

Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road

ANNUAL REPORT 2011/12

Fiscal Year Ended March 31, 2012

August 2012



Ministry of
Transportation
and Infrastructure



Transport
Canada

Transports
Canada

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 2011/12 Fiscal Year, the project has expended \$432,511,457.67 in two phases. The first phase primarily entailed site preparation and was 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.

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

On May 11, 2007, the Federal Government announced funding for the entire South Fraser Perimeter road Project to a total of \$365 million of eligible costs including \$100 million announced on October 11, 2006 for the first segment of the project, and \$2 million previously announced for the related environmental assessment.¹

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

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

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 movers of goods 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.

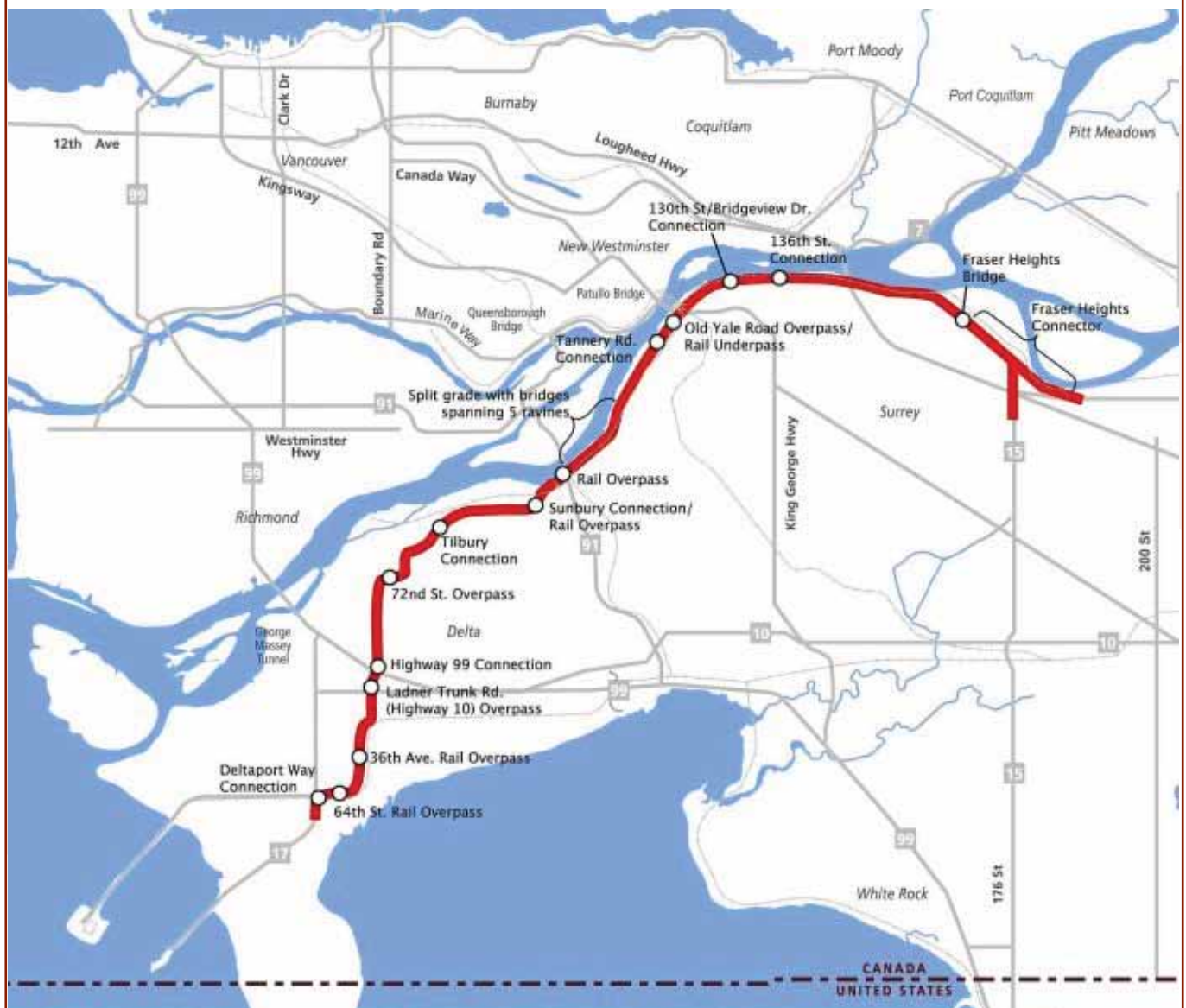
As of the end of the fiscal year 2011/12 (ending March 31, 2012) the status of the project, including environmental assessment and audits, were as follows:

