

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

ANNUAL REPORT 2009/10

FISCAL YEAR ENDED MARCH 31, 2010

August 2010



Ministry of
Transportation
and Infrastructure

Canada
Transport Canada
Infrastructure Canada

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

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GENERAL OVERVIEW OF RESULTS

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

As of the end of 2009/10 fiscal year, the project was still in Phase 1: Preliminary Works. This phase primarily entails site preparation and will be carried out using conventional procurement methods. The work includes, but is not limited

to, soil preloading, major utility relocations, drainage work, landfill site remediation and environmental mitigation.

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

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



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).

WHAT IS THE SOUTH FRASER PERIMETER ROAD AND “WHY DO WE NEED IT”?

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

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

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

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

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

The SFPR will provide significant regional and local benefits including:

- Reduced truck traffic and noise in our communities;
- Reduced fuel consumption through reduced congestion;
- Reduced greenhouse gases;
- Contributes to creating more compact communities in Greater Vancouver by reducing the trend towards more urban sprawl;
- 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 2009/10 (ending March 31, 2010), the status of the project, including environmental assessment and audits, were as follows:

- The approval of the environmental review (CEAA) was given by Transport Canada on July 2008.
- Overall, as of the end of the fiscal year 2009/10, 58 contracts corresponding to the two components of the contribution agreement had been established on HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCoMS) for a total cost of \$140,332,654 out of HCoMS-active shareable cost of \$726,000,000 (19.33% of shareable costs). A total of \$111,335,715 has been expended plus against these two components (79.34% of the existing value of the 58 contracts), with:
 - Component 1: Preliminary Works = \$111,335,715 (with \$29,335,715 in the 2008/09 fiscal year)
 - Component 2: Construction = \$ 0

DATE, LOCATION AND MINUTES OF OFFICIAL MANAGEMENT COMMITTEE MEETINGS

CANADA/BRITISH COLUMBIA SHIP, SHIPB, CSIF, BIF, APGCTIF AND APGCTIF: SFPR

MANAGEMENT COMMITTEE MEETING

DATE: SEPTEMBER 16, 2009

LOCATION: TELECONFERENCE

■ IN ATTENDANCE

BC Ministry of Transportation and Infrastructure

David Marr (BC Provincial Co-Chair)

Avi Ickovich (BC Ministry of Transportation and Infrastructure)

Transport Canada

James Clarkin (A/Federal Co-Chair)

Mark Thompson (TC)

Matthew Cloutier (TC)

Ron Hall (TC)

1.0 Opening Remarks – Introductions

2.0 Administrative Details

- 2.1 Note-taker – It was decided that Mark Thompson (TC) would be the note-taker
- 2.2 Minutes of the December 11, 2008 Management Committee meeting were accepted and approved.

3.0 BIF Program Management

- 3.1 Status of projects
Program is complete including Highway 15/88th Avenue Intersection, which was completed under BIF but funded under Strategic Highway Infrastructure Program – Border Crossing Component (SHIP-B). The Province is currently working on settlement issues with the 15/88th project.
- 3.2 The final affidavit will be submitted shortly.
- 3.3 Final payment
The final payment is contingent on the Province providing a signed Schedule G (Affidavit of Completion). An audit on the final payment will be required. The Province will provide Canada an Innovations Report for consideration.

- 3.4 The 2008/09 annual report will include the final works done in early 2009/10 and will be the final annual report for this agreement.

4.0 CSIF Program Management

- 4.1 Final payment
The final payment for this program has been made.
- 4.2 Dirk Nyland will provide Canada an affidavit of completion for this project.
- 4.3 It was decided that a retrospective evaluation will be done for the entire KHC corridor once all federally funded projects along the corridor are completed.
- 4.4 M. Thompson noted the survival clause in the CSIF agreement in S.12.18.
- 4.5 Both Management Committee Co-Chairs agreed to dissolve the management committee for this agreement.

5.0 SHIPB Program Management

- 5.1 All projects are now complete.
- 5.2 The final Affidavit will be submitted shortly.
- 5.3 Final payment
The Province will provide the final affidavit (15/88th), after which Canada will make the final payment under this agreement. An audit covering the final payment will be required.

6.0 SHIP Program Management

- 6.1 All affidavits have been submitted, however the final audit did not cover the final PAYE payment. An audit covering the final payment made in 2009/10 will be required.

