



CANADA/BRITISH COLUMBIA ASIA-PACIFIC GATEWAY AND CORRIDOR TRANSPORTATION INFRASTRUCTURE FUND

ANNUAL REPORT 2007/08

(FISCAL YEAR ENDED MARCH 31, 2008)

August 2008

Canada

**Transport Canada
Infrastructure Canada**



Ministry of
Transportation
and Infrastructure



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An annual progress report is required under sections 8.3 and 9.5 and Appendix D (Audit Framework) of the CANADA/BRITISH COLUMBIA ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE TRANSPORTATION INFRASTRUCTURE 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. This annual report will account for developments and progress during both the 2006/07 and 2007/08 fiscal years. As is the norm, for the all contribution agreements between Canada and the Province of BC there was not an annual reporting or audit requirement to be conducted in the first year of the program, and thus this document will cover both years.





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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 2007/08 (ending March 31, 2008) the status of the 6 projects, Environmental Assessment and Audits were as follows¹:

■ **Pitt River Bridge and Mary Hill Interchange** – This project entails:

- Construction of a new high level-fixed Pitt River Bridge, located between the existing structures to replace the existing swing bridges. The new seven-lane structure will have six through lanes and one auxiliary lane eastbound lane for truck traffic;
- Construction of a new interchange at Mary Hill Bypass and Lougheed Highway to eliminate the existing complex signalized intersection. The interchange is to provide free-flow conditions for all major movements; and,
- Upgrades to the intersection at Kennedy Road and Lougheed Highway to improve access to and from the CP Rail inter-modal yard. The upgrades should be sufficient to allow container truck movements in and out of the inter-modal yard without significant delay.
- The approval of the environmental review (CEAA) was given by Transport Canada on July 20, 2006. A total of \$ 90,568,018 has been expended (claimed) against four contracts, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$16,233,744. Claims for the 2007/08 fiscal year entailed \$47,836,369 and additional \$26,497,875 in accruals (PAYE).

■ **South Fraser Perimeter Road Environmental Assessment** – The environmental assessment of the proposed South Fraser Perimeter Road (SFPR) is subject to both provincial and federal environmental assessment legislation. In accordance with the Canada-BC Agreement on Environmental Assessment Cooperation, the environmental assessment will be harmonized between both jurisdictions according to the agreement, with each retaining its decision making authority. The SFPR will be added to this contribution agreement at a later date and entails primarily a 40 kilometer four-lane 80 km/h route along the south side of the Fraser River extending from Deltaport Way in Southwest Delta to 176th Street (Highway 15) and the new Golden Ears Bridge in Surrey/Langley. The SFPR will link primary gateway facilities such as Deltaport, Fraser Surrey Docks, Canadian National Railway's intermodal yard; Canada/US border crossings and the Tsawwassen ferry terminal to Vancouver Island.

A total of \$ 3,412,368 has been expended (claimed) against one contract, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$566,225. Claims/Accruals (PAYE) for the 2007/08 fiscal year entailed \$2,846,143.

¹ 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 Pitt River Bridge project is estimated at \$198 Million but only \$180 Million is eligible for cost-sharing.

■ **Simon Fraser Bridge** – This project in Prince George entails construction of a new two-lane bridge parallel and upstream of the existing bridge and tying back into the existing Queensway interchange on the north side of the Fraser River and Highway 97 on the south side. The existing bridge will require rehabilitation in the future but the rehabilitation of the existing structure is not included under this contribution agreement. The approval of the environmental review (CEAA) was given by Transport Canada on October 4, 2007. A total of \$ 3,625,941 has been expended or accrued against five contracts, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$0. Claims/Accruals (PAYE) for the 2007/08 fiscal year entailed \$3,625,941.

The following 3 projects were added after the end of the 2007/08 fiscal year:

■ **Highway 16: Silver Road to McBride Timber Road Passing Lane** – The current scope of the project includes the construction of two kilometres of eastbound passing lane and shoulder widening; westbound left-turn lane at Silver/Sweden Road; eastbound and westbound left-turn lanes and right turn deceleration lanes at McBride Timber Road; and additional intersection lighting. The approval of the environmental review (CEAA) has not been given as of the end of March 31, 2008, the end of the 2007/08 fiscal year, and as such as per the contribution agreement there are no eligible costs yet to be claimed. A total of \$0 has been expended (claimed) against 0 contracts, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$0. Claims for the 2007/08 fiscal year entailed \$0.

■ **Highway 1: Hilltop to Balmoral** – This project entails four lane undivided standard highway with improved geometry, frontage roads to provide safe access to adjacent properties, and a mixture of new grade separated intersections and upgrades to the existing at-grade intersections with separate turning lanes for all movements. The proposed upgrade will connect with the recently upgraded section of highway between Balmoral Road and Ford Road. The approval of the environmental review (CEAA) has not been given as of the end of March 31, 2008, the end of the 2007/08 fiscal year, and as such as per the contribution agreement there are no eligible costs yet to be claimed. A total of \$0 has been expended (claimed) against 0 contracts, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$0. Claims for the 2007/08 fiscal year entailed \$0.

■ **Highway 97: Wright Station Curves** – This project located between 100 Mile House and Williams Lake affects 4.6 kilometres of existing two and three lane rural arterial highway. The proposed project is limited to four-laning the 3.5 kilometres middle and south sections (total 3.9 kilometres of new construction). The approval of the environmental review (CEAA) has not been given as of the end of March 31, 2008, the end of the 2007/08 fiscal year, and as such as per the contribution agreement there are no eligible costs yet to be claimed. A total of \$0 has been expended (claimed) against 0 contracts, as of the end of the 2007/08 fiscal year. Claims for the 2006/07 fiscal year entailed \$0. Claims for the 2007/08 fiscal year entailed \$0.

Overall, as of the end of the fiscal year 2007/08, 10 contracts had been established on HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCOMS) for a total cost of \$214,820,000 out of a total HCOMS-active sharable cost (across 6 projects, audits and environmental assessments) of \$220,000,000 (97.65% of HCOMS-active sharable cost)². A total of \$97,606,327 has been expended against these 10 contracts (45.44% of the existing value of the 10 contracts), with \$47,836,369 expended (claimed) in the 2007/08 fiscal year. There is a total of \$ 32,969,959 in accruals (PAYE) at the end of the 2007/08 fiscal year. It should be noted that in the fiscal year 2007/08 the contribution agreement was expanded to include the Simon Fraser Bridge project. Three additional projects (Highway 16: Silver Road to McBride Timber Lake Road; Highway 1: Hilltop to Balmoral; and Highway 97: Wright Station Curves) were added in the 2008/09 fiscal year but are mentioned only for the sake of continuity and consistency of the annual report historical record.

² After the end of the fiscal year 2007/08 the addition of these three projects to the original three raised the total shareable costs as of July 2008 to \$246,500,000.



DATE, LOCATION AND MINUTES OF OFFICIAL MANAGEMENT COMMITTEE MEETINGS.

