

# Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road

ANNUAL REPORT 2010/11

Fiscal Year Ended March 31, 2011

September 2011



Ministry of  
Transportation  
and Infrastructure



Transport  
Canada

Transports  
Canada

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

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## General Overview of Results

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

As of the end of 2010/11 Fiscal Year, the project has expended \$313,962,644 in two phases. The first phase primarily entailed site preparation and was carried out using conventional procurement methods. The work includes but is not limited to soil preloading,

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

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

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

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

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

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

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

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

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

The SFPR will provide significant regional and local benefits including:

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

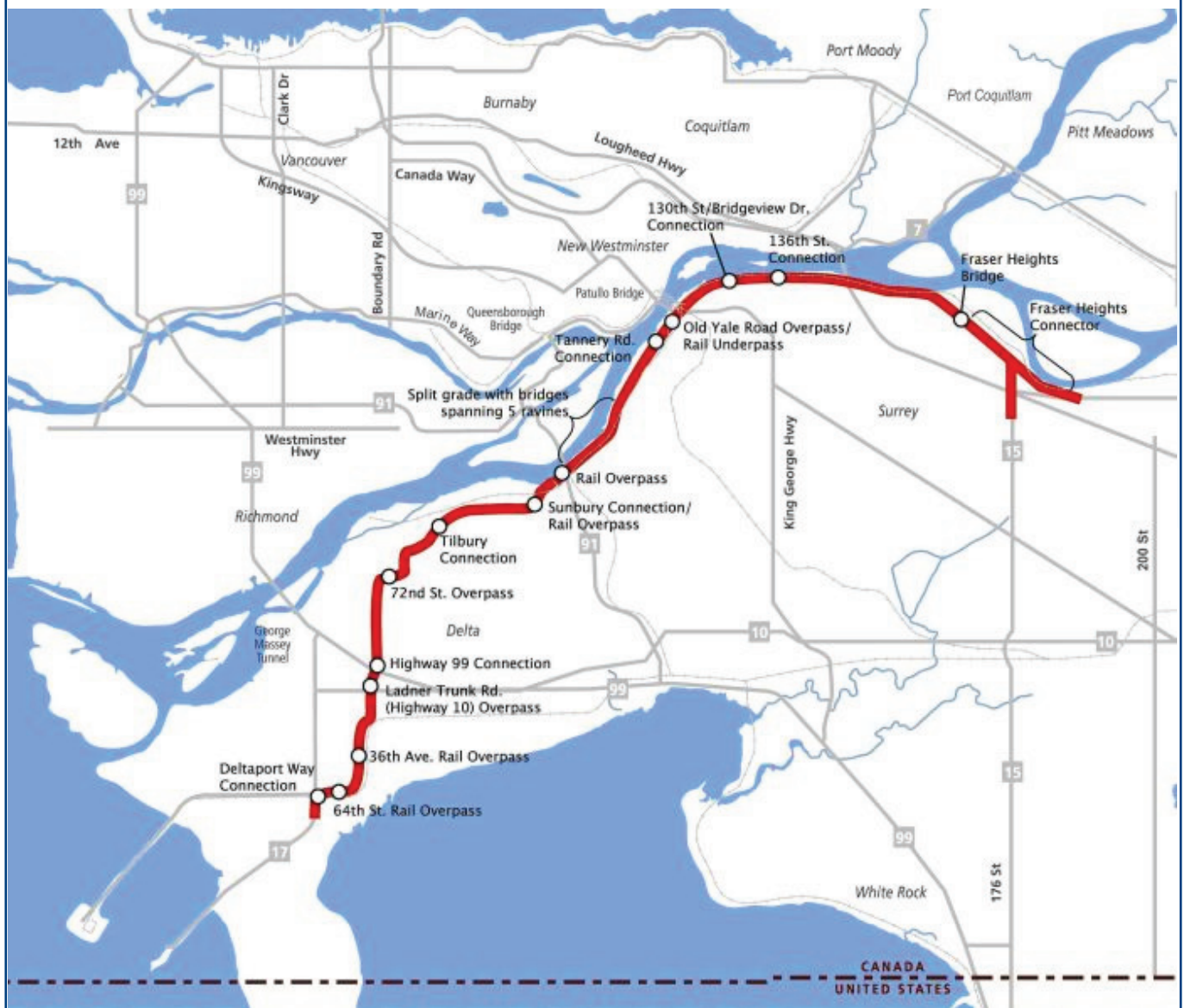
As of the end of the fiscal year 2010/11 (ending March 31, 2011) the status of the project including environmental assessment and audits were as follows:

