

Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road



Ministry of
Transportation
and Infrastructure

ANNUAL REPORT 2013/14

Fiscal Year Ended March 31, 2014



Transport
Canada

Transports
Canada

September 2014

An annual progress report is required under sections 7 (e) of the Asia-Pacific Gateway Corridor Transportation Infrastructure Fund: South Fraser Perimeter Road Agreement. A corresponding audit framework for the requisite audit is referenced in Section 9.3.1 and outlined in Schedule D of the agreement. This report is used to provide the Management Committee with information regarding the status of projects and to formally track progress to date under the agreement. The report will also likely be translated and posted on Transport Canada's web site for public use.

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General Overview of Results

A general overview of the results accomplished under the Agreement during the fiscal year, including but not limited to a description of the work completed, financial results, environmental issues, any concerns affecting progress of the Program, and any other issues that may affect completing the Program as per this Agreement.

As of the end of 2013/14 Fiscal Year, the project has expended \$726,000,000 in two phases. The first phase primarily entailed site preparation and was carried out using conventional procurement methods. The work included but was not limited to soil preloading, major

utility relocations, drainage work, landfill site remediation and environmental mitigation.

This remainder of the project (PHASE 2) was constructed in a public-private partnership.

On May 11, 2007 the Federal Government announced funding for the entire South Fraser Perimeter road Project to a total of \$365 million of eligible costs including \$100 million announced on October 11, 2006 for the first segment of the project, and \$2 million previously announced for the related environmental assessment.

What is the South Fraser Perimeter Road and why do we need it!

The South Fraser Perimeter Road Project (SFPR), is approximately 40 kilometres long, and is a new four-lane, 80 km/hr route along the south side of the Fraser River.

The SFPR extends from Deltaport Way in Southwest Delta to 176th Street (Hwy 15) in Surrey, with connections to Highway 1, 91, 99 and to TransLink's new Golden Ears Bridge connector, which is now in-service.

The route takes a significant step toward completing the network of major roads in Metro Vancouver. As a result, it will benefit commuters, the trucking industry, and tourists accessing borders, the Tsawwassen ferry terminal and B.C. interior.

The SFPR will offer goods movers an efficient transportation corridor, while helping to reduce the volume of regional traffic and trucks on arterial and community streets, improving quality of life for residents and local businesses.

Congestion in Delta and Surrey communities and highways is increasing every year, with growing impacts to residents, the environment and the economy.

The SFPR will provide significant regional and local benefits including:

- ▶ Reduced truck traffic and noise in our communities;
- ▶ Improved movement of people and goods;
- ▶ Reduced east-west travel times;
- ▶ Improved connections to major trade gateways;
- ▶ Improved access for emergency vehicles; and
- ▶ Improved safety and reliability.

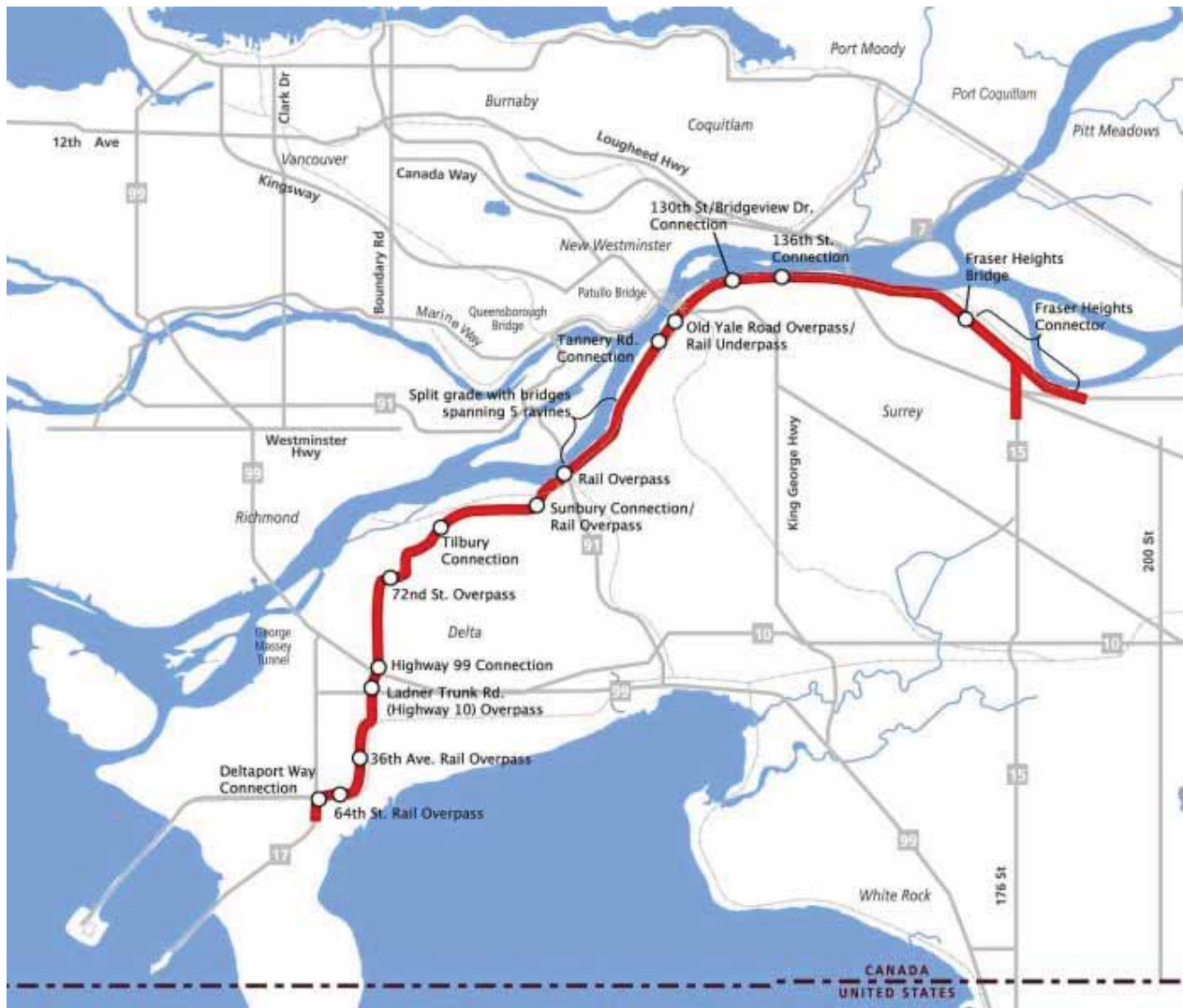
As of the end of the fiscal year 2013/14 (ending March 31, 2013), the status of the project including environmental assessment and audits were as follows:

