

CANADA/BRITISH COLUMBIA
ASIA-PACIFIC GATEWAY
AND CORRIDOR
TRANSPORTATION
INFRASTRUCTURE FUND
South Fraser Perimeter Road

ANNUAL
REPORT
2008/09

(FISCAL YEAR ENDED MARCH 31, 2009)

July 2009



Ministry of
Transportation
and Infrastructure

Canada
Transport Canada
Infrastructure Canada



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





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GENERAL OVERVIEW OF RESULTS

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

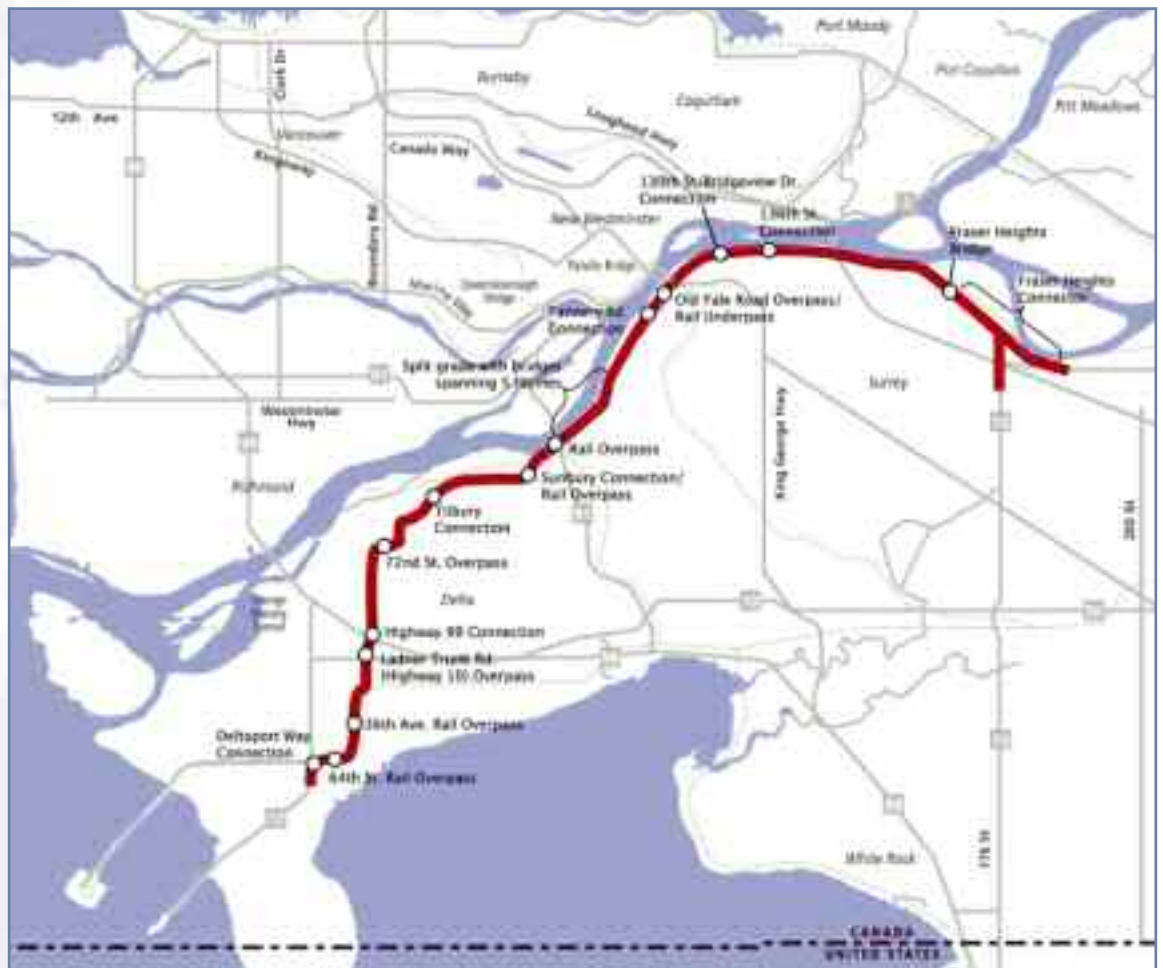
As of the end of 2008/09 Fiscal Year, the project was still in Phase 1: Preliminary Works. This phase primarily entails site preparation and will be carried out using conventional procurement methods. The work includes, but is not limited to, soil preloading, major utility relocations, drainage work, landfill site remediation and environmental mitigation.