- The approval of the environmental review (CEAA) was given by Transport Canada on July 2008.
- Phase 2 Concessionaire: During the 2010/11 fiscal year the concessionaire agreement was awarded to the Fraser Transportation Group
- Overall, as of the end of the fiscal year 2010/11, 59 contracts corresponding to the two components of the contribution agreement had been established

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

on the on-line **Transport Canada – Surface Infrastructure System (SIS)** for a total cost of \$652,974,625 out of SIS-active sharable cost of \$726,000,000 (89.94% of shareable costs). A total of \$313,962,644 has been expended against these two components (48.08% of the existing value of the 59 contracts) with:

- Component 1:  
Preliminary Works = \$169,928,845
- Component 2:  
Construction = \$144,538,745



# Date, Location and Minutes of Official Management Committee Meetings

The following minutes were approved by the Management Committee Co-Chairs at the February 16th, 2011 Meeting.

## MINUTES

### Canada-British Columbia

#### SHIP, SHIPB, BIF, APGCTIF, and APGCTIF: SFPR Management Committee Meeting

**Date:** April 20, 2010

**Time:** 1:30 p.m. PST (4:30 p.m. Ottawa Time),

#### Teleconference + In-person Attendance

#### In Attendance:

James Clarkin (Co-Chair – Transport Canada)

Mark Thompson (By telephone)

Matthew Cloutier (In person)

Hamid Mohmand (In person)

David Marr (Co-Chair – British Columbia)

Kari McKeel (British Columbia)

Avi Ickovich (British Columbia)

#### 1.0 Opening Remarks – Introductions

#### 2.0 Administrative Details

2.1 Note taker

2.2 Approval of last meeting's Minutes  
(completed Friday, November 20, 2009 8:10 a.m.  
by James Clarkin).

#### 3.0 BIF Program Management

3.1 Status of projects

All projects complete.

3.2 Annual Audit for 2009/2010

No annual report necessary as all projects have  
been completed. Only an audit is required as per  
Minutes of September 16, 2009.

3.3 Affidavit of completion

BC MoT is working on the remaining affidavits  
and will submit them to TC shortly.

3.4 Submission/Acceptance of Innovation Report

The Innovation report has been submitted and  
accepted by TC.

3.5 Final payment

The final payment will be made following the  
receipt of the final audit and the outstanding  
affidavits.

#### 4.0 SHIPB Program Management

4.1 Status of projects

All projects complete.

4.2 Affidavit of completion

Sent in March 2010 for last project (Project  
5.1 – Highway 15/88th Avenue Intersection  
Improvements.

4.3 Audit for final payment

No annual report necessary as all projects have  
been completed. Only an audit is required as per  
Minutes of September 16, 2009.

#### 5.0 SHIP Program Management

5.1 Audit for final payment

No annual report necessary as all projects have  
been completed. Only an audit is required as per  
Minutes of September 16, 2009

#### 6.0 APGCTIF Program Management

6.1 Status of projects

Highlights of status report prepared by Avi Ickovich  
include: Simon Fraser Bridge complete (Project  
3.1 of agreement); Wright Station Curves Project  
(Project 6.1) has geotechnical issues; Hilltop to  
Balmoral Project (Project 5.1) on schedule to  
be completed Fall 2011; 41B Street Overpass at  
Deltaport Way Project (Project 7.1) will be tendered  
in September and has some First Nation issues to  
be resolved. See attached status report.