- ▶ The approval of the environmental review (CEAA) was given by Transport Canada on July 2008.
- ▶ Phase 2 Concessionaire: During the 2010/11 fiscal year the concessionaire agreement was awarded to the Fraser Transportation Group.
- ▶ **Overall, as of the end of the fiscal year 2013/14, 52 contracts corresponding to the two components of the contribution agreement had been established on the on-line Transport Canada – Surface Infrastructure System (SIS) for a total cost of \$726,000,000 out of SIS-active sharable cost of \$726,000,000 (100% of shareable costs).**

1 For reporting on the \$2 million federal contribution which terminated in the fiscal year 2008/09, please refer to the corresponding Annual Report and Audit: CANADA BRITISH COLUMBIA ASIA-PACIFIC GATEWAY AND CORRIDOR TRANSPORTATION INFRASTRUCTURE FUND: ANNUAL REPORT 2008/09 (Fiscal Year Ended March 31, 2009).

A total of \$726,000,000 has been expended against these two components (100% of the existing value of the 52 contracts), with:

- ▷ Component 1: Preliminary Works = \$280,000,000
- ▷ Component 2: Construction = \$446,000,000



Date, Location and Minutes of Official Management Committee Meetings

The following minutes of June 25, 2013 Management Committee were approved unanimously at the December 17, 2013 meeting, also appended at the end of this section of the report.

MINUTES

Canada – British Columbia APGCI

South Fraser Perimeter Road

Management Committee Meeting #8

Date: June 25, 2013 – 9:00 a.m to 12:00 noon (PDT)

Location: Ministry of Transportation and Infrastructure

940 Blanshard, Victoria, BC

Note taker: Hamid Mohmand

Attendees:

Manon Baril, TC – Federal Co-chair

David Marr, BC MoTI – Provincial Co-Chair

Avi Ickovich – BC MTI

Kari McKeel – BC MTI

Hamid Mohmand – TC

1.0 Opening Remarks

TC to chair the meeting.

2.0 Administrative Details

2.1 Approval of Meeting Minutes

- ▶ The minutes of November 8, 2012 Management Committee were unanimously approved and adopted.

2.2 Outstanding Action Items

- ▶ There were no outstanding action items from the previous meeting (Meeting #7).

Action Items – Person Responsible

- ▶ No action items.

3.0 Program Management

3.1 Schedule B (Cash Flow Forecasts)

- ▶ The Committee discussed the cash flow forecast and the request to submit the next quarterly update by July 01, 2013.

- ▶ BCMTI advised that the current cash flow is representative of expected expenditures and that the federal contribution will be fully claimed by the end of the fiscal year.

3.2 Program Reporting

- ▶ BCMTI discussed the status of the 2012/2013 Annual Report and Annual Audit which is expected to be submitted by end of July/August 2013.

3.3 Site Visits / Photos – frequency, logistics, next date, etc.

- ▶ TC is planning to undertake a site visit in the next few months and the new Project Manager will be coordinating the event.

3.4 Communications – Potential Media Events

- ▶ The committee discussed the possibility of a joint media event in December 2013, when the western leg of the project is open to traffic.
- ▶ BCMTI is expecting to sign the solemn declaration of completion by March 2014.
- ▶ BCMTI indicated that final project completion will be in June 2014.
- ▶ BCMTI mentioned that a contribution agreement extension for the project is not currently required.

Action items

- ▶ BCMTI will co-ordinate with TC about a joint media event.

4.0 Project Status Update

4.1 Project Status Update

BC provided a project status update in advance of the meeting

- ▶ Eastern section (136 Street to 176 Street) was opened to traffic on December 1, 2012.
- ▶ Western section (136 Street to Deltaport Way) scheduled to be open by December 31, 2013.

- ▶ The clean-up works will continue into 2014.
- ▶ The Fraser Transportation Group contract is 80% complete.

4.2 Project risk (cost, schedule, operational, other project issues)

- ▶ BCMTI advised that no major project risks remained.
- ▶ Overall the project is on budget and on schedule.

4.3 Environmental Assessment Update

- ▶ The monitoring continues as per the project's environmental commitments.
- ▶ TC indicated that an EA officer will conduct a site visit this fall.

- ▶ BCMTI advised that monitoring of environmental enhancement sites is ongoing.

Action items

- ▶ No action item.

5.0 & 6.0 Other Items and Next Management Committee Meeting

- ▶ The next MC meeting will be scheduled in fall 2013.
- ▶ The committee discussed the possibility of videoconferencing next time.

Action items

- ▶ No action items.

The following minutes of December 17, 2013 Management Committee will be approved at the subsequent Management Committee meeting, scheduled for the summer of 2014.

