAP 4 [2] projects were launched in 2014.

Operationally, another lesson Alberta learned was the presence of key stakeholders as drivers of P3 policy was critical to the trust factor that industry participants placed in a certain location (Opara, 2014; Opara *et al.*, 2017). Relatedly, and coincidentally, the lack of bid for ASAP 4 happened as soon as Deputy Minister Jay Ramotar and Premier Ed Stelmach left the Alberta government at the end of 2013. Thus, it became clear that these individuals were instrumental to the (invisible) cordial relationship between industry and government that translated into the strong bid interests that Alberta witnessed prior to 2014. This exemplifies the salience of the *trust element* in P3 policy implementation and the instrumentality of social actors in both policy enactment and field-level implementation of P3 (Opara *et al.*, 2021, 2022; Biygautane *et al.*, 2019).

A senior government executive commented on the nature of the mutually influencing interactions/relationships between the public and private sector partners:

Lessons learned: One, Look outside the project first—the industry players, financial markets, etc. Two, Internal capacity is extremely important. It's a constant learning, but we developed sophistication in a matter of months. Why? Because, we were dealing with sophisticated people. Three, Research other projects and especially learn from failed projects and that is what we did. (Senior Government Official – Ministry of Transportation and Infrastructure)

Similarly, a senior project consultant described the new relationship arrangements between the partners in speaking about the nature of interactions between the public and private sector parties:

Lessons Learned: One, Folks that work on P3s need a different mindset from folks who do Design Builds (DBs). It requires a totally different mindset. Two, In a DB environment, there is often an

adversarial relationship between the parties. P3s are totally different. In the P3, we have learned to work together in mutual trust and the capacity to transfer our learning from one project to another. Three, P3s are big enough with enough repetition of work that we learn how to make the project better and deliver it a lot quicker. Because we are both embedded in the contractor's office. There is cross-learning and sharing of ideas and debating of ideas in real time. (Senior Project Consultant).

6.3 Challenges encountered

While implementing P3, Alberta encountered several challenges and sufficiently overcame them in the past 20 years. One early challenge was the lack of a knowledge base to implement P3 as a nascent public policy. Alberta was able to overcome this challenge by engaging outside consultants in a bid to launch and operationalize this policy. The use of outside consultants was controversial at the time. This was ultimately matched with the training of a dedicated group of internal government staff that formed the core knowledge base for P3s over the 20-year period.

The bad fit between the initial P3 policy and the Alberta institutional environment was probably the most difficult challenge to overcome based on our interviews with major stakeholders. For instance, DM Ramotar recalled one of his early attempts to operationalize the P3 policy – a case of locating and mobilizing internal policy Allies who can be trusted to implement the new policy faithfully. In one instance, DM Ramotar nullified the appointment of a senior executive into a P3 position because he could not trust this individual as an ally sufficiently supportive of the P3 model.

Other operational challenges were equally encountered and navigated. According to one of our interviewees:

We are trying to create depth and breadth via ongoing projects. The challenge in raising a new crop of skilled and experienced P3 public sector managers is the fact that we have a limited pipeline at the moment (Senior Government Executive).

The Auditor in the 2010 report noted some challenges around the operationalization of the procurement process. The auditor made recommendations focused on opportunities for improvement.

We recommend that the Department of Treasury Board and Infrastructure improve processes, including sensitivity analysis, to challenge and support maintenance costs and risk valuations ([Alberta Auditor General's Report, 2010](#), p. 22).

On transparency, the 2010 audit report further noted that while the procurement process was transparent:

However, transparency to Albertans could be improved. The ASAP 1 team did not publish a report to inform Albertans how value for money was achieved ([Alberta Auditor General's Report, 2010](#), p. 13).

While challenges remain, some progress was made in terms of learning and making improvements in public asset delivery and procurement infrastructure. A construction industry official agrees:

Alberta Transportation and Infrastructure has learned a lot over these many years and continue to learn and upgrade their processes and improve on their project delivery infrastructure overall (Construction industry manager).

6.4 Alberta's P3 policy and program evolution are path-dependent

A process is path dependent when policies and institutional events from the past impacts or affects the available choices of the present and/or future ([Chan, 2020](#); [Schienstock, 2007](#);

Torring, 2009). Our field-level analysis suggests Alberta's P3 program displays a path-dependent approach at the institutional and policy levels. Furthermore, Alberta learned from its failed partnership experience and mobilized its resources, including (leadership) political resources to enact and implement enabling policy measures that are supportive/favourable to P3s, adapting its organizational structure to avoid the mistakes of the previous partnership attempt, and focused on incremental lessons that were applied from one P3 project to the next. Given managerial longevity in the public sector, we argue that with the same set of policy actors and managers who were involved in both the failed partnership effort and the current P3 policy enactment made for lack of a radical departure from past policy positions. Effectively, this meant a reinforcement of previous policy stance and prevented a substantial rethinking of pre-existing policy positions. This suggests path dependency was integral, as subsequent developments were motivated or inspired by earlier events both at the policy, institutional, and project levels supported by the organizational arrangements made at the Ministry of Transportation and Infrastructure (Malpass, 2011).