- The approval of the environmental review (CEAA) was given by Transport Canada on July 2008.
- Phase 2 Concessionaire: During the 2010/11 fiscal year the concessionaire agreement was awarded to the Fraser Transportation Group.
- Overall, as of the end of the fiscal year 2011/12, 127 contracts corresponding to the two components of the contribution agreement had been established

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).

on the on-line **Transport Canada – Surface Infrastructure System (SIS)** for a total cost of \$691,574,213 out of HCOMS-active sharable cost of \$726,000 (95.26% of shareable costs). A total of \$432,511,457.45 has been expended against these two components (62.54% of the existing value of the 127 contracts), with:

- Component 1:
Preliminary Works = \$211,620,359.23
- Component 2:
Construction = \$220,891,098.44



Date, Location and Minutes of Official Management Committee Meetings

The following minutes were approved by email on January 3, 2012 and formally adopted by the Committee at the June 21, 2012 Management Committee meeting.

MINUTES

Canada – British Columbia APGCTIF

South Fraser Perimeter Road Contribution Agreement Management Committee Meeting #5

Tuesday, November 15, 2011

Teleconference

In Attendance:

Manon Baril (Federal Co-Chair: Transport Canada)
Tim Morin (Transport Canada: by telephone)
Mark Thompson (Transport Canada)
Hamid Mohmand (Transport Canada)
David Marr (Provincial Co-Chair)
Avi Ickovich (BC Ministry of Transportation and Infrastructure)

1.0 Opening Remarks

2.0 Administrative Details

- 2.1 Note Taker – Avi Ickovich
- 2.2 Formal Approval of Meeting Minutes from previous meeting (MC #4) – Completed – The February 16 Minutes were approved on October 5, 2011 and incorporated into the subsequent Annual Report and Audit which were submitted and approved by Transport Canada.
- 2.3 Outstanding Action Items – None outstanding – the Communication Item that parallels the BCF was also addressed.

3.0 Program Management

- 3.1 Schedule B – Cash Flow Forecasts – Revision #10 of the Schedule is updated with information from the Concessionaire as of October 31, 2011. Transport Canada requested an update of forecasts for their own budgeting and allocation needs and analyses of variances. This information provided to Transport Canada on November 30, but not uploaded into SIS (Transport Canada's

online administration system) upon Transport Canada's request.

- 3.2 Program Reporting – Annual Report and Audit – Completed and Approved October 26 by Transport Canada.
 - 3.3 Site Visits / Photos – frequency, logistics, next date, etc. – Transport Canada has indicated that it will send this scheduling information within a month of the meeting on this date.
 - 3.4 Communications – Potential Media events – Transport Canada indicated that their new Minister would appreciate participating in some groundbreaking event or milestone announcement. The Province indicated that there may be an opportunity for such events when some structures will be in place in the forthcoming year and will inform the communication department of their federal counterparts, should this opportunity present itself.
- ### 4.0 Status of Projects
- 4.1 Project Status Report – see status report at the end of this document.
 - 4.2 Project risks (cost, schedule, operational, other projects, issues) – There are no significant risks outside of normal project risks, such as cost.
 - 4.3 Environmental Assessment Update – see status report below.