Asia Pacific Gateway and Corridor Transportation Infrastructure Fund Management Committee Meeting

Date: May 2, 2007

Location: Vancouver, BC

Note taker: Mark Thompson

■ In Attendance:

Federal Bryce Conrad (co-chair), James Clarkin, Mark Thompson (by phone),
Cathy Hainsworth (by phone)

Provincial David Marr (Provincial Co-Chair), Avi Ickovich (by phone), Kari McKeel (by phone)
Don Wharf (by phone)

RECORD OF DISCUSSIONS

1.0 Opening Remarks

2.0 Administrative Details

2.1 Note Taker: Mark Thompson

Action items:

Draft minutes for this meeting will be distributed to all attendees for comments and final minutes will then be prepared for approval by e-mail.

Person responsible: Mark Thompson

Deadline: June 1, 2007

2.2 Recording Action Items

Conclusions: All action items will be recorded

2.3 Decision making when MC Members cannot attend meeting

Conclusions: In the event that a member of the Management Committee cannot attend meetings, an alternate member can be appointed.

2.4 MC Member Alternates

Conclusions: Alternates will be named through email, prior to meetings when required.

2.5 List of Contacts

Federal: Bryce Conrad – TC Co-chair

James Clarkin – Manager for programs in Western Canada

Mark Thompson – program management for the APGCTIF agreement

Cathy Hainsworth – environmental specialist for SFPR

Christian Judd – co-ordination of APGCTIF agreements

Kim Aziz – responsible for projects in British Columbia

Cathy Cossaboom – co-ordination of communications events

Provincial: David Marr – MOT Co-chair

Avi Ickovich – financial management of the APGCTIF agreement

Kari McKeel – financial management of the APGCTIF agreement

Don Wharf – project management for Pitt River Bridge and Mary Hill Interchange project

Geoff Freer - project management for SFPR project

3.0 Program Management

3.1 Amendments to Schedule B (significant cash flow modifications, addition of new projects)

Conclusions: The agreement will be amended to include projects as they are announced and approved. This will require Ministers' signatures. Amendments to Schedule B can be approved by the management committee.

The province will inform Canada if costs escalate by more than 20% beyond initial estimate.

3.2 Initial Claim for 2006/07

Action items: Process contract approvals and schedule B revisions in order to submit the initial claim for 2006/07

Person responsible: Mark Thompson, Avi Ickovich, Kari McKeel

Deadline:

3.3 Use of Engineering Guidelines in Projects

Action items: BC to submit separate letters indicating that the Pitt River Bridge project will conform to TAC or equivalent standards as well as a letter indicating that the RFP process for contract awards is fair and transparent.

Person responsible: Avi Ickovich

Deadline:

3.4 Financial Management / Cash Flow Forecasts (Key dates for TC)

Conclusions: TC requires updated cash flow forecasts for budgeting purposes particularly in September and February. TC will contact MOT as necessary to revise forecasts.

3.5 Use of HCoMS

Conclusion: HCoMS will be used to process claims, approve contracts and schedule B revisions.

3.6 Program reporting (Contents of annual reports)

Conclusions: Annual reports will follow a similar format to those submitted under CSIF, BIF and SHIP. Claims submitted in a given year will not be paid until the annual report from the previous year has been submitted. The requirement for an annual report for 2006/07 has been waived as little work has been completed and no payments have been made in 2006/07

3.6 Program reporting (environmental monitoring reports)

Action items: Don Wharf to provide environmental monitoring reports to TC.

Person responsible: Don Wharf

Deadline: Monthly

3.7 Program Audits

Conclusions: Annual financial audits will be required. At least once during the life of the agreement a compliance audit will be required. The timing of the compliance audit is tentatively scheduled for the 2008/09 fiscal year.

3.8 Completion of Projects

Conclusions: Affidavits of a form included in the agreement will be required to certify the completion of projects.

3.9 Tolls / Sale of Highways

Discussion: BC currently has no intention to toll or sell any assets under this agreement.

Conclusions: Should BC, at a later date, wish to toll or sell any assets under this agreement they will discuss options with Canada.





3.10 Site Visits / Photos

Conclusions: TC will conduct site visits once or twice a year. Mark Thompson will contact David Marr and Don Wharf to schedule visits as required.

3.11 Final Payments

Discussion: TC generally holds back the final 10% of a project until an affidavit of completion has been submitted for that project. David Marr will consult others to confirm that this approach will not cause undue problems for the province.

3.12 Management Committee Meetings

Conclusions: The management committee will meet as often as required and at least once per year.

4.0 Communications Protocol

4.1 Public Announcement of Project

Conclusions: TC and MOT will inform each other 30 days or as soon as possible in advance of any communication with the public regarding projects under this agreement. Operational communications (eg. road closures) with the public do not require notice.

4.2 Use of Signage on Projects

Conclusions: Signs will be erected in both directions at the beginning and end of each project covered under this agreement.

Separate federal and provincial signs will be used. Federal signs will allow consistent branding for the federal gateway program and provincial signs can provide project specific information. Provincial signs will not be erected until federal signs are available.

For the Pitt River Bridge project, due to the localized nature of the project, signs will be erected only at the beginning of the project on each of the three approaches. Signs will be side by side on one approach and one in front of the other on the other two approaches.

Action items: Federal sign specifications to be sent to Ross McLean
Person responsible: Mark Thompson
Deadline: May 3, 2005

4.3 Special events (opening ceremonies, etc.)

5.0 Planning & Evaluation

5.1 Retrospective Evaluations

Discussion: a retrospective evaluation will be required after at least 3 years post construction.

6.0 Project Update

6.1 Status report: Pitt River Bridge Mary Hill Interchange

Discussion: Don Wharf provided an update on the project and provided a report on the progress, which will be attached to these minutes for information.

Construction of staging areas and project offices are underway. Bridge designs are expected by end of May

6.1 Status report: SFPR Environmental Assessment

Discussion: David Marr provided an update on the environmental assessment. The province expects the EA to be completed by end of May.

Preloading and work on utilities cannot commence until the EA is complete. Start of construction for the SFPR may be pushed back to the Fall of 2007.

7.0 Other Items

7.1 additional claims information

Conclusions: BC makes payments based on reports submitted by the contractor. BC will include the basis for their payment with any claims submitted to Canada.

8.0 Next Management Committee Meeting

Conclusions: The timing of the next Committee meeting will be determined at a later date.

Canada/British Columbia Asia Pacific Gateway and Corridor Transportation Infrastructure Fund Management Committee Meeting Date: October 29, 2007 Teleconference

■ In Attendance:

Federal Bryce Conrad (co-chair), James Clarkin, Mark Thompson, Cathy Hainsworth

Provincial David Marr (Provincial Co-Chair), Avi Ickovich, Don Wharf

1.0 Opening Remarks – Introductions

2.0 Administrative Details

2.1 Note Taker: Avi Ickovich

2.2 Minutes of the May 2, 2007 Management Committee meeting were accepted and approved.

3.0 Program Management

3.1 Schedule B Revision #2 was signed by Transport Canada and will be returned soon to the BC Ministry of Transportation.

3.2 Contract authorization for Stipend to unsuccessful bidders. It was decided that Transport Canada will not approve this request. However, BC retains the right to re-submit this request should there be insufficient eligible costs closer to the end of the project completion. Kim Aziz indicated that she would remove the pending Contract Authorization from HCOMS (Transport Canada on-line administration system).

3.3 Audit Requirements for 2007-08. Transport Canada has undergone an internal audit which will result in some reporting requirements changes to future audits. In order to expedite this process and to allow the BC Office of the Auditor General to assist in optimal reporting principles, Transport Canada will contact the BC OAG. Contacts to be provided by Avi Ickovich.