The remainder of the project (PHASE 2) is being constructed in a public-private partnership. The Request for Proposal (RFP) for this phase/component of the project was issued after the end of the 2008/09 fiscal year and thus reporting on this phase will only be reported in next year's Annual Report and Audit (2009/10).

On May 11, 2007, the Federal Government announced funding for the entire South Fraser Perimeter Road Project to a total of \$365 million of eligible costs including \$100 million announced on October 11, 2006 for the first segment of the project and \$2 million previously announced for the related environmental assessment¹.

What is the South Fraser Perimeter Road and "Why do we need it"?

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



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

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

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

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

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

The SFPR will provide significant regional and local benefits including:

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

As of the end of the fiscal year 2008/09 (ending March 31, 2009), the status of the project, including environmental assessment and audits, were as follows:

- The approval of the environmental review (CEAA) was given by Transport Canada on July 2008.
- Overall, as of the end of the fiscal year 2008/09, 42 contracts corresponding to the two components (phases) of the contribution agreement had been established on HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCoMS) for a total cost of \$89,308,602 out of HCOMS-active sharable cost of \$726,000,000 (12.30% of shareable costs). A total of \$19,147,665 has been expended plus against these two components (21.44% of the existing value of the 42 contracts), with:
 - Component 1: Preliminary Works = \$19,147,655
 - Component 2: Construction = \$ 0





DATE, LOCATION AND MINUTES OF OFFICIAL MANAGEMENT COMMITTEE MEETINGS.

Canada/British Columbia
SHIP, SHIPB, CSIF, BIF, APGCTIF
and APGCTIF: SFPR
Management Committee Meeting
Date: December 11, 2008
Location: Victoria, BC

■ IN ATTENDANCE

BC Ministry of Transportation and Infrastructure

David Marr (BC Provincial Co-Chair)
Dirk Nyland (BC Ministry of Transportation and Infrastructure)
Simon Leung (BC Ministry of Transportation and Infrastructure)
Kari McKeel (BC Ministry of Transportation and Infrastructure)
Craig Hilborne (BC Ministry of Transportation and Infrastructure)
Avi Ickovich (BC Ministry of Transportation and Infrastructure)

Transport Canada

James Clarkin (A/Federal Co-Chair)
Mark Thompson (TC)
Kim Aziz (TC – via teleconference)
Matthew Cloutier (TC)
Randy Jenkins (Infrastructure Canada – via teleconference)

1.0 Opening Remarks – Introductions

2.0 Administrative Details

- 2.1 Note-taker – It was decided that Mark Thompson (TC) would be the note-taker
- 2.2 Minutes of the June 17, 2008 Management Committee meeting were accepted and approved.
- 2.3 Affidavits of completion
Dirk Nyland (BCMOT) and Jim Lothrop (TC) have been discussing how to deal with affidavits where no engineer was responsible for the entire project. Consultants on some projects were not comfortable signing the document in its current form. The proposed solution is to have an affidavit for each part of the project that an engineer was responsible for and to have a document signed by Dirk Nyland for the overall project.

3.0 BIF Program Management

- 3.1 Status of projects
Program is complete including Highway 15/88th Avenue Intersection, which was completed under BIF but funded under Strategic Highway Infrastructure Program – Border Crossing Component (SHIP-B). Minor works will continue on Mt Lehman project in 2009.
- 3.2 Amendment to the BIF agreement to extend to 2009-2010 will be processed by Transport Canada
- 3.3 Final payment
The final payment is contingent on the Province providing a signed Schedule G (Affidavit of Completion). This will be completed by the Province through Dirk Nyland (Chief Highway Engineer) who will be the coordinating engineer and sign off the signatures of the constituent engineers.

This affidavit solution will also be utilized for CSIF (Park Bridge: Kicking Horse Canyon, Phase 2) and SHIP (Yoho Bridge Project: Five Mile).

On a long-term basis (for future Contribution Agreements), the Province and Transport Canada will continue to work on developing a schedule that will address the concerns of the Consulting Engineers of BC.

