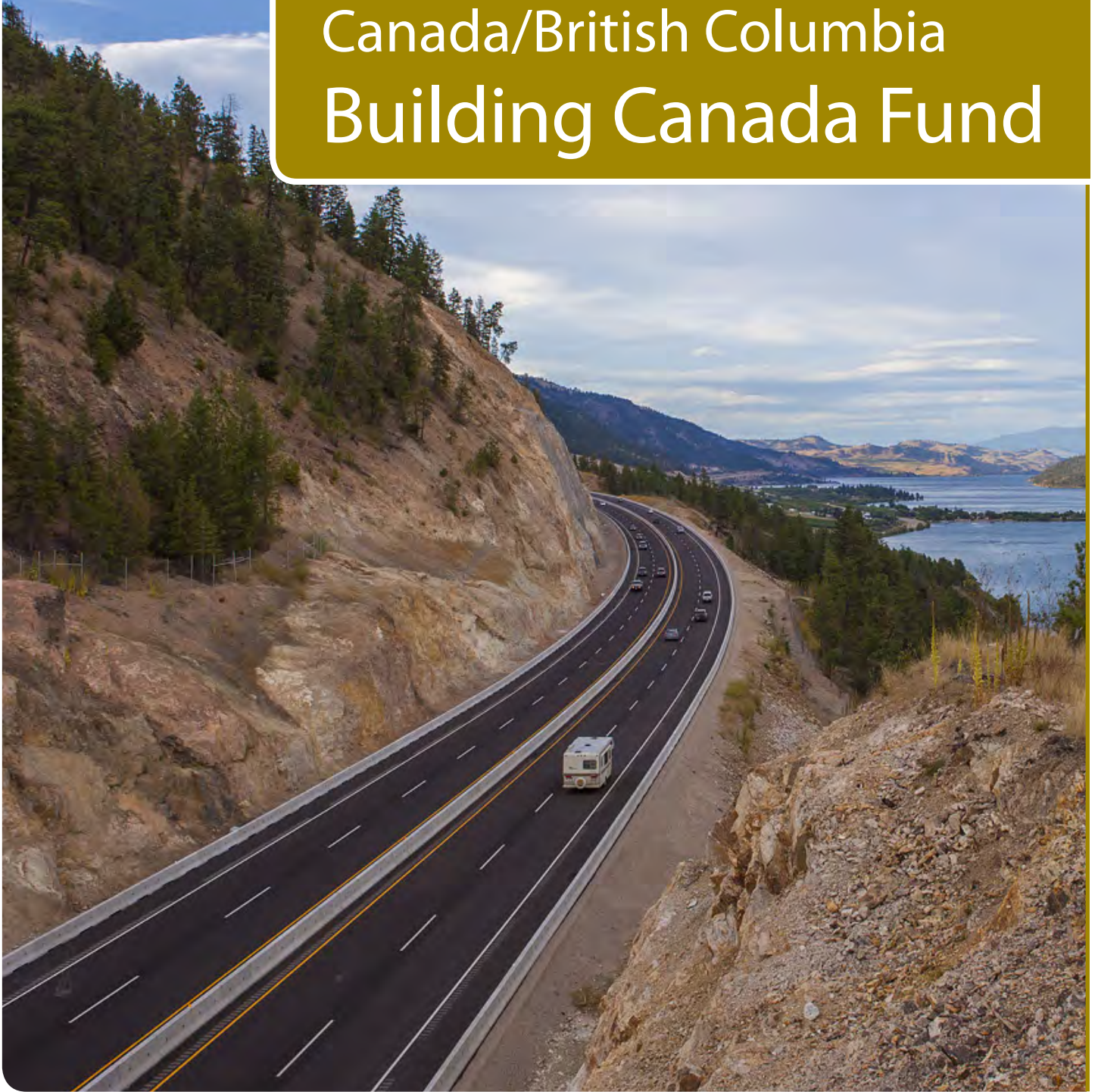


# Canada/British Columbia Building Canada Fund



Ministry of  
Transportation  
and Infrastructure

## ANNUAL REPORT 2014/15

Fiscal Year Ended March 31, 2015



Transport  
Canada

Transports  
Canada

**July 2015**

An annual progress report and appended audit is required under Section 9.1 and Appendix C (Reporting, Audit and Evaluation) of the CANADA – BRITISH COLUMBIA, BUILDING CANADA FUND 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 the fiscal year 2014/15 (ending March 31, 2015) the status of the 10 projects, Environmental Assessment and Audits were as follows<sup>1</sup>:

## Highway 1: Brake Check To Yoho

This project entails upgrading approximately nine kilometres of Highway 1 between Brake Check and Yoho National Park to a four-lane, 100 km/hr design standard, including the replacement of the Mount Hunter Creek Bridge, concrete median barrier, maximum 4% grade, access consolidation, grade separated structure (underpass) to serve the Wepta/ Beaverfoot area, wildlife exclusion fencing and wildlife crossing/passage.

The approval of the environmental review (CEAA) was given by Transport Canada on July 28, 2008. A total of \$56,681,188.46 has been expended (claimed) against 15 contracts, as of the end of the 2012/13 fiscal year. There were no claims in the 2014/15 fiscal year. A Schedule D (Affidavit of Substantial Completion) was submitted to Transport Canada for this project in August 2012 (signed off August 27, 2012).

## Highway 1: Golden Hill to West Portal

This project entails upgrading approximately 3.8 kilometres of Highway 1 between Golden Hill and West Portal to a four-lane design standard (80 km/hr urban and 100 km/hr rural), including extending a fourth lane through the signals at the west end of Golden and grade separation of the Golden-Donald Upper Road (north)/ Golden View Road (south) intersection in the form of an underpass structure that will provide for right-in/right-out movements for the connecting roads, elimination of three at-grade intersections, road network connections, concrete median barrier, maximum 6% grade, wildlife fencing and wildlife passage.

A total of \$46,286,113.08 has been expended (claimed) against 26 contracts. Claims for the 2014/15 fiscal year entailed \$469,913.64.

## Highway 1: Monte Creek to Pritchard

This project entails upgrading approximately 10.5 kilometres of Highway 1 between Monte Creek and Pritchard to a four-lane, 100 km/hr design standard, including intersection improvements at Pinantan Road and Bostock Road.

A total of \$33,400,000 has been expended (claimed) against 16 contracts, as of the end of the 2014/15 fiscal year. Claims for the 2014/15 fiscal year entailed \$12,422,763.86.

## Highway 97A: Larkin Road to Crozier Road

This project entails upgrading approximately 4.2 kilometres of Highway 97A between Larkin and Crozier Road to a 100 km/hr design standard, including a single diamond interchange between Larkin Road and Otter Lake Road Cross Road, removal of direct highway accesses and associated road network connections.

The approval of the environmental review (CEAA) was given by Transport Canada on November 28, 2008. A total of \$19,935,536.88 has been expended (claimed) against 10 contracts, as of the end of the 2012/13 fiscal year. There were no claims for the 2014/15 fiscal year as the project was completed a few years ago. A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in September 2011 (signed off September 22).

## Highway 97: Winfield to Oyama

This project entails upgrading approximately nine kilometres of Highway 97 between Winfield to Oyama, through the construction of a new four-lane, inland alignment, including associated road-network connections.

The approval of the environmental review (CEAA) was given by Transport Canada on December 17, 2009. A

<sup>1</sup> It should be noted that the costs and expenditures referenced in this document relate to eligible and sharable costs between Transport Canada and the Province, unless otherwise noted. For instance, the total cost of the Monte Creek to Pritchard project is estimated at \$42,800,000 but only \$33,400,00 is eligible for cost-sharing.



Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in August 2013 (signed off August 13). A total of \$47,651,241.26 has been expended (claimed) against 21 contracts, as of the end of the 2014/15 fiscal year. Claims for the 2014/15 fiscal year entailed \$1,473,363.65.

#### **Highway 1: Pritchard to Hoffman's Bluff**

This project entails upgrading 6.1 kilometres of Highway 1 between Pritchard to Hoffman's Bluff, including Hoffman's Bluff itself, to a four-lane, 100 km/h design standard, including access management and frontage roads.

A total of \$14,809,844.57 has been expended (claimed) against 26 contracts, as of the end of the 2014/15 fiscal year. Claims for the 2014/15 fiscal year entailed \$7,027,177.55.

#### **Highway 1: Clanwilliam Overhead Replacement**

This project entailed replacing the existing Clanwilliam Overhead (10 kilometres west of Revelstoke) with a new four-lane structure and approximately 2.3 kilometres of four-laning to a 100 km/hr design standard.

The Environmental Assessment and Review (CEAA) was approved by Transport Canada on March 3, 2011. A total of \$23,254,946.99 has been expended (claimed) against 15 contracts, as of the end of the 2014/15 fiscal year. There were no claims for the 2014/15 fiscal year.

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

#### **Highway 1: Donald Bridge and Overhead**

This project entails replacing the existing Donald Bridge with a new four-lane structure, replacing the existing CPR Overhead with a new structure and approximately 4.0 kilometres of four-laning to a 100 km/hr design standard.

The approval of the environmental review (CEAA) was given by Transport Canada on June 2, 2010. A total of \$50,782,968.44 has been expended (claimed) against 20 contracts, as of the end of the 2014/15 fiscal year. Claims for the 2014/15 fiscal year entailed \$85,429.94.

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

#### **Highway 97A: Pleasant Valley Cross Road to Lansdowne Road**

This project entails upgrading approximately four kilometres of Highway 97A from Pleasant Valley Cross Road to Lansdowne Road to a four-lane design standard, including upgrading five intersections (left turn bays and deceleration/acceleration tapers) and a "protected tee" intersection at Smith Road.

A total of \$13,319,999.91 has been expended (claimed) against seven contracts, as of the end of the 2012/13 fiscal year. Claims for the 2012/13 fiscal year entailed \$1,676,490 and were the last claims made. There were no claims in the 2014/15 fiscal year.

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in March 2012 (signed off March 20).

#### **Highway 97: Westside Road Interchange**

This project entails replacing the existing at-grade intersections of Westside Road and Highway 97 with a grade separated interchange and associated road network connections.

A total of \$21,954,000 has been expended (claimed) against four contracts, as of the end of the 2013/14 fiscal year. There were no claims in the 2014/15 fiscal year.

A Schedule D (Solemn Declaration/Affidavit of Completion) was submitted to Transport Canada in September 2013 (signed off September 9).

**Overall, as of the end of the fiscal year 2014/15, 160 contracts had been established on the on-line Transport Canada Surface Infrastructure System (SIS) administration system for a total cost of \$374,178,000 out of a total SIS-active sharable cost (across 10 projects, audits and environmental assessments) of \$374,178,000 (100% of SIS-active sharable cost). A total of \$328,075,839.58 has been expended against these 160 contracts (87.68% of the existing value of the 160 contracts). There was \$21,478,649 claimed in the 2014/15 fiscal year.**

# Date, Location and Minutes of Official Management Committee Meetings

## MINUTES

Canada – British Columbia BCF

Core National Highway System Projects

MC Meeting #7 (2014-2015)

Date: September 24, 2014, 08:30 to 09:30 a.m. (PST)

Location: via Videoconference

Note taker: Kari McKeel

### Attendees:

Mo Tayyaran, TC – A/Federal Co-chair

David Marr, BC MoTI – Provincial Co-Chair

Avi Ickovich – BC MoTI

Kari McKeel – BC MoTI

Scott Crombie – TC

Ryan Phillips - TC

### 1.0 Opening Remarks

Discussion:

- ▷ TC to chair the meeting.
- ▷ Manon Baril presently on leave. John Hnatyshyn in Federal Co-Chair role for around another nine months. John Hnatyshyn delegated Federal Co-chair position to Mo Tayyaran for this MC meeting.

### 2.0 Administrative Details

#### 2.1 Note Take

- ▷ BC will record and distribute the meeting minutes.

#### 2.2 Approval of Previous Minutes and Outstanding Action Items

- ▷ No outstanding action items from last meeting held on December 17, 2013.
- ▷ Meeting minutes adopted from last MC meeting were approved.