5.0 Other Items

Transport Canada will draft a template for Management Committee Guidelines that would apply to all programs.

Transport Canada indicated that a one-day hearing (litigation) against itself is scheduled for March 13, 2012.

Following up on the query from Transport Canada during the management committee meeting on the status of the 2nd SFPR lawsuit, the B.C. Ministry of Transportation and Infrastructure advised on November 24 that the Bertha Williams/William Burnstick lawsuit was filed, but the Province has not been served to date.

6.0 Next Management Committee Meeting

The next Management Committee meeting is tentatively scheduled for the Spring of 2012.

South Fraser Perimeter Road Update

Phase 1: Ministry Works (Preload, Utilities, SW Delta overpasses, Landfills)

- Most Ministry works started in late 2008 was substantially completed as of December 2011.
- Irrigation and environmental enhancement works will continue into fiscal 2013.

Phase 2: Concession Works

- Fraser Transportation Group Partnership (FTG) started final design and construction in 2010 and work is continuing across the entire 40-km alignment.
- Work east of the Pattullo Bridge (136th Street) is over 40% complete and on schedule to be open to traffic December 2012.
- Work on the remainder of the route is over 30% complete.
 - Focus for the past year has been environmental approvals and works, final detailed design, utilities, drainage, clearing and grubbing and establishing the sub-grade for the entire length of the alignment.
 - Interim designs for the more than 20 structures are currently being submitted for review; construction is anticipated in 2012.
 - Gravel placement is anticipated to start on some sections prior to December 2011.
- Although somewhat behind on forecast work (and cash flow) in the short term, the Concessionaire anticipates completing the work on time and budget.

Tannery Interchange

- Currently being designed by the Concessionaire.
- Design is at 50% complete - negotiating with Concessionaire for final design and construction.
- Final price and schedule is very dependent on Surrey and Port Metro Vancouver allowing significant detours in this very busy industrial and port area.
- Anticipate negotiations will be complete prior to the end of the year.
- Tannery Interchange is on the critical path in terms of the overall project.

Environmental

- Gunderson and Nelsonview bridges – Proceeding with free span bridges.
- Highway 99 Interchange – Revised concept with existing envelope.
- Fill sites – The SFPR Reference Concept allowed for fill requirements associated with the Project to be met within the direct footprint of the road. The development of the detailed design has resulted in lowering the elevation of the road in some areas which provides a benefit, in terms of reducing noise and visual impacts, but results in a surplus of fill material. BCMoT identified five sites, acquired for development of the road, to meet the fill requirements.

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 8

April 4, 2011 – This is the last revision of the fiscal year 2010/11 and is included as the starting point for the 2011/12 fiscal year and as the final reconciliation for the previous year.

Revision 9

July 7, 2011 – This revision entailed the following change:

- Shift \$29,778,837 from the 2011/12 Fiscal Year to the 2012/13 Fiscal Year and the 2013/14 Fiscal Year.

Revision 10

October 31, 2011 – This revision entailed the following change:

- Shift \$26,982,984 from the 2011/12 Fiscal Year to the 2012/13 Fiscal Year.

Revision 11

March 6, 2012 – This revision entailed the following change:

- Shift \$4,000,000 from the 2011/12 Fiscal Year to the 2012/13 Fiscal Year.

Revision 12

Draft as July 25, 2012 – This revision is after the end of the 2011/12 fiscal year but is included for reasons of continuity to the next fiscal year and corresponding Annual Report and Audit. This revision entailed the following change:

- Shift \$10,075,815 from the 2011/12 Fiscal Year to future years.