3.4 Audit Plan for 2007-08. It was decided that the 2007-08 Annual Report and Audit will entail a financial audit and that subsequent years will entail a compliance audit. Transport Canada will send the Province the requisite Audit Plan in next couple months.

3.5 Status of the addition of the South Fraser Perimeter Road project. Transport Canada is preparing a Treasury Board submission for approval to add this major project to the existing Contribution agreement. Treasury approval is required as this addition is beyond Ministerial Authority.



- 3.6 Status of the addition of the Mountain Pine Beetle projects. Transport Canada is writing the Treasury Board submission as per their requirement to submit all projects for approval over a \$15 Million threshold. The submission will include funding for the Simon Fraser Bridge which is a very high priority for the Province. Transport Canada indicated that the smaller projects (under threshold) such as Wright Station curves are easier to approve as they entail just internal approval at the Ministerial level as well as the inherent environmental assessments. Transport Canada is working on obtaining Department of Fisheries and Oceans approval for the requisite Environmental Assessments, which requires a minor modification. The contribution agreement will be amended accordingly once the Treasury Board approval is obtained.
- 3.7 Status Report: Pitt River Bridge/ Mary Hill Interchange. A status report was provided by Don Wharf with reference to the site visit by Mark Thompson (Transport Canada) on October 24, 2007 just prior to this Management Committee teleconference. Transport Canada received an update submitted electronically a week prior to this Management Committee meeting. The highlights of the update are that (a) the project is basically on schedule, one month behind schedule due to excess demand for design services in the Province, which will be made up at year end; (b) Progress is being made on piles, trestle, preloading, electrical relocation, detours; and (c) demolition of the residential/commercial building with hazardous materials (i.e., asbestos) is proceeding with appropriate environmental safeguards. Don Wharf (BC MOT) indicated that the website for the project is updated frequently. BC will forward environmental reports monthly.
- 3.8 Status Report: SFPR Environmental Assessment. Transport Canada indicated that there is an impasse with BC and Environment Canada regarding 2 kilometers which skirt along Burns Bog. The contracting team submitted a proposal to Environment Canada to deal with these issues. TC is working with Environment Canada to resolve these issues and get an alignment that meets the legislative requirements.

4.0 Other Items

There are no communication events planned once the South Fraser Perimeter Road project is added to the existing Contribution Agreement.

Transport Canada acknowledges that signing requirements have been met by the Province.

SCHEDULE B REVISIONS:

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 0.** (November 20, 2006) – This is base Schedule B established with the Contribution Agreement.
- Revision 1.** (June 15, 2007) – This revision entailed the following changes:
Due to a successful and aggressive construction schedule, this allowed for an \$7,233,775 increase in claims at the end of 2006/07 fiscal year for the Pitt River Bridge Project over the initial cash flow set out in the Contribution Agreement; and,

Shifting \$3,433,775 environmental assessment costs from the 2006/07 fiscal year to the 2007/08 fiscal year for the South Fraser Perimeter Road Project Environmental Assessment.
- Revision 2.** (August 29, 2007) – This revision entailed no changes. This first revision of the 2007/08 fiscal year is required to open the new fiscal year in HCOMS.
- Revision 3.** (January 16, 2008) – Due to a successful and aggressive construction schedule, this allowed for bringing forward claims to the 2007/08 fiscal year for the Pitt River Bridge Project.
- Revision 4.** (February 29, 2008) – This revision entailed the following changes:
Due to a successful and aggressive construction schedule, this allowed for bringing forward claims to the 2007/08 fiscal year for the Pitt River Bridge Project.

Shifting \$1,511,325 environmental assessment costs from the 2007/08 fiscal year to the 2008/09 fiscal year.
- Revision 5.** (March 19, 2008) – The addition of the Simon Fraser Perimeter Road Project into the Contribution Agreement.
- Revision 6.** (April 4, 2008) – This revision entailed the following changes at the end of the 2007/08 fiscal year:

Shifting \$2,493,549 from the 2007/08 fiscal year to the 2008/09 fiscal year for the Pitt River Bridge Project;

Shifting \$923,693 from the 2008/09 fiscal year back to the 2007/08 fiscal year for the South Fraser Perimeter Road Environmental Assessment project; and,

Shifting \$1,114,059 from the 2007/08 fiscal year to the 2008/09 fiscal year for the Simon Fraser Bridge project.

Schedule B during the Fiscal Year 2007/08 (As of April 1, 2008)

Revision #0 20-Nov-06 (Base)	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
				Federal	Provincial						
Revision #0 20-Nov-06 (Base)	Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$9,000,000	\$67,000,000	\$71,000,000	\$30,000,000	\$3,000,000	
	South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$4,000,000					
	Total	\$202,000,000	\$184,000,000	\$92,000,000	\$92,000,000	\$13,000,000	\$67,000,000	\$71,000,000	\$30,000,000	\$3,000,000	\$-
Revision #1 15-Jun-07	Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$59,766,225	\$71,000,000	\$30,000,000	\$3,000,000	
	South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$3,433,775				
	Total	\$202,000,000	\$184,000,000	\$92,000,000	\$92,000,000	\$16,800,000	\$63,200,000	\$71,000,000	\$30,000,000	\$3,000,000	\$-
Revision #2 29-Aug-07	Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$59,766,225	\$71,000,000	\$30,000,000	\$3,000,000	
	South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$3,433,775				
	Total	\$202,000,000	\$184,000,000	\$92,000,000	\$92,000,000	\$16,800,000	\$63,200,000	\$71,000,000	\$30,000,000	\$3,000,000	\$-
Revision #3 16-Jan-08	Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$73,500,000	\$68,000,000	\$20,800,000	\$1,466,225	
	South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$3,433,775				
	Total	\$202,000,000	\$184,000,000	\$92,000,000	\$92,000,000	\$16,800,000	\$76,933,775	\$68,000,000	\$20,800,000	\$1,466,225	\$-
Revision #4 29-Feb-08	Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$76,827,792	\$66,900,000	\$20,038,434		
	South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$1,922,450	\$1,511,325			
	Total	\$202,000,000	\$184,000,000	\$92,000,000	\$92,000,000	\$16,800,000	\$78,750,242	\$68,411,325	\$20,038,434	\$-	\$-

Table 1 cont'd

Schedule B during the Fiscal Year 2007/08 (As of April 1, 2008)

Revision #5

19-Mar-08

Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			Federal	Provincial						
Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$76,827,792	\$66,900,000	\$20,038,434		
South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$1,922,450	\$1,511,325			
Simon Fraser Bridge	\$42,000,000	\$36,000,000	\$18,000,000	\$18,000,000	\$-	\$4,740,000	\$16,300,000	\$9,300,000	\$5,660,000	
Total	\$244,000,000	\$220,000,000	\$110,000,000	\$110,000,000	\$16,800,000	\$83,490,242	\$84,711,325	\$29,338,434	\$5,660,000	\$-