### 3.0 Program Management

#### 3.1 Financial Management (Schedule B - Cash Flow Forecasts)

- ▷ Signed hard copies of Cash Flow Revisions #20 and #21 were provided to BC.
- ▷ Next Cash Flow update will be required for P-6 (request to be sent by TC late November/early December)

#### 3.2 Program Reporting for 2013/14 Fiscal Year

- ▷ Electronic version of Annual Report e-mailed by BC to TC and hard copy was couriered to Ottawa on September 24, 2014.

#### 3.3 Amendment to the CA

- ▷ A draft was circulated by TC for the inclusion of three new projects (Highway 97 South Taylor Hill, Highway 11 and Vye Road and Highway 97: Hwy 33 to Edwards) that has since been updated to include the inclusion of Highway 1 Malakwa Bridge and the release of unleveraged federal funds (\$2.275 million) on currently approved projects.
- ▷ TC will look into the status of the amendment to the BC Transit Improvement Program Contribution Agreement to released unleveraged federal funds (Kelowna Bus Maintenance Facility and TransLink Skytrain cars) before deciding whether to also include three new projects (Highway 3 Sunday Summit to Sunday Creek, Highway 1: Mountain Highway Interchange and John Hindle Drive) in the amendment .
- ▷ Highway 97: Highway 33 and Edwards will likely need an extension as it will be a challenge to complete the project by December 2016. TC to look at options for how to proceed.
- ▷ Highway 11/Vye Road project may require similar language as Highway 10: Mufford/64th (APGCI project) with respect to payback/ disposal of assets provision as the project includes both Provincial and Municipal assets.

### 3.4 Potential Media Events

- ▷ Announcement planned for mid/late October for Highway Mountain Highway I/C. Scott to check with TC communication department to confirm details.
- ▷ Potential announcement for start of construction on Phase 2 of Highway 1 Pritchard to Hoffman's Bluff.

### 3.5 Site Visit

- ▷ Mo Tarrayan visited Highway 1 Monte Creek to Pritchard and Pritchard to Hoffman's Bluff projects on September 23, 2014

#### Action items:

- ▷ TC to follow up with Transit Group for status update on the amendment to the BC Transit Improvement Program Contribution Agreement (*Scott Crombie*).
- ▷ TC to look into options for how to reflect/request time extension for Highway 97 in Kelowna project (*Scott Crombie*).
- ▷ TC to look into potential clarification on language for Highway 11/Vye Rd with respect to payback/disposal of assets, similar to Highway 10 Mufford/64th (*Scott Crombie*).

## 4.0 Status of Projects

### 4.1 Project Status Report

- ▷ BC provided project update prior to the meeting through e-mail, which is attached to the minutes.

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

- ▷ The risks/issues are covered in section 4.1 – Project Status Report above.

#### Action items

- ▷ No action item.

## 5.0 & 6.0 Other Items and Next Management Committee Meeting

- ▷ Next MC meeting likely in April/May 2015.

#### Action items

- ▷ No action items.

## Schedule “B” Revisions

Please refer to Table 1 outlining the evolution of Schedule B during the first fiscal year. Table 2 (Statement of Changes) calculates the cash flow and budget changes across revisions.

### Revision 18

**March 25, 2014** – This is the last revision at the end of the 2013/14 Fiscal Year.

### Revision 19

**July 15, 2014** – This is the first revision of the 2014/15 Fiscal Year and entailed the following changes:

- ▶ Moving \$2,414,238 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for the Highway 1: Monte Creek to Pritchard project.
- ▶ Shifting \$135,909 from the 2014/15 Fiscal Year to the 2016/17 Fiscal Year for the Highway 97: Winfield to Oyama project.
- ▶ Shifting \$2,968,215 from the 2014/15 Fiscal Year to the 2015/16 Fiscal Year for the Highway 1: Pritchard to Hoffman’s Bluff project.
- ▶ Moving \$65,549 from 2016/17 Fiscal Year back to the 2014/15 Fiscal Year for the Highway 1: Clanwilliam Overhead Replacement project as it is completed.
- ▶ Shifting \$142,556 from the 2014/15 Fiscal Year to the 2016/17 Fiscal Year for the Highway 1: Donald Bridge and Overhead Replacement project.

### Revision 20

**September 9, 2014** – This revision entailed the following changes:

- ▶ Shifting \$11,520,208 from the 2014/15 and 2015/16 Fiscal Years to the 2016/17 Fiscal Year for the Highway 1: Pritchard to Hoffman’s Bluff project.
- ▶ Moving \$57,390 from 2016/17 Fiscal Year back to the 2014/15 Fiscal Year for Highway 1: Donald Bridge and Overhead Replacement project as it is completed.

### Revision 21

**September 16, 2014** – This revision entailed the following changes:

- ▶ Shifting \$2,766,591 from the 2014/15 Fiscal Year to the 2015/16 Fiscal Year for the Highway 97: Winfield to Oyama project.

### Revision 22

**December 16, 2014** – This revision entailed the following changes:

- ▶ Moving \$2,400,000 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for the Highway 1: Monte Creek to Pritchard project.
- ▶ Shifting \$3,550,000 from the 2014/15 Fiscal Year to the 2015/16 Fiscal Year for the Highway 1: Pritchard to Hoffman’s Bluff project.
- ▶ Shifting \$215,550 from the 2014/15 Fiscal Year to the 2015/16 Fiscal Year for Highway 1: Clanwilliam Overhead Replacement project.

### Revision 23

**February 4, 2015** – This revision entailed the following changes:

- ▶ Moving \$22,764 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for the Highway 1: Monte Creek to Pritchard project.
- ▶ Moving \$419,954 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for Highway 97: Winfield to Oyama project.
- ▶ Moving \$43,891 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for Highway 1: Pritchard to Hoffman’s Bluff project.

### Revision 24

**March 16, 2015** – This revision entailed the following changes:

- ▶ Moving \$933,286 from the 2015/16 Fiscal Year back to the 2014/15 Fiscal Year for Highway 1: Pritchard to Hoffman’s Bluff project.



# Schedule B during the Fiscal Year 2014/15 (As of March 31, 2015)

Revision #	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Previous	Breakdown of Expenditures					
				Federal	Provincial		2013/14	2014/15	2015/16	2016/17	Future	
Revision #18 (Last Revision of Fiscal Year 2013/14) 25-Mar-14	Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-	-
	Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	7,585,762	4,837,002	-	-	-
	Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	3,955,909	-	3,526,162	-	-
	Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	22,338,211	22,781,993	897,129	-	-
	Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	150,000	-	648,264	-	-
	Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	170,596	-	219,868	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-	-
	Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-	-
Revision #19 15-Jul-14	Total	\$ 480,622,508	\$ 374,178,000	\$ 187,089,000	\$ 187,089,000	\$ 264,246,738	\$ 42,350,453	\$ 34,670,392	\$ 27,618,995	\$ 5,291,422	\$ -	\$ -
	Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-	-
	Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	10,000,000	2,422,764	-	-	-
	Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	3,820,000	-	3,662,070	-	-
	Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	19,370,000	25,750,208	897,125	-	-
	Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	215,549	-	582,715	-	-
	Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	28,040	-	362,424	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-	-
Revision #20 09-Sep-14	Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-	-
	Total	\$ 480,622,508	\$ 374,178,000	\$ 187,089,000	\$ 187,089,000	\$ 264,246,738	\$ 42,350,453	\$ 33,903,503	\$ 28,172,972	\$ 5,504,335	\$ -	\$ -
	Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-	-
	Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	10,000,000	2,422,764	-	-	-
	Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	3,820,000	-	3,662,070	-	-
	Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	9,600,000	24,000,000	12,417,333	-	-
	Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	215,549	-	582,715	-	-
	Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	85,430	-	305,033.82	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-	-
	Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-	-
		\$ 480,622,508	\$ 374,178,000	\$ 187,089,000	\$ 187,089,000	\$ 264,246,738	\$ 42,350,453	\$ 24,190,893	\$ 26,422,764	\$ 16,967,153	\$ -	\$ -

Table 1

## Schedule B during the Fiscal Year 2014/15 (As of March 31, 2015) - continued

Project	Estimated Project Cost	Shareable Project Cost	Agreement Contribution		Breakdown of Expenditures					
			Federal	Provincial	Previous	2013/14	2014/15	2015/16	2016/17	Future
<b>Revision #21</b> 16-Sep-14										
Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -
Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-
Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	10,000,000	2,422,764	-	-
Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-
Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	1,053,409	2,766,591	3,662,070	-
Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	9,600,000	24,000,000	12,417,333	-
Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	215,550	-	582,715	-
Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	85,430	-	305,033.82	-
Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-
Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-
<b>Total</b>	<b>\$ 480,622,508</b>	<b>\$ 374,178,000</b>	<b>\$ 187,089,000</b>	<b>\$ 187,089,000</b>	<b>\$ 264,246,738</b>	<b>\$ 42,350,453</b>	<b>\$ -</b>	<b>\$ 29,189,355</b>	<b>\$ 16,967,152</b>	<b>\$ -</b>
<b>Revision #22</b> 16-Dec-14										
Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -
Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-
Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	12,400,000	22,764	-	-
Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-
Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	1,053,409	2,766,591	3,662,070	-
Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	6,050,000	27,550,000	12,417,333	-
Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	-	215,550	582,715	-
Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	85,430	-	305,033.82	-
Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-
Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-
<b>Total</b>	<b>\$ 480,622,508</b>	<b>\$ 374,178,000</b>	<b>\$ 187,089,000</b>	<b>\$ 187,089,000</b>	<b>\$ 264,246,738</b>	<b>\$ 42,350,453</b>	<b>\$ 20,058,753</b>	<b>\$ 30,554,904</b>	<b>\$ 16,967,152</b>	<b>\$ -</b>
<b>Revision #23</b> 04-Feb-15										
Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -
Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-
Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	12,422,764	-	-	-
Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-
Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	1,473,364	2,346,636	3,662,070	-
Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	6,093,891	27,506,109	12,417,333	-
Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	-	215,550	582,715	-
Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	85,430	-	305,034	-
Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-
Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-
<b>Total</b>	<b>\$ 480,622,508</b>	<b>\$ 374,178,000</b>	<b>\$ 187,089,000</b>	<b>\$ 187,089,000</b>	<b>\$ 264,246,738</b>	<b>\$ 42,350,453</b>	<b>\$ 20,545,362</b>	<b>\$ 30,068,295</b>	<b>\$ 16,967,152</b>	<b>\$ -</b>

## Schedule B during the Fiscal Year 2014/15 (As of March 31, 2014) - continued

Revision #24 16-Mar-15	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Previous	Breakdown of Expenditures				
				Federal	Provincial		2013/14	2014/15	2015/16	2016/17	Future
	Highway 1: Brake Check to Yoho National Park	\$ 63,484,524	\$ 56,681,188	\$ 28,340,594	\$ 28,340,594	\$ 56,681,189	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	55,954,306	46,286,113	23,143,057	23,143,057	41,035,405	4,780,794	469,914	-	-	-
	Highway 1: Monte Creek to Pritchard	49,020,000	33,400,000	16,700,000	16,700,000	11,512,635	9,464,601	12,422,764	-	-	-
	Highway 97A: Larkin Road to Crozier Road	27,630,134	19,935,537	9,967,768	9,967,768	19,935,537	-	-	-	-	-
	Highway 97: Winfield to Oyama	75,248,547	53,659,948	26,829,974	26,829,974	30,571,215	15,606,663	1,473,364	2,346,636	3,662,070	-
	Highway 1: Pritchard to Hoffman's Bluff	61,605,062	53,800,000	26,900,000	26,900,000	2,331,825	5,450,842	7,027,178	26,572,822	12,417,333	-
	Highway 1: Clanwilliam O/H Replacement	27,943,087	24,053,211	12,026,606	12,026,606	21,728,252	1,526,695	-	215,550	582,715	-
	Highway 1: Donald Bridge and O/H Replacement	59,364,091	51,088,002	25,544,001	25,544,001	47,418,316	3,279,223	85,430	-	305,034	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	18,572,757	13,320,000	6,660,000	6,660,000	13,320,000	-	-	-	-	-
	Highway 97: Westside Road Interchange	41,800,000	21,954,000	10,977,000	10,977,000	19,712,366	2,241,634	-	-	-	-
	Total	\$ 480,622,508	\$ 374,178,000	\$ 187,089,000	\$ 187,089,000	\$ 264,246,738	\$ 42,350,453	\$ 21,478,649	\$ 29,135,008	\$ 16,967,152	\$ -