7.0 APGCTIF Program Management

- 7.1 Status of projects
Please see attached project update sheet for an update of all APGCI Projects. One notable exception is the 41B Street overpass at Deltaport Way, where there have been slight delays in the expected construction start dates.

7.2 Schedule Bs

Schedule B should be up to date. Should any changes be necessary the Province will prepare an updated Schedule B.

7.3 Program Risks

D. Marr discussed some potential project risks in the APGCI Program:

- Geotechnical issues causing delays/overruns to the Wright Station Curves Project
- Property Acquisition costs increasing for the Hilltop to Balmoral Project.

It was acknowledge these project overruns would be absorbed by the Province, and other than schedule slip, should not affect the Program's completion.

7.4 The Province noted that one of the projects they submitted for potential CPR Ashcroft replacement has been funded under the ISF. J. Clarkin noted that TC should have an idea on the direction that will be taken in replacing Ashcroft in the next one to two months.

7.5 An updated Annual report was sent to TC in mid-August. As soon as an updated AR/Audit is approved, TC will start flowing funds for the current fiscal year.

8.0 APGCTIF:SFPR Program Management

8.1 Status of project

The status of the project is included in the attached program status sheets. The Province anticipates that all the preparatory works will be completed by Fall 2009, with the award of a P3 agreement by February 2009.

8.2 Schedule B

Schedule B should be up to date. Should any changes be necessary, the Province will prepare an updated Schedule B.

8.3 Potential Risks to the Project.

Other than risks that are typical to large infrastructure projects, the Province does not foresee any risks moving forward. D. Marr did not foresee any problem in attracting potential bidders to the P3 bidding process.

8.4 SARA Permitting

D. Marr was not aware of this issue at the Sunbury site causing any significant delays to the overall project schedule. R. Hall spoke on the permitting issue and clarified that TC's role was to help facilitate discussions between CWS (EC) and the Province.

Regret was expressed over the fact that this issue has lingered for so long, however a permit is expected to be issued in the near future.

9.0 BCF Program Management

Despite the fact that no agreement has been signed for the Program, an informal discussion was held.

9.1 Project Status

- KHC – Break check to Yoho: construction underway with completion expected in Fall 2010.
- KHC – Golden Hill to West Portal: day-labour work used to advance fourth lane down the Golden Hill to Highway 95 Intersection. RFP for major works expected to be awarded in late 2009, with work commencing in early 2010.
- Highway 1 – Monte Creek to Pritchard: expect to tender later this year, still resolving property and Aboriginal Consultation issues. TC to be provided with an MOU concerning the archaeological remains.
- Highway 1 – Pritchard to Hoffman's Bluff: it is expected that construction will begin in 2010.
- Highway 1 – Clanwilliam Overhead and Donald Bridges Projects: both progressing towards a June 2010 expected. EAs are currently underway for these two projects.
- Highway 97 – Winfield to Oyama: construction Expected to begin in Spring 2010.
- Highway 97A – Larkin to Crozier: construction underway, with completion expected in Fall 2010.

- Highway 97A – Armstrong four-Laning: construction expected in October/November 2009.
- Westside Interchange: construction expected to begin in September 2009.

9.2 Project Risks

Other than those that are typical to infrastructure projects, the Province does not foresee any substantial risks to the project.

D. Marr noted that a letter is being drafted on the Province's position that funds should be allowed to be shifted between projects. J. Clarkin noted that in the past, changes before the CA being signed have been considered through the memo-to-minister, and that this will probably be the case here.

D. Marr discussed the issue of aboriginal consultation, and when Canada would be satisfied that consultations could be considered complete. J. Clarkin stated that a solution was being pursued by Canada whereby the Province is satisfied that their duties to consult have been fulfilled.

STATUS REPORT OF FEDERAL PROGRAMS (as provided in mail from Avi Ickovich)

SHIP: Highway Construction Component

- All Schedule G's (Affidavit of completion) submitted (including March 2009 submission for Yoho Bridge: Kicking Horse Canyon) and all projects in service.
- All Annual Reports and Audits submitted as per Contribution Agreement.

SHIP: Border Crossing Component

- All Schedule Cs (Affidavit of Completion) completed, with exception of Highway 15/88 intersection project which will be signed off by the Project Team for the Border Infrastructure Program.
- Final Annual Report submitted in August 2009.
- Final Audit will be submitted in the summer of 2010 after final claims/accruals and holdbacks are cleared, resulting from the sign-off of the Schedule C.