MINUTES

Canada – British Columbia APGCI

South Fraser Perimeter Road

Management Committee Meeting #9

Date: December 17, 2013 – 1 pm (PST)

Location: Via Teleconference

Attendees:

Manon Baril, TC – Federal Co-chair
David Marr, BC MoTI – Provincial Co-Chair
Avi Ickovich – BC MTI
Kari McKeel – BC MTI
Mark Thompson – TC
Ryan Philips – TC

1.0 Opening Remarks

Discussion:

- ▶ TC chaired the meeting.
- ▶ Mark Thompson will be note taker for this meeting.

2.0 Administrative Details

2.1 Approval of Meeting Minutes

- ▶ The minutes of June 25, 2013 Management Committee were approved.

2.2 Outstanding Action Items from previous minutes

- ▶ BC to co-ordinate a joint project announcement – to be discussed under item 3.6 below.
- ▶ No action items.

3.0 Program Management

3.1 Schedule B - Cash Flow Forecasts

- ▶ No updates required to Schedule B.

3.2 Program Reporting

- ▶ Annual report and Audit for the 2012/13 fiscal year were approved by TC on August 19, 2013.

3.3 Site Visits / Photos – frequency, logistics, next date, etc.

- ▶ TC is planning to conduct a final site visit in Spring or Summer of 2014.

3.4 Retrospective Analysis and Final Report

- ▶ The management committee agrees that BC will conduct a retrospective analysis approximately five years after project completion. A target date of December 2018 has been set.
- ▶ BC will submit a final report prior to March 31, 2014.

3.5 Final Payment

- ▷ As per the contribution agreement, the final payment will be held back pending the submission of the affidavit of completion. The management committee agreed that the hold-back amount will be \$1 million.

3.6 Communications – Potential Media Events

- ▷ An event is scheduled for December 20, 2013.

Action items

- ▷ No action items.

4.0 Status of Project

4.1 Project Status Update

- ▷ Project status as prepared by BC MTI is attached as appendix A.

4.2 Project Risk (cost, schedule, operational, other projects, issues)

- ▷ The project is nearing completion. No risks were identified.

4.3 Environmental Assessment Update

- ▷ TC received the bi-annual mitigation status report on December 11, 2013.
- ▷ Follow up requirements post-project completion has yet to be determined.
- ▷ Generally EA group is pleased with the work around the bog.

Action items:

- ▷ No action item.

5.0 & 6.0 Other Items and Next Management Committee Meeting

- ▷ The next MC meeting is anticipated for Summer 2014 once all documentation has been submitted.

Action items

- ▷ No action item.

Schedule "B" Revisions

Revision 16

April 29, 2013 – This revision was created merely to open up the 2013/14 fiscal year in the on-line **Transport Canada – Surface Infrastructure System (SIS)**. There were no changes from the previous revision. There were also no changes to the schedule in the 2013/14 fiscal year as the project was completed. The following is a map as it appears

Project Updates

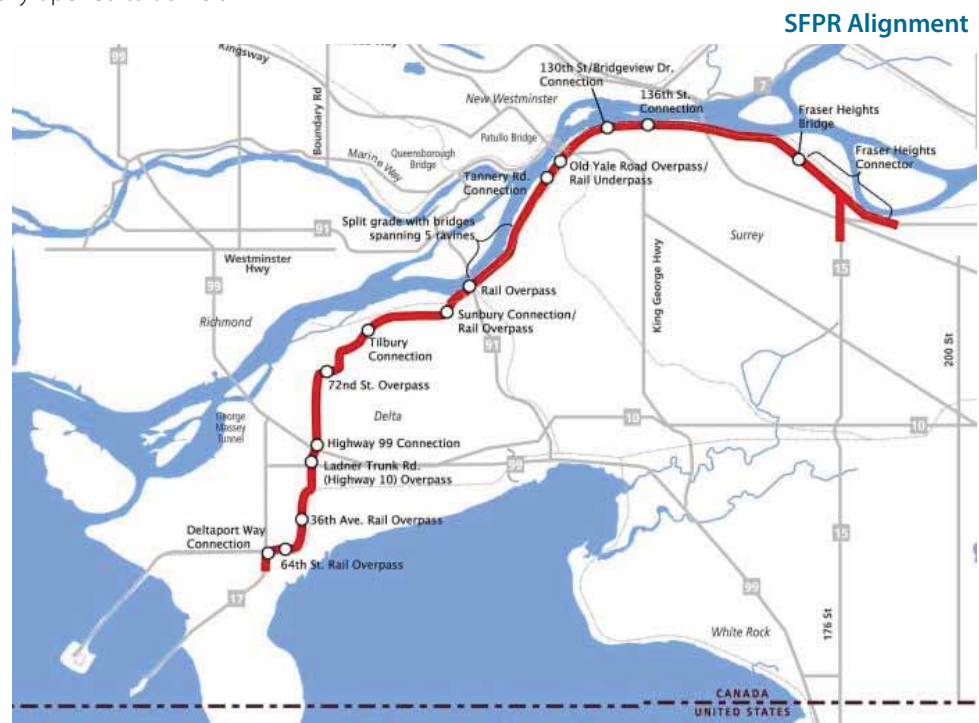
- ▶ Information on contracts started/completed and estimated completion of contracts is addressed more extensively in a subsequent section of the report "A YEAR END SUMMARY TABLE OF EXPENDITURES UNDER THE AGREEMENT" (Table 1).
- ▶ The most significant milestone for the 2013/14 fiscal year was the fact that the overall SFPR project is 100% complete, with an opening ceremony on December 21, 2013.
- ▶ Highway 17 (SFPR) was fully opened to traffic on December 21, 2013;
- ▶ Environmental enhancements have been completed and long-term monitoring programs are in place to ensure the improvements function as designed.
- ▶ The following map and pages of the report entail a series of photographs for the completed project and are meant to provide not only a portrayal of the actual project, but also a

broader geographic and topographical context, and as such some pictures are overviews.