- 3.4 An annual report covering the work performed in 2008/09 and minor works on the Mt. Lehman project in early 2009/10 may be submitted, combined, as a final annual report. Separate audits will still be required for the 2008/09 and 2009/10 fiscal years.

4.0 CSIF Program Management

4.1 Final payment

The final payment for this program will not be held up pending the sign-off of an Affidavit of Completion as there was no mention of such a requirement in the Contribution Agreement. However, as an act of good faith, the Province will provide a signed schedule at its earliest convenience.

5.0 SHIPB Program Management

5.1 Status of projects

The last project completed under this program is the Highway 15/88th Avenue intersection. All projects are now complete.

5.2 Final payment

The requisite Schedule C will be completed as part of the sign-off for the Border Infrastructure Fund (BIF), under which the project was completed.

6.0 SHIP Program Management

6.1 Discussion on Schedule G

This affidavit will be completed by the Province through Dirk Nyland (Chief Highway Engineer), who will be the coordinating engineer, and sign off the signatures of the constituent engineers for the Yoho (Five Mile) Bridge project.

6.2 Final payment

This will be processed by Transport Canada once the Schedule G is signed off by the Province.

7.0 APGCTIF Program Management

7.1 Status of projects

Pitt River Bridge/Mary Hill Bypass

- 100% design completed
- Deck section is being raised
- Project 66% completed as of September 30th


Mountain Pine Beetle – Silver Road-McBride Timber Road Passing Lane

- Schedule G – Affidavit of Completion sent to Transport Canada on November 6, 2008

Highway 97: Simon Fraser Bridge

- Sub-deck is done
- Only the deck is still left to be done and some work on approaches
- Project 70% complete
- Project to be completed May or June of 2009 (ahead of schedule)





Highway 1: Hilltop to Balmoral – Four-Laning and Frontage Roads

- Tendering to commence in March 2009
- \$1.509 million was transferred from the Simon Fraser Bridge project to this project

Highway 97 – Wright Station Curves (Realignment)

- This project is shut down for the winter and will proceed in May/June 2009

7.2 Transfer of funds between Mountain Pine Beetle projects

- \$1.509 million was transferred from the Simon Fraser Bridge project to Highway 1: Hilltop to Balmoral project

8.0 APGCTIF:SFPR Program Management

8.1 Status of project – Provided by Province

- Preloading has started along some sections
- RFQ for SFPR construction has closed. RFP expected to be released in January 2009

9.0 Other Items

9.1 BCF projects

- KHC – Brake Check to Yoho: construction underway
- KHC – Golden Hill to West Portal: moving forward slowly to show continuous progress in the Kicking Horse Canyon
- Winfield to Oyama: expect to tender in 2010

9.2 Accelerating Infrastructure

- Announced projects are moving ahead well and cannot be accelerated.
- BCMOT in discussions with INFC for new projects

9.3 Communications events

Brief discussion on possible upcoming communications events. No events are foreseen for the near future.

9.4 Program Signs

Some program signs may be changing. TC will work with BCMOT to ensure the appropriate signs are installed at all project sites.

SCHEDULE B REVISIONS

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

- Revision 0** (November 13, 2008) – This is the first (or base) revision of the contribution agreement.
- Revision 1** (December 19, 2008) – This revision also entailed the following changes:
- Shifting \$44,248,440 from the 2008/09 fiscal year to the 2009/10 fiscal year as it became apparent that the anticipated expenditures annotated in the initial cash-flow schedule of the contribution agreement were overly ambitious.
- Revision 2** (April 20, 2009) – This is the last revision of the fiscal year 2008/09 and entailed the following changes:
- Shifting \$98,953 back to the 2008/09 fiscal year to reflect claims to the end of the 2008/09 fiscal year.