Schedule B During the Fiscal Year 2011/12 (as of March 21, 2012)

Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures						
			Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Future
Revision #8											
Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,506,648	\$ 61,323,244	\$ 71,470,353	\$ 29,909,966	\$ 8,690,836	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	117,411,152	117,817,036	66,233,066	-
Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,506,648	\$ 205,861,989	\$ 189,881,505	\$ 147,727,002	\$ 74,923,902	\$ -
Revision #9											
Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,506,648	\$ 61,323,244	\$ 41,691,516	\$ 37,460,000	\$ 30,919,639	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	117,411,152	117,817,036	66,233,066	-
Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,506,648	\$ 205,861,989	\$ 159,102,668	\$ 155,277,036	\$ 97,152,705	\$ -
Revision #10											
Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,506,648	\$ 61,323,244	\$ 41,691,516	\$ 37,460,000	\$ 30,919,639	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	90,428,168	144,800,021	66,233,066	-
Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,506,648	\$ 205,861,989	\$ 132,119,684	\$ 182,260,021	\$ 97,152,705	\$ -
Revision #11											
Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,506,648	\$ 61,323,244	\$ 41,691,516	\$ 37,460,000	\$ 30,919,639	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	86,428,168	148,800,021	66,233,066	-
Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,506,648	\$ 205,861,989	\$ 128,119,684	\$ 186,260,021	\$ 97,152,705	\$ -
Revision #12											
Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,506,648	\$ 61,323,244	\$ 41,691,516	\$ 37,460,000	\$ 30,919,639	\$ 2
Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	76,352,353	148,800,021	66,233,066	10,075,815
Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,506,648	\$ 205,861,989	\$ 118,043,869	\$ 186,260,021	\$ 97,152,705	\$ 10,075,815

Statement of Changes for Schedule B During the Fiscal Year 2010/11 (as of March 21, 2011)

Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures						
			Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Future
Revision #8											
Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (29,778,837)	\$ 7,550,034	\$ 22,228,803	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (29,778,837)	\$ 7,550,034	\$ 22,228,803	\$ -
Revision #9											
Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	(26,982,984)	26,982,985	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,982,984)	\$ 26,982,985	\$ -	\$ -
Revision #10											
Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	(4,000,000)	4,000,000	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,000,000)	\$ 4,000,000	\$ -	\$ -
Revision #11											
Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	(10,075,815)	-	-	10,075,815
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,075,815)	\$ -	\$ -	\$ 10,075,815

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 2011/12 fiscal year was the completion of three overpasses: the 28th Avenue Agricultural Overpass and the 36th Avenue and 64th Street Overpasses.
- 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.