Revision #6

04-Apr-08

Pitt River Bridge and Mary Hill Interchange	\$198,000,000	\$180,000,000	\$90,000,000	\$90,000,000	\$16,233,775	\$74,334,243	\$69,393,549	\$20,038,434		
South Fraser Perimeter Road Environmental Assessment	\$4,000,000	\$4,000,000	\$2,000,000	\$2,000,000	\$566,225	\$2,846,143	\$587,632			
Simon Fraser Bridge	\$42,000,000	\$36,000,000	\$18,000,000	\$18,000,000	\$-	\$3,625,941	\$17,414,059	\$9,300,000	\$5,660,000	
Total	\$244,000,000	\$220,000,000	\$110,000,000	\$110,000,000	\$16,800,000	\$80,806,327	\$87,395,240	\$29,338,434	\$5,660,000	\$-

Statement of Changes for Schedule B during the Fiscal Year 2007/08 (Year Ending March 31, 2008)

Revision #0 to	Project	Estimated Project Cost	Sharable Project Cost	Agreement Federal	Contribution Provincial	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revision #1	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$7,233,775	\$(7,233,775)	\$-	\$-	\$-	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$(3,433,775)	\$3,433,775	\$-	\$-	\$-	\$-
	Total	\$-	\$-	\$-	\$-	\$3,800,000	\$(3,800,000)	\$-	\$-	\$-	\$-
Revision #2	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	Total	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Revision #3	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$-	\$13,733,775	\$(3,000,000)	\$(9,200,000)	\$(1,533,775)	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	Total	\$-	\$-	\$-	\$-	\$-	\$13,733,775	\$(3,000,000)	\$(9,200,000)	\$(1,533,775)	\$-
Revision #4	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$-	\$3,327,792	\$(1,100,000)	\$(761,566)	\$(1,466,225)	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$-	\$(1,511,325)	\$1,511,325	\$-	\$-	\$-
	Total	\$-	\$-	\$-	\$-	\$-	\$1,816,467	\$411,325	\$(761,566)	\$(1,466,225)	\$-
Revision #5	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	Simon Fraser Bridge	\$42,000,000	\$36,000,000	\$18,000,000	\$18,000,000	\$-	\$4,740,000	\$16,300,000	\$9,300,000	\$5,660,000	\$-
Revision #6	Total	\$42,000,000	\$36,000,000	\$18,000,000	\$18,000,000	\$-	\$4,740,000	\$16,300,000	\$9,300,000	\$5,660,000	\$-
	Pitt River Bridge and Mary Hill Interchange	\$-	\$-	\$-	\$-	\$-	\$(2,493,549)	\$2,493,549	\$-	\$-	\$-
	South Fraser Perimeter Road Environmental Assessment	\$-	\$-	\$-	\$-	\$-	\$923,693	\$(923,693)	\$-	\$-	\$-
	Simon Fraser Bridge	\$-	\$-	\$-	\$-	\$-	\$(1,114,059)	\$1,114,059	\$-	\$-	\$-
	Total	\$-	\$-	\$-	\$-	\$-	\$(2,683,915)	\$2,683,915	\$-	\$-	\$-

Table 2

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). However, it is important to mention that there are no major anomalies from forecasts earlier in the fiscal year 07/08.

Major milestones include:

Pitt River Bridge and Mary Hill Interchange

- All environmental permits are in place;
- Design completion;
- Pylon Towers on east bank of Pitt River looking west;
- Installation of stone columns on west side;
- Beginning to erect north abutment for interchange structure; and
- Preloading for west approach to bridge.

South Fraser Perimeter Road Environmental Assessment

- Over the year, the South Fraser Perimeter Road Project continued through the final stages of a harmonized federal-provincial environmental assessment review; and,
- The Project Team continued to work closely with federal and provincial agencies, working groups, municipalities, environmental experts and the public to ensure the project reflects the highest environmental standards.

Simon Fraser Bridge

- Abutments 90% complete, Piers 1 & 4 foundations complete, Piers 2 & 3 foundations started and piles 95% complete

The following pages of the report entail a series of updates and inherent corresponding 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 pictures are overviews.





PROJECT OVERVIEW: PITT RIVER BRIDGE AND MARY HILL INTERCHANGE

Work accomplished:

The work under Pitt River Bridge Project Design-Build Contract (048DB6013) two months (June 2008) after the end of the fiscal year 2007/2008 is summarized in the following areas³:

Design:

- The Design-Builder (Peter Kiewit Sons Co. – PKS) has submitted 100% designs for all components of the project. The MoT project team has completed its 100% design review for all components. There were few minor items to resolve before being formally issued for construction.

Construction:

The BC Ministry of Transportation and Infrastructure project team role on site continued as follows:

- Site supervision, construction monitoring and auditing; and
- Traffic management: Reviewing and approval of the traffic control plans for roadworks activities and detour implementations for vehicles, cyclists and pedestrians

The following construction activities were conducted on the site by Peter Kiewit Sons Co:

- Construction of bridge pylons at E1 and W1 are underway. E1 is 60% complete while W1 is 40% complete;
- Ground improvements with the installation of stone columns continuing;
- Installation of piles at W3 is underway;
- Preparation for preloading of northern approaches to interchange (L700 & L400 lines) has commenced;
- Piles for interchange structure have been installed and erection of abutments is underway;
- Relocation of city waterworks nearing completion at Loughheed Highway and Mary Hill Bypass; and,
- Off-site fabrication of deck panels and cable stay strands underway.

Public Consultation:

The Ministry of Transportation and Infrastructure project team has participated in the following activities:

- Posted community updates and traffic information on website;
- Ongoing liaison with stakeholders including First Nations; and,
- Project information displays at community events.

³ The June update is ment to coincide with the June 17, 2008 Management Committee meeting.

Quality Management:

The BC Ministry of Transportation and Infrastructure Project team along with the contractor's quality management team have implemented their respective quality management programs. The team reviewed and audited quality plans for off-site fabrication by both BC MoT and PKS.

Construction pre-activity meetings have been held by the contractor and attended by BC MoT quality and site personnel during the course of the project to date. This strategy provides an advance opportunity for the BC Ministry of Transportation and Infrastructure to advise of concerns regarding quality management as well as construction details. Recent examples of pre-activity meetings are:

- Rapid span structural steel construction;
- Stone column installations;
- Interchange abutment and pier; and,
- Under water concrete placement pre-pour.

Environmental Permitting Status:

- All environmental permits are in place;
- Contractor's environmental management program has been successfully implemented and recent site audits have identified no Non-Conformances Reports or opportunities for improvement;
- Monitoring and auditing of project from environmental perspective ongoing; and,
- All reports to date have been forwarded to Transport Canada.



E1 Pylon Towers on east bank of Pitt River looking west



E1 Pylons



*View of preload at east end.
Piles for Abutment can be seen at base of
preload. Crane at left side of screen is carrying
out installation of stone columns to improve
seismic stability of soils.*





Installation of stone columns on west side.



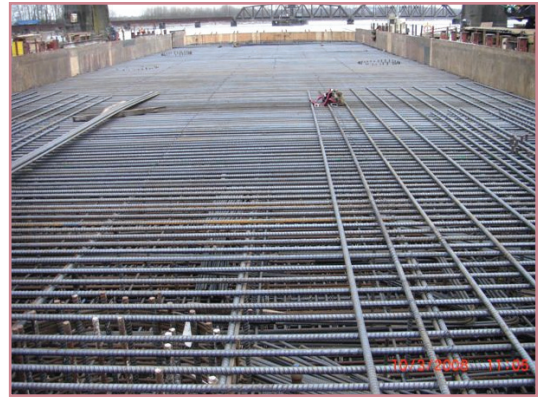
Erection of north abutment for interchange structure



North abutment for interchange



Rebar cage for W1 pile cap



W1 pile cap prior to placement of concrete.