CSIF: Kicking Horse Canyon: Phase 2: Park Bridge

- Project complete and in-service.
- As there is no equivalent formal requirement for a Affidavit of Completion (Schedule G or C in SHIP), the Province has, as a courtesy, agreed to supply Transport Canada a signed version of such a document. This submission entails the Chief Highway Engineer (Dirk Nyland) for BC signing off as the Coordinating Engineer for the constituent engineers involved in this project.
- All Annual Reports and Audits submitted.

ASIA-PACIFIC

- Pitt River Bridge and Mary Hill Interchange.
- Three lanes of traffic will be moved to the new river bridge on October 5, 2009.
- A total of seven lanes will be opened by November 7, 2009.
- Demolition of the old swing bridge will take place next fiscal.

- Fraser Perimeter Road – Environmental Assessment – The Environmental Assessment Certificate was received from the Federal Government in July 2008. This allowed the project team to move forward with contractor selection, final design and construction.

■ Highway 97: Simon Fraser Bridge

- Scope: Increase the capacity of Highway 97 across the Fraser River northward through Queensway Interchange, including twinning the Simon Fraser Bridge and tying into the existing Queensway Interchange.
- Estimated Completion Date: October 2009.
- Bridge construction tender awarded on November 28, 2007 to Surespan Construction Ltd.
- Bridge deck completed August 2009.
- Bridge Approach contract awarded to IDL Projects Ltd. on July 3, 2008.
- Remobilized for bridge approach work (August 2009).
- Bridge opening event by dignitaries of Provincial, Federal, First Nations and City of Prince George on August 23, 2009.

ACTIVITY for NEXT PERIOD:

- Bridge approaches: complete bridge approaches by fall.

- Highway 16: Silver Road to McBride Timber Road Passing Lane – Schedule G: Affidavit of Completion submitted to Transport Canada on November 5, 2008.

■ Highway 1: Hilltop to Balmoral.

- 100% detailed design completed July 2009.
- Tender documents ready September 2009.
- Tendering the project is subject to property acquisition. There are 20 acquisitions.
 - Six acquisitions are complete. The remaining 14 in negotiation.

- Nine of the 14 outstanding files are held by the Shuswap Lake Estates development. These negotiations are pending legal challenge over private water/sewer relocation costs.
 - Anticipate having these acquisitions settled by the end of September, otherwise will have to go to expropriation.
- All environmental approvals in place (ALC, CEAA exemption, MOE).
 - Schedule:
 - Assuming property issues are settled, anticipated tendering in October 2009, award in November.
 - Anticipate start construction in Spring 2010.
 - Completion summer 2011.
 - Budget status:
 - due to late tender, there will be slippage in construction expenditures. Fiscal distribution may need to be revised once tender date confirmed.
 - Currently forecasting meeting total project budget of \$25 million – \$15.491 million Provincial; \$9.509 million Federal.
 - Some budget risk since higher properties, engineering and construction estimates have reduced contingency to \$1.2 million, which is only 7% of anticipated construction contract value.
 - Other Risks
 - First Nations consultation – consultation had gone well with no issues raised by the three local bands. However, during discussions on Monte Creek to Pritchard Project regarding dealing with the human remains find, the bands have discussed lumping all TCH projects in the area into the process.
- Highway 97: Wright Station Curves
 - Last year significant quantities of a very dense hard clay till material was encountered requiring drilling and blasting, an amendment in the amount of \$2.2 million, to cover the increased level of effort was added. Contract awarded \$7.799 million, amended value \$9.968 million.
 - Construction resumed in April of this year.
 - Numerous drainage and runoff concerns requiring mitigation and extensive underground seepage was encountered once the remaining stripping of the ground began. Perforated pipe, drain rock, geo-textiles, and subdrains were installed to help mitigate the excess water. Saturated material was aerated in order to dry it for use and avoid hauling it to disposal.
 - This extensive drainage mitigation has delayed normal construction activities to the end of August. Approximately 54% (\$5.372 million) of the existing construction contract is complete.
 - Additional cost pressures, which range from \$1.2 million to \$3.5 million, have been tentatively identified. BC MoT is working with the contractor to fully determine the impacts on the contract, change conditions and delay items.
 - The original completion date of October 31, 2009 will not be met. An updated completion date has not been defined, however, it is likely to extend until late summer 2010.
 - First Nations and archaeological concerns have led to the hiring of three First Nations employees and implementation of additional Archaeological investigations.
 - Construction is expected to continue through November this year. A winter lay-up and associated environmental management plan will then be implemented.