Table 1

Schedule B during the Fiscal Year 2008/09 (As of March 31, 2009)

Revision #0 13-Nov-08	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures				
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13
Revision #1 19-Dec-08	Phase 1: Preliminary Works	\$ 106,205,827	\$ 91,446,926	\$ 45,723,463	\$ 45,723,463	\$ 74,248,440	\$ 17,198,486	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	664,934,044	634,553,074	317,276,537	317,276,537	–	125,988,424	149,198,428	182,654,934	176,711,288
	Total	\$ 771,139,871	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 74,248,440	\$ 143,186,910	\$ 149,198,428	\$ 182,654,934	\$ 176,711,288
Revision #2 20-Apr-09	Phase 1: Preliminary Works	\$ 106,205,827	\$ 91,446,926	\$ 45,723,463	\$ 45,723,463	\$ 30,000,000	\$ 61,446,926	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	664,934,044	634,553,074	317,276,537	317,276,537	–	125,988,424	149,198,428	182,654,934	176,711,288
	Total	\$ 771,139,871	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,000,000	\$ 187,435,350	\$ 149,198,428	\$ 182,654,934	\$ 176,711,288
Revision #0 13-Nov-08	Phase 1: Preliminary Works	\$ 106,205,827	\$ 91,446,926	\$ 45,723,463	\$ 45,723,463	\$ 30,098,953	\$ 61,347,973	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	664,934,044	634,553,074	317,276,537	317,276,537	–	125,988,424	149,198,428	182,654,934	176,711,288
	Total	\$ 771,139,871	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 187,336,397	\$ 149,198,428	\$ 182,654,934	\$ 176,711,288

Table 2

Statement of Changes for Schedule B during the Fiscal Year 2008/09 (As of March 31, 2009)

Revision #0 to Revision #1	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures				
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13
Revision #1 to Revision #2	Phase 1: Preliminary Works	\$ –	\$ –	\$ –	\$ –	\$ (44,248,440)	\$ 44,248,440	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	–	–	–	–	–	–	–	–	–
	Total	\$ –	\$ –	\$ –	\$ –	\$ (44,248,440)	\$ 44,248,440	\$ –	\$ –	\$ –
Revision #1 to Revision #2	Phase 1: Preliminary Works	\$ –	\$ –	\$ –	\$ –	\$ 98,953	\$ (98,953)	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	–	–	–	–	–	–	–	–	–
	Total	\$ –	\$ –	\$ –	\$ –	\$ 98,953	\$ (98,953)	\$ –	\$ –	\$ –

PROJECT UPDATE

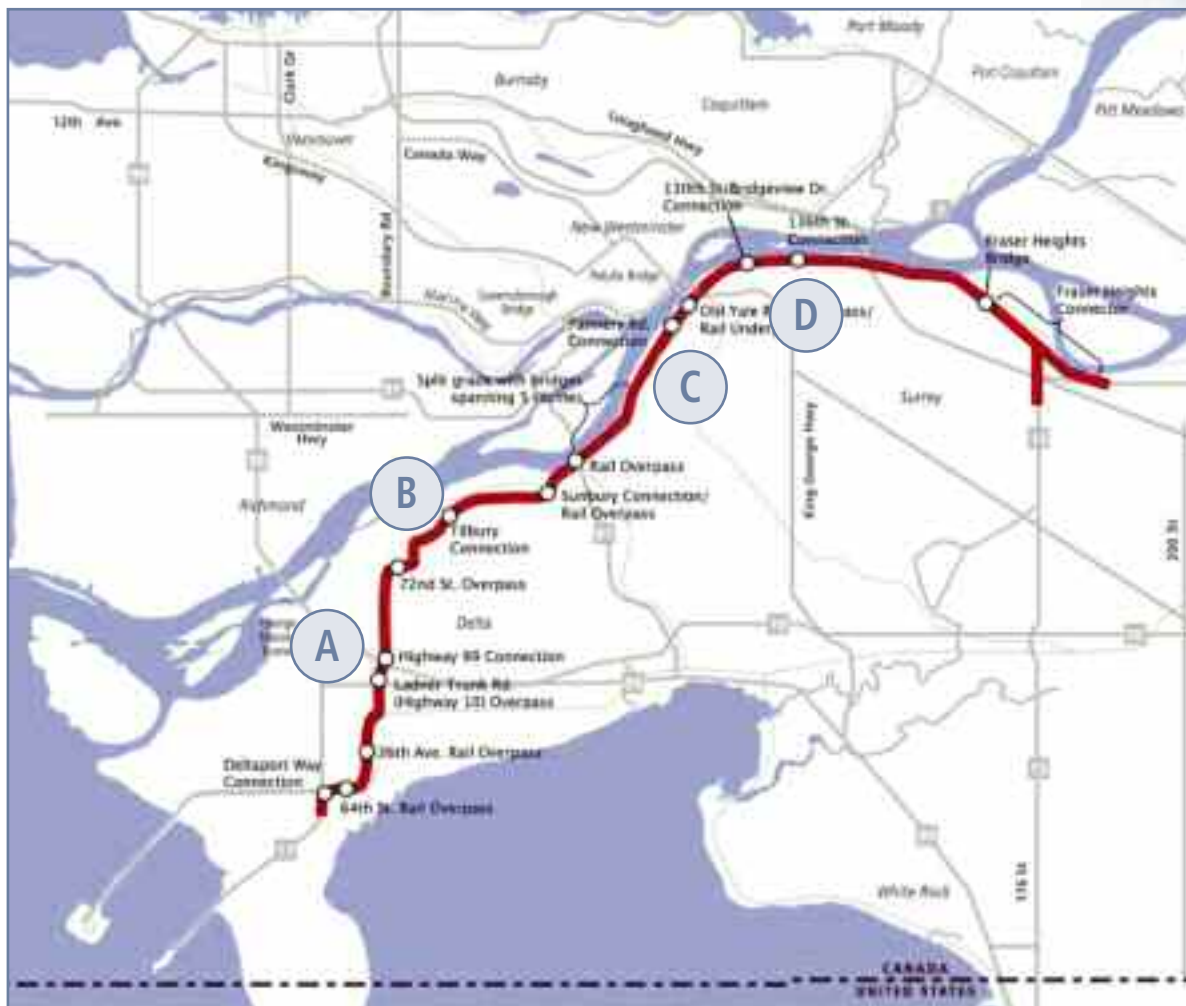
Information on contracts started/completed and estimated completion of contracts is addressed more extensively in a subsequent section of the report "A YEAR END SUMMARY TABLE OF EXPENDITURES UNDER THE AGREEMENT" (Table 3).