Pouring of concrete at W1 pile cap



Start of pylon erection at W1



*Current status of pylon construction at W1.
E1 pylons in background*



WORK TO BE COMPLETED AND UPCOMING MILESTONES

PKS has planned the following construction activities for the next 6 months (April to Oct 2008):

- Complete ground improvements
- Complete pylons at E1 and W1
- Erect piers for approach spans at each bridge end
- Complete interchange structure
- Commence protection works for Greater Vancouver Water District's Haney #2 & #3 watermains
- Near completion of EPS lightweight fills for L200 and L700 (west end)

The Provincial Gateway Program has an ongoing community relations program to ensure that residents, municipalities and other key stakeholders are well informed and have their inquiries addressed in an effective, timely way. As part of the program they will be distributing Community Updates on a regular basis as well as attending community events in local municipalities. 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 on this subject of public consultation:

http://www.th.gov.bc.ca/gateway/prb-maryhill/commnty_rltns.htm

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 with regard to progress and milestones achieved:

http://www.th.gov.bc.ca/gateway/prb-maryhill/photo_gallery.htm



PROJECT OVERVIEW: SOUTH FRASER PERIMETER ROAD ENVIRONMENTAL ASSESSMENT

Work accomplished:

Over the year, the South Fraser Perimeter Road Project continued through the final stages of a harmonized federal-provincial environmental assessment review.

In May 2007, the Federal Government committed \$365 million toward construction of the South Fraser Perimeter Road as part of investments made in new strategic infrastructure from the Asia-Pacific Gateway and Corridor Initiative.

The Project Team continued to work closely with federal and provincial agencies, working groups, municipalities, environmental experts and the public to ensure the project reflects the highest environmental standards.

Public comment periods were held from April 20 to May 19, 2007 and again from July 10 to July 31, 2007 to allow for agency and public input on the Ministry's environmental application.

Altogether the Environmental Assessment review process has included 5 open houses, and three public comment periods, with over 650 comments received and responded to by the Ministry. The Project Team made a number of refinements to the alignment and prepared a list of environmental commitments resulting from agency feedback and public input.

Before construction begins, environmental management plans will be put into action to protect the environment during construction and operation. Some examples include:

- Air quality and dust control plan to manage dust and construction related emissions
- Vegetation and wildlife habitat plan to protect key wildlife and plant communities
- Noise and vibration plan to control potential construction-related noise and vibration
- Fisheries habitat plan to protect fisheries values during construction

In addition to environmental management plans, long-term monitoring plans will be put in place for plants and wildlife along the route to measure the success of mitigation methods.

WORK TO BE COMPLETED AND UPCOMING MILESTONES

6 month outlook

The Project Team anticipates the BC Environmental Assessment Office will finalize its report to Ministers for a decision on certification in the summer of 2008.

The Environmental Assessment Certificate will allow the project team to move forward with contractor selection, preliminary and final design and construction of SFPR, which is scheduled to begin in fall 2008.

Environmental management plans to protect the environment during construction and operation will be developed and put in place prior to construction.

PROJECT OVERVIEW: SIMON FRASER BRIDGE

Work accomplished:

The following provides a timeline for this project:

- Bridge Design: Buckland & Taylor initiated design in February 2007 and completed the design in September 2007. Project tender-ready in September 2007.
- Bridge Construction Tender: Posted for Tender on October 19, 2007. Closed Tender November 21, 2007. Award Tender November 27, 2007
- Bridge Approach Day Labour work: October - November 2007
- Bridge Construction: Surespan Construction Ltd.: (\$31.6M)
 - Start of construction: mid December 2007
 - Construction to March 31, 2008: Abutments 90% complete, Piers 1 and 4 foundations complete, Piers 2 & 3 foundations started and piles 95% complete
- Bridge Approach Grading, Paving and Electrical:
 - Focus Corporation design work starting fall 2007 to March 31 2008 —75% complete March 2008.

The following pictures provide a visual timeline of progress:



**Fall 2007
– Project Start**

*Simon Fraser Bridge
Built 1964*



*Archaeological site at Queensway
Interchange – North East Loop*

*South approach
– clearing grubbing, tree mulching*



*North approach
– start of construction*



November 2007

Bridge Approach and South River Access



January 11, 2008



February 17, 2008



Inside forms of abutment



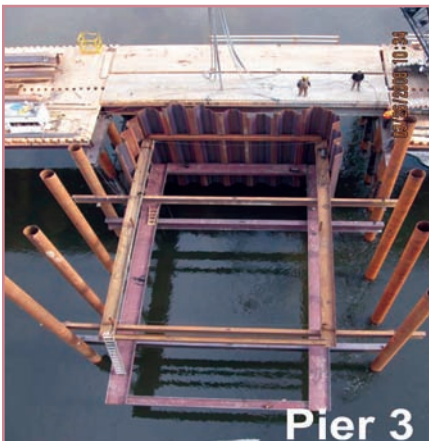


March 30, 2008

Looking north from the Southern Abutment



Installing test pile reinforcing steel



Test pile – Sacrificial O-Cell being installed



Placing concrete to test pile rock socket

April 27, 2008

*Pier 1 – Support and access tower
viewed from the existing bridge*



Pier 2 – Forming up the pile cap



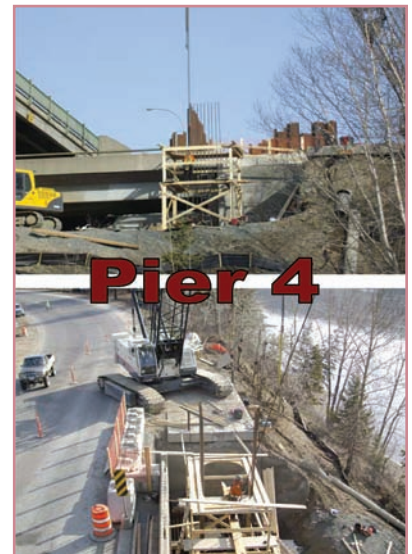
Pier 3 – Rock sockets to downstream piles



*Pier 3 – View of site
looking toward the South Bank*



*Pier 4 – Installing column reinforcing steel
with one lane closure of Queensway*



*Bridge endfill activities suspended at the Southern
Abutment due to freezing temperatures*



June 1, 2008



Form work for Pier 1 cap



Pier 4 pile cap



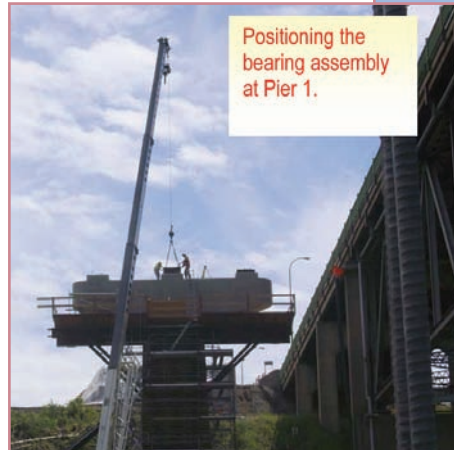
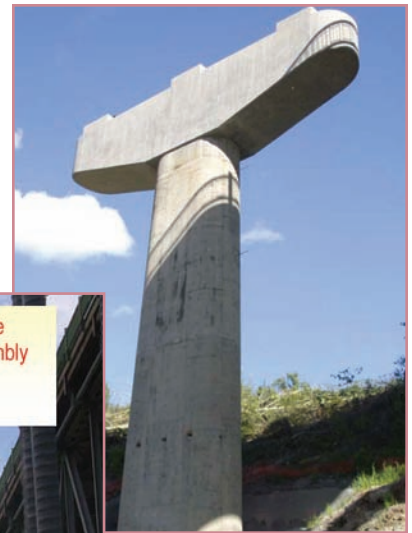
Southern Abutment