## 6.2 Request to transfer of funds

Transport Canada will expedite request for Federal Minister to approve transfer of funds within program to Wright Station Curves Project (from Project 3.1 to Project 6.1 of agreement).

## 6.3 Schedule B

Updates are proceeding.

## 6.4 Project Risks

There are no significant risks to any projects.

# 7.0 APGCTIF: SFPR Program Management

## 7.1 Status of project

See attached status report prepared by Avi Ickovich.

## 7.2 Schedule B

Updates are proceeding.

## 7.3 Project Risks

There are no risks. Port Mann Project is going well and should be completed early 2012.

# 8.0 Building Canada Fund Program Management

## 8.1 Status – highlights include:

[Highway 1: Kicking Horse Canyon](#) – Brake Check to Yoho is on budget and schedule. Completion Late Fall 2010;

[Highway 1: Kicking Horse Canyon](#) – Golden Hill to West Portal – fourth lane into Golden complete. Design Build contract awarded and preparatory work proceeding. Under Budget \$18 million and completion is slated for Fall 2011;

[Highway 1: Monte Creek to Pritchard](#) – There were some First Nation issues surrounding some skeletal remains. It is expected that day labour will commence shortly;

[Highway 1: Pritchard to Hoffman's Bluff](#) – The project will be split into two sections due to First Nations issues and tendering of the first phase is schedule for Fall 2010;

[Highway 1: Clanwilliam Overhead](#) – Detailed design is at 75% completion as of March 31, 2010. Targeting tender for June 2010;

## [Highway 1: Donald Bridge and Overhead](#) –

Detailed design is at 75% completion as of March 31, 2010. Targeting tender for June 2010;

[Highway 97A: Larkin to Crozier](#) – Project is under construction and completion is slated for late Fall 2010;

[Highway 97A: Pleasant Valley to Lansdowne](#) – Project is under construction and completion is slated for late Fall 2010;

[Highway 97: Winfield to Oyama](#) – CEAA submitted. Resolving First Nation issues. Targeting tender for June 2010; and

[Highway 97: Westside Interchange](#) – first contract: First Nation road system complete; second contract – Interchange – Tender in May 2010. Completion late Fall 2011 with some clean up in Spring 2012.

## 8.2 Schedule B

Updates are proceeding.

## 8.3 Request to transfer funds – Highway 1 – Monte Creek to Pritchard .

# 9.0 Other Items

## 9.1 Upcoming Communications events

The Province indicated that the Federal Government will be involved in all future communication events.



## South Fraser Perimeter Road Update

(Status Report for April 20, 2010 Management Committee Meeting)

### 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 ALC;
  - 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; and
  - 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 36 Avenue Rail Overpasses Ground Improvements

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

### 64th Street and 36 Avenue Overpasses Approach Fills

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

### 64th Street and 36 Avenue Overpasses Structures

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

### Highway 17 – Highway 99

- Contractor is Mainland Civil Works.
- Current contract value: \$14.6 million.
- Contractor began work in April 2009.
- Contract extended to June 30, 2010 to complete additional works.
- 1,098,814 m<sup>3</sup> (98%) of preload material has been placed.
- Clearing and Grubbing 98% complete.
- Topsoil Stripping 98% complete.

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

- Contract value: \$5.8 million.
- Infrastructure Stimulus Funded (PMV and the Federal Government).
- Construction to start late spring.
- Works to be substantially completed by March 31, 2011.
- Construction to include a one-lane agricultural overpass and closure of 57B Street.