ASIA-PACIFIC: SOUTH FRASER PERIMETER ROAD

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

Future Milestones:

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

THE SFPR PROJECT IS DIVIDED INTO PHASE ONE AND PHASE TWO

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

Phase One work is divided into four sections:

SECTION 1: Highway 17 – Highway 99 (Contractor is Mainland Civil Works)

- Contract value is \$8.2 million.
- Contractor began work in April, 2009.
- 375,000 m³ (30%) of preload material has been placed.
- Clearing and grubbing 50% complete.
- Topsoil stripping 70% complete.

SECTION 2: Highway 99 – 80th Street (Contractor is B & B Contracting Ltd.)

- Contract value is \$8.9 million.
- Contractor began work in April, 2009.

- 430,000 m³ of river sand was pumped to the 80th Street stockpile site in February 2009.
- To date, approximately 150,000 m³ of sand has been placed from the 80th Street stockpile site, between 80th Street and just west of 72nd Street.
- To date, approximately 180,000 m³ of granular fill has been placed to the Stockpile site at Burns Drive and 72nd Street.
- Geotechnical monitoring (settlement, water pressure, ground displacement) of the preload is ongoing.
- An off-ramp off of Highway 99 was constructed to be used by the contractor.
- To date, approximately 1,200 metres of culvert have been installed to maintain hydraulic connections across the corridor.

SECTION 3: 80th Street – Highway 91 (Contractor is Matcon Excavating and Shoring Ltd.)

- Contract value is \$4.1 million.
- Contractor began work in May, 2009.
- Overall sand placement is 25% complete.
- Clearing is 34% complete.
- Sunbury Stockpile Sand – 40,000 m³ of river sand placed in preparation for preloading.

SECTION 4: Surrey (Contractor is Tyam Construction Ltd.)

- Contract value is \$23.5 million.
- Contractor began work in September, 2008.
- To date 1,100,000 tonnes of sand have been placed (approximately 667,000 m³), 83% of contract quantity.
- Tannery Stockpile site has approximately 450,000 m³ of Fraser River Sand.
- Pacific Water shrew salvage has been completed in critical habitat impacted by the preloading.
- Relocation of City of Surrey's water and sewer infrastructure impacted by the preload is 98% complete.
- Geotechnical monitoring (settlement, water pressure, ground displacement) of the preload is ongoing.

- Terasen have relocated their gas distribution line over a two-kilometre length, where it ran adjacent to the preload.
- BC Hydro, Telus and Shaw have relocated 98% of their lines which were required for preloading.
- Storm water culverts have been installed to maintain or improve conditions where preload has been placed.
- Detours have been built between Tannery Road and Old Yale Road to facilitate preloading of the future interchange approach embankments.
- Intersections at South Fraser Way/Tannery Road, South Fraser Way/Old Yale Road and 116th Street/Bridgeview drive have been upgraded.

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 (if any) across revisions.

Revision 2 April 20, 2009 – This is the last revision of the fiscal year 2008/09 and is included as the starting point for the 2009/10 fiscal year and as the final reconciliation for the previous year.

Revision 3 July 9, 2009

- Shifting \$94,190,749 from Phase 2 to Phase 1
- Moving an additional \$49,077,253 of expenditures to the 2009/10 fiscal year for Phase 1 while moving forward into future years expenditures for Phase 2;

Revision 4 December 8, 2009

- A continuation of shifting costs into the Future for Phase 2;
- For Phase 1, shifting \$22,425,226 from the 2009/10 fiscal year into subsequent years and Phase 2.

Revision 5 May 26, 2010

- To finalize claims and accruals for the 2009/10 fiscal year.
- To shift \$6,000,000 of expenditures from the 2009/10 fiscal year to subsequent years.