Temporary work structure and old bridge

June 29, 2008

Pier 1



Temporary structure



Pier 2 – Concrete placement with two pumper trucks on temporary structure



Pier 2 – placing concrete on top of construction joint





July 20, 2008

300 Tonne cranes with spreader bars and girder tongs ready to place girders from South Abutment to Pier 1



Piers 3 and 2 – Formwork removed. All sub-structure ready for girders



WORK TO BE COMPLETED AND UPCOMING MILESTONES

- Bridge Construction: Surespan Construction Ltd.: (\$31.6M)
 - Construction April to June 2008: Abutments and Piers 1 & 4 completed. Piers 2 & 3 90% complete. Structural steel fabrication 70% complete.
 - Construction July 2008 (scheduled): Complete Piers 2 & 3 and structural steel fabrication. Initiate structural steel shipping and erection.
 - Construction August to September 2008 (scheduled): Complete structural steel shipping and erection.
 - Construction October 2008 to August 2009: Bridge deck, sidewalk, parapet and railings.
 - Bridge construction complete (scheduled): August 2009
- Bridge Approach Grading, Paving and Electrical:
 - Focus Corporation completed design by May 2008;
 - A tender was issued on June 4, 2008 with a closing date of June 26, 2008. The contract was awarded on July 3, 2008 to IDL Projects Ltd. for \$4.7 Million
- Bridge approach construction (scheduled): August 2008 to August 2009.

PROJECT OVERVIEW:

HIGHWAY 16:

SILVER ROAD TO MCBRIDE TIMBER ROAD PASSING LANE

As the environmental assessment, a prerequisite for tendering and subsequent construction (under the terms of the contribution agreement) was approved and signed off on April 4, 2008 after the end of the fiscal year there is no eligible work to report. The 2008/09 Annual Report and Audit next year will document progress on this project. The project is only mentioned for the sake of consistency of reporting as it is included in last Revision of Schedule B of the Contribution Agreement at the time of completion of the 2007/08 Annual Report and Audit.

PROJECT OVERVIEW:

HIGHWAY 1 – HILLTOP TO BALMORAL:

This project is in the vicinity of the Highway 1: Broderick to Ford and General Improvements project successfully delivered and completed in November 2004 by the Province under the federal-provincial Strategic Highway Infrastructure Program (SHIP).

As the environmental assessment, a prerequisite for tendering and subsequent construction (under the terms of the contribution agreement) was not approved and signed off before the end of the fiscal year there is no eligible work to report.

The 2008/09 Annual Report and Audit next year will document progress on this project. The project is only mentioned for the sake of consistency of reporting as it is included in last Revision of Schedule B of the Contribution Agreement at the time of completion of the 2007/08 Annual Report and Audit.

PROJECT OVERVIEW:

HIGHWAY 97: WRIGHT STATION CURVES:

As the environmental assessment, a prerequisite for tendering and subsequent construction (under the terms of the contribution agreement) was not approved and signed off before the end of the fiscal year there is no eligible work to report.

The 2008/09 Annual Report and Audit next year will document progress on this project. The project is only mentioned for the sake of consistency of reporting as it is included in last Revision of Schedule B of the Contribution Agreement at the time of completion of the 2007/08 Annual Report and Audit.





COMMUNICATION ACTIVITIES COMPLETED DURING FISCAL YEAR(S)

The communication activities during the 2006/07 and 2007/08 fiscal years were:

1. News Release & Special Event / Joint Federal-Provincial / Pacific Gateway and Corridor Initiative – Feb. 9, 2007

VANCOUVER – Canada's New Government and the government of British Columbia have agreed to cost-share the construction of a new seven-lane bridge across the Pitt River. Premier Gordon Campbell and the Honourable David Emerson, Federal Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, broke ground at the site today.

Canada's New Government is providing \$90 million in funding for costs associated with the construction of the bridge and a new grade-separated interchange at Lougheed Highway and Mary Hill Bypass. The Province is providing \$108 million.

"The economy of the Pacific is driving the world of today and we must capitalize on our geographical advantage by building for our future," said Premier Campbell. "This is the first contract in our B.C. Gateway Program to improve infrastructure—reducing congestion and improving the movement of people and goods to boost our economy."

"The ability to move goods quickly and efficiently through the Lower Mainland and into the markets across Canada and the United States is very important to importers and exporters," said Minister Emerson. "This new bridge is the first of many Asia-Pacific Gateway and Corridor projects that will help our local communities, as well as contribute to Canada's trade competitiveness."

"The Pitt River crossing connects key economic and transportation facilities with Greater Vancouver," said the Honourable Lawrence Cannon, federal Minister of Transport, Infrastructure and Communities. "This investment demonstrates the commitment of Canada's New Government to reducing congestion and improving the safety and efficiency of this important corridor."

The team of Peter Kiewit & Sons (PKS) won the competitive bidding process for this project, meeting all of the required criteria set out in the request for proposals at the lowest price. The PKS proposal includes an innovative and cost-effective bridge concept offering significant benefits and advantages.

The seven-lane bridge will replace the two existing swing bridges that have seen vehicle traffic numbers triple since 1985. The cable-stayed bridge design will significantly reduce traffic congestion and delays as well as reducing interference with marine traffic. With fewer piers in the river, this new bridge will also reduce impacts to the environment and marine users. Work will begin immediately and the project is expected to be complete by November 2009.

Canada's Asia-Pacific Gateway and Corridor Initiative is an integrated set of investment and policy measures to strengthen Canada's competitive position in international commerce. The Initiative delivers significant new public investment—\$591 million overall, including \$321 million in immediate projects for a variety of infrastructure, transportation technology and border security projects.

The project is also part of the B.C. Gateway Program—the Ministry of Transportation's plan to meet the needs of B.C.'s growing economy, increasing Asia-Pacific trade, and a growing population.

Additional information about the B.C. Gateway Program can be found at www.gatewayprogram.bc.ca.

2. News Release / Federal / Pacific Gateway

October 12, 2007

CANADA'S NEW GOVERNMENT AND PROVINCE OF B.C. SUPPORT REHABILITATION OF THE SIMON FRASER BRIDGE

PRINCE GEORGE, BRITISH COLUMBIA — Canada's New Government and the Province of British Columbia will contribute to the twinning of the Simon Fraser Bridge in Prince George, British Columbia. This project will alleviate traffic congestion and enhance the efficient delivery of goods between the Port of Prince Rupert container facility and the soon-to-be-constructed Prince George Inland Container Terminal. The transport of goods via the Highway 97 and 16 corridors will be the primary means of delivering forestry product destined for trade with Asian markets to the Prince George terminal being built by Canadian National Railway.