Table 2

## Statement of Changes for "Schedule B" during the Fiscal Year 2013/14 (as of March 31, 2014)

Project		Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures					
				Federal	Provincial	Previous	2013/14	2014/15	2015/16	2016/17	Future
Revision #18 to Revision #19	Highway 1: Brake Check to Yoho National Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	-	-	-	-	-	-	-	-	-	-
Revision #19 to Revision #20	Highway 1: Monte Creek to Pritchard	-	-	-	-	-	-	2,414,238	(2,414,238)	-	-
	Highway 97A: Larkin Road to Crozier Road	-	-	-	-	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	-	-	-	-	-	-	(135,909)	-	135,909	-
	Highway 1: Pritchard to Hoffman's Bluff	-	-	-	-	-	-	(2,968,211)	2,968,215	(4)	-
	Highway 1: Clanwilliam O/H Replacement	-	-	-	-	-	-	65,549	-	(65,549)	-
	Highway 1: Donald Bridge and O/H Replacement	-	-	-	-	-	-	(142,556)	-	142,556	-
	Hwy 97A: PleasantValley Cross Rd to Lansdowne Rd	-	-	-	-	-	-	-	-	-	-
	Highway 97: Westside Road Interchange	-	-	-	-	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (766,889)	\$ 553,977	\$ 212,912	\$ -	-
	Highway 1: Brake Check to Yoho National Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Revision #20 to Revision #21	Highway 1: Golden Hill to West Portal	-	-	-	-	-	-	-	-	-	-
	Highway 1: Monte Creek to Pritchard	-	-	-	-	-	-	-	-	-	-
	Highway 97A: Larkin Road to Crozier Road	-	-	-	-	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	-	-	-	-	-	-	-	-	-	-
	Highway 1: Pritchard to Hoffman's Bluff	-	-	-	-	-	-	(2,766,591)	2,766,591	-	-
	Highway 1: Clanwilliam O/H Replacement	-	-	-	-	-	-	1	-	(1)	-
	Highway 1: Donald Bridge and O/H Replacement	-	-	-	-	-	-	-	-	-	-
	Hwy 97A: PleasantValley Cross Rd to Lansdowne Rd	-	-	-	-	-	-	-	-	-	0
	Highway 97: Westside Road Interchange	-	-	-	-	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,766,590)	\$ 2,766,591	\$ (1)	\$ -	-0

# Statement of Changes for "Schedule B" during the Fiscal Year 2013/14 (as of March 31, 2014) - continued

Revision #	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Previous	Breakdown of Expenditures					
				Federal	Provincial		2013/14	2014/15	2015/16	2016/17	Future	
Revision #21 to Revision #22	Highway 1: Brake Check to Yoho National Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Monte Creek to Pritchard	-	-	-	-	-	-	2,400,000	(2,400,000)	-	-	-
	Highway 97A: Larkin Road to Crozier Road	-	-	-	-	-	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Pritchard to Hoffman's Bluff	-	-	-	-	-	-	(3,550,000)	3,550,000	-	-	-
	Highway 1: Clanwilliam O/H Replacement	-	-	-	-	-	-	(215,550)	215,550	-	-	-
	Highway 1: Donald Bridge and O/H Replacement	-	-	-	-	-	-	-	-	-	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	-	-	-	-	-	-	-	-	-	-	-
	Highway 97: Westside Road Interchange	-	-	-	-	-	-	-	-	-	-	-
Revision #22 to Revision #23	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,365,550)	\$ 1,365,550	\$ -	\$ -	\$ -
	Highway 1: Brake Check to Yoho National Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Monte Creek to Pritchard	-	-	-	-	-	-	-	-	-	-	-
	Highway 97A: Larkin Road to Crozier Road	-	-	-	-	-	-	22,764	(22,764)	-	-	-
	Highway 97: Winfield to Oyama	-	-	-	-	-	-	-	-	-	-	-
	Highway 97: Pritchard to Hoffman's Bluff	-	-	-	-	-	-	419,954	(419,954)	-	-	-
	Highway 1: Clanwilliam O/H Replacement	-	-	-	-	-	-	43,891	(43,891)	-	-	-
	Highway 1: Donald Bridge and O/H Replacement	-	-	-	-	-	-	-	-	-	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	-	-	-	-	-	-	-	-	-	-	-
Revision #23 to Revision #24w	Highway 97: Westside Road Interchange	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,609	\$ (486,609)	\$ -	\$ -	\$ -
	Highway 1: Brake Check to Yoho National Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Highway 1: Golden Hill to West Portal	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Monte Creek to Pritchard	-	-	-	-	-	-	-	-	-	-	-
	Highway 97A: Larkin Road to Crozier Road	-	-	-	-	-	-	-	-	-	-	-
	Highway 97: Winfield to Oyama	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Pritchard to Hoffman's Bluff	-	-	-	-	-	-	933,286	(933,286)	-	-	-
	Highway 1: Clanwilliam O/H Replacement	-	-	-	-	-	-	-	-	-	-	-
	Highway 1: Donald Bridge and O/H Replacement	-	-	-	-	-	-	-	-	-	-	-
	Hwy 97A: Pleasant Valley Cross Rd to Lansdowne Rd	-	-	-	-	-	-	-	-	-	-	-
	Highway 97: Westside Road Interchange	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 933,286	\$ (933,286)	\$ -	\$ -	\$ -



# 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 3).**

## **MAJOR MILESTONES INCLUDE:**

**The "Highway 1: Brake Check to Yoho" and the Highway 1: Golden to West Portal" projects are critical improvements to the Trans-Canada Highway in the Kicking Horse Canyon that are providing a safer and more efficient movement of people and goods on this vital trade route.** The improvements are already also having a positive effect on the environment by reducing vehicle emissions, fuel consumption and enhancing bicycle use. These two completed projects constituted the third phase (of four phases) of construction.

### **For the Highway 1: Monte Creek to Pritchard project:**

- ▶ Phase 1: Completed October 2012.
- ▶ Phase 2: Groundbreaking event – July 29, 2013 and construction started on August 22, 2013.

#### **March 1, 2014 – March 31, 2015**

- ▶ Organic stripping and Grubbing – 100% completed
- ▶ MSE walls for bridge structure – 100% completed
- ▶ Bridge deck concrete pour – 100% completed
- ▶ Sheet pile wall completion – 100% completed
- ▶ Embankment construction for bridge approaches – 100% completed

### **For the Highway 97A: Larkin Road to Crozier Road Project**

- ▶ Project completed on November 8, 2010 and all four lanes were opened to the public.
- ▶ Project has been performing very well and positive feedback has been received from major stakeholders regarding the operation of an interchange with two roundabouts.

- ▶ A Schedule D (Affidavit of Substantial Completion) was submitted to Transport Canada for this project in September 2011 (signed off September 22).

### **For the Highway 97: Winfield to Oyama Project**

- ▶ Completed the project (Summer 2013).
- ▶ Held project opening event (August 2013).
- ▶ Contract for the construction of the complementary Highway 97 Oceola Intersection Improvements was awarded June 3, 2015.
- ▶ A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in August 2013 (signed off August 13).

### **For the Highway 1: Pritchard to Hoffmans Bluff project:**

- ▶ Tendered on BC Bid on March 1, 2013.
- ▶ Construction started on July 17, 2013.
- ▶ Ground breaking Event on July 29, 2013.

#### **April 01, 2014 – April 01, 2015**

- ▶ Frontage road paving, signage, line marking, hydro-seeding – 100% completed.
- ▶ L 100 (Highway 1) type 'D' excavation – 95% complete.
- ▶ Detour construction around Arc site 102 – completed September 2014.

### **For the Highway 1: ClanWilliam Overhead Project**

- ▶ A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

### **For the Highway 1: Donald Bridge and Overhead Replacement**

- ▶ A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

**For the Highway 97A: Pleasant Valley Cross Road  
to Landsdowne Road Project**

- ▶ A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in March 2012 (signed off March 20th). The completed project is now in service and performing very well.

**For the Highway 97: Westside Road  
Interchange Project**

- ▶ Interchange Opened on October 29, 2011.

The following pages of the report entail a series of photographs for the current projects 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 photographs are overviews.

## PROJECT OVERVIEW:

### Highway 1 – Brake Check To Yoho

#### Scope

This project entails upgrading approximately nine kilometres of Highway 1 between Brake Check and Yoho National Park to a four-lane, 100 km/hr design standard, including the replacement of the Mt. Hunter Creek Bridge, concrete median barrier, maximum 4% grade, access consolidation, grade separated structure (underpass) to serve the Wepta/Beaverfoot area, wildlife exclusion fencing and wildlife crossing/passage. A Schedule D (Affidavit of Substantial Completion) was submitted to Transport Canada for this project in August 2012 (signed off August 27, 2012).



MSE Wall Repair Complete – Glenogle 19 June 2014

#### Status

Construction has been completed on the nine kilometre Brake Check to Yoho National Park (Phase 3 East) project, which includes a new 112-metre-long bridge across Mt. Hunter Creek, wildlife crossing structures at Vacation Creek and Glenogle Road and continuous wildlife exclusion fencing and access improvements at Beaverfoot Road in 2011. Final completion was issued to Ledcor CMI Ltd. on October 30, 2011. Traffic has been established at 100 km/hr on the completed four-lane section.



Phase 3 East, western wildlife overpass

#### Issues

There are no outstanding issues

#### Achievements over the past fiscal year

Work was previously completed and the highway was in full operation.

#### Future activities

None planned.



MSE Wall Repair Complete – Glenogle 19 June 2014





**MSE Wall Repair Complete – Palliser South**



**MSE Wall Repair Complete 2014**

## PROJECT OVERVIEW: Highway 1: Golden Hill to West Portal

### Scope

This project entails upgrading approximately 3.8 kilometres of Highway 1 between Golden Hill and West Portal to a four-lane design standard (80 km/hr urban and 100 km/hr rural), including extending a fourth lane through the signals at the west end of Golden and grade separation of the Golden-Donald Upper Road (north)/Golden View Road (south) intersection in the form of an underpass structure that will provide for right-in/right-out movements for the connecting roads, elimination of three at-grade intersections, road network connections, concrete median barrier, maximum 6% grade, wildlife fencing and wildlife passage.

### Status

All four lanes are open to traffic for the entire Golden Hill to West Portal project.

The main construction of the Golden Hill to West Portal (Phase 3 West) was delivered as a design-build project. The contract was issued to Emil Anderson Construction Inc. on December 1, 2009. Substantial completion was issued in December 2011. The work includes grade and horizontal alignment improvements from the intersection of Highway 95 to the entrance to the steep canyon sections of the Kicking Horse Canyon Highway.

This segment also includes installation of an Intelligent Transportation System (ITS). The contract to install two new changeable message signs, install one new variable message sign and refurbish one changeable message sign on an existing structure in the corridor is complete.

In advance of the design-build work, the construction of a fourth lane extension on Golden Hill was completed in 2009 using day labour, the Ministry process for hiring local workers and equipment directly.

A contract to extend the pedestrian/bike trail from Golden Hill to Highway 95 was awarded to Emil Anderson Construction Inc. on July 21, 2011. Construction was completed November, 2011.

The final construction activity of Phase 3 West is a retaining wall structure at the east end of the project.

Warranty work on the Emil Anderson Design-Build Project and Issuance of the Solemn Declaration is scheduled for Fall 2015. A construction contract for completion of the work was tendered and awarded to Dawson Construction Limited July 22, 2013. The full four lanes was opened to traffic in the fall of 2013 and all construction work on the Kilometre 4 Wall project was completed June 30, 2014.

### Issues

A small area of paving completed under the Design/Build contract was repaired under warranty in 2013 and is being monitored. Some minor local areas have continued to show cracking but much less than was evident in 2013. Additional work to repair cracking was carried out in 2014 but over the past year some cracking has reappeared. Emil Anderson and their engineers are working towards a final solution to this issue.