- ▶ The following site provides information about the South Fraser Perimeter Road that the Fraser Transportation Group (FTG) constructed and maintains, and which is part of Highway 17 in Metro Vancouver.

www.sfprconstruction.ca/

- ▶ For information on other sections of Highway 17, please visit <http://www.drivebc.ca>.



The following is a map as it appears to the travelling public as the newly constructed Highway 17 and its connections:



The following photographs provide a context to the Project to the end of the 2012/13 Fiscal Year



Highway 17 Interchange



Looking north toward 99 interchange; Ladner Trunk Road overpass in foreground



Highway 99 north and west bound towards the Massey Tunnel

Agricultural overpass in front, east bound SFPR onramp overpass to NB 99, then SFPR mainline over Highway 99 in back



North towards Tilbury and 72 Street agricultural overpass

Close-up of 72 Street overpass



Landfill closure project area - now being leased

Railway overpass at the
Alex Fraser Bridge



Heading east towards Gunderson
Slough and Surrey



Tannery Road Interchange





Heading east, Port Mann bridge
in background



136th Street Connection to the
open section of SFPR



Heading east under the
Port Mann Bridge

Heading east



Centre Creek Crossing Bridge



SFPR and 104th Avenue



The following photographs provide a context to the Project to the end of the 2013/14 Fiscal Year and Completion



Highway 99 Interchange



Tannery Road Interchange



80th Street Roundabout



Heading East towards the Port Mann Bridge

The Solemn Declaration of Completion

The following document is the signed Solemn Declaration of Completion (referenced as Schedule F in the Contribution Agreement). The document was signed off by a Registered Professional Engineer who was the Technical Advisor for this project, on January 21, 2014. The Solemn Declaration was forwarded to Transport Canada on the same date.

**CANADA-BRITISH COLUMBIA
SOUTH FRASER PERIMETER ROAD
CONTRIBUTION AGREEMENT**

2008-2009 – 2013-2014

SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION

In the matter of the Asia-Pacific Gateway and Corridor Initiative entered into between Her Majesty the Queen, in right of Canada, represented by the Minister of Transport, Infrastructure and Communities, and the Secretary of State (Asia-Pacific Gateway) (2010 Olympics) (Official Languages) and Her Majesty the Queen, in right of the British Columbia, represented by the Minister of Transportation and Infrastructure, on September 3, 2008.

I, Neil Valsangkar, a Registered Professional Engineer in the Province of British Columbia, do solemnly declare as follows:

1. That I am the Technical Advisor for the South Fraser Perimeter Road Project for the Ministry of Transportation and Infrastructure for the Province of British Columbia, and as such have knowledge of the matters set forth in this affidavit;
2. That the work identified as Project 1.0 South Fraser Perimeter Road in the above-mentioned Agreement has been completed as described in Schedule B, Revision 16 dated Monday on the 29th day of April 2013.
3. That the work:
 - was carried out by various contractors (see Schedule A attached), between the dates 15/Sep/2008 and 19/Dec/2013;
 - was supervised and inspected by qualified staff;
 - conforms with the plans, specifications and other documentation for the work;
 - conforms with applicable environmental legislation, and appropriate mitigation measures have been implemented; and
 - conforms with the traffic, construction and engineering guidelines as recognized by the Transportation Association of Canada (TAC) or any other provincially sanctioned guidelines approved by the Management Committee established under the above-mentioned Agreement.

Declared at Vancouver in the Province of British Columbia this 21 day of January, 2014.



Neil Valsangkar, Technical Advisor, SFPR



Wayne Locke, Director, Finance and Administration, SFPR



SOUTH FRASER PERIMETER ROAD

SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION – SCHEDULE A – APPROVED CONTRACTS

| | | | |
|---|--|--------------|--------------|
| Project No. 1.1 | | | |
| Phase 1 Preliminary Works | | | |
| | | | |
| Contract No. | Name | Start | End |
| Major Works: | | | |
| 04830MJ0301 | Tyam Construction Ltd. | 15/Sep/2008 | 30/Nov/2010 |
| 04830MJ0101 | Mainland Civil Works Inc. | 21/Jan/2009 | 30/Sep/2010 |
| 04830MJ0102 | B & B Contracting Ltd. | 10/Feb/2009 | 15/Jan/2011 |
| 04830MJ0103 | Matcon Excavation & Shoring Ltd. | 27/Feb/2009 | 31/Oct/2010 |
| 04830MJ0106 | Advanced Geosolutions Inc. | 11/Mar/2010 | 30/Nov/2010 |
| 04830MJ0107 | Graham Infrastructure Ltd. | 02/Jul/2010 | 25/Oct/2011 |
| 04830MJ0108 | Westpro Infrastructure Ltd. | 25/Aug/2010 | 07/Nov/2011 |
| 04830MJ0109 | JJM Construction Ltd. | 11/Feb/2010 | 30/Jul/2010 |
| 04830MJ0111 | JJM Construction Ltd. | 15/Jun/2010 | 30/Sep/2011 |
| 04830MJ0114 | Mainland Civil Works Inc. | 20/May/2010 | 30/Sep/2010 |
| 04830MJ0118 | BD Hall Constructors Corp. | 26/Aug/2011 | 28/Feb/2012 |
| 04830MJ0119 | Graham Construction and Engineering Inc. | 29/Aug/2011 | 01/Jan/2013 |
| 04830MJ0121 | Graham Construction and Engineering Inc. | 18/Aug/2011 | 31/Mar/2012 |
| 04830MJ0122 | Graham Construction and Engineering Inc. | 02/Sep/2011 | 16/Mar/2012 |
| 04830MJ0124 | Mainland Civil Works Inc. | 19/Dec/2011 | 30/Jun/2013 |
| 04830MJ0125 | Westpro Infrastructure Ltd. | 07/Mar/2012 | 31/May/2013 |
| 04830MJ0126 | Graham Construction and Engineering, A JV | 07/Mar/2012 | 31/Jul/2012 |
| Project No. 1.2 | | | |
| Phase 2 Construction of the South Fraser Perimeter Road | | | |
| | | | |
| Contract No. | Name | Start | End |
| | FTG Fraser Transportation Group Partnership | 14/Jul/2010 | 19/Dec/2013* |
| | *Date of Certificate of Substantial Completion | | |