Canada's New Government will contribute up to \$18 million for the project. The funding is part of the estimated total project cost of \$42 million and comes from a \$44-million federal commitment to fund transportation infrastructure projects through the Mountain Pine Beetle Program under the Asia-Pacific Gateway and Corridor Initiative (APGCI).

The Honourable Gary Lunn, Minister of Natural Resources, and Richard M. Harris, Member of Parliament for Cariboo-Prince George, made the announcement today.

"Canada's New Government is responding to community needs in Prince George by working with the Province and our industry partners to combat the negative impact of the beetle," said Minister Lunn. "We are taking concrete action to improve the quality of life for area residents, enhance safety and maximize the efficiency of these important trade routes."

"The interior of British Columbia is growing at a rapid rate and our infrastructure needs to grow with it," said Mr. Harris. "That's why I am so proud of Canada's New Government for the leadership it has shown in supporting this project. This is a great day for Prince George and a great day for Northern British Columbia."


"Prince George is among several communities that have been affected by Mountain Pine Beetle infestation, which has caused economic and environmental consequences across the province," said the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities. "This project demonstrates that our government is providing support to affected communities by creating jobs and stimulating economic development."

"The twinning of the Simon Fraser Bridge is an important part of our Cariboo Connector strategy," said Prince George-Mount Robson MLA and Deputy Premier Shirley Bond. "I would like to thank the federal government for their partnership; together we can make a more significant difference for our constituents."

"The timing of this announcement is critical as it should allow the builders to get the pilings into the ground this season," said Prince George-Omineca MLA John Rustad. "I'd like to thank the federal government for delivering this funding and partnering with us on this important project."

"I'm very pleased that the federal government has come forward with this funding to twin the Simon Fraser," said Prince George North MLA Pat Bell. "This is just one part of our government's Asia Pacific Gateway strategy to help move goods to international markets more quickly."





The Government of Canada is committing \$200 million to deliver the Mountain Pine Beetle Program, a comprehensive response to the mountain pine beetle infestation. Earlier this year the government announced almost \$25 million to slow the spread of the beetle into Alberta and protect communities along the eastern B.C. border.

Another \$39.6 million was announced in June to support the efforts of British Columbia to combat the spread of the beetle, protect communities and forest resources in affected areas and support long-term economic stability in forest-dependent communities.

The APGCI is a national initiative that will contribute to Canada's economic competitiveness, while also benefiting communities through which increasing volumes of trade must move. In its first eight months, APGCI projects valued at \$2.2 billion were announced across all four western provinces, including a federal contribution of almost \$800 million.

For more information about Canada's Asia-Pacific Gateway and Corridor Initiative, please visit www.apgci.gc.ca. A backgrounder with further information is attached.

3. News Release (Provincial) – Pacific Gateway

November 29, 2007

CONTRACT AWARDED FOR SIMON FRASER BRIDGE CONSTRUCTION

PRINCE GEORGE – Surespan Construction has been named the contractor for the construction of the Simon Fraser Bridge, announced Prince George MLAs Shirley Bond, Pat Bell and John Rustad.

A \$31,607,061 construction contract was awarded for the \$42 million project, which will increase the capacity of Highway 97 across the Fraser River to four lanes by twinning the Simon Fraser Bridge. The project is expected to be completed in fall 2009.

"The twinned Simon Fraser Bridge will not only reduce congestion to help facilitate the movement of goods, but will also increase convenience for residents and visitors travelling across the bridge," said Bond. "This is an important piece of infrastructure for Northern B.C."

"With 21,000 vehicles crossing the bridge every day, this expansion is necessary to reduce congestion and keep our economy on the right track," said Bell, Prince George North MLA. "The bridge connects Prince George to the BC Rail Industrial Site and the increased capacity will help to resolve traffic delays for industrial traffic."

"Our government believes it is important to update and upgrade infrastructure when it's required to enhance public safety or capacity," said Rustad, Prince George-Omineca MLA. "I'd also like to thank the federal government and the City for supporting our investment."

This section of Highway 97 services the southern approach into Prince George and provides highway access for southern communities, tourists and businesses. The bridge also connects a large industrial area on the south side of the Fraser River to Prince George.

The Simon Fraser Bridge was constructed in 1963 providing two-lane traffic across the Fraser River into Prince George. The design was completed by Buckland & Taylor Ltd. The Ministry of Transportation received eight tenders for the bridge construction, ranging from the successful bid from Surespan Construction to \$55 million.

The federal government is contributing up to \$18 million toward the estimated \$42 million total project cost. The funding comes from a federal commitment to fund transportation infrastructure projects through its Mountain Pine Beetle Program under the Asia-Pacific Gateway and Corridor Initiative.

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, 2008, for each of the respective projects:

- **Pitt River Bridge and Mary Hill Interchange** – 4 contracts have been established for a total cost of \$180,000,000. A total of \$ 90,568,018 (\$26,497,875 in accruals) has been expended against these 4 contracts (50.32 % of the existing contracts).
- **South Fraser Perimeter Road Environmental Assessment** – One contract has been established for a total cost of \$4,000,000. A total of \$ 3,412,368 has been expended (\$2,846,143 in accruals) against this one contract (85.31 % of the existing contract).
- **Simon Fraser Bridge** – 5 contracts have been established for a total cost of \$30,820,000. A total of \$ 3,625,941 has been expended or accrued against these 5 contracts (11.76 % of the existing 5 contracts).
- **Highway 16: Silver Road to McBride Timber Road Passing Lane** – As this project was added to the Contribution Agreement subsequent to the end of the fiscal year, no contracts have been established. Consequently, \$0 has been expended (0 % of the existing contract).
- **Highway 1: Hilltop to Balmoral** – As this project was added to the Contribution Agreement subsequent to the end of the fiscal year, no contracts have been established. Consequently, \$0 has been expended (0 % of the existing contract).
- **Highway 97: Wright Station Curves** – As this project was added to the Contribution Agreement subsequent to the end of the fiscal year, no contracts have been established. Consequently, \$0 has been expended (0 % of the existing contract).

Overall, as of the end of the fiscal year 2007/08, 10 contracts corresponding to the 6 projects had been established on the HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCoMS) for a total cost of \$ 214,820,000 out of a HCOMS-active sharable cost of \$220,000,000. A total of \$97,606,327 has been expended against these 10 contracts (45.44% of the existing value of the 10 contracts), with:

- 2006/07 Fiscal Year = \$16,800,000
- 2007/08 Fiscal Year = \$47,836, 369 + 32,969,959 (Accruals/PAYE)



CANADA/BRITISH COLUMBIA AGREEMENT ON THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE
TRANSPORTATION INFRASTRUCTURE COMPONENT 2006 – 2007 / 2010 – 2011
Schedule of Detailed Expenditure Claims for the Year Ended March 31, 2007