The most significant milestone for the 2008/09 fiscal year was the completion of the Canadian Environment Assessment Act evaluation and its approval by the Federal Government in July 2008. This allowed construction to commence.

The following map and pages of the report entail a series of photographs for the current project and are meant to provide not only a portrayal of the actual project, but also a broader geographic and topographical context, and as such some pictures are overviews. The letters annotated on the map correspond to the subsequent photographs.

The following link provides further information that is continuously updated and is available to the public in the period between the publication of the requisite Annual Reports and Audits:

http://www.th.gov.bc.ca/gateway/SFPR/photo_gallery.htm.





PROJECT OVERVIEW: SOUTH FRASER PERIMETER ROAD

Work accomplished

South Fraser Perimeter Road
Annual Report Update for 2008/2009

The SFPR project is divided into Phase One and Phase Two.

- **Phase One** is early work that involves preloading and utility upgrades/relocation; and,
- **Phase Two** is final design and construction by the concessionaire.
 - Concessionaire award to take place in March, 2010.

PHASE ONE WORK IS DIVIDED INTO FOUR SECTIONS WITH A DIFFERENT CONTRACTOR FOR EACH SECTION:

SECTION 1

Highway 17 – Highway 99 (Contractor is Mainland Civil Works)

- Contract value \$8.2 million.
- Contractor began work in April 2009.
- 125,000 m³ of preload material from Surrey pit has been hauled and placed along the SFPR Alignment.

SECTION 2

Highway 99 – 80th Street (Contractor is B & B Contracting Ltd.)

- Contract value \$8.9 million.
- Contractor began work in April 2009.
- 430,000 m³ of river sand was pumped to the 80th Street stockpile site in February 2009.
- Approximately 90,000 m³ of sand were hauled from the 80th Street stockpile site to the SFPR alignment between 80th Street and 76th Street.
- Approximately 180,000 m³ of granular fill was hauled from Surrey Pit to the Stockpile site on the CIMD property at Burns Drive and 72nd Street.
- An off-ramp off of Highway 99 was constructed to be used by the contractor and then left in commission for the concessionaire to access the Right of Way.
- 1,200 metres of culvert has been installed to maintain hydraulic connections across the corridor.

SECTION 3

80th Street – Highway 91 (Contractor is Matcon Excavating and Shoring Ltd.)