TABLE 1

SCHEDULE B DURING THE FISCAL YEAR 2009/10 (AS OF MARCH 31, 2010)

Revision #2 20-Apr-09	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures				
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13
Revision #3 09-Jul-09	Phase 1: Preliminary Works	\$ 106,205,827	\$ 91,446,926	\$ 45,723,463	\$ 45,723,463	\$ 30,098,953	\$ 61,347,973	\$ –	\$ –	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	664,934,044	634,553,074	317,276,537	317,276,537	–	125,988,424	149,198,428	182,654,934	176,711,288
	Total	\$ 771,139,871	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 187,336,397	\$ 149,198,428	\$ 182,654,934	\$ 176,711,288
Revision #4 08-Dec-09	Phase 1: Preliminary Works	\$ 200,396,576	\$ 185,637,675	\$ 92,818,838	\$ 92,818,838	\$ 30,098,953	\$ 110,425,226	\$ 33,913,496	\$ 11,200,000	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	570,743,295	540,362,325	270,181,163	270,181,163	–	3,395,000	161,174,742	204,126,748	171,665,835
	Total	\$ 771,139,871	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 113,820,226	\$ 195,088,238	\$ 215,326,748	\$ 171,665,835
Revision #5 26-May-10	Phase 1: Preliminary Works	\$ 200,396,576	\$ 171,020,014	\$ 85,510,007	\$ 85,510,007	\$ 30,098,953	\$ 88,000,000	\$ 50,000,000	\$ 2,921,061	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	601,028,129	554,979,986	277,489,993	277,489,993	–	–	149,331,747	217,583,929	188,064,310
	Total	\$ 801,424,705	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 88,000,000	\$ 199,331,747	\$ 220,504,990	\$ 188,064,310
	Phase 1: Preliminary Works	\$ 200,396,576	\$ 171,020,014	\$ 85,510,007	\$ 85,510,007	\$ 30,098,953	\$ 82,000,000	\$ 53,000,000	\$ 5,921,061	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	601,028,129	554,979,986	277,489,993	277,489,993	–	–	149,331,747	217,583,929	188,064,310
	Total	\$ 801,424,705	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 82,000,000	\$ 202,331,747	\$ 223,504,990	\$ 188,064,310

TABLE 2

STATEMENT OF CHANGES FOR SCHEDULE B DURING THE FISCAL YEAR 2009/10 (AS OF MARCH 31, 2010)

Revision #2 to Revision #3	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures				
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13
Revision #3 to Revision #4	Phase 1: Preliminary Works	\$ 94,190,749	\$ 94,190,749	\$ 47,095,375	\$ 47,095,375	\$ –	\$ 49,077,253	\$ 33,913,496	\$ 11,200,000	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	(94,190,749)	(94,190,749)	(47,095,375)	(47,095,375)	–	(122,593,424)	11,976,314	21,471,814	(5,045,453)
	Total	\$ –	\$ –	\$ –	\$ –	\$ –	\$ (73,516,171)	\$ 45,889,810	\$ 32,671,814	\$ (5,045,453)
Revision #4 to Revision #5	Phase 1: Preliminary Works	\$ –	\$ (14,617,661)	\$ (7,308,831)	\$ (7,308,831)	\$ –	\$ (22,425,226)	\$ 16,086,504	\$ (8,278,939)	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	30,284,834	14,617,661	7,308,831	7,308,831	–	(3,395,000)	(11,842,99)	13,457,181	16,398,475
	Total	\$ 30,284,834	\$ –	\$ –	\$ –	\$ –	\$ (25,820,226)	\$ 4,243,509	\$ 5,178,242	\$ 16,398,475
Revision #5 to Revision #5	Phase 1: Preliminary Works	\$ –	\$ –	\$ –	\$ –	\$ –	\$ (6,000,000)	\$ 3,000,000	\$ 3,000,000	\$ –
	Phase 2: Construction of the South Fraser Perimeter Road	–	–	–	–	–	–	–	–	–
	Total	\$ –	\$ –	\$ –	\$ –	\$ –	\$ (6,000,000)	\$ 3,000,000	\$ 3,000,000	\$ –

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 2009/10 fiscal year was the official launch of construction in January 2009.

The following map and pages of the report entail a series of photographs for the current project and are meant to provide not only a portrayal of the actual project, but also a broader

geographic and topographical context, and as such some pictures are overviews. The letters annotated on the map correspond to the subsequent photographs.