### Achievements over the past fiscal year

The Kilometre-4 Wall and Approaches project was completed June 30, 2014 and all Engineer of Record documents have been completed.



Phase 3 West before



Phase 3 West after



### Future Activities

Warranty work on the Emil Anderson Design-Build Project and Issuance of the Solemn Declaration is scheduled for Fall 2015.

### Photographs of Kilometre-4 Wall and Approaches:



## PROJECT OVERVIEW: Highway 1: Monte Creek to Pritchard

### Scope

- Four laning 10.5 km of Highway 1 between Monte Creek and Pritchard to a 100 km/h standard, including flush medians, wider shoulders and rumble strips.
- Access management improvements include turn slots, deceleration lanes and frontage roads.

### Accomplishments/Milestones Over the Last Fiscal Year (2014/15)

### Phase 1

- Completed October 2012.



### Monte Creek Phase 2

#### Events

- Tendered on BC Bid April 8, 2013.
- Awarded to a contractor (672462 BC Ltd out of Kamloops) in the amount of \$20,649,108.61 on June 21, 2013.
- Construction started on August 22, 2013.
- Groundbreaking Event – July 29, 2013.

#### March 1, 2014 – March 31, 2015

Organic stripping and Grubbing – 100% completed

Type D excavation – 95% completed

Water and Irrigation line installation – 95% completed

MSE walls for bridge structure – 100% completed

Fencing – 95% completed

Access and Drainage work for Kitzels, Drummonds and Posterero 90% completed

Bridge deck concrete pour – 100% completed

Sheet pile wall completion – 100% completed

Box culvert installation – 90% completed

Culvert installation – 90% completed

Embankment construction for bridge approaches – 100% completed

SGSB and 25 mm WGB production and placement on new TCH – 95% completed

#### Expected/Anticipated Activities – April 1, 2015 to September 30, 2015

Access and Drainage work for Kitzels, Drummonds and Posterero completion

Type D excavation completion

Water and Irrigation line completion

Box culvert installation completion

Culvert installation completion

Fencing completion

SGSB and 25 mm WGB production and placement on new TCH – completion

TCH and all side road paving completion

CRB and CMB installation completion

Overall Project Completion

#### Issues

##### Archaeological Monitoring

Due to the unknown nature and extent of the Archaeological and First Nation Monitoring work costs have escalated beyond what was estimated prior to tender. The Archeological Monitoring is a requirement of the Conservation and Heritage Act and the First Nations (Cultural) Monitoring is a requirement of the First Nation Bands. The costs have escalated as the actual depth





Ned's Creek



Rip Rap Slope Stabilization Treatment



Hydro Seed Slope Stabilization Treatment



Looking West Towards New TCH Bridge Structure

of Archaeological Monitoring was much deeper than the anticipated two metres below original ground. Excavations were monitored and artifacts retained to a depth of as much as eight metres below original ground.

### Archaeologically Sensitive Material Screening

While excavating material at approximate station 78, +50 several pieces of ancestral remains (bone fragments) were uncovered. Because of these finds the archaeologist and the local First Nations insisted we screen approximately 1,100 m<sup>3</sup> of material through a 25-mm screen and hand sort the material retained for artifacts. It was determined that this would take several months to complete by hand screening and, therefore, arranged through the Contract to power screen this material. This significantly reduced the time that the site was not available to the Contractor. A small quantity of material remains to be screened.

### Controlled Excavation

The terms of the Alteration Permit, issued by the Archaeological Branch, dictated that the material in archaeological sensitive areas be excavated in 10-cm lifts and the surface inspected between lifts. This requirement significantly impacted approximately 305,000 m<sup>3</sup> of the Type "D" excavation. The above methodology was not defined within the Contract document package and was determined to be a Change to Work and a Ministry Instruction given to the Contractor.

### Kitzel Property

This Contract was tendered prior to finalizing the property agreement with the Kitzel's. At the time of tender, it was understood that the Kitzels wanted all of the Type "D" excavation material from the land that was being purchased by the Ministry to accommodate the Highway construction. After the Contract had been awarded the Ministry learned that the Kitzel's did not want the Type "D" material. This impacted approximately 120,000 m<sup>3</sup> of material which, rather than being hauled relatively short to the Kitzel's property, now had to be hauled to waste locations and embankments up to 3 km away. This is a Change to Work. The Ministry attempted to negotiate a new unit price for this Work; however, a reasonable unit price was not achieved.

### **Type “D” Claim**

The Contractor claimed that all of the surplus material was actually unsuitable, which the Ministry agrees. The disposal of unsuitable material was not addressed in the Special Provisions with regard to payment or which Type D item the unsuitable material was to be paid under.

The Ministry team is in negotiations with the Contractor on a revised unit price.

### **Type “D” Borrow**

The majority of Type D material beneath the granular Type D was silt with a moisture content exceeding the plastic limits, and often the liquid limits, making it unusable for use in embankment construction. The risk of failure of the embankment was considered in the decision to import borrow material that would construct a sound embankment. The shortfall of usable Type D material is estimated at 100,000 m<sup>3</sup> after taking into consideration the usable Type D material used for sub excavation backfilling.

The Ministry attempted to negotiate a new unit price for this work; however a reasonable unit price was not achieved. The Ministry tracked the additional costs incurred by the Contractor under Force Account rates. Based on the final cost and final quantity, a unit rate for the work was established.

### **Archaeological Delay**

The contractor was planning to begin work on this project when their crews got into an archaeological noncompliance issue on the adjacent project. Therefore it was decided that contractor should suspend all works until we could have Jane Warner of the Archaeological Branch come to the site and explain the requirements to everyone. This delay issue has been resolved.

### **Additional Sub-Excavation Requirements**

The areas that required sub excavation were much greater than originally anticipated. The quality of subgrade material did not improve as anticipated. The Engineer of Record was consulted in regard to the expansion of the sub excavation and provided guidelines to the Ministry Representative to incorporate sub excavation in to the Works.



**Double Layer of Lift Asphalt in Existing Four-Laning**



**Completed Sheet Pile Wall**



## PROJECT OVERVIEW: Highway 97A: Larkin Road to Crozier Road

This project entailed upgrading approximately 4.2 kilometres of Highway 97A between Larkin and Crozier Road to a 100 km/hr design standard, including a single diamond interchange between Larkin Road and Otter Lake Road Cross Road, removal of direct highway accesses and associated road network connections.

The project had the following accomplishments:

- ▶ Project completed on November 8, 2010 and all four lanes were opened to the public.
- ▶ Project has been performing very well, with positive feedback from major stakeholders regarding the operation of an interchange with two roundabouts.
- ▶ The contractor accepted the final quantities and no construction claims.
- ▶ A Schedule D (Affidavit of Substantial Completion) was submitted to Transport Canada for this project in September 2011 (signed off September 22).

**The following photographs are of the project before construction:**









The following photographs are of the project during construction:





The following photographs are of the completed project:







## PROJECT OVERVIEW: Highway 97: Winfield to Oyama

This project entailed upgrading approximately nine kilometres of Highway 97 between Winfield to Oyama, through the construction of a new four-lane, in-land alignment, including associated road-network connections. A Schedule D (Affidavit of Completion) was submitted to Transport Canada for the larger Phase 1 of this project in August 2013 (signed off August 13).

### STATUS: FISCAL YEAR 2014/15

#### Accomplishments/Milestones (to March 31, 2015):

- Design and property acquisition completed for the Highway 97 Oceola Intersection Improvements (2nd Phase of Winfield to Oyama project).
- Ongoing negotiations of final quantities with the Contractor.

#### Expected Activities (Next Six Months):

- Construction of Highway 97 Oceola Intersection Improvements (contract was awarded on June 3, 2015).
- Agreement of Phase 1 final quantities with the contractor.
- Design and tender the Highway 97 Pelme wash Viewpoint.

#### Issues from the last year:

- Negotiation and settlement of Phase 1 blasting claims (now resolved).

The following photographs are a representation of the project before initiation and during construction, of the now fully functional and operational first phase (Phase 1).

#### BEFORE





DURING: 2011/12 Photographs



DURING: 2012/13 photographs



After Completion/Opening (August 17, 2013)





## Construction Activities of Phase 2



## PROJECT OVERVIEW: Highway 1: Pritchard to Hoffman's Bluff

### Scope

This project entails upgrading 6.1 kilometres of Highway 1 between Pritchard to Hoffman's Bluff, including Hoffman's Bluff itself, to a four-lane, 100 km/h design standard, including access management and frontage roads.

### Events

- ▶ Tendered on BC Bid March 1, 2013.
- ▶ Awarded to 672462 BC Ltd out of Kamloops in the amount of \$7,533,939.61 on May 13, 2013.
- ▶ Construction started on July 17, 2013.
- ▶ Ground breaking event – July 29, 2013.

### April 01, 2014 – April 01, 2015

- ▶ Frontage road paving, signage, line marking, hydro-seeding – 100% completed.
- ▶ L 100 (Highway 1) type 'D' excavation – 95% complete.
- ▶ Detour construction around Arc site 102 – completed September 2014.
- ▶ Bottom lift paving of L 100 eastbound lanes by September 2014 – Traffic switched over to south two lanes.
- ▶ Drainage works on L 100 – 90% complete.
- ▶ Pulverize old existing north two lanes from 100+00 to East L.O.C 127+30.
- ▶ Grade construction and bottom life paving of north two lanes from 110+00 to East L.O.C 127+30.
- ▶ Harper Creek realignment 100% completed, including construction of box culvert and CP Rail headwall around steel pipes and concrete flume.
- ▶ Site 102 archeological mitigation work completed end of October 2015.

### Expected/Anticipated Activities – April 01, 2015 to June 30, 2015

- ▶ Construction and paving of south side two lanes at the old archeological site 102, and at the west tie-in at 99+00.
- ▶ Moving traffic to south side two new lanes from 110+00 to 99+00.
- ▶ Complete ditching and drainage works on the north side existing lanes from 99+00 to 110+00.
- ▶ Pulverize the existing north two lanes from 99+00 to 110+00.
- ▶ Grade constriction and bottom lift paving the existing north two lanes from 99+00 to 110+00.
- ▶ Top lift paving of all four lanes from west L.O.C 99+00 to east L.O.C 127+30.
- ▶ Line marking and signage for the newly paved four lanes.
- ▶ Placement of CRB and island curbs for the new four lanes.
- ▶ Energize electrical works at the L 100/L 200 intersection.
- ▶ Final hydro seeding of cut slopes on north side of L 100.

### Issues

- ▶ Significant archeological finds have delayed construction and increased costs. Some archeological finds dated 9,000 years old.
- ▶ Contract completion date extended to June 30, 2015, because of delays due to ARC site 102 finds and utility delays.
- ▶ Notice of claim from contractor has been submitted regarding archeological, clearing, grubbing works, delay in utility relocates and Harper Creek change for CPR works.

## Photographs



Frontage road paving, signage, line marking, hydro seeding



Detour around archeological site 102



Bottom lift paving of L100 EB lanes



Drainage works on L100





Pulverized old existing WB lanes from 110+00 to East LOC 127+30



Grade construction and bottom lift paving of northbound lanes

Harper Creek alignment, including construction of box culvert, CP Rail headwall around steel pipes and concrete flume.





Site 102 additional  
archeological  
mitigation work

## PROJECT OVERVIEW: Highway 1: ClanWilliam Overhead

This project entails replacing the existing ClanWilliam Overhead (10 kilometres west of Revelstoke) with a new four-lane structure and approximately 2.3 kilometres of four-laning to a 100 km/hr design standard.

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

### Accomplishments/Milestones: Fiscal Year End 2013/14:

- ▶ The project was completed May 30, 2013 and there were no activities in 2014/15.
- ▶ All deficiencies have been addressed.
- ▶ Project placed in service and handed over to the district.
- ▶ Environmental compensation works have been completed.
- ▶ Final as built drawings are completed.