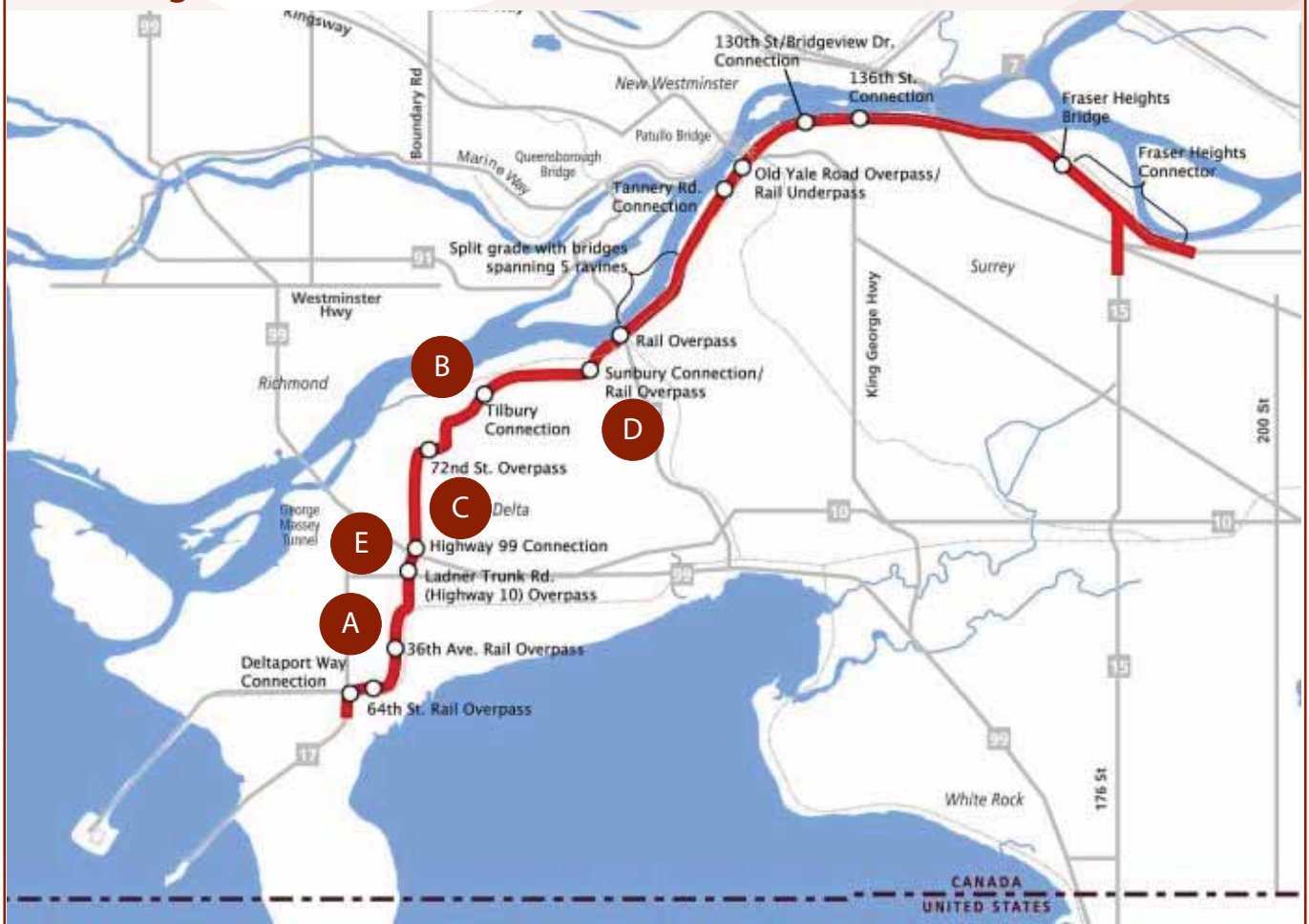
- The following link provides further information that is continuously updated and is available to the public in the period between the publication of the requisite Annual Reports and Audits: http://www.th.gov.bc.ca/gateway/SFPR/photo_gallery.htm

The following website contains information about construction, full closures, lane closures, stoppages and general traffic updates. The general public can sign-up for traffic updates and view upcoming employment opportunities with Fraser Transportation Group and their contractors.

The goal is to maximize predictability during the construction period and minimize disruption for commuters, goods movers, residents and the public.

<http://www.sfprconstruction.ca/>

SFPR Alignment



Project Overview: South Fraser Perimeter Road

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

Milestones (2011/2012)

- 28th Avenue Agricultural Overpass completed.
- 36th Avenue and 64th Street Overpasses completed.
- Landfill Closure Project completed.
- Highway 17 Interchange construction began.
- Tannery Road Interchange construction began.
- Agricultural Enhancement Project well under way.
- Cougar Creek Rain Garden – Planting took place in May, 2012.
- SFPR 50% complete as of April 3, 2012.

Future Milestones

- 2012, August Completion of the Irrigation Enhancement Project.
- 2012, December Phase one opening of SFPR (136th Street – 176th Street, Surrey).
- 2013, December Phase two opening of SFPR (136th Street, Surrey to Deltaport Way, Delta).



A

28 Avenue Agricultural Overpass over Highway 17 in Delta. Please refer to the map on page 9.



B

SFPR and the Tilbury Business Park to the left. Please refer to the map on page 9.

C

SFPR and the Highway 17 interchange in Delta, with the 64th Avenue overpass behind. Please refer to the map on page 9.



D

Landfill Closure Project in Delta. Please refer to the map on page 9.