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

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



PROJECT OVERVIEW: SOUTH FRASER PERIMETER ROAD

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

Milestones

- 2008 – May Traffic Management Consultation
- **2008 – July Environmental Assessment Certificate received**
- 2008 – July RFQ released
- 2008 – September Early construction begins
- 2009 – January Official launch of construction
- 2009 – January Short-list three teams for RFP
- 2009 – April RFP issued
- 2009 – November Technical submissions submitted
- 2010 – February Financial submissions submitted

Future Milestones

- 2010 – July Fraser Transportation Group Concession Agreement signed
- 2010 – 2013 Final design and construction
- 2012 – December 176th Street in Surrey to Pattullo Bridge opens
- 2013 – December. Pattullo Bridge to Deltaport Way opens

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



Highway 99 and SFPR Interchange



Highway 99 – 80th Street



80th Street Sand Storage



Tannery Road Interchange



Bridgeview



132nd Street to Bridgeview

THE FOLLOWING IS A STATUS REPORT OF THE SOUTH FRASER PERIMETER ROAD BROKEN DOWN BY SEGMENTS AND REQUISITE IMPLEMENTATION STRATEGIES (PHASE 1).

Agricultural Enhancement Strategy

- Implementation of the Agricultural Enhancement Strategy is underway with projects such as topsoil recovery, irrigation system upgrade study, design, and construction as well as improvements to the farm transportation network.
- Topsoil removal/relocation:
 - A topsoil removal protocol has been developed in consultation with the Delta Farmers Institute, the Corporation of Delta and the Agricultural Land Commission.
 - Management of topsoil has been reviewed with each landowner.
 - A Professional Agrologist has been retained to manage the recovery of topsoil on each agricultural property.
 - Preserved topsoil has been utilized wherever possible to improve other agricultural land.
- The irrigation system design is in progress. Construction and improvements to some areas are currently underway.
- Ground improvement construction work has begun at the 36th Avenue and 64th Street overpasses (improvements to the farm transportation network).
- Berm construction has commenced for visual/wind screens in some areas.

64th Street and 36th Avenue Rail Overpasses Ground Improvements

- Contractor is Advanced Geosolutions Inc.
- Current contract value is \$1.05 million.
- Contractor began work in March 2010.
- Contract completion date is April 30, 2010.

64th Street and 36th Avenue Overpasses Approach Fills

- Contractor is Mainland Civil Works.
- Included in additional works below.
- Contractor began work in March 2010.
- Contract completion is June 30, 2010.

64th Street and 36th Avenue Overpasses Structures

- Advertise for Tender: April 2010.
- Completion date is September 2011.

Highway 17 – Highway 99

- Contractor is Mainland Civil Works.
- Current contract value is \$14.6 million.
- Contractor began work in April 2009.
- Contract extended to June 30, 2010 to complete additional works.
- 1,098,814 m³ (98%) of preload material has been placed.
- Clearing and grubbing is 98% complete.
- Topsoil stripping is 98% complete.

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

- Contract value is \$5.8 million.
- Infrastructure stimulus funded – Port Metro Vancouver and the Federal Government.
- Construction to start late spring.
- Works to be substantially completed by March 31, 2011.
- Construction to include one-lane agricultural overpass and closure of 57B Street.

Highway 17 Interchange

- Phase 1 works – ground improvements.
- Contract value is \$1.4 million.
- Contractor began work in February, 2010.
- Phase 2 works – preload.
- Project to be tendered in April 2010.
- Construction to begin in May 2010.
- Phase 3 works – bridge construction.
- Project to be tendered in spring 2010.
- Construction to begin in July 2010.

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

- Contract value is \$16.1 million.
- Contractor began work in April 2009.
- Contract completion date is June 30, 2010.
- 430,000 m³ of river sand was pumped to the 80th Street stockpile site in February 2009.
- 530,000 m³ of river sand was pumped to the 80th Street Stockpile site in December 2009/January 2010.
- To date, approximately 480,000 m³ of sand has been placed from the 80th Street stockpile site between 80th Street and just west of 72nd Street.
- To date, approximately 365,000 m³ of granular fill has been placed at the Stockpile site at Burns Drive and 72nd Street, and on the west side of Crescent Slough.
- Geotechnical monitoring (settlement, water pressure, ground displacement) of the preload is ongoing.
- The Highway 99 off-ramp is no longer being used by the Preload Contractor. The HOV lane on Highway 99 has been reinstated. To date, approximately 1,250 m of culvert have been installed to maintain hydraulic connections across the corridor.