### PRE-CONSTRUCTION PHOTOS

#### Overhead East Approach



Overhead from side looking West



Overhead West Approach



Tonkawatla Pullout looking west





Tonkawatla Pullout looking east



West end looking east



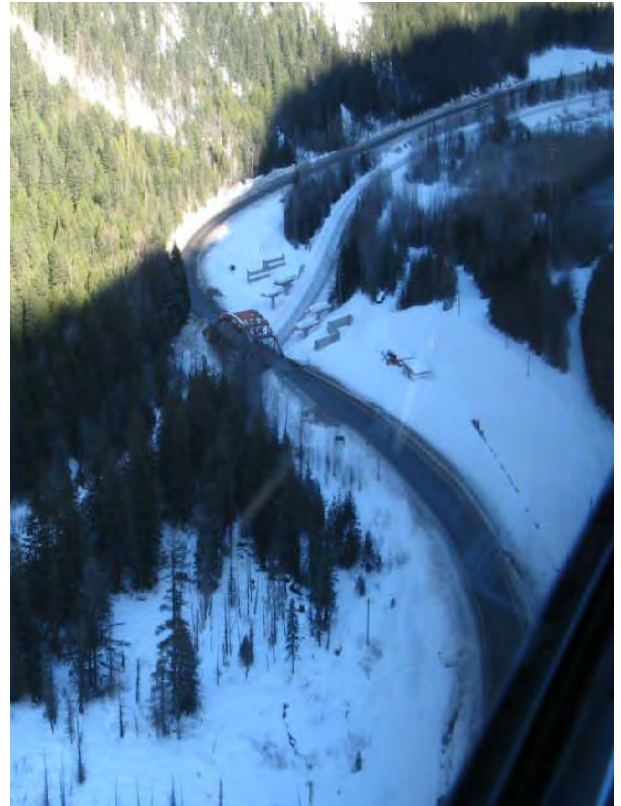


## DURING CONSTRUCTION PHOTOS

Photographs to March 31, 2012









## Photographs Nearing Completion and Upon Completion



Completed by the rails



Completed structure

## PROJECT OVERVIEW: Highway 1: Donald Bridge and Overhead Replacement

### Scope:

This project entails replacing the existing Donald Bridge with a new four-lane structure, replacing the existing CPR Overhead with a new structure and approximately 4.0 kilometres of four-laning to a 100 km/hr design standard.

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in July 2013 (signed off July 19, 2013).

### Fiscal Year 2013/14 Accomplishments:

- ▶ Project Completed May 30, 2013.
- ▶ All deficiencies have been addressed.
- ▶ Project placed in service and handed over to the district.
- ▶ Project is fully complete and the only activity this year was a commitment to conduct post construction water well testing for a property owner. This commitment was fulfilled in March 2015.
- ▶ Environmental compensation works have been completed.
- ▶ Final as built drawings have been completed.

### PHOTOS BEFORE AND DURING CONSTRUCTION:

#### Before Pictures:





## 2011/12 Photographs









## CURRENT AND COMPLETION PHOTOGRAPHS

### Underway- Nearing Completion





Upon completion





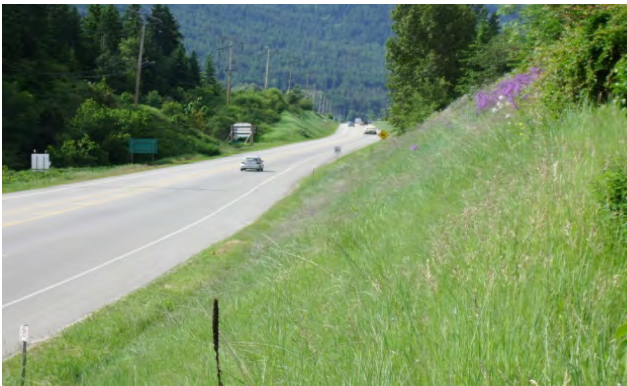
## Recognition



Another joint Federal-Provincial project successfully delivered.



## PROJECT OVERVIEW: Highway 97A: Pleasant Valley Cross Road to Lansdowne Road



### Scope

This project entails upgrading approximately four kilometres of Highway 97A from Pleasant Valley Cross Road to Lansdowne Road to a four-lane design standard, including upgrading five intersections (left turn bays and deceleration/acceleration tapers) and a “protected tee” intersection at Smith Road.

### Status

A Schedule D (Affidavit of Completion) was submitted to Transport Canada for this project in March 2012 (signed off March 20). The completed project is now in service and performing very well.

### Photographs

The following photographs are of the project before construction:







The following photographs are of the project during construction.











The following photographs are of the project upon completion.









October 18, 2011 Official Opening Event – November 10, 2011 – MLA George Abbott, MP Collin Mayes, Mayor of Spallumcheen and acting Mayor of Armstrong attended the opening event.



## PROJECT OVERVIEW: Highway 97: Westside Road Interchange

### Scope

This project entails replacing existing at-grade intersection of Westside Road and Highway 97 with a grade-separated interchange and associated road network connections.

### Milestones

- ▶ Walk through of project was done on April 11, 2013 and the District has assumed responsibility for maintenance of Highway 97, interchange ramps and roundabout as of April 12, 2013.
- ▶ Nancee Way Road opened to public on April 20, 2013.
- ▶ Wall "A" remediation works completed on April 22, 2013.
- ▶ Louie Access Road construction completed on June 30, 2013.
- ▶ Project completion – July 2013.
- ▶ Schedule D (Solemn Declaration) submitted to Transport Canada in September 2013.

### Photographs

The following photographs are of the project during construction and substantial completion:



Aerial view of Nancee Way Overpass construction – April 18, 2012



Nancee girder installation underway Sept 25 2012



Nancee deck, placing completed, curing operations underway  
Oct 15 2012



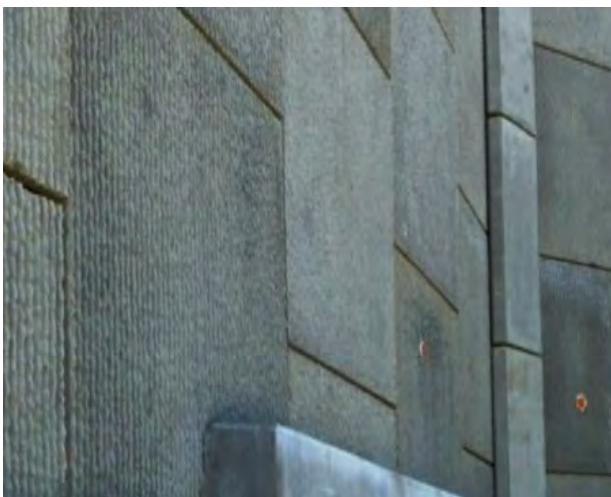
Highway 97 north of WR Underpass paving, barriers, lines  
complete Oct 2012



Nancee Way opens to public traffic at 11:30 a.m.;  
April 20, 2013



Highway 97 barriers installed, line painting completed Dec  
06 2012. (Nancee Way Overpass shown at top third of photo)



MSE Wall A repairs now completed and backfilled;  
April 22, 2013



## Communication Activities Completed During Fiscal Year

There were no communication events or news releases for this program during the 2014/15 fiscal year.

# A Year-end Summary Table of Expenditures Under the Agreement

Please refer to Table 3 for complete details on year-end expenditures against existing contracts, as of March 31, 2014, for each of the respective milestones:

► **Highway 1: Brake Check to Yoho National Park**

15 contracts have been established for a total cost of \$56,681,188.46. A total of \$56,681,188.46 has been expended against these 15 contracts (100% of the existing contracts).

► **Highway 1: Golden Hill to West Portal**

26 contracts have been established for a total cost of \$46,286,113.08. A total of \$46,286,113.08 has been expended against these 26 contracts (100% of the existing contracts).

► **Highway 1: Monte Creek to Pritchard**

16 contracts have been established for a total cost of \$33,400,000. A total of \$33,400,000 has been expended against these 16 contracts (100% of the existing contracts).

► **Highway 97A: Larkin Road to Crozier Road**

10 contracts have been established for a total cost of \$19,935,536.97. A total of \$19,935,536.97 has been expended against these 10 contracts (100% of the existing contracts).

► **Highway 97: Winfield to Oyama**

21 contracts have been established for a total cost of \$53,659,947.92. A total of \$47,651,241.26 has been expended against these 21 contracts (88.80% of the existing contracts).

► **Highway 1: Pritchard to Hoffman's Bluff**

26 contracts have been established for a total cost of \$53,800,000. A total of \$14,809,844.57 has been expended against these 26 contracts (27.53% of the existing contracts).

► **Highway 1: Clanwilliam Overhead Replacement**

15 contracts have been established for a total cost of \$24,053,211.46. A total of \$23,254,946.99 has been expended against these 15 contracts (96.68% of the existing contracts).

► **Highway 1: Donald Bridge and Overhead Replacement**

20 contracts have been established for a total cost of \$51,088,002.26. A total of \$50,782,968.44 has been expended against these 20 contracts (99.40% of the existing contracts).

► **Highway 97A: Pleasant Valley Cross Road to Lansdowne Road**

Seven contracts have been established for a total cost of \$13,319,999.94. A total of \$13,319,999.94 has been expended against these seven contracts (100% of the existing contracts).

► **Highway 97: Westside Road Interchange**

Four contracts have been established for a total cost of \$21,954,000. A total of \$21,954,000 has been expended against these four contracts (100% of the existing contracts).

Overall, as of the end of the fiscal year 2014/15, 160 contracts, corresponding to the 10 projects, had been established on the on-line Transport Canada **Surface Infrastructure System (SIS)** administration system for a total cost of \$374,178,000, out of a SIS-active sharable cost of \$374,178,000. A total of \$328,075,839.58 has been expended against these 160 contracts (87.68% of the existing value of the 160 contracts), with \$21,478,649 claimed in the 2014/15 Fiscal Year.



# CANADA-BRITISH COLUMBIA BUILDING CANADA FUND CORE NATIONAL HIGHWAY SYSTEM – 2008-2009/2016-2017

## Schedule of Detailed Expenditure Claims for the Year Ended March 31, 2015

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2013/14 (\$)
1.1	<b>Hwy1: Brake Check to Yoho National Park</b>		
	<b>Subtotal</b>		–
1.2	<b>Hwy 1: Golden Hill to West Portal</b>		
	Construction supervision	22592_Field_Serv	30,000.00
	4 km grading, paving and finishing	22592MJ0009	439,913.64
	<b>Subtotal</b>		<b>469,913.64</b>
1.3	<b>Hwy 1: Monte Creek to Pritchard</b>		
	Bridge-in-plant quality assurance	21931_Bridge	1,837.50
	Construction cameras	21931_Const_Cam	475.87
	Various engineering services	21931_Engineer	68,021.69
	Various environmental services	21931_Environ	4,939.12
	Construction supervision	21931_Field_Services	850,000.00
	Miscellaneous construction	21931_Misc_Con	11,485.22
	Utilities and signage	21931_Util_Signage	147.75
	Phase 2 – grading, paving and bridge	21931MJ0002	10,368,533.81
	Archaeological services	254LA0088	129,872.43
	Archaeological mitigation services	254LA0228	965,705.47
	Engineering for water supply and distribution	256CS0881	21,745.00
	<b>Subtotal</b>		<b>12,422,763.86</b>
1.4	<b>Hwy 97A: Larkin Road to Crozier Road</b>		
	<b>Subtotal</b>		–
1.5	<b>Hwy 97: Winfield to Oyama</b>		
	Construction cameras	11763OP0001	3,604.05
	Annual audit costs	13-14 Audit	16,000.00
	Archaeological services	21347_Arch_Analysis	285,167.50
	Various environmental services	21347_Environ	51,948.03
	Construction supervision	21347_Field_Serv	275,000.00
	Aboriginal consultant/accommodation costs	21347_FN	21,541.16
	Various geotechnical services	21347_Geotech	20,341.54
	Miscellaneous construction	21347_Misc_Constr	27,875.82
	Utilities and signage	21347_Util_Signage	27,064.96
	Four-laning Winfield to Oyama	21347MJ0001	491,645.18
	Engineering services	256CS0851	170,306.50
	Road safety audit	256CS1070	12,008.40
	Design services	256CS1109	30,978.75
	Archaeological services	256CS1204	39,881.76
	<b>Subtotal</b>		<b>1,473,363.65</b>

Table 3 (continued)