E

SFPR in Delta. Please refer to the map on page 9.



The following photographs provide a context to the Project to the end of the 2011/12 Fiscal Year



72nd Street at Highway 99
(Northbound)



72nd Street at Highway 99
(Southbound)



72nd Street at Highway 99 Preload
Northeast of Highway 99

**Alex Fraser Bridge
West-River Road Westbound**



Deltaport-SFPR Eastbound



Pattullo Bridge Road (Westbound)





**Tannery Road Preload
East of Tannery**

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

64th Street and 36 Avenue Overpasses

- Completed September, 2011.

28th Ave Overpass (not a SFPR project but being delivered by SFPR team)

- Completed September, 2011

Highway 17 Interchange

- Construction began in January 2011 and completion is anticipated in the fall of 2012.

Landfill Closure

- There are a number of landfills and contaminated sites in the Sunbury area; the Ministry is remediating some areas and facilitating the remediation/closure of areas adjacent to the highway.
- Completed March, 2012.

Environmental Update

Habitat enhancements include restoring viable fisheries habitat, creating new habitat, and construction of wildlife crossings to maintain wildlife corridors are in progress. To date, completed enhancement works include the Alex Fraser Tidal Wetlands, Manson Canal Tidal Wetland and Crescent Slough Riparian Restoration. The East Bon Accord enhancement work and the Cougar Creek Rain Garden is in progress.

Burns Bog

The SFPR is located adjacent to Burns Bog and outside of the Burns Bog Conservancy protected area, purchased in 2004 by the Province and others. Work continues with the Burns Bog Management Committee to ensure the SFPR work complements the Burns Bog Ecological Conservancy Management Plan. A long term monitoring program is also being put in place to ensure a successful implementation.

Community Liaison Committee

In addition to the ongoing community outreach program, an SFPR Community Liaison Committee (CLC) has been established to further facilitate communication with interested stakeholders to discuss construction-related activities. Meetings and project tours are taking place on a regular basis.

Multi-stakeholder Traffic Advisory Committee

Meetings of this Committee are convened by the Contractor to discuss traffic management and traffic communications during construction. It includes representatives from local governments and key stakeholders who have a direct interest in traffic management for the Project, such as first responders; school districts; tourism groups and goods movers. Meetings are held on a regular basis.

Cougar Creek Rain Garden

The Ministry facilitated the Cougar Creek Rain Garden design and planting, just underneath the Alex Fraser Bridge on the south side of River Road. Participants included the Cougar Creek Streamkeepers, Burnsvue high school students from Delta, and First Nations. Planting took place in May, 2012.

Communication Activities Completed During Fiscal Year

There were no communication events or news releases for this program during the 2011/12 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, 2012, for each of the respective components/phases:

■ Phase 1 – Preliminary Work

118 contracts have been established for a total cost of \$243,874,213.00 primarily for purposes of site preparation and was carried out using conventional procurement methods. A total of \$211,620,359.23 has been expended against these 118 contracts (86.77% of the existing contracts) as of the end of the 2011/12 fiscal year. There was \$41,691,513.77 of claims in the 2011/12 fiscal year.

■ Phase 2 – Construction

As of March 31, 2012, there have been nine contract (for the sole concessionaire) corresponding to nine Milestones established with claims of 76,352,353 in 2011/12 and total claims of 220,891.09.44 (49.34% of the existing contracts/ concessionaire agreement). There was \$76,352,353 of claims in the 2011/12 fiscal year.

Overall, as of the end of the fiscal year 2011/12, 127 contracts have been established on the on-line **Transport Canada - Surface Infrastructure System (SIS)** for a total cost of \$691,574,213.00 out of a HCOMS-active sharable cost of \$726,000,000. A total of \$432,511,457.67 has been expended (62.54% of the existing value of the 127 contracts). Previous year claims were \$314,467,590.45.