The following are of the opening ceremonies on December 21, 2013.





Dignitaries attending the opening ceremonies included:

- ▶ Kerry-Lynne Findlay, MP
- ▶ Nina Grewal, MP
- ▶ Todd Stone, BC Minister of Transportation and Infrastructure;
- ▶ Peter Fassbender, BC Minister of Education;
- ▶ Chief Bryce Williams, Tsawwassen First Nation;
- ▶ Amrik Virk, MLA – Surrey-Tynehead
- ▶ Marc Dalton, MLA – Maple Ridge-Mission
- ▶ Lois Jackson, Mayor of Delta
- ▶ Tom Gill, Councillor – City of Surrey;
- ▶ Marvin Hunt, Councillor – City of Surrey
- ▶ Barinder Rasode, Councillor – City of Surrey

The following is a status report of the South Fraser Perimeter broken down by segments and requisite implementation strategies.

64th Street and 36 Avenue Overpasses

- ▶ Completed September, 2011.

28th Avenue Overpass

(not a SFPR project but being delivered by SFPR team)

- ▶ Completed September, 2011.

Highway 17 Interchange

- ▶ Construction began in January 2011 and completion of the Ministry's portion was completed in the fall of 2011.

Landfill Closure

- ▶ There were a number of landfills and contaminated sites in the Sunbury area; the Ministry remediated some areas and facilitated the remediation/closure of areas adjacent to the highway.
- ▶ Completed March, 2012.

Environmental Update

- ▶ Habitat enhancements include restoring viable fisheries habitat, creating new habitat, and construction of wildlife crossings to maintain wildlife corridors. The completed enhancement works included:
 - ▷ The Alex Fraser Tidal Wetland;
 - ▷ Manson Canal Tidal Wetland;
 - ▷ Crescent Slough Riparian Restoration; and,
 - ▷ The East Bon Accord enhancement work and the Rain Garden.

Environmental enhancements have been completed and long-term monitoring programs are in place to ensure the improvements function as designed.

Communication Activities Completed During Fiscal Year

NEWS RELEASE COMMUNIQUÉ

For Immediate Release
2013TRAN0092-001938
Dec. 21, 2013

Ministry of Transportation and Infrastructure
Transport Canada

South Fraser Perimeter Road, B.C.'s newest highway, opens

DELTA – Today, the Honourable Kerry-Lynne Findlay, Member of Parliament for Delta-Richmond East and Minister of National Revenue along with B.C.'s Transportation and Infrastructure Minister Todd Stone officially opened B.C.'s newest highway — the South Fraser Perimeter Road (SFPR).

The new four-lane highway is a key piece of B.C.'s transportation network, which will strengthen the province's economy and make travelling and commuting quicker and easier.

"The completion of the South Fraser Perimeter Road is good news for the Metro Vancouver region. It means a better road network and more capacity to transport goods to and from fast-growing markets throughout the Asia-Pacific region," said Findlay. "This project demonstrates that when we work together with our partners through the Asia Pacific Gateway and Corridor Initiative, we can develop projects that facilitate international trade and create jobs and economic growth in local communities across Canada."

SFPR connects to all five major Fraser River crossings, which will save motorists time and offer more travel options. As an example, travel time between Highway 1 and the Tsawwassen ferry terminal is now less than 30 minutes, compared with travel times of double that using Highway 10.

"The SFPR is a key part of our commitment to expanding our markets and improving the safe and efficient movement of goods and people," said Stone. "This new route is a game-changer for industry, commuters and tourists – it will cut commute times for families and make B.C. more competitive by connecting key port and rail facilities with access to borders, the Tsawwassen ferry terminal and the B.C. Interior."

Completing the SFPR was a key goal in the province's Pacific Gateway Transportation Strategy, which supports the 'The BC Jobs Plan' to expand markets for B.C. products and strengthen infrastructure to get goods to market, ensuring B.C. is North America's gateway for Asia Pacific trade.

The SFPR will generate economic and business opportunities and lead to 7,000 long-term jobs in Delta and Surrey through improved industrial development opportunities along the corridor. More than 4,000 jobs were created during construction.

"Our community will benefit hugely from the opening of the South Fraser Perimeter Road," said Delta Mayor Lois E. Jackson. "The new route provides greater access to the Tilbury industrial area, taking commercial trucks off Highway 99 and River Road. This will make for safer, smoother travel for our residents throughout the community."

The SFPR provides an efficient and convenient transportation corridor, with connections to major trade gateways for commercial traffic. This new route will also separate commercial traffic from residential areas, improving community safety and the quality of life for families.

"The SFPR will allow goods to move more freely around the region by truck," said Trace Acres, vice president, BC Trucking Association. "In addition to increasing the efficiency of the Gateway, it will help lower emissions by limiting the number of stops trucks have to make travelling between ports, ferries, businesses and borders."