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2013/14 (\$)
1.6	<b>Hwy 1: Pritchard to Hoffman's Bluff</b>		
	Construction webcams	21930_Const_Web_Cams	12,400.00
	Relocation of Harper Creek and replacement of culverts	21930_CPR	534,053.39
	Various environmental services	21930_Environ	32,381.25
	Construction supervision	21930_Field_Serv	630,000.00
	Aboriginal consultation/accommodation costs	21930_FN	10,377.33
	Miscellaneous construction	21930_Misc_Construction	88,304.57
	Archaeological assessments/services and geotech drilling	21930_Other_FN	145,643.30
	Utilities and signage	21930_Util_Signage	14,793.70
	Phase 1 construction	21930MJ0001	2,958,233.94
	Various engineering services	21930_Engin	72,002.09
	Off-reserve archaeological services	254LA0089	69,708.94
	On-reserve archaeological services	254LA0091	51,104.91
	Archaeological mitigation services	254LA0221	1,258,317.73
	Off-reserve archaeological mitigation services	254LA0227	130,132.29
	Site preparation	254LA0230	216,439.98
	Functional and detailed design	256CS0829	653,777.56
	General engineering	256CS1182	80,097.79
	Pavement marking	PMSA-SAOK-R3	8,559.67
	Drainage barrier and pipe supplies	S493984	60,849.11
	<b>Subtotal</b>		<b>5,450,842</b>
1.7	<b>Hwy 1: Clanwilliam Overhead Replacement</b>		
	<b>Subtotal</b>		<b>–</b>
1.8	<b>Hwy 1: Donald Bridge and Overhead Replacement</b>		
	Donald Bridge monument	21754_Monument	85,429.94
	<b>Subtotal</b>		<b>85,429.94</b>
1.9	<b>Hwy 97A: Pleasant Valley Cross Road to Landsdowne Road</b>		
	<b>Subtotal</b>		<b>–</b>
1.10	<b>Hwy 97A: Westside Road Interchange</b>		
	<b>Subtotal</b>		<b>–</b>
	<b>TOTAL</b>		<b>21,478,648.64</b>



# 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**.

As per Page 2 (Appendix E) – Financial Audit Findings and Recommendations – Canada – British Columbia Agreements it is stated<sup>2</sup>:

- ▶ There are no adjusted audit differences for the period ended March 31, 2015; and
- ▶ There are no unadjusted audit differences for the period ended March 31, 2015.

<sup>2</sup> See the back of the comprehensive, “Canada – British Columbia Agreements: Report to Management Committee – Audit Findings Report: On March 31, 2015: Schedule of Detailed Expenditures Claims”.

Please note that this comprehensive Annual Audit includes opinions on: (1) This cost-sharing Federal-Provincial Agreement: Building Canada Fund; and (2) Canada –British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72nd Avenue Interchange Project 2013-2014/2015-2016.

CANADA - BRITISH COLUMBIA BUILDING CANADA FUND  
CORE NATIONAL HIGHWAY SYSTEM  
2008-2009 / 2016-2017

Schedule of Detailed Expenditure Claims  
For the Year Ended March 31, 2015

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2014/15 (\$)
<b>1.1</b>	<b>Hwy 1: Brake Check to Yoho National Park</b>		
	<b>Sub-total</b>		<b>0.00</b>
<b>1.2</b>	<b>Hwy 1: Golden Hill to West Portal</b>		
	Construction supervision	22592_Field_Serv	30,000.00
	4km grading, paving and finishing	22592MJ0009	439,913.64
	<b>Sub-total</b>		<b>469,913.64</b>
<b>1.3</b>	<b>Hwy 1: Monte Creek to Pritchard</b>		
	Bridge-in-place quality assurance	21931_Bridge	1,837.50
	Construction cameras	21931_Const_Cam	475.87
	Various engineering services	21931_Engineer	68,021.69
	Various environmental services	21931_Environ	4,939.12
	Construction supervision	21931_Field_Services	850,000.00
	Miscellaneous construction	21931_Misc_Const	11,485.22
	Utilities and signage	21931_Util_Signage	147.75
	Phase 2 - grading, paving and bridge	21931MJ0002	10,368,533.81
	Archaeological services	254LA0088	129,872.43
	Archaeological mitigation services	254LA0228	965,705.47
	Engineering for water supply and distribution	256CS0881	21,745.00
	<b>Sub-total</b>		<b>12,422,763.86</b>
<b>1.4</b>	<b>Hwy 97A: Larkin Road to Crozier Road</b>		
	<b>Sub-total</b>		<b>0.00</b>
<b>1.5</b>	<b>Hwy 97: Winfield to Oyama</b>		
	Construction cameras	11763OP0001	3,604.05
	Annual audit costs	13-14 Audit	16,000.00
	Archaeological services	21347_Arch_Analysis	285,167.50
	Various environmental services	21347_Environ	51,948.03
	Construction supervision	21347_Field_Services	275,000.00
	Aboriginal consultation/accommodation costs	21347_FN	21,541.16
	Various geotechnical services	21347_Geotech	20,341.54
	Miscellaneous construction	21347_Misc_Constr	27,875.82
	Utilities and signage	21347_Util_Signage	27,064.96
	Four laning Winfield to Oyama	21347MJ0001	491,645.18
	Engineering services	256CS0851	170,306.50
	Road safety audit	256CS1070	12,008.40
	Design services	256CS1109	30,978.75
	Archaeological services	256CS1204	39,881.76
	<b>Sub-total</b>		<b>1,473,363.65</b>



CANADA - BRITISH COLUMBIA BUILDING CANADA FUND  
CORE NATIONAL HIGHWAY SYSTEM  
2008-2009 / 2016-2017

Schedule of Detailed Expenditure Claims  
For the Year Ended March 31, 2015

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2014/15 (\$)
<b>1.6</b>	<b>Hwy 1: Pritchard to Hoffman's Bluff</b>		
	Construction webcams	21930_Const_Web_Cams	12,400.00
	Relocation of Harper Creek and replacement of culverts	21930_CPR	534,053.39
	Various environmental services	21930_Environ	32,381.25
	Construction supervision	21930_Field_Serv	630,000.00
	Aboriginal consultation/accommodation costs	21930_FN	10,377.33
	Miscellaneous construction	21930_Misc_Construction	88,304.57
	Archaeological assessments/services and geotech drilling	21930_Other_FN	145,643.30
	Utilities and signage	21930_Util_Signage	14,793.70
	Phase 1 construction	21930MJ0001	2,958,233.94
	Various engineering services	21930_Engin	72,002.09
	Off reserve archaeological services	254LA0089	69,708.94
	On reserve archaeological services	254LA0091	51,104.91
	Archaeological mitigation services	254LA0221	1,258,317.73
	Off reserve archaeological mitigation services	254LA0227	130,132.29
	Site preparation	254LA0230	216,439.98
	Functional and detailed design	256CS0829	653,777.56
	General engineering	256CS1182	80,097.79
	Pavement marking	PMSA-SAOK-R3	8,559.67
	Drainage barrier and pipe supplies	S493984	60,849.11
	<b>Sub-total</b>		<b>7,027,177.55</b>
<b>1.7</b>	<b>Hwy 1: ClanWilliam Overhead Replacement</b>		<b>0.00</b>
<b>1.8</b>	<b>Hwy 1: Donald Bridge and Overhead Replacement</b>		
	Donald Bridge monument	21754_Monument	85,429.94
	<b>Sub-total</b>		<b>85,429.94</b>
<b>1.9</b>	<b>Hwy 97A: Pleasant Valley Cross Road to Landsdowne Road</b>		
	<b>Sub-total</b>		<b>0.00</b>
<b>1.10</b>	<b>Hwy 97: Westside Road Interchange</b>		
	<b>Sub-total</b>		<b>0.00</b>
<b>TOTAL</b>			<b>21,478,648.64</b>

Approved by:

  
David Marr  
Executive Director  
Program Development and Monitoring

  
Dave Stewart  
Chief Financial Officer  
Finance and Management Services

**CANADA-BRITISH COLUMBIA  
BUILDING CANADA FUND  
CORE NATIONAL HIGHWAY SYSTEM  
2008-2009 – 2016-2017**

**Notes to the Schedule of Detailed Expenditure Claims  
For the Year Ended March 31, 2015**

**1. Nature of the Agreement**

The Government of Canada and the Province of British Columbia entered into the *Building Canada Fund, Contribution Agreement for Core National Highway System Projects, 2008-2009 – 2016-2017* (“the Agreement”) on July 23, 2010.

The purpose of this Agreement is to build, enhance and modernize public infrastructure in British Columbia through a 50/50 cost sharing agreement for eligible costs to a maximum of \$215.589 million.

**2. Costs**

Eligible Costs:

The Agreement specifies “Eligible Costs” in Schedule A – Eligible and Ineligible Costs, at paragraph A.1. Within certain restrictions, also specified in the Agreement, these include:

- a) *The capital costs of acquiring, constructing or renovating a tangible capital asset, as defined and determined according to accounting principles generally accepted in Canada;*
- b) *The costs of joint communication activities (press releases, press conferences, translation, etc.) and road signage recognition set out in the communication protocol that will form part of the Framework Agreement;*
- c) *All planning (including plans and specifications) and assessment costs specified in the agreement such as the costs of environmental planning, surveying, engineering, construction administration, testing and management consulting services. Canada will contribute no more than 15% of its contribution to this cost;*



- d) *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;*
- e) *Costs related to project-related signage, lighting, project markings and utility adjustments;*
- f) *Costs of aboriginal consultation;*
- g) *The costs of developing and implementing innovative techniques for carrying out the Projects listed in Schedule B;*
- h) *Province of British Columbia audit and evaluation costs as specified in the agreement and;*
- i) *Other costs that, in the opinion of Canada, are considered to be direct and necessary for the successful implementation of the Projects and have been approved in writing prior to being incurred.*

#### Ineligible Costs:

The Agreement specifies “Ineligible Costs” in Schedule A – Eligible and Ineligible Costs, at paragraph A.2. as:

- a) *Costs incurred before the date indicated by the Minister in writing to the Province of British Columbia following the Minister’s approval of any Project listed in Schedule B;*
- b) *Costs incurred after the Agreement completion date;*
- c) *The cost of developing a business case or proposal for funding;*
- d) *The cost of purchasing land and associated real estate and other fees;*
- e) *Financing charges and interest payments on loans;*
- f) *Leasing land, buildings, equipment and other facilities;*
- g) *General repairs and maintenance of a Project work and related structures, unless they are part of a larger capital expansion project tied to capital expansion;*
- h) *Services or works normally provided by the Province of British Columbia, incurred in the course of implementation of the Project, except those specified as Eligible Costs;*
- i) *The cost of any goods and services which are received through donations or in kind;*
- j) *Employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the Province of British Columbia, and more specifically costs relating to services delivered directly by permanent employees of the Province of British Columbia, or of a Crown Corporation or corporation owned and controlled by the Province of British Columbia except as per A.1 i) above or in cases where the Province of British Columbia can demonstrate value for money and that the costs are incremental;*

- k) Provincial sales tax and the Goods and Services Tax for which the Province of British Columbia is eligible for a rebate, and any other costs eligible for rebates; and*
- l) Legal fees.*

### **3. Basis of Accounting and Accounting Policies**

All transactions and financial data relating to the expenditures under this agreement have been accounted for in accordance with Canadian Generally Accepted Accounting Principles.

The Eligible Costs Claimed in 2014/2015 represent the actual value of claims submitted to the Federal Government during the 2014/2015 fiscal year. Canada agrees to pay a contribution to the Province of British Columbia of not more than 50% of the total Eligible Costs, subject to the terms and conditions of the Agreement. Eligible costs claimed in 2013/2014 may include expenditures incurred in fiscal 2008/09, 2009/2010, 2010/11, 2011/12, 2012/13 or 2013/14 that were submitted for reimbursement during fiscal 2014/2015.