Table 3

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, 2012

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2011/12 (\$)
1.1	Phase 1 – Preliminary Works (\$597,000,000) Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation and environmental mitigation. In addition, one interchange will be constructed along with three overpass/underpass structures.	04830MJ0107	3,081,996.88
		04830MJ0108	8,549,385.98
		04830MJ0111	3,970,568.31
		04830MJ0118	2,131,731.69
		04830MJ0119	4,365,294.36
		04830MJ0121	1,335,080.25
		04830MJ0122	1,222,568.84
		04830MJ0124	158,457.63
		04830MJ0301	559,371.77
		04830_Audits	18,000.00
		04830_CNRail	68,347.85
		04830_Con_Agree	141,944.88
		04830_Cranwest	18,505.51
		04830_Demolition	31,351.99
		04830_Env_Comp	97,829.14
		04830_Landfill	359,316.68
		04830_Misc_Const	26,466.67
		04830_Signage	546.14
		04830_Util_BCHydro	2,182,000.97
		04830_Util_Telus	98,515.00
		048CS0375	675,973.44
		048CS1003	568,773.00
		048CS6015	1,928.42
		048CS6029	167,889.78
		048CS6031	1,859,604.85
		048CS6059A	7,290.20
		048CS6070	316,632.90
		048CS6071	156,477.57
		048CS6072	94,980.50
		048CS6073	653,953.00
		048CS6074	68,695.00
		048CS6076	413,239.00
		048CS6085	1,062,296.99
		048CS6088	959,893.27

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2011/12 (\$)
		048CS6114	79,227.50
		048CS6115	507,760.54
		048CS6115A	451,076.13
		048CS6134	881,761.00
		048CS6135	538,712.00
		048LA6075	175,416.93
		048LA6106	3,809.50
		048LOA6099	18,000.00
		048LA6132	1,782.14
		048LA6147	1,447.43
		048LA6151	1,826.37
		100CS4615	73,947.64
		11763OP0001	17,842.35
		153CS0612A	28,534.00
		721CS4594	8,066.00
		PO-004405	8,861.61
		PO-004406	368,801.51
		PO-004521	149,540.00
		PO-004564	492,470.20
		PO-004620	100,024.47
		PO-004627	184,525.00
		PO-004631	47,799.90
		PO-004641	42,831.10
		PO-004658	248,775.00
		PO-004807	1,833,750.00
	Subtotal		41,691,513.77
1.2	Phase 2 – Construction of the South Fraser Perimeter Road This work involves the construction of approximately 40 kilometres of new four-lane, 80 km/h highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersestions will be constructed along with nine major overpass/underpass structures. Two kilometres of split-grade roadway with bridges to span three ravines will be built.	Milestone 1 – General	1,573,995.70
		Milestone 2 – Design and Approvals	1,748,778.33
		Milestone 3 – Highway Construction	38,197,549.22
		Milestone 4 – Bridge Structures	2,869,324.53
		Milestone 5 – Retaining Walls	8,727,686.18
		Milestone 6 – Construction Engineering	16,658,241.52
		Milestone 7 – Finishing Works	6,283,331.15
		Milestone 8 – Demolition and Removals	721,162.98
		Milestone 9 – Concessionaire Eligible	(427,716.17)
	Subtotal		76,352,353
	TOTAL		118,043,867

Annual Audit of Program

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



INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying Schedule of Detailed Expenditure Claims for the year ended March 31, 2012 and a summary of significant accounting policies and other explanatory information (together “the schedule”). The schedule has been prepared by management of the British Columbia Ministry of Transportation and Infrastructure using the basis of accounting described in Note 3.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the Schedule of Detailed Expenditure Claims for the year ended March 31, 2012 is prepared, in all material respects, in accordance with the basis of accounting as described in Note 3.