The Government of Canada, through the Asia-Pacific Gateway and Corridor Initiative, provided \$365 million toward the corridor. The Government of B.C. contributed the remainder.

For information about the SFPR: sfprconstruction.ca

More information on Canada's Asia-Pacific Gateway can be found at: asiapacificgateway.gc.ca/

For information about SFPR environmental projects: <http://bit.ly/1dpj4wi>

For an audio clip of Stone talking about the SFPR, visit: <https://soundcloud.com/bcgov/minister-stone-south-fraser/s-5EbPt>

A backgrounder follows.

| | | |
|------------------|---|------------------|
| Contacts: | Government Communications and Public Engagement | Transport Canada |
| | Ministry of Transportation and Infrastructure | Media Relations |
| | 250.413.7941 or 250.387.3953 | 613.993.0055 |

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUNDER

For Immediate Release
2013TRAN0092-001938
Dec. 21, 2013

Ministry of Transportation and Infrastructure
Transport Canada

SFPR opens on-time and on-budget

The SFPR is a key piece of B.C.'s transportation network, which will generate economic growth and make the province more competitive by connecting key port, rail and highway infrastructure. The SFPR is officially Highway 17. The old Highway 17 through Delta is now 17A.

The SFPR is a four-lane highway, about 37 kilometres long, along the south side of the Fraser River. The 80-kilometre-per-hour route will extend from Deltaport Way in Southwest Delta to 176th Street (Highway 15) in Surrey, with connections to Highways 1, 91 and 99.

More about the SFPR:

- ▶ The SFPR has 15 overpasses and three interchanges.
- ▶ More than 400,000 tonnes of asphalt was used on the entire project – enough to fill 63 Olympic-sized swimming pools.
- ▶ More than 75,000 trees and shrubs were planted.
- ▶ More than \$100 million was spent on environmental and agricultural improvements, including:
 - ▷ Upgrading an irrigation system to bring fresh water from the Fraser River to more than 6,000 hectares of farmland in Delta.
 - ▷ Cleaning up portions of five landfills and converting one of them to useable, industrial land.
 - ▷ Building more than 40 environmental areas, including 80 fish habitats, 25 wildlife crossings and one bumble bee habitat, to help berry farmers with pollination.

Time savings for motorists:

- ▶ Travel time between Highway 1 in Surrey and the Tsawwassen ferry terminal is now less than 30 minutes, compared with double or triple that time during rush hour using Highway 10.
- ▶ Travel from South Delta to Maple Ridge using the Golden Ears Bridge will take about 30 minutes, saving motorists from 30 minutes to one hour depending on the time of day.

Contacts: Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
250.413.7941 or 250.387.3953

Transport Canada
Media Relations
613.993.0055

Connect with the Province of B.C. at: www.gov.bc.ca/connect

A YEAR END SUMMARY TABLE OF EXPENDITURES UNDER THE AGREEMENT

Please refer to Table 1 for complete details on year-end expenditures against existing contracts, as of March 31, 2014, for each of the respective components/phases:

- ▶ **Phase 1 – Preliminary Work** – 43 contracts have been established for a total cost of \$280,000,000 primarily for purposes of site preparation and was carried out using conventional procurement methods. A total of \$280,000,000 has been expended against these 43 contracts (100% of the existing contracts) as of the end of the 2013/14 fiscal year. There was \$18,177,172 of claims in the 2013/14 fiscal year.
- ▶ **Phase 2 – Construction** – As of March 31, 2014, there have been nine contracts (for the sole concessionaire) corresponding to nine Milestones established with claims of \$446,000,000 (100% of the existing contracts/concessionaire agreement). There was \$75,966,048 of claims in the 2013/14 fiscal year.
- ▶ Overall, as of the end of the fiscal year 2013/14, 52 contracts have been established on the on-line **Transport Canada – Surface Infrastructure System (SIS)** for a total cost of \$ \$726,000,000 out of a HCOMS-active sharable cost of \$726,000,000. A total of \$726,000,000 has been expended (100% of the existing value of the 52 contracts). Previous year claims were \$631,856,780.19.

Table 1

Canada-British Columbia Asia-Pacific Gateway and Corridor Initiative – Transportation Infrastructure Component

South Fraser Perimeter Road 2008-2009/2013-2014

Schedule of Detailed Expenditure Claims for the Year Ended March 31, 2014

| Project Number | Project/Claim Description | Contract Number | Eligible Costs Claimed in 2013/14 (\$) |
|----------------|---|---|--|
| 1.1 | Phase 1 – Preliminary Works Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation, and environmental mitigation. In addition, one interchange will be constructed along with three overpass/underpass structures. | 04830MJ0119 04830MJ0124 04830MJ0125 04830MJ0126 04830_Audits 04830_CoD 04830_Con_Agree 04830_Corp_Delta 04830_Demolition 04830_Env_Comp 04830_Flagging 04830_Misc_Const 04830_Signage 04830_Util_BCHydro 04830_Util_Telus 04830_Util_Terasen 048CS0375 048CS6015 048CS6029 048CS6071 048CS6072 048CS6088 048CS6114 048CS6134 048CS6135 048CS6151 048CS6153 048CS6154 048CS6155 048CS6169 048LA6075 048LOA6156 100CS4615 100CS4622 11763OP0001 | 339,125 46,311 118,144 36,636 13,500 100,000 28,699 18,908 350 5,551 210,443 26,582 21,312 113,470 27,985 216,960 107,180 1,305 66,068 125,649 76,387 (24,988) 17,130 257,278 498,670 86,097 781,801 230,352 27,763 168,855 482,839 44,820 3,460 341 4,266 |