## **Canada - British Columbia Agreements**

### **Report to the Management Committee**

#### **Audit Findings Report**

**On the March 31, 2015**

### **Schedule of Detailed Expenditure Claims**

*This communication is prepared solely for the information of the Management Committee and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication. All working papers and files, including reports, created by us during the audit are property of the Office of the Auditor General and are not subject to the Freedom of Information and Protection of Privacy Act.*



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July 27, 2015

David Marr  
BC Provincial Co-chair  
Management Committee  
Ministry of Transportation and Infrastructure  
5<sup>th</sup> Floor, 940 Blanshard Street  
PO Box 9850 Stn Prov Govt  
Victoria, BC V8W 9T5

John Hnatyshyn  
A/Federal Co-chair  
Management Committee  
Transport Canada  
330 Sparks Street  
Place de Ville Tower C  
Ottawa, ON K1A 0N5

Dear Mr. Marr and Mr. Hnatyshyn:

**Re: Final Report to the Management Committee on the Schedule of  
Detailed Expenditure Claims Audit for the Year Ended March 31, 2015**

Our audit of the Schedules of Detailed Expenditure Claims under the Agreements listed in Appendix F for the year ended March 31, 2015, is to a large extent complete and we propose to issue the Auditor General's audit report dated July 23, 2015, on the Schedules of Detailed Expenditure Claims.

We would like to express our thanks to the management and staff of the Ministry of Transportation and Infrastructure who have assisted us in carrying out our work. Please do not hesitate to contact us to discuss the content of this report and any other matters.

Yours truly,

Bill Gilhooly, CPA, CA, PMP  
Assistant Auditor General

CS/mr  
Enclosure

Copy: Nancy Bain, Assistant Deputy Minister and Executive Financial Officer  
Susan Patton, Manager, Divisional Operations  
Kari McKeel, Senior Financial Analyst





## 1.0 EXECUTIVE SUMMARY

This report is presented in order to assist members of the Management Committee (the Committee) in carrying out their responsibilities with respect to their review and approval of the Schedules of Detailed Expenditure Claims of the Agreements listed in Appendix F (Agreements) for the year ended March 31, 2015. The report includes an update on the status of our work, as well as discussion on significant accounting, financial reporting and related auditing issues addressed during the course of our audit.

### *Key issues for discussion*

To assist with your review, we have highlighted areas for discussion below. We are happy to answer any questions you may have at any time.

Discussion item	Summary	Further reference
Audit matters	<p>As a result of our audit, we are able to inform you of the following:</p> <p>There are no significant accounting policy matters that we believe should be brought to the attention of the Committee.</p> <p>We have concluded that management's estimates are reasonable in the context of the Schedules of Detailed Expenditure Claims taken as a whole. We have not noted any other particularly sensitive accounting estimates we believe should be brought to the attention of the committee.</p> <p>We have not identified any sensitive or significant financial statement disclosures that we believe should be brought to the attention of the committee.</p> <p>We conducted our audit substantially in accordance with the audit plan presented to the committee. The results of the risks identified as part of the audit plan are detailed in Section 2.</p>	Section 2
Summary of unadjusted and adjusted items	As a result of our audit, we identified adjusted items for the year ended March 31, 2015.	Section 3 and Appendix C
Fraud	<p>No instances of fraud or suspected fraud were identified as part of our audit procedures.</p> <p>We wish to reconfirm whether the committee is aware of any known, suspected or alleged incidents of fraud.</p>	Section 4

Discussion item	Summary	Further reference
Internal control observations and recommendations	We did not identify any significant internal control deficiencies during our audit, and have no new observations or recommendations. Other matters which arose during the audit were either satisfactorily resolved or were of a relatively insignificant nature.	Section 4
Management representations	We have requested management provide us with a written representation of their responsibilities in connection with our audit. A copy of the draft letter is included in Appendix D.	Appendix D
Confirmation of independence	We confirm that we are not presently aware of any relationship or non-audit services that would impair our independence for the purpose of expressing an opinion on the Schedules of Detailed Expenditure Claims.	Section 4 and Appendix B



## 2.0 AUDIT MATTERS

### *Significant Accounting Policies*

There are no significant accounting policy matters that we believe should be brought to the attention of the Committee.

### *Significant Accounting Estimates*

We have concluded that management's estimates are reasonable in the context of Schedules of Detailed Expenditure Claims taken as a whole. We have not noted any other particularly sensitive accounting estimates we believe should be brought to the attention of the Committee.

### *Results of Risks Identified in our Audit Plan*

We conducted our audit in accordance with the audit plan presented to the committee on February 20, 2015. The results of the risks identified as part of the audit plan are detailed below.

Business risk or audit risk that may result in a risk of material misstatement	Response in Audit Plan	Disposition
<p>Presumed risk of management override of controls – risk of fraud</p> <p>There is a presumption for all entities that there will always be a risk of material misstatement of the financial statements due to fraud or error involving management override of controls.</p>	<ul style="list-style-type: none"> <li>• We will review any significant management estimates.</li> <li>• We will evaluate the business rationale for any significant unusual transactions we identify.</li> <li>• We will incorporate an element of unpredictability in our procedures.</li> </ul>	<p>Our audit procedures did not identify any transactions which would suggest management override of controls.</p>
<p>Ineligible costs may be included in the Province's request for reimbursement</p>	<ul style="list-style-type: none"> <li>• Management will ensure that ineligible costs are not submitted for reimbursement.</li> </ul>	<p>We are satisfied that the Schedule of Detailed Expenditure Claims contains only eligible costs.</p>

Business risk or audit risk that may result in a risk of material misstatement	Response in Audit Plan	Disposition
Costs may be included in the Province's request for reimbursement, which are recoverable from third parties or other programs.	<ul style="list-style-type: none"> <li>Additional procedures will be performed to detect any instances where this has occurred.</li> </ul>	We are satisfied that the Schedule of Detailed Expenditure Claims does not contain costs that have been recovered from third parties or other programs.



### 3.0 SUMMARY OF UNADJUSTED AND ADJUSTED ITEMS

#### *Misstatements and Significant Audit Adjustments*

Misstatements represent audit findings for which we do not agree with the amount, classification, presentation or disclosure of items in the schedules. A misstatement may arise from an error or fraud and other irregularities. An error refers to an unintentional misstatement in financial statements, including an omission of amount or error. Fraud and other irregularities refer to an intentional misstatement in schedules, including an omission of amount or disclosure, or to a misstatement arising from theft of the entity's assets.

In conducting our procedures, we may identify misstatements that require adjustments to the recorded amounts. These audit adjustments are discussed with management who determine if an adjustment should be recorded.

We report that there were adjustments to one of the Schedules of Detailed Claim Expenditure Claims for the year ended March 31, 2015. We have summarized all adjusted differences found during the audit and their impact on the schedules in Appendix C. None of the differences identified were as a result of fraud or other irregularities. Minor matters were discussed with management as noted in our Management Letter in Appendix E.

### 4.0 OTHER MATTERS

#### *Illegal and Fraudulent Acts*

Our enquiries of management and our testing of financial records did not reveal any illegal or possible illegal acts, nor did we find any fraud or suspected fraud. However, improper conduct is usually carefully concealed and, consequently, the probability is not high that our regular audit work, however diligently performed, will bring it to light. Management has also provided us with a written representation that they are not aware of any illegal or possible illegal acts or fraud or suspected fraud. (Appendix D).

#### *Related-Party Transactions*

Testing of financial records and discussions with management did not reveal any significant related-party transactions that were not in the normal course of operations.

#### *Independence*

As external auditors of the Ministry of Transportation and Infrastructure (the Ministry), we are required to be independent in accordance with Canadian professional requirements. These standards require that we disclose to the Committee all relationships that, in our professional judgment, may reasonably be thought to bear on independence. As of July 20, 2015, we are not

aware of any relationships between the Ministry and us that, in our professional judgment, may reasonably be thought to bear on our independence.

### ***Significant Deficiencies in Internal Control***

The responsibility for the design and maintenance of an appropriate system of internal control to provide reasonable assurance that the accounting systems provide timely, accurate and reliable financial information and to safeguard Ministry's assets is part of management's overall responsibility for the day-to-day operations of the Ministry.

As auditors, we obtain a sufficient understanding of internal controls to plan the audit. The understanding includes knowledge about the design of policies and procedures and whether they have been implemented, but does not necessarily extend to evaluating the operating effectiveness of these policies and procedures. We only evaluate, and test, those internal controls on which we plan to rely during our audit.

Our audit is not designed, nor should it be expected, to allow us to provide an opinion on the systems of internal controls.

During our audit, we did not identify any new opportunities for improvements to internal controls.

### ***Our commitment to audit quality***

The mandate of the Auditor General of British Columbia is to provide independent assurance and advice to legislators on government accountability information, governance, operational performance of government and its agencies, and compliance with legislative authorities. Our internal quality assurance system is designed to help ensure that our staff are managing risks relating to our independence, objectivity, credibility, relevance, and capacity.

Our system for quality assurance consists of policies designed to achieve our objectives in relation to quality control, and the procedures necessary to implement and monitor compliance with those policies. A system of quality control is established and maintained, involving our structure, its leadership, the assigned roles and responsibilities, manuals, administrative and personnel policies, and most importantly, our culture.

We believe our values help us achieve both audit quality and audit efficiency. After the audit, we will ask for your feedback on how the audit went and what improvements we can make to our quality assurance processes.



## APPENDIX A: DRAFT INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT

*To the Management Committee of the Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72<sup>nd</sup> Avenue Interchange Project 2013-2014 to 2015-2016*

I have audited the accompanying Ministry of Transportation and Infrastructure's ("the entity") Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Schedule of Detailed Expenditure Claims, for the years ended March 31, 2014 and March 31, 2015, and a summary of significant accounting policies and other explanatory information.

#### ***Management's Responsibility for the Schedule of Detailed Expenditure Claims***

Management is responsible for the preparation of the Schedule of Detailed Expenditure Claims ("the schedule") in accordance with the accounting and eligibility requirements as described in Section 18.2 and Schedule A of the Canada - British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72<sup>nd</sup> Avenue Interchange Project, and for such internal control as management determines is necessary to enable the preparation of 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 of Detailed Expenditure Claims 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 of Detailed Expenditure Claims. 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 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 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.

***Opinion***

In my opinion, the Ministry of Transportation and Infrastructure's Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Schedule of Detailed Expenditure Claims, for the years ended March 31, 2014 and March 31, 2015, is prepared, in all material respects, in accordance with the accounting and eligibility requirements as described in Section 18.2 and Schedule A of the Canada - British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72<sup>nd</sup> Avenue Interchange Project.

*Victoria, British Columbia*  
[date]

Russ Jones, FCPA, FCA  
Deputy Auditor General



## INDEPENDENT AUDITOR'S REPORT

*To the Management Committee of the Canada – British Columbia Building Canada Fund  
Contribution Agreement for Core National Highway System Projects 2008-2009 to 2016-2017*

I have audited the accompanying Ministry of Transportation and Infrastructure's ("the entity") Canada – British Columbia Building Canada Fund Core National Highway System Schedule of Detailed Expenditure Claims, as at March 31, 2015, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Schedule of Detailed Expenditure Claims***

Management is responsible for the preparation of the Schedule of Detailed Expenditure Claims ("the schedule") in accordance with the accounting and eligibility requirements as described in the Building Canada Fund Contribution Agreement for Core National Highway System Projects between Canada and British Columbia, and for such internal control as management determines is necessary to enable the preparation of 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 of Detailed Expenditure Claims 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 of Detailed Expenditure Claims. 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 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 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.

CANADA – BRITISH COLUMBIA AGREEMENTS  
CANADA – BRITISH COLUMBIA BUILDING CANADA FUND  
CONTRIBUTION AGREEMENT FOR CORE NATIONAL HIGHWAY SYSTEM PROJECTS  
Appendix A: Draft Independent Auditor's Report

---

***Opinion***

In my opinion, the Ministry of Transportation and Infrastructure's Schedule of Detailed Expenditure Claims for the Canada – British Columbia Building Canada Fund, Core National Highway System, as at March 31, 2015, is prepared, in all material respects, in accordance with the eligibility and accounting requirements as described in the Canada – British Columbia Building Canada Fund Contribution Agreement for Core National Highway System Projects.