### Highway 17 Interchange

- Phase 1 works – ground improvements.
- Contract value: \$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: \$16.1 million.
- Contractor began work in April, 2009.
- Contract completion date: June 30 2010.
- 430,000 m<sup>3</sup> of river sand was pumped to the 80th Street stockpile site in February 2009.
- 530,000 m<sup>3</sup> of river sand was pumped to the 80th Street Stockpile site in December 2009/January 2010.
- To date, approximately 480,000 m<sup>3</sup> 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 m<sup>3</sup> 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: \$6.5 million.
- Contractor began work in May 2009.
- Contract completion date: June 30, 2010.
- To date, approximately 125,000 m<sup>3</sup> 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: \$24.5 million.
- Contractor began work in September, 2008.
- To date 1,300,000 tonnes (approximately 667,000 m<sup>3</sup>) of sand has been placed, 99% of contract quantity.
- Tannery Stockpile site currently has approximately 190,000 m<sup>3</sup> 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 Crane, Barn Owls, amphibians and breeding birds.
- Integrated wildlife mitigation features into fisheries enhancement projects.

### Fisheries

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

### 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 CoD and Metro Vancouver (MV) 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.
- Worked with CoD and MV to identify opportunities to facilitate implementation of the long-term management plan for the Burns Bog Ecological Conservancy Area.

### Archaeology

- Completed the Heritage Conservation Act Permit Report for archaeology work undertaken as part of the SFPR project.

### Contaminated Sites

- Completed majority of contaminated sites investigations required for the corridor to support property acquisition.
- By April 2010, design work will be complete and permits in place to allow implementation of the landfill closure plan and address a long-standing environmental concern in this area of the corridor.

### Monitoring/Auditing

- Reviewed environmental monitoring reports submitted by Phase 1 contractors.
- Undertook audits of environmental programs of Phase 1 contractors through the project quality audit program.
- Undertook environmental monitoring for Phase 1 project works being advanced by BC MoT.

### Communication/Consultation

- Met with federal/provincial/local government agencies through the Inter-Agency Environment Review Committee and provided updates on environmental commitments.
- Reported on a quarterly basis to the BCEAO on the implementation of the Table of Commitments and Assurance associated with project implementation.
- Reported to Transport Canada on implementation of federal environmental commitments of project approval and air quality monitoring results for construction adjacent to Burns Bog.
- Met on a bi-weekly basis with BC MOE to facilitate project approvals and provide for BC MOE oversight of implementation of key environmental commitments of project approval.

**The following Minutes were reviewed and approved by the Management Committee (Oct. 5, 2011) subsequent to the end of the 2010/11 fiscal year. Approvals were given electronically through email.**

**Canada – British Columbia APGCI**

**South Fraser Perimeter Road**

**MANAGEMENT COMMITTEE MEETING #4**

**Location: Ministry of Transportation and Infrastructure**

**940 Blanshard, Victoria, BC – Boardroom 5A**

**Date: February 16, 2011**

**Time: 8:30 to 11:30**

**Note taker: Tim Morin**

**Attendees:**

Manon Baril, TC – Federal Co-chair  
David Marr, BC MoTI – Provincial Co-Chair  
Avi Ickovich – BC MoTI  
Kari McKeel – BC MoTI  
Tim Morin – TC  
Mark Thompson – TC

**1.0 Opening Remarks**

Discussion: meeting will be co-chaired.

**2.0 Administrative Details**

**2.1 Approval of Meeting Minutes**

The minutes of April 20, 2010 management committee were approved by the co-chairs.

There was a discussion in regards to the formal adoption of Management Committee (MC) guidelines. It was discussed that the SHIP MC guidelines were adopted to govern all the subsequent MC meetings. Transport Canada (TC) indicated this would be acceptable provided it can be found in the record where this approach was adopted.

TC will search the corporate record to ensure that this approach was documented.

**2.2 Outstanding Action Items from Previous Minutes**

There were no outstanding action items from the April 20, 2010 MC meeting.

**Action items – Person Responsible**

TC will search previous meeting minutes to confirm that it was recorded that the SHIP MC Guidelines are to be used for all other agreements.

**3.0 Program Management**

**3.1 Schedule B (Financial Management, Cash Flow Forecasts)**

A cash flow update was provided in early February (Schedule B was updated on February 3, 2011).

BC indicated that there were some additional adjustments that would be required to cash flows given that the Concessionaire will not achieve the expected milestone by the end of the fiscal year. It is expected that the Concessionaire will eventually make up the schedule and meet the anticipated construction completion date of June 2014, if not sooner.