| Project Number | Project/Claim Description | Contract Number | Eligible Costs Claimed in 2013/14 (\$) |
|----------------|---|---|---|
| | | 156CS0711 | 10,117 |
| | | 721CS4685 | 4,716 |
| | | Ind_Cert | 11,753 |
| | | PO-004405A | (1,499) |
| | | PO-004682 | 4,063 |
| | | PO-004786 | 21,670 |
| | | Prov_Change | 1,138,081 |
| | | Prov_Works | 12,312,972 |
| | Subtotal | | 18,177,172 |
| 1.2 | Phase 2 – Construction of the South Fraser Perimeter Road This work involves the construction of approximately 40 kilometres of new four-lane 80 km/hr highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersections, will be constructed along the nine major overpass/underpass structures. Two kilometres of split-grade roadway, with bridges to span three ravines, will be built. | Milestone 1 – General Milestone 2 – Design and Approvals Milestone 3 – Highway Construction Milestone 4 – Bridge Structures Milestone 5 – Retaining Walls Milestone 6 – Construction Engineering Milestone 7 – Finishing Works Milestone 8 – Demolitions and Removals Milestone 9 – Concessionaire Eligible | 7,252,891 226,977 23,402,975 5,936,860 7,593,313 7,694,453 21,558,893 427,912 1,871,774 |
| | Subtotal | | 75,966,048 |
| | TOTAL | | 94,143,219 |

Annual Audit of Program

The audit evaluated the claims submitted for payment under the agreement to ensure that they are free of material misstatement and that they are consistent with the eligible costs requirements of the agreement. The audit was undertaken in accordance with accepted auditing standards such as the rules of the Canadian Institute of Chartered Accountants by an independent certified chartered accountant (CA). The audit was conducted by the [Office of Auditor General of BC](#).



INDEPENDENT AUDITOR'S REPORT

*To the Management Committee of the Asia – Pacific Gateway Corridor Transportation
Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road
[2008 / 2009 – 2013 / 2014]*

I have audited the accompanying Schedule of Detailed Expenditure Claims for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information (together “the schedule”). The schedule has been prepared by management of the British Columbia Ministry of Transportation and Infrastructure using the basis of accounting described in Note 3.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with the basis of accounting as described in Note 3, this includes determining that the applicable financial reporting framework is acceptable to the preparation of the schedule in the circumstances, and for such internal control as management determines, is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the schedule based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

ASIA – PACIFIC GATEWAY CORRIDOR TRANSPORTATION INFRASTRUCTURE FUND
CONTRIBUTION AGREEMENT FOR SOUTH FRASER PERIMETER ROAD
Independent Auditor's Report


Opinion

In my opinion, the Schedule of Detailed Expenditure Claims for the year ended March 31, 2014 is prepared, in all material respects, in accordance with the basis of accounting as described in Note 3.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw your attention to Note 3 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Government of British Columbia to meet the reporting requirements of the Government of Canada as specified in the agreement. As a result, the statement may not be suitable for another purpose. My report is intended solely for the Government of British Columbia and Government of Canada and should not be used by parties other than the Government of British Columbia and the Government of Canada.

Victoria, British Columbia
April 15, 2014


Russ Jones, MBA, CA
Auditor General

CANADA - BRITISH COLUMBIA ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE
TRANSPORTATION INFRASTRUCTURE COMPONENT
SOUTH FRASER PERIMETER ROAD
2008-2009 / 2013-2014

Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2014

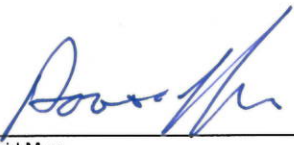
| Project Number | Project/Claim Description | Contract Number | Eligible Costs Claimed in 2013/14 (\$) |
|---------------------------------|---|--------------------|--|
| 1.1 Phase 1 - Preliminary Works | Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation, and environmental mitigation. In addition, one interchange will be constructed along with three overpass/underpass structures. | 04830MJ0119 | 339,125 |
| | | 04830MJ0124 | 46,311 |
| | | 04830MJ0125 | 118,144 |
| | | 04830MJ0126 | 36,636 |
| | | 04830_Audits | 13,500 |
| | | 04830_CoD | 100,000 |
| | | 04830_Con_Agree | 28,699 |
| | | 04830_Corp_Delta | 18,908 |
| | | 04830_Demolition | 350 |
| | | 04830_Env_Comp | 5,551 |
| | | 04834_Flagging | 210,443 |
| | | 04830_Misc_Const | 26,582 |
| | | 04830_Signage | 21,312 |
| | | 04830_Util_BCHydro | 113,470 |
| | | 04830_Util_Telus | 27,985 |
| | | 04830_Util_Terasen | 612,960 |
| | | 048CS0375 | 107,180 |
| | | 048CS6015 | 1,305 |
| | | 048CS6029 | 66,068 |
| | | 048CS6071 | 125,649 |
| | | 048CS6072 | 76,387 |
| | | 048CS6088 | (24,988) |
| | | 048CS6114 | 17,130 |
| | | 048CS6134 | 257,278 |
| | | 048CS6135 | 498,670 |
| | | 048CS6151 | 86,097 |
| | | 048CS6153 | 781,801 |
| | | 048CS6154 | 230,352 |
| | | 048CS6155 | 27,763 |
| | | 048CS6169 | 168,855 |
| | | 048LA6075 | 482,839 |
| | | 048LOA6156 | 44,820 |
| | | 100CS4615 | 3,460 |
| | | 100CS4622 | 341 |
| | | 11763OP0001 | 4,266 |
| | | 156CS0711 | 10,117 |
| | | 721CS4685 | 4,716 |
| | | Ind_Cert | 11,753 |
| | | PO-004405A | (1,449) |
| | | PO-004682 | 4,063 |
| | | PO-004786 | 21,670 |
| | | Prov_Change | 1,138,081 |
| | | Prov_Works | 12,312,972 |
| Sub-total | | | 18,177,172 |