*Victoria, British Columbia*  
[date]

Russ Jones, FCPA, FCA  
Deputy Auditor General



OFFICE OF THE  
**Auditor General**  
of British Columbia



## APPENDIX B: LETTER OF INDEPENDENCE

July 20, 2015

David Marr  
BC Provincial Co-chair  
Management Committee  
Ministry of Transportation and Infrastructure  
5<sup>th</sup> Floor, 940 Blanshard Street  
PO Box 9850 Stn Prov Govt  
Victoria, BC V8W 9T5

John Hnatyshyn  
A/Federal Co-chair  
Management Committee  
Transport Canada  
330 Sparks Street  
Place de Ville Tower C  
Ottawa, ON K1A 0N5

Dear Mr. Marr and Mr. Hnatyshyn:

### **Re: Letter of Independence**

We have been engaged to audit the Schedules of Detailed Expenditure Claims under the Agreements listed in Appendix E for the year ending March 31, 2015.

The intent of this letter is to communicate all relationships between the BC Ministry of Transportation and Infrastructure (the Ministry) and the Office of the Auditor General of British Columbia (the Office) that, in our professional judgment, may reasonably be thought to bear on our independence. In addition, we communicate to you the total fees charged to the entity for non-audit services during the last year.

In determining which relationships to report, we considered the relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family or close relatives, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you and the Management Committee regarding independence matters, since July 30, 2014, the date of our last letter.

In order to establish a framework for the comments that follow, we have summarized the fees paid to the Office for significant professional services for the period July 30, 2014 to July 27, 2015.

Annual audit services	
Professional services and assistance relating to the audit of the financial statements of the BC Transportation Financing Authority.	\$ 60,000
Professional services and assistance relating to the audit of the Schedule of Detailed Expenditure Claims of the Canada - British Columbia Building Canada Fund Agreement for Core National Highway System Projects.	16,000
Professional services and assistance relating to the audit of the Schedule of Detailed Expenditure Claims of the Asia - Pacific Gateway Corridor Transportation Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road.	10,000
Professional services and assistance relating to the audit of the Schedule of Detailed Expenditure Claims of the Canada - British Columbia Asia-Pacific Gateway and Corridor Initiative Transportation Infrastructure Component.	3,000
Professional services and assistance relating to the audit of the Schedule of Detailed Expenditure Claims of the Canada - British Columbia Building Canada Fund: Contribution Agreement for the Evergreen Line Advanced Light Rapid Transit Program.	9,000
<b>Total</b>	<b><u>\$98,000</u></b>

We are not aware of any relationships between the Ministry and us that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred during this period.

Canadian auditing standards require that we confirm our independence to the Management Committee in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia. Accordingly, we hereby confirm that we are independent with respect to the Ministry within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of July 27, 2015.

This report is intended solely for the use of the Management Committee, management and others within the Ministry and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions the audit committee may have regarding our independence.

Yours truly,



Bill Gilhooly, CPA, CA, PMP  
Assistant Auditor General

CS/mr  
Enclosure





## APPENDIX C: SUMMARY OF AUDIT DIFFERENCES

### Canada – British Columbia Building Canada Fund Core National Highway System 2008-2009 / 2016-2017

There are no unadjusted or adjusted audit differences for the period ended March 31, 2015.

### Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund 2013-2014 / 2015-2016

#### SUMMARY OF ADJUSTED AUDIT DIFFERENCES

	Overstatement (understatement) of:
Description	Eligible claims
Narrative	
<ul style="list-style-type: none"><li>• Invoice for planning work done prior to the project approval date. MTI has removed this amount in SIS Claim 5.</li></ul>	\$31,262.50
<ul style="list-style-type: none"><li>• Invoice for planning work done prior to the project approval date. MTI has removed this amount in SIS Claim 5.</li></ul>	\$29,887.50
<b>Total</b>	<b>\$61,150.00</b>

There are no unadjusted audit differences for the period ended March 31, 2015.



July 20, 2015

Russ Jones, CPA, FCA  
Deputy Auditor General of British Columbia  
623 Fort Street  
Victoria, BC V8W 1G1

Dear Mr. Jones:

**Re: Management Representation Letter**

We are providing this letter in connection with your audits of the Schedules of Detailed Expenditure Claims (the Schedules) for the *Canada – British Columbia Building Canada Fund Agreement for Core National Highway System Projects 2008-2009 / 2016-2017* and the *Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72<sup>nd</sup> Avenue Interchange Project 2013-2014 / 2015-2016* (the Agreements) for the year then ended March 31, 2015 for the purpose of expressing an opinion as to whether the Schedules present fairly, in all material respects, the eligible costs incurred for work completed under each Agreement.

We acknowledge that your audit is planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express a professional opinion on the Schedule. We understand that while your work includes an examination of the accounting system, internal controls, and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, errors, or other irregularities.

***Management's responsibilities***

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 20, 2015. In particular, we confirm to you the following:

- We are responsible for the preparation of the Schedule in accordance with the Agreement.
- We are responsible for designing, implementing, and maintaining an effective system of internal control over financial reporting, to enable the preparation of the Schedule that are free from material misstatement, whether due to fraud or error. In this regard, we are

responsible for establishing policies and procedures that pertain to the maintenance of accounting systems and records, the authorization of receipts and disbursements, and the safeguarding of assets, and for reporting financial information in accordance with the Agreement.

- We are responsible for complying with legislative and other authorities that govern the Ministry of Transportation and Infrastructure.
- We have provided you with all relevant information and access, as agreed in the terms of the audit engagement.

We confirm the following representations:

***Preparation of the Schedule***

The Schedule includes all disclosures necessary for presentation in accordance with the accounting requirements of the Agreement. In addition, the Schedule has been prepared on a basis consistent with that of the preceding year.

We have appropriately reconciled our books and records (for example, general ledger accounts) underlying the Schedule to their related supporting information (for example, subledger or third party data).

***Internal controls over financial reporting***

We have designed disclosure controls and procedures to ensure that material information related to Ministry of Transportation and Infrastructure, including its consolidated units/subsidiaries, is made known to us by others within those entities.

We have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Schedule for external purposes in accordance with the requirements of the Agreement.

***Disclosure of information***

We have provided you with access to all information of which we are aware that is relevant to the preparation of the Schedule, such as records, documentation, and other matters, including:

- contracts and related data;
- information regarding significant transactions and arrangements that are outside the normal course of business;
- minutes of the meetings of the board of directors, committees of directors, and management;



- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

### ***Completeness of transactions***

- All contractual arrangements entered into by the Ministry of Transportation and Infrastructure with third parties have been properly reflected in the accounting records and/or have been disclosed to you where material (or potentially material) to the Schedule. We have complied with all aspects of contractual agreements that could have a material effect on the Schedule in the event of non-compliance.

### ***Fraud***

We have disclosed to you:

- all information of which we are aware that is related to fraud, or suspected fraud, affecting Ministry of Transportation and Infrastructure and involving management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the Schedule; and
- all information related to any allegations of fraud, or suspected fraud, that could affect the Schedule, and that was communicated by employees, former employees, analysts, regulators, or others.

### ***Compliance with laws and regulations***

We have disclosed to you all aspects of laws, regulations, and contractual agreements that may affect the Schedule, including actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Schedule.

We are not aware of any illegal or possibly illegal acts committed by Ministry's directors, officers, or employees acting on Ministry's behalf.

All transactions of the Ministry have been within its statutory powers and enabling legislation.

### ***Accounting estimates and fair value measurements***

We are responsible for all significant estimates and judgments affecting the Schedule. These include fair value measurements and disclosures. Significant estimates and judgments and their underlying assumptions, methods, procedures, and the source and reliability of supporting data are reasonable, based on applicable requirements of Canadian public sector accounting standards and appropriately disclosed in the Schedule. The procedures and methods used in developing

assumptions, estimates, and judgments are appropriate and have been consistently applied in the periods presented.

***Misstatements detected during the audit***

Certain representations in this letter are described as being limited to those matters that are material. Solely for the purpose of this letter, all errors are considered material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the Schedules are free of material misstatements, including omissions.

We confirm there are no uncorrected misstatements in the schedules of detailed expenditure claims.

Yours truly,



---

Dave Stewart, CFO  
Ministry of Transportation and Infrastructure



---

David Marr, Executive Director, Planning & Programming Branch  
Ministry of Transportation and Infrastructure



OFFICE OF THE  
**Auditor General**  
of British Columbia

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**APPENDIX E: MANAGEMENT LETTER**

July 27, 2015

**VIA E-MAIL**

David Marr  
BC Provincial Co-chair  
Management Committee  
Ministry of Transportation and Infrastructure  
5<sup>th</sup> Floor, 940 Blanshard Street  
PO Box 9850 Stn Prov Govt  
Victoria, BC V8W 9T5

John Hnatyshyn  
A/Federal Co-chair  
Management Committee  
Transport Canada  
330 Sparks Street  
Place de Ville Tower C  
Ottawa, ON K1A 0N5

Dear Mr. Marr and Mr. John Hnatyshyn,

**Re: Financial Audit Findings and Recommendations – Canada – British Columbia  
Agreements**

Our Office has completed the audit of the Schedule of Detailed Expenditure Claims for the year ended March 31, 2015 under:

- *Canada – British Columbia Building Canada Fund Agreement for Core National Highway System Projects 2008/2009 – 2016/2017; and*
- *Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund 2013/2014 – 2015/2016.*

The audit was carried out in accordance with Canadian generally accepted auditing standards. It was not a study designed specifically to determine if internal control is adequate for management's purposes or to identify and disclose defalcations or other irregularities.

We did not identify any new observations or recommendations during our audit. Other matters which arose during the audit were either satisfactorily resolved or were of a relatively insignificant nature.

Certain matters were brought to the attention of Kari McKeel, Financial Analyst, and have been satisfactorily resolved or are of a relatively insignificant nature so are not included within.

Included for your information, is a list of adjusted and unadjusted differences and there are no prior year recommendations.



We wish to express our appreciation for the excellent cooperation we received from your staff during the course of the audit.

Yours truly,



Bill Gilhooly, CPA, CA, PMP  
Assistant Auditor General

CS/mr  
Enclosures

Copy: Nancy Bain, Assistant Deputy Minister and Executive Financial Officer, Finance and  
Management Services  
Susan Patton, Manager, Divisional Operations



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*This report has been prepared solely for the use of management and should not be distributed to others outside the entity without our prior written consent. We disclaim any liability to any third party who may rely upon this report.*

**1. Summary of Identified Misstatements for Building Canada Fund Agreement for Core National System Projects**

**a) Adjusted**

There are no adjusted audit differences for the period ended March 31, 2015.

**b) Unadjusted**

There are no unadjusted audit differences for the period ended March 31, 2015.





**2. Summary of Identified Misstatements for Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72<sup>nd</sup> Avenue Interchange Project.**

**a) Adjusted**

	Overstatement (understatement) of:
Description	Eligible Claims
Narrative	
<ul style="list-style-type: none"> <li>• Invoice for planning work done prior to the project approval date. MTI has removed this amount in SIS Claim 5.</li> </ul>	\$31,262.50
<ul style="list-style-type: none"> <li>• Invoice for planning work done prior to the project approval date. MTI has removed this amount in SIS Claim 5.</li> </ul>	\$29,887.50
<b>Total</b>	<b>\$61,150.00</b>

**b) Unadjusted**

There are no unadjusted audit differences for the period ended March 31, 2015.

## APPENDIX F: List of Agreements

An audit of the Schedule of Detailed Expenditure Claims under the following contribution agreements between the Federal Minister of Transport, Infrastructure and Communities and the Minister of Transportation and Infrastructure for British Columbia will be conducted this fiscal year.

Agreement	Eligible Costs*
Canada – British Columbia Building Canada Fund Agreement for Core National Highway System Projects 2008-2009 / 2016-2017	Schedule A
Canada – British Columbia Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Agreement for Highway 91 and 72 <sup>nd</sup> Avenue Interchange Project 2013-2014 / 2015-2016	Schedule A

\* Defined in the applicable Agreement.





Canada  
British Columbia  
Building Canada Fund

ANNUAL REPORT 2014/15  
Fiscal Year Ended March 31, 2015



Transport  
Canada

Transports  
Canada