Given the project completion date, the agreement will require an extension beyond the end of the APGCI program. TC indicated that there are internal discussions on looking at an overall extension to the program.

The difference in cash flows for this fiscal year is approximately \$3.5 million from the Schedule B approved in February 2011.

BC indicated that, if the stipends item (\$3 million in honoraria for unsuccessful bidders) is eligible, it would offset some of the above cash flow shortfall.

The request from Provincial co-chair with respect to the eligibility of the stipend payments is with TC for review. TC committed to provide a response to the request by February 28, 2011.

The committee agreed that it will no longer require French copies of the Schedule B to be signed, English copies will be sufficient.

The committee discussed whether the Schedule B Phase 1 project description needs to be updated since some works from Phase 2 were transferred to Phase 1. BC indicated that the scope of work should be updated and will provide an updated description to TC. TC will have to update the scope of work description in the HCoMS system.

### 3.2 Accruals (PAYE)

The committee discussed the status of the 2009/2010 PAYE. There is a remaining balance of approximately of \$1.77 million in the PAYE that the Province has requested to be reprofiled to future years.

TC indicated that their financial staff are aware of the issue and did not have a response to the item at the time of this meeting.

### 3.3 Programs Reporting (Annual Report and Annual Audit)

TC indicated that the audit letters and plan had not yet been. BC indicated that they had been sent to Canada and that, by error, they were addressed to the previous co-chair.

The federal co-chair will double check that TC received the above materials and will confirm this to BC by email.

BC provided a brief description of the work being undertaken by the auditors, and that auditors tend to use the management of the funding programs as training opportunity for new auditor staff.

The committee also discussed the timing of the submission of the 2010/2011 Annual Report with Audit. The committee's best estimate was that the report would forthcoming by September 2011.

### 3.4 Site Visit

Site visit to SFPR project is scheduled for February 17, 2011. The site visit will be lead by Mr. Geoff Freer.

### 3.5 Communications – Potential Events

There are no anticipated/upcoming media events of the project.

However, the committee agreed that our respective communication groups would be put into contact together to further explore potential media events.

#### Action items – Person Responsible:

TC to provide an official response with respect the eligibility of stipends for unsuccessful bidders on Phase 2 of SFPR by February 28, 2011. *Note: Email sent from TC to BC confirming the eligibility of the cost on February 24, 2011 RDIMS – 6519559.*

TC to follow up with its internal finance people to determine the status of the re-profiling of the balance from the 2009/2010 PAYE by March 4, 2011. *Email sent from TC to BC confirming that the balance of the PAYE would be profiled to the 2010/2011 fiscal year. Sent March 3, 2011 – RDIMS 6541024.*

TC co-chair to follow up with BC Co-chair with respect to Annual Audit plan. *Completed – email sent on March 30, 2011 from TC to BC approving audit plan and engagement – RDIMS 6647635.*

BC to forward annual report and audit by September 2011.

BC to provide an updated cash flow by March 4, 2011. *Completed.*

BC to forward their communications person's contact information to TC by March 15, 2011. *Completed. Email sent by BC Co-chair on March 3, 2011. Contact: Daisy Brooke (e-mail Daisy.Brooke@gov.bc.ca, phone: 250 356-0825).*

BC to provide an updated Project Description for Phase 1 works to be used by TC to update the Schedule B description by March 15, 2011. *Completed.*

## 4.0 Project Status Update

### 4.1 Project Update

The Provincial co-chair provided an update on the project supplementing the project update provided by email on February 15, 2011 (provided below):

#### South Fraser Perimeter Road Update

##### 64th Street and 36 Avenue Overpasses

- Construction began in late March, 2010 and completion is anticipated to be in the fall of 2011.

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

- Construction began in August, 2010 and completion is anticipated in the spring of 2011.