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

- Contract value is \$6.5 million.
- Contractor began work in May 2009.
- Contract completion date is June 30, 2010.
- To date, approximately 125,000 m³ of preload material has been placed.

Landfill Closure

- Detailed design completed. Tender package being prepared, construction expected to commence May 2010 through December 2011.

Surrey (Contractor is Tyam Construction Ltd.)

- Contract value is \$24.5 million.
- Contractor began work in September 2008.
- To date, 1,300,000 tonnes (approximately 667,000 m³) of sand have been placed, 99% of contract quantity.
- Tannery Stockpile site currently has approximately 190,000 m³ of Fraser River Sand.
- Relocation of City of Surrey's water and sewer infrastructure impacted by the preload is 99% completed.
- Geotechnical monitoring (settlement, water pressure, ground displacement) of the preload is ongoing.
- Terasen have relocated their gas distribution line over a two-kilometre length where it ran adjacent to the preload.
- BC Hydro, Telus and Shaw have completed relocation of their lines which were required for preloading.
- Storm Water culverts have been installed to maintain or improve conditions where preload has been placed.
- Detours have been built between Tannery Road and Old Yale Road to facilitate preloading of the future interchange approach embankments.
- Intersections at South Fraser Way/Tannery Road, South Fraser Way/Old Yale Road and 116th Street/Bridgeview drive have been upgraded.

Environmental Update

Wildlife

- Obtained permits and approvals required for Phase 1 works.
- Completed wildlife mitigation plan outlining wildlife crossings and other mitigation through corridor.
- Completed work plans to collect baseline data for Wildlife and Vegetation Mitigation Monitoring Plan for key species such as Sandhill Cranes, Barn Owls, amphibians and breeding birds.
- Integrated wildlife mitigation features into fisheries enhancement projects.

Fisheries

- Complete authorizations required to complete Phase 1 work.
- Completed design of a fisheries enhancement sites that will be advanced during Phase 2 works.
- Completed construction of two fisheries enhancement sites in collaboration with First Nations crews (2009).

Burns Bog

- Completed work during design and pre-load, including construction of mitigation berms, to implement the Hydrology Mitigation Work Plan to protect water quality/levels adjacent to SFPR.
- Undertook work in collaboration with City of Delta and Metro Vancouver to guide design work adjacent to Burns Bog and protect sensitive ecosystems. Key deliverables include watershed model, water balance model, Lidar mapping, sharing of water quality data collected by the Project team, etc.
- Work with Corporation of Delta and Metro Vancouver to identify opportunities to facilitate implementation of the long-term management plan for the Burns Bog Ecological Conservancy Area.

COMMUNICATION ACTIVITIES COMPLETED DURING FISCAL YEAR

There were no communication events or news releases for this program during the 2009/10 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, 2010, for each of the respective components/phases:

- **Phase 1 – Preliminary Work** – 58 contracts have been established for a total cost of \$140,332,654 for purposes of site preparation and will be carried out using conventional procurement methods. The work includes but is not limited to soil preloading, major utility relocations, drainage work, landfill site remediation and environmental mitigation. A total of \$111,335,715, including \$3,954,750 in accruals/PAYE, has been expended against these 58 contracts (79.34 % of the existing contracts), as of the end of the 2009/10 fiscal year. There were \$78,045,429 of claims and \$3,954,750 of accruals (PAYE) in the 2009/10 fiscal year. Previous year's claims were \$29,335,715.
- **Phase 2 – Construction** – As of March 31, 2010, there have been no contracts and consequently no claims established for this phase of the project as details of the ultimate concessionaire agreements are pending.

Overall, as of the end of the fiscal year 2009/10, 58 contracts have been established on HIGHWAY CONTRIBUTION MANAGEMENT SYSTEM (HCoMS) for a total cost of \$140,332,654 out of a HCoMS-active sharable cost of \$726,000,000. A total of \$111,335,715 has been expended (79.34% of the existing value of the 58 contracts).