Project Number	Project/Claim Description	Contract Number	Previous Years Expenditure	Current Year Eligible Costs	Accruals (PAYE)	Total To Date	Eligible Costs Remaining in Existing Contracts
1.1	Pitt River and Mary Hill Interchange (\$180,000,000)						
	Construction of a new high-level bridge to replace existing structure (Pitt River Bridge). The new seven-lane structure will have six through-lanes and one auxiliary eastbound lane for truck traffic. Construction of a new interchange at Mary Hill Bypass and Loughheed Hwy to replace existing interchange. Upgrade to the intersection at Kennedy Rd and Loughheed Hwy to improve access from CP Rail Inter-modal Yard.	PR_048DB6013	16,233,774	46,488,194	25,753,138	88,475,106	88,227,894
	To provide Site Supervision, design review, and testing	PR_048CS1003	-	1,067,023	393,488	1,460,511	-
	To provide Construction Supervision, Owners' Engineer Services and Environmental Monitoring Surveillance Services	PR_048CS6012	-	281,152	351,249	632,401	1,004,088
		PRB_Stipend	-	-	-	-	200,000
	Sub-total		16,233,774	47,836,369	26,497,875	90,568,018	89,431,982
	South Fraser Perimeter Rd Environmental Assess. (\$4,000,000)						
	Environmental assessment costs.	SFPR_Env	566,225	-	2,846,143	3,412,368	587,632
	Sub-total		566,225	-	2,846,143	3,412,368	587,632
	Simon Fraser Bridge (\$36,000,000)						
2.1	General engineering services.	097CS0591	-	-	60,637	60,637	594,363
	Bridge Design Construction Engineering	097CS0649	-	-	21,508	21,508	203,492
	Environmental monitoring.	097CS0692	-	-	2,250	2,250	37,750
	Day labour for bridge approach grading, paving and electrical construction.	36191 Day Labour	-	-	-	-	2,400,000
	Construct a new two-lane bridge parallel to the existing bridge and tie back into the existing Queensway Interchange.	3619M0000	-	-	3,541,546	3,541,546	23,958,454
	Sub-total		-	-	3,625,941	3,625,941	27,194,059
3.1	TOTAL		16,799,999	47,836,369	32,969,959	97,606,327	117,213,673

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.

The Management Committee (October 29, 2007) decided that the Annual Audit for the 2006/07 and 2007/08 fiscal years would entail only a financial audit. The Annual Audits for subsequent years (2008/09) would entail the more extensive compliance audits. The Office of the Auditor General of BC will submit an audit plan to the Management Committee for approval prior to commencing the first Compliance Audit for the 2008/09 fiscal year.





Report of the Auditor General of British Columbia

*To the Management Committee of the
Canada – British Columbia Asia Pacific Gateway and Corridor Initiative
Transportation Infrastructure Component:*

At the request of the Ministry of Transportation on behalf of the Management Committee, I have audited the Schedule of Detailed Expenditure Claims under the *Canada – British Columbia Agreement on the Asia-Pacific Gateway and Corridor Initiative, Transportation Infrastructure Component* against the eligible costs of the agreement (as defined in Schedule C of the agreement dated January 11, 2007) for the years ended March 31, 2007 and 2008. This financial information is the responsibility of the management of the British Columbia Ministry of Transportation. 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 *Canada – British Columbia Agreement on the Asia-Pacific Gateway and Corridor Initiative Transportation Infrastructure Component* for the years ended March 31, 2007 and 2008, in accordance with the provisions of Schedule C of the agreement referred to above.

Victoria, British Columbia
May 28, 2008

John Doyle MBA, CA
Auditor General

**CANADA - BRITISH COLUMBIA AGREEMENT ON THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE
TRANSPORTATION INFRASTRUCTURE COMPONENT**

2006-2007 / 2010-2011

Schedule of Detailed Expenditure Claims
For the Years Ended March 31, 2007 and March 31, 2008

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2006/07 (\$)	Eligible Costs Claimed in 2007/08 (\$)
1.1	Pitt River Bridge and Mary Hill Interchange (\$180,000,000)			
	Construction of a new high-level bridge to replace existing structure (Pitt River Bridge). The new seven-lane structure will have six through-lanes and one auxiliary eastbound lane for truck traffic. Construction of a new interchange at Mary Hill Bypass and Lougheed Hwy to replace existing interchange. Upgrade to the intersection at Kennedy Rd and Lougheed Hwy to improve access from CP Rail Inter-modal Yard.	PR_048DB6013	16,233,774	46,488,194
	To provide Site Supervision, design review, and testing.	PR_048CS1003	-	1,067,023
	To provide Construction Supervision, Owners' Engineer Services and Environmental Monitoring Surveillance Services.	PR_048CS6012	-	281,152
		PRB_Stipend	-	-
	Sub-total		16,233,774	47,836,369
2.1	South Fraser Perimeter Rd Environmental Assess. (\$4,000,000)			
	Environmental assessment costs.	SFPR_Env	566,225	-
	Sub-total		566,225	-
3.1	Simon Fraser Bridge (\$36,000,000)			
	General engineering services.	097CS0591	-	-
	Bridge Design Construction Engineering.	097CS0649	-	-
	Environmental monitoring.	097CS0692	-	-
	Day labour for bridge approach grading, paving and electrical construction.	36191_Day_Labour	-	-
	Construct a new two-lane bridge parallel to the existing bridge and tie back into the existing Queensway Interchange.	36191MJ0000	-	-
	Sub-total		-	-
TOTAL			16,799,999	47,836,369

Approved by:


David Marr
Executive Director
Program Development and Monitoring


Sheila Taylor
Assistant Deputy Minister & Ministry's EFO
Finance and Management Services

**CANADA-BRITISH COLUMBIA
AGREEMENT ON THE ASIA-PACIFIC GATEWAY AND CORRIDOR
INITIATIVE
TRANSPORTATION INFRASTRUCTURE COMPONENT
2006-2007 / 2010-2011**

**Notes to the Schedule of Detailed Expenditure Claims
For the Years Ended March 31, 2007 and March 31, 2008**

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1. Purpose of this Statement

The Schedule of Detailed Expenditure Claims and accompanying notes has been prepared to disclose eligible costs incurred under the Canada – British Columbia Agreement on the Asia-Pacific Gateway and Corridor Initiative, Transportation Infrastructure Component, entered into on January 11, 2007. The purpose of this Agreement is to improve the multimodal transportation network for the movement of international trade in British Columbia through a cost sharing arrangement for eligible costs.

2. Eligible costs

The Agreement specifies “Eligible Costs” in Schedule C – Project Review and Selection Framework, at paragraph C.2.1. Within certain restrictions, also specified in the Agreement, these include:

- a) Capital costs relating to the construction, rehabilitation or improvement of highways, roads, bridges multi-modal facilities, grade crossings/separations, ITS and certain other infrastructure projects;*
- b) Costs related to signage, lighting, highway markings and utility adjustments;*
- c) Costs of communication activities and road signage recognition;*
- d) Planning and evaluation costs such as environmental planning, surveying, engineering, architectural, supervision, testing and management consulting services;*
- e) Costs of engineering and environmental reviews, including environmental assessments and follow-up programs as defined in the Canadian Environmental Assessment Act and costs of remedial activities, mitigation measures and follow-up identified in any environmental assessment;*
- f) Costs of developing and implementing innovative techniques for carrying out the Project*
- g) Audit and evaluation costs as specified in the Agreement;*
- h) Compensation, at the discretion of Canada, to unsuccessful bidders on Public, Private Partnerships and other alternatively financed projects, with significant bid related costs, where the bid material has become the intellectual property of British Columbia; and*

- i) *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.*

3. Basis of Accounting and Accounting Policies

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