- Contract value \$4.1 million.
- Contractor began work in May 2009.
- Overall sand placement is 15% complete.
- Close-cut clearing is 42% complete.
- Pacific Western Shrew Salvage is 23% complete.
- Silt fence installation is 60% complete.
- Sunbury stockpile – 40,000 m³ of river sand in progress of being placed in preparation of Stockpile Loading (28,000 m³ placed = 70% complete).

SECTION 4

Surrey (Contractor is Tyam Construction Ltd.)

- Contract value \$22.8 million.
- Contractor began work in September 2008.
- To date 975,000 tonnes (approximately 575,000 m³) of sand have been placed, 75% of contract quantity.
- Tannery Stockpile site has been pumped to three times (approximately 330,000 m³).
- Pacific Water shrew salvage has been completed in critical habitat impacted by the preloading.
- Relocation of City of Surrey's water and sewer infrastructure impacted by the preload is completed.
- Geotechnical monitoring (settlement, water pressure, ground displacement) of the preload is ongoing.
- Terasen have relocated their gas distribution line over a two-kilometre length, where it ran adjacent to the preload.
- BC Hydro, Telus and Shaw have relocated 90% of their lines which were required for preloading.
- Storm Water culverts have been installed to maintain or improve conditions where preload has been placed.
- Detours have been built between Tannery Road and Old Yale Road to facilitate preloading of the future interchange approach embankments.
- Intersections at South Fraser Way/Tannery Road, South Fraser Way/Old Yale Road and 116th Street/Bridgeview Drive have been upgraded.
- All but seven properties required for preloading has been acquired.



The following provides a timeline of major chronology (milestones) for the project:

Milestones

- 2008 – May Traffic Management Consultation
- **2008 – July** **Environmental Assessment Certificate received**
- 2008 – July RFQ released
- 2008 – September Early construction begins
- 2009 – January Official Launch of Construction
- 2009 – January Short-list three teams for RFP
- 2009 – April RFP Issued

Future Milestones

- 2009 – November Technical submissions due
- 2010 – February Financial submissions due
- 2010 – February Announcement of preferred proponent
- 2010 – 2012 Final design and construction
- 2012 South Fraser Perimeter Road project completion (opening day)

The following photographs provide a context to the Project to the end of the 2008/09 fiscal year.



Highway 99 and SFPR Interchange



Highway 99 – 80th Street



80th Street Sand Storage



Tannery Road Interchange



Bridgeview



132nd Street to Bridgeview





COMMUNICATION ACTIVITIES COMPLETED DURING FISCAL YEAR

Communications activities completed during 2008/09 fiscal year featuring Federal/Provincial involvement.

1. Information Bulletin / Provincial / South Fraser Perimeter Road Shortlist Released – January 12, 2009

SURREY – Another key milestone has been reached today with the decision to invite three pre-qualified bidding teams to participate in the request for proposals (RFP) stage to design, build, finance and maintain the South Fraser Perimeter Road (SFPR).

The request for qualifications (RFQ) closed on Sept. 29, 2008. A thorough evaluation of the RFQ submissions was undertaken by an evaluation committee. Three teams have been selected to be on the shortlist. They are:

- **Fraser Transportation Group** – Includes Iridium Concesiones de Infraestructuras, S.A. of Spain and Zachry American Infrastructure of Texas as equity partners and Dragados S.A. as the lead design/build contractor.
- **South River Connector** – Includes Babcock & Brown Public Partnerships Limited and Bilfinger Berger Project Investments Inc. as equity partners, with Peter Kiewit Sons Co. and PCL Consultants Westcoast Inc. as the design/build contractors.
- **The Riverway Partnership** – Includes the Spanish firm of Cintra Concesiones de Infraestructuras de Transporte, S.A. and the Canadian firm of SNC-Lavalin Inc. as equity partners, with Ferrovial Agroman, S.A. of Spain and locally based SNC-Lavalin Constructors (Pacific) Inc. as design/build contractors.

The finalization of the shortlist signals the completion of the RFQ process, which began on July 29, 2008. The RFQ process identifies bid teams with the development, construction and financial capacity to undertake a project of this size and complexity. An RFP is expected to be issued in the coming weeks.