Importantly, we note the mutually supportive and bidirectional symbiotic arrangements where P3 policy was modified to fit the Alberta institutional environment, and in turn the institutional environment affected how P3s were implemented in Alberta. Starting with the first pilot P3 project the institutional environment changed with each new P3 project. Thus, we observed a consistent evolution of the overall institutional environment from one project to the next. In our view, this progressive transformation of the institutional environment captured in the systematic sequencing of P3 projects suggests a path dependency pattern/profile. Therefore, each stage effectively set the tone for the succeeding one, suggestive of path dependency approach. Overall, we argue that while Alberta stayed with private sector partnerships, it changed the nature and form of that partnership using the P3 model (Malpass, 2011).

6.5 Conclusion and path forward

In this study we reviewed Alberta's institutional approach to the initiation and implementation of P3 from 2002 to 2022. We argue that Alberta's P3 program was motivated by a convergence of forces including its prior partnership engagement with private industry. Importantly, this unsuccessful effort formed the foundation for a P3 program that sought to build on the lessons from the past and effectively reconfigured its P3 policy and the Alberta institutional environment in a mutually constitutive way. Adopting path dependence perspective as an organizing framework, we outlined how the historical, political, and institutional contours invisibly guided Alberta's P3 evolution over the past 20 years.

The case study methodology adopted for this study presents a unique snapshot of institutional evolution in a Canadian jurisdiction that shares similar institutional characteristics with few other jurisdictions. We recognize comparable cases have been documented in the literature highlighting lessons of location specific institutional evolution (see for example: Chan, 2020; Biygautane, 2022; Biygautane *et al.*, 2019; Chan, 2020; Malpass, 2011; Reeves, 2015; O'Shea *et al.*, 2020). Therefore, we do not claim the specifics of Alberta's P3 experience may be generalizable to every jurisdiction. However, we do suggest that the specific lessons of this case, regarding P3 initialization and implementation, are sufficiently compelling for inclusion in the emerging literature and thus could be relevant for policy and managerial adaptation for multiple jurisdictions.

One of the limitations of the Alberta P3 program as implemented was that it was not anchored on established institutional structures, rather was it anchored around the trusted duo of Stelmach and Ramotar (Opara *et al.*, 2021, 2022; Opara, 2020). With their departure from the public service came a noticeable flight of bids and declining interest in the Alberta P3 market. Therefore, we propose firmer institutional structures be enacted in the current institutional environment to circumvent the influence of key individuals as the central drivers

of Alberta's P3 program going forward. The current government seems to be moving in this direction with the recent announcement of plans to establish a formal P3 office (officialized as "P3O"). This office will coordinate all government departments and agencies for any and everything P3. Modeled after British Columbia's Partnerships BC, we perceive this attempt at P3 institutionalization will lead to an expanded use of P3s and their wider acceptance as part of the infrastructure delivery landscape. The government also announced a framework for the entertainment of unsolicited bids from interested parties. This, if properly and transparently implemented holds the promise of innovative projects coming on stream from the wider public, thus further embedding P3 deployment and institutionalization in Alberta.

We encourage the Alberta government to discontinue the past practice of contributing to the base capital of a future successful bid winner (Brady *et al.*, 2022). This will ensure that limited public funds are deployed in the critical areas of health and education, including advanced education. Finally, even though several politicians have argued against the introduction of tolled routes in Alberta, the current economic realities necessitate a reconsideration of this politically expedient but economically strangulating position. Toll routes ensure there is a user charge applied and general tax revenue could be targeted to high need areas are so deployed going forward. Tolling, in our view, is also a way to combat climate change.

As Alberta institutes additional organizational and policy structures that could transform the institutional landscape for public infrastructure delivery even further, we argue that the time has come for more robust and forward-looking policies that ensure the markets respond positively to Alberta's P3 conditions. There is reason for optimism regarding these desires. As younger, more progressive conservatives, replace longtime traditional conservative politicians who have held sway for decades, we believe that enhanced innovation and an embrace of robust public policy debates, acceptance of a multiplicity of perspectives, and policy experimentation will follow. These fresh, creative ideas can succeed in creating a paradigm shift for the future of Alberta's P3 program. In particular, we suggest that Alberta pay more attention to public governance issues—to gain greater acceptability for P3s, and importantly, enact policy measures that meets its infrastructure needs and guarantee the long-term prosperity of both current and future Albertans.

Notes

1. Statistics Canada (2018), Table 17-10-0005-01.
2. ASAP 4 projects were a bundle of 19 K-12 schools proposed as P3 that attracted no bids from the construction industry in 2014.