CANADA - BRITISH COLUMBIA ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE
TRANSPORTATION INFRASTRUCTURE COMPONENT
SOUTH FRASER PERIMETER ROAD
2008-2009 / 2013-2014

Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2014

| Project Number | Project/Claim Description | Contract Number | Eligible Costs Claimed in 2013/14 (\$) |
|----------------|---|---|---|
| 1.2 | Phase 2 - Construction of the South Fraser Perimeter Road | | |
| | This work involves the construction of approximately 40 kilometres of new four-lane, 80 km/h highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersections will be constructed along with nine major overpass/underpass structures. Two kilometres of split-grade roadway with bridges to span three ravines will be built. | Milestone 1 - General Milestone 2 - Design & Approvals Milestone 3 - Highway Construction Milestone 4 - Bridge Structures Milestone 5 - Retaining Walls Milestone 6 - Construction Engineering Milestone 7 - Finishing Works Milestone 8 - Demolitions & Removals Milestone 9 - Concessionaire Eligible | 7,252,891 226,977 23,402,975 5,936,860 7,593,313 7,694,453 21,558,893 427,912 1,871,774 |
| | | Sub-total | 75,966,048 |
| TOTAL | | | 94,143,219 |

Approved by:



David Marr
Executive Director
Program Development and Monitoring



Dave Stewart
Chief Financial Officer
Finance and Management Services

**CANADA-BRITISH COLUMBIA
ASIA-PACIFIC GATEWAY CORRIDOR
TRANSPORTATION INFRASTRUCTURE FUND
CONTRIBUTION AGREEMENT FOR
SOUTH FRASER PERIMETER ROAD
2008-2009/2013-2014**

**Notes to the Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2014**

1. Nature of the Agreement

The Government of Canada and the Province of British Columbia entered into the *Asia-Pacific Gateway Corridor Initiative, Transportation Infrastructure Fund, for South Fraser Perimeter Road Agreement, 2008-2009/2013-2014* (“the Agreement”) on September 3, 2008.

The purpose of this Agreement is to improve the multimodal transportation network for the movement of international trade in British Columbia through a 50/50 cost sharing agreement for eligible costs to a maximum of \$363 million.

2. Costs

Eligible Costs:

The Agreement specifies “Eligible Costs” in Schedule C – Eligible and Ineligible Costs, at paragraph C.1.1. as “*all direct costs properly and reasonably incurred and paid (other than those in a P3) solely and specifically by the Province, which have been invoiced against a contract for goods and/or services necessary for the due implementation of the Project approved under this Agreement, including:*

- a) *Capital costs, as defined and determined according to generally accepted accounting principles, and relating to the construction, rehabilitation or improvement of highways, roads, bridges, multi-modal facilities, grade crossings/separations, ITS and any other infrastructure project that meet the above selection criteria;*
- b) *Costs related to signage, lighting, highway markings and utility adjustments;*
- c) *The costs of communication activities (press releases, press conferences, translation, etc.) and road signage recognition set out in the Communication Protocol that will form part of the agreement;*

- d) *All planning (including plans and specifications) and evaluation costs specified in the agreement such as the costs of environmental planning, surveying, engineering, architectural, supervision, testing and management consulting services, to a maximum of 15% eligible costs;*
- e) *The costs of engineering and environmental reviews, including environmental assessments and follow-up programs as defined in the Canadian Environmental Assessment Act and the costs of remedial activities, mitigation measures and follow-up identified in any environmental assessment;*
- f) *The costs of developing and implementing innovative techniques for carrying out the Project;*
- g) *Recipient audit and evaluation costs as specified in the agreement;*
- h) *Other costs that, in the opinion of Canada, are considered to be direct and necessary for the successful implementation of the Project and have been approved in writing prior to being incurred.*

Ineligible Costs:

The Agreement specifies “Ineligible Costs” in Schedule C – Eligible and Ineligible Costs, at paragraph C.2.1. as: :

- a) *Costs incurred prior to the signing of this Agreement and after the Agreement termination date;*
- b) *The cost of developing a proposal;*
- c) *The cost of purchasing land, associated real estate and other fees, financing charges and interest payments on loans;*
- d) *Leasing land, buildings, and other facilities;*
- e) *Provincial sales tax and the Goods and Services Tax for which the recipient or a third party is eligible for a tax rebate and all other costs eligible for rebates;*
- f) *Costs that have been shared under other federal statutes or programs;*
- g) *Legal fees;*
- h) *General repairs and maintenance of a project work and related structures;*
- i) *Services or works normally provided by the Ministry of Transportation of a Province incurred in the course of implementation of the Project except those specified as eligible costs;*
- j) *Employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs of British Columbia and more specifically these costs as related to survey, engineering, architecture, supervision, management and other services provided, or contracted for, by British Columbia’s permanent staff.*

3. Basis of Accounting and Accounting Policies

The Schedule of Detailed Expenditure Claims has been prepared in accordance with Canadian generally accepted accounting principles. Expenditures are recorded at cost on an accrual basis. Costs are net of any recoveries and GST/HST.

The Eligible Costs Claimed in 2013/2014 represents the actual value of claims submitted to the Federal Government during the 2013/2014 fiscal year. This may include eligible expenses incurred in fiscal 2007/2008, 2008/09, 2009/10, 2010/11, 2011/12 or 2012/13 that were submitted for reimbursement during fiscal 2013/2014.

Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road

ANNUAL REPORT 2013/14

Fiscal Year Ended March 31, 2014



Ministry of
Transportation
and Infrastructure



Transport
Canada

Transports
Canada