The fairness advisor, Jane Shackell, is the appointed monitor of the procurement process and has found the evaluation process to be fair and unbiased. [The fairness advisor's report will be made available as soon as it is complete, at \[www.partnershipsbcc.ca\]\(http://www.partnershipsbcc.ca\).](#)

2. News Release / Federal and Provincial / Construction Launched on South Fraser Perimeter Road – January 12, 2009

SURREY – Construction has officially begun on the South Fraser Perimeter Road, a joint building project of the governments of Canada and British Columbia that will create jobs and improve traffic safety, travel and trade for families and businesses throughout metro Vancouver.

"The South Fraser Perimeter Road is a concrete example of how two levels of government are working together to take the steps needed to protect Canada's economy today and strengthen its foundations for the future," said Prime Minister Stephen Harper, who joined International Trade Minister Stockwell Day at the official start of the construction. "I am pleased that both levels of government were able to finalize an agreement this fall and, soon after, get shovels in the ground."

"The South Fraser Perimeter Road Project will create an estimated 7,000 new jobs by 2021 and will build B.C.'s economic competitiveness by streamlining the movement of goods and people and ensuring we can tap into the trade opportunities with the Asia-Pacific," said Premier Gordon Campbell.

"This project highlights our ongoing partnership with the federal government and the dedication that both our governments have to improving economic and business opportunities through the improved movement of goods and people."

The \$1-billion South Fraser Perimeter Road Project is part of British Columbia's Gateway Program and the Government of Canada's Asia-Pacific Gateway and Corridor Initiative. The new 40-km, four-lane route will directly link current port facilities, rail yards and industrial areas to Highways 1, 91 and 99. The new road will improve transportation links for both local residents and industry while taking congestion off of existing metro roadways.

For more information on government services or to subscribe to the Province's news feeds using RSS, visit the Province's website at www.gov.bc.ca.

3. Information Bulletin / Provincial / South Fraser Perimeter Road Competitive Process Opens – July 29, 2008

VICTORIA – The Ministry of Transportation and Infrastructure has issued a Request for Qualifications (RFQ) to identify proponents capable of designing, building, financing, operating and maintaining the new South Fraser Perimeter Road (SFPR).

The ministry will select up to three respondent teams to participate in the next phase of the competitive selection process, the Request for Proposal stage. The RFQ closes on September 29, 2008.

The SFPR project is part of the Province's Gateway Program, which will improve roads and bridges for people, goods and transit throughout Metro Vancouver. The SFPR will be a new 40-km, four-lane route along the south side of the Fraser River. It will extend from Deltaport Way in Southwest Delta to 176th Street (Highway 15) in Surrey, with connections to Highways 1, 91, 99 and to TransLink's new Golden Ears Bridge connector, which is currently under construction.

Congestion in Delta and Surrey communities increases every year, with growing impacts to residents, the environment and the economy. Employment growth in Metro Vancouver is projected to increase by around 500,000 jobs in 2031, and the area south of the Fraser River in particular will see significant growth.

Government is taking a balanced approach to improving movement of people, goods and transit through investment in new rapid transit projects, port and rail facilities as well as improved roads and bridges through the Gateway Program in Metro Vancouver.

The SFPR will remove trucks and regional traffic from community streets and put them back on the highway, resulting in reduced congestion and better overall access. It will provide a continuous and efficient route to serve the port facilities, rail yards and industrial areas along this key economic corridor. The project will be a design-build-finance-operate, performance-based public-private partnership. Construction under this contract will begin in 2009, with completion in 2012.





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, 2009, for each of the respective components/phases:


- **Phase 1** – Preliminary Work – 42 contracts have been established for a total cost of \$89,308,602 for purposes of site preparation and will be carried out using conventional procurement methods. The work includes, but is not limited to, soil preloading, major utility relocations, drainage work, landfill site remediation and environmental mitigation. A total of \$19,147,655 has been expended against these contracts (21.44% of the existing contracts), as of the end of the 2008/09 fiscal year.
- **Phase 2** – Construction – As the Request for Proposal (RFP) for the construction component of the project was only issued after the end of the 2008/09 fiscal year, there are 0 contracts established for a total cost of \$0. Consequently \$0 has been expended for this component of the project.

Overall, as of the end of the fiscal year 2008/09, 42 contracts have been established on HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCoMS) for a total cost of \$89,308,602 out of a HCoMS-active sharable cost of \$726,000,000. A total of \$19,147,655 has been expended (21.44% of the existing value of the 42 contracts).