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Appendix 1

List of interviewees

Public Sector

- (1) Eld Stelmach – Premier (2006–2011)
- (2) Jay Ramotar – Deputy Minister of Transportation and Infrastructure.
- (3) Interviewee 3 – Executive Director (Alternative Capital Financing Office, Finance and TB)
- (4) Interviewee 4 – Director Alternative (Capital Financial Services – Finance and TB)
- (5) Interviewee 5 – Executive Director (Major Capital Projects)
- (6) Interviewee 6 – Director (Alternative Procurement, Ministry of Infrastructure)
- (7) Interviewee 7 – Manager, Alternative Procurement (Ministry of Infrastructure)

- (8) Interviewee 8 – Executive Director, Learning Facilities and Alternative Procurement (Ministry of Infrastructure)
- (9) Interviewee 9 – Executive Director, Infrastructure Project Delivery (Ministry of Infrastructure)

Private Sector

- (10) Interviewee 10 – Vice President, Stantec Consulting, Canada
- (11) Interviewee 11 – Manager, Stantec Consulting, Canada
- (12) Interviewee 12 - Vice President – Stantec Consulting, Canada
- (13) Interviewee 13 – Vice President, Flatiron Construction
- (14) Interviewee 14 – CEO, Bilfinger Vancouver Canada
- (15) Interviewee 15 – Project Director, NorthWest Connect Edmonton Canada
- (16) Interviewee 16 – Deputy Project Director, NorthWest Connect Edmonton Canada
- (17) Interviewee 17 – Vice President, Bilfinger Toronto Canada
- (18) Interviewee 18 – Vice President, PCL Construction
- (19) Interviewee 19 – VP Business Development, SureWay Construction Canada
- (20) Interviewee 20 – Manager, Project Operations, SEAHD, LarFarge Construction
- (21) Interviewee 21 – Manager, Major Capital Projects – AECON Consulting and Construction

Consultants/Advisors

- (22) Interviewee 22 – Grant Thornton
- (23) Interviewee 23 – Grant Thornton
- (24) Interviewee 24 – Managing Partner, PwC Edmonton
- (25) Interviewee 25 – Practice Manager PwC, Edmonton

Public Policy Analysts/Journalists

- (26) Interviewee 26 – Professor, Institute of Public Economics, University of Alberta
- (27) Interviewee 27 – Senior Policy Analyst, CanadaWest Foundation, Calgary
- (28) Interviewee 28 – Executive Director, Center for Civic Governance, Vancouver Canada
- (29) Interviewee 29 – Research Director, Parkland Institute, Canada
- (30) Interviewee 30 – Journalist, Edmonton Journal
- (31) Interviewee 31 – Journalist, Edmonton Journal

Labour Unions/Civil Society Organizations

- (32) Interviewee 32 – AUPE, Senior Policy Analyst
- (33) Interviewee 33 – CUPE Policy Analyst
- (34) Interviewee 34 – Alberta Director – Taxpayers Federation

Auditor General's Office

- (35) Interviewee 35 – Assistant Auditor General, Alberta

Year	Policy interventions/frameworks	Projects/events
2002	Establishment of the Panel on Fiscal Reform–Financial Management Commission (FMC)	Published RFQ for the South East Anthony Henday Drive
2003	Acceptance and publication of the report of the FMC	Published RFP for the South East Anthony Henday Drive
2004	Amendment of the Fiscal Responsibility Act to accommodate P3s for public assets delivery	Signed contract for the South East Anthony Henday Drive
2005	Cabinet approval of the new P3 policy for capital projects and alternative capital projects	Commissioning of the South West Anthony Henday Drive (Conventional model)
2006	Publication of the first P3 Guidelines	Commissioning of the South East Anthony Henday Drive
2007	Publication of the second P3 Guidelines	Awarded a P3 contract for the North East Stoney Trail, Calgary
2008	Establishment of the Alternative Capital Financing Office (ACFO)	Awarded P3 contract for the North West Anthony Henday Drive
2009	Publication of the third and most comprehensive P3 Guidelines	Award contract for the first P3 18 schools
2010		Commissioning of the North East Stoney Trail, Calgary
2011		Commissioning of the first 18 P3 schools
2012		Commissioning of the North West Anthony Henday Drive
2013		North East Anthony Henday Drive RFQ and RFP out to tender
2016		Award of the contract for the North East Anthony Henday Drive
2021		Construction begins on the North East Anthony Henday Drive
		Commissioning of the South East Stoney Trail, Calgary
		Commissioning of the North East Anthony Henday Drive, Edmonton
		Award of the South West Stoney Trail contract–Calgary
		Estimated completion of the South West Stoney Trail contract–Calgary
2021	New P3 policy enunciation	Establishment of a new P3O Office
		Publication of the Unsolicited Project Policy Guidelines

Source(s): Authors' compilation, 2022

Table A1.
Alberta's P3 program
emergence and
evolution profile
(2002–2022)

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