Basis of Accounting and Restriction on Use

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

Victoria, British Columbia
July 27, 2012



John Doyle, MAcc, CA
Auditor General

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

Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2012

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2011/12 (\$)
1.1	Phase 1 - Preliminary Works Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation, and environmental mitigation. In addition, one interchange will be constructed along with three	04830MJ0107	3,081,996.88
		04830MJ0108	8,549,385.98
		04830MJ0111	3,970,568.31
		04830MJ0118	2,131,731.69
		04830MJ0119	4,365,294.36
		04830MJ0121	1,335,080.25
		04830MJ0122	1,222,568.84
		04830MJ0124	158,457.63
		04830MJ0301	559,371.77
		04830_Audits	18,000.00
		04830_CNRAil	68,347.85
		04830_Con_Agree	141,944.88
		04830_Cranwest	18,505.51
		04830_Demolition	31,351.99
		04830_Env_Comp	97,829.14
		04830_Landfill	359,316.68
		04830_Misc_Const	26,466.67
		04830_Signage	564.14
		04830_Util_BCHydro	2,182,000.97
		04830_Util_Telus	98,515.00
		048CS0375	675,973.44
		048CS1003	568,773.00
		048CS6015	1,928.42
		048CS6029	167,889.78
		048CS6031	1,859,604.85
		048CS6059A	7,290.20
		048CS6070	316,632.90
		048CS6071	156,477.57
		048CS6072	94,980.50
		048CS6073	653,953.00
		048CS6074	68,695.00
		048CS6076	413,238.00
		048CS6085	1,062,296.99
		048CS6088	959,893.27
		048CS6114	79,227.50
		048CS6115	507,760.54
		048CS6115A	451,076.13
		048CS6134	881,761.00
		048CS6135	538,712.00
		048LA6075	175,416.93
		048LA6106	3,809.50
		048LOA6099	18,000.00
		048LOA6132	1,782.14
		048LOA6147	1,447.43
		048LOA6151	1,826.37
		100CS4615	73,947.64
		11763OP0001	17,842.35
		153CS0612A	28,534.00
		721CS4594	8,066.00
		PO-004405	8,861.61
		PO-004406	368,801.51
		PO-004521	149,540.00
		PO-004564	492,470.20
		PO-004620	100,024.47
		PO-004627	184,525.00
		PO-004631	47,799.90
		PO-004641	42,831.10
		PO-004658	248,775.00
		PO-004807	1,833,750.00
Sub-total			41,691,513.77

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, 2012

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2011/12 (\$)
1.2	<p>Phase 2 - Construction of the South Fraser Perimeter Road</p> <p>This work involves the construction of approximately 40 kilometres of new four-lane, 80 km/h highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersections will be constructed along with nine major overpass/underpass structures. Two kilometres of split-grade roadway with bridges to span three ravines will be built.</p>	<p>Milestone 1- General</p> <p>Milestone 2 - Design & Approvals</p> <p>Milestone 3-Highway Construction</p> <p>Milestone 4-Bridge Structures</p> <p>Milestone 5-Retaining Walls</p> <p>Milestone 6-Construction Engineering</p> <p>Milestone 7-Finishing Works</p> <p>Milestone 8-Demolitions & Removals</p> <p>Milestone 9-Concessionaire Eligible</p> <p>Sub-total</p>	<p>1,573,995.70</p> <p>1,748,778.33</p> <p>38,197,549.22</p> <p>2,869,324.53</p> <p>8,727,686.18</p> <p>16,658,241.52</p> <p>6,283,331.15</p> <p>721,162.98</p> <p>(427,716.17)</p> <p>76,352,353</p>
TOTAL			118,043,867

Approved by:


 David Marr
 Executive Director
 Program Development and Monitoring


 Dave Stewart
 Chief Financial Officer
 Finance and Management Services

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

**Notes to the Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2012**

1. Nature of the Agreement

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

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

2. Costs

Eligible Costs:

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

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

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

Ineligible Costs:

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

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

3. Basis of Accounting and Accounting Policies

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

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

Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road

ANNUAL REPORT 2011/12
Fiscal Year Ended March 31, 2012



Ministry of
Transportation
and Infrastructure



Transport
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