TABLE 3 – CANADA-BRITISH COLUMBIA AGREEMENT ON THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE – TRANSPORTATION INFRASTRUCTURE COMPONENT
South Fraser Perimeter Road 2008-2009/2013-2014

Schedule of Detailed expenditure claims for the year ended March 31, 2009

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2008/09 (\$)
1.0	Phase 1 – Preliminary Works (\$91,446,926)		
1.1	Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation and environmental mitigation	042CS4531	–
		04830MJ0101	–
		04830MJ0102	–
		04830MJ0103	–
		04830MJ0301	7,870,032
		04830_Comm	–
		04830_Con_Agree	19,754
		04830_Demolition	125,309
		04830_Environ	26,000
		04830_Misc_Const	747,383
		04830_Signage	12,530
		04830_Util_BCHydo	–
		04830_Util_Telus	–
		04830_Util_Terasen	1,876,515
		048CS0362	9,410
		048CS0367C	–
		048CS0373B	–
		048CS0374A	129,785
		048CS0375	686,546
		048CS1003	1,059,054
		048CS1102A	62,645
		048CS6012	131,538
		048CS6015	7,956
		048CS6020	42,476
		048CS6023	–
		048CS6028	956,152
		048CS6029	102,422
		048CS6031	1,850,995
		048CS6035	17,799
		048CS6042	235,906
		048LA6024A	–
		048LOA6054	–
		049CS4401A	–
		PO-002234A	2,792,863
		PO-003402	–
		PO-003405	310,969
		PO-003488	–
		PO-003489	–
		PO-003501	73,616
		PO-003508	–
		PO-003516	–
		PO-003663	–
	Subtotal		19,147,655
	TOTAL		19,147,655



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 the Auditor General of BC.**



Report of the Auditor General of British Columbia

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

At the request of the British Columbia Ministry of Transportation and Infrastructure on behalf of the Management Committee, I have audited the Schedule of Detailed Expenditure Claims under the *Asia-Pacific Gateway Corridor Transportation Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road [2008 / 2009 – 2013 / 2014]* against the eligible costs of the agreement (as defined in Schedule C of the agreement dated September 3, 2008) for the year ended March 31, 2009. This financial information is the responsibility of the management of the British Columbia Ministry of Transportation and Infrastructure. My responsibility is to express an opinion on this financial information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule presents fairly, in all material respects, the detailed expenditure claims under the *Asia-Pacific Gateway Corridor Transportation Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road [2008 / 2009 – 2013 / 2014]* for the year ended March 31, 2009, in accordance with the provisions of Schedule C of the agreement referred to above.

John Doyle, MBA, CA
Auditor General

Victoria, British Columbia
July 23, 2009

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

Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2009

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2008/09 (\$)
1.1	Phase 1 - Preliminary Works		
	Site preparation work that will be carried out using Conventional Procurement methods. This work includes but is not limited to soil preloading, major utility relocations, some drainage work, landfill site remediation, and environmental mitigation		
		04830MJ0301	7,870,032
		04830_Con_Agree	19,754
		04830_Demolition	125,309
		04830_Environ	26,000
		04830_Misc_Const	747,383
		04830_Signage	12,530
		04830_Util_Terasen	1,876,515
		048CS0362	9,410
		048CS0374A	129,785
		048CS0375	686,546
		048CS1003	1,059,054
		048CS1102A	62,645
		048CS6012	131,538
		048CS6015	7,956
		048CS6020	42,476
		048CS6028	956,152
		048CS6029	102,422
		048CS6031	1,850,995
		048CS6035	17,799
		048CS6042	235,906
		PO-002234A	2,792,863
		PO-003405	310,969
		PO-003501	73,616
		Sub-total	19,147,655
TOTAL			19,147,655

Approved by:


David Marr
Executive Director
Program Development and Monitoring


Nancy Bain
Assistant Deputy Minister & Ministry's EFO
Finance and Management Services

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

**Notes to the Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2009**

1. Nature of the Agreement

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

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

2. Costs

Eligible Costs:

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

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

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

Ineligible Costs:

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

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

3. Basis of Accounting and Accounting Policies

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

The Eligible Costs Claimed in 2008/2009 represents the actual value of claims submitted to the Federal Government during the 2008/2009 fiscal year. This may include eligible expenses incurred in fiscal 2007/2008 that were submitted for reimbursement during fiscal 2008/2009.