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, 2010

Project Number	Project/Claim Description	Contract Number	Previous Years Expenditure (\$)	Eligible Costs Claimed in 2009/10 (\$)	Accruals (PAYE) (\$)	Total to Date (\$)	Eligible Costs Remaining in Existing Contracts (\$)
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	042CS4531	1,414	8,438	–	9,852	148
		04830MJ0101	56,591	7,848,629	–	7,905,220	2,431,203
		04830MJ0102	408,889	9,755,497	–	10,164,385	1,237,208
		04830MJ0103	–	2,898,250	–	2,898,250	2,002,206
		04830MJ0109	–	520,704	–	520,704	876,568
		04830MJ0301	12,001,825	11,029,022	–	23,030,848	1,050,769
		04830_CoD	–	100,000	–	100,000	300,000
		04830_Comm	14,369	–	–	14,369	–
		04830_Con_Agree	19,754	1,344,086	–	1,363,840	136,160
		04830_Cranwest	–	13,203,876	–	13,203,876	1,296,124
		04830_Demolition	211,757	926,352	–	1,138,109	361,890
		04830_Environ	26,000	(1,238)	–	24,762	50,238
		04830_Env_Comp	–	419,953	–	419,953	3,680,047
		04830_Misc_Const	1,096,381	24,047	–	1,120,429	2,814
		04830_Signage	74,176	840	–	75,016	4,985
		04830_Util_BCHydo	4,744	229,267	–	234,011	65,739
		04830_Util_Telus	–	52,360	–	52,360	45,670
		04830_Util_Terasen	1,876,515	1,505,891	–	3,382,407	2,192,594
		048CS0362	9,410	–	–	9,410	590
		048CS0373B	–	1,316	–	1,316	–
		048CS0374A	163,624	214,303	–	377,927	–
		048CS0375	686,546	1,010,497	–	1,697,044	2,277,957
		048CS1003	1,059,054	3,081,035	–	4,140,089	73,911
		048CS1102A	65,311	87,856	–	153,167	16,832
		048CS6012	295,785	988,351	–	1,284,136	1,240,864
		048CS6015	13,722	8,470	–	22,241	41,258
		048CS6020	44,629	2,305	–	46,934	–
		048CS6023	309,643	193,789	–	503,433	76,567
		048CS6028	1,324,343	2,617,461	–	3,941,804	1,831,196
		048CS6029	130,338	164,978	–	295,316	54,684
		048CS6031	2,215,004	3,179,611	–	5,394,615	472,385
		048CS6035	17,799	53,566	–	71,365	6,635
		048CS6042	460,000	128,268	–	588,268	–
		048CS6059	–	1,244,347	–	1,244,347	56,517
		048CS6070	–	296,898	–	296,898	478,102
		048CS6071	–	265,866	–	265,866	534,134
		048CS6072	–	135,848	–	135,848	664,152

Table 3 continued on page 22

TABLE 3 (Continued)

Project Number	Project/Claim Description	Contract Number	Previous Years Expenditure	Eligible Costs Claimed in 2009/10 (\$)	Accruals (PAYE)	Total to Date	Eligible Costs Remaining in Existing Contracts
		048CS6073	–	482,744	–	482,744	629,256
		048CS6074	–	1,080,830	–	1,080,830	419,170
		048CS6076	–	652,112	–	652,112	678,438
		048CS6088	–	558,997	–	558,997	2,941,003
		048LA6024A	–	–	–	–	10,000
		048LA6075	–	29,931	–	29,931	470,069
		048LOA6051	–	69,228	–	69,228	–
		048LOA6054	–	77,977	–	77,977	–
		048LOA6060	–	–	–	–	19,140
		048LOA6063	–	2,026	–	2,026	12,974
		048LOA6066	–	113,170	–	113,170	–
		049CS4401A	31,639	66,431	–	98,070	71,930
		071CS25340	–	52,652	–	52,652	22,348
		170204LOAA	–	840,320	–	840,320	159,680
		PO-002234A	6,136,315	10,254,174	–	16,390,489	–
		PO-003405	310,969	–	–	310,969	1
		PO-003501	74,991	–	–	74,991	9
		PO-003508	46,417	19,944	–	66,361	–
		PO-003516	147,711	44,207	–	191,918	–
		PO-003663	–	15,603	–	15,603	–
		PO-003835	–	9,163	–	9,163	37
		PO-003843	–	135,000	–	135,000	2,738
Subtotal			29,335,715	78,045,249	3,954,750	111,335,715	28,996,939
TOTAL			29,335,715	78,045,249	3,954,750	111,335,715	28,996,939

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