##### Highway 17 Interchange

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

##### Landfill Closure

- There are a number of landfills and contaminated sites in the Sunbury area; the Ministry is remediating some areas and facilitating the remediation/closure of areas adjacent to the highway.
- Excavation of the five landfills to allow for the construction of the SFPR is in progress.
- Completion is anticipated in the spring of 2011.

##### Environmental Update

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

### Burns Bog

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

### Community Liaison Committee

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

### Multi-stakeholder Traffic Advisory Committee

- Meetings of this committee are convened by the contractor to discuss traffic management and traffic communications during construction. It includes representatives from local governments and key stakeholders who have a direct interest in traffic management for the project, such as first responders, school districts, tourism groups and goods movers. The first meeting for 2011 has been scheduled.

Ninety-eight percent of the property requirements for the project have been acquired. The remaining properties are under negotiation or will be expropriated.

TC inquired why some of the documentation with respect to the project refers to a "40-km roadway" versus a "37-km roadway" now. BC indicated that the original length at the time of the announcement was an estimate of the length of the corridor and then with the design from the Concessionaire and refinement of the alignment, the length of the corridor is 37 km. This is not a reduction in the scope of the construction.

#### 4.2 Scope Modifications

BC inquired about the status of TC's review of the proposed scope modifications on the SFPR project. TC Programs is currently in discussion with TC Policy (caretakers of the APGCI program) with respect to this item.

The committee discussed the item in detail and TC indicated that they have sufficient information to provide a response to this item; however, will need to follow up internally to close the loop on this item.

It is expected that this issue could be wrapped up quickly.

#### 4.3 Project Risk

The only risks identified are typical risks on a project of this magnitude. Such things such as utility relocations, EA related risks, etc.

BC/Concessionaire monitors EA issues through its South Fraser Perimeter Road Inter-Agency Environmental Review Committee of which TC is part of the committee.

#### 4.4 Environmental Assessment Update

TC provided an update with respect to the status of the lawsuit on SFPR.

Canada filed its Statement of Defence in late January. The Plaintiff must now file its Statement of Defence by the end of February.

Canada is now in the process of collecting its documents for disclosure. A timeline for this has been agreed to and requires submitting all relevant documents by the end of August.

#### Action items – Person Responsible

TC to provide response to BC with respect to scope modifications by March 15, 2011. *Completed – email sent to BC co-chair on March 4, 2011 – RDIMS 6541024.*

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

TC thanked BC for their patience for the numerous requests for project documentation even though they have already previously provided it.

The committee discussed whether there was a BC MoTI capital plan available on-line. BC indicated that there isn't a specific capital plan but there is an expenditures plan available on-line which will outline BC's priorities.

The Provincial co-chair provided a list of potential priorities for BC MoTI over the next couple of years.

The committee discussed the frequency of Management Committee meetings and agreed that the next meeting should be in August/September 2011 or shortly after the completion of the Annual Report and Audit.

## 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 5

**May 26, 2010** – This is the last revision of the fiscal year 2009/10 and is included as the starting point for the 2010/11 fiscal year and as the final reconciliation for the previous year.

### Revisions 6

**January 13, 2011** – This revision saw a significant movement of funds from Phase 2 of the project to Phase 1.

- The amount of \$108,979,986 was transferred from Phase 2 to Phase 1;
- Given the project completion date the agreement requires an extension beyond the end of the Asia-Pacific Gateway Corridor Transportation Infrastructure (APGCI) program. Transport Canada indicated that there are internal discussions on looking at an overall extension to the program. In the interim, these costs are in the “Future Expenditures” column;

### Revision 7

**March 1, 2011** – This revision entailed no shifting among phases, but some changes within each phase.

- Shifting \$1 million from 2010/2011 to 2011/12 for Phase 1; and
- Shifting \$27,654,515 from 2011/12 back to 2010/11 for Phase 2.

### Revision 8

**April 4, 2011** - This revision entailed no shifting among phases, but some changes within one phase.

- Shifting \$10,323,244 from 2011/12 and “Future” to 2010/11 for Phase 1. This once again leaves no projected expenditures in the “Future”; and
- No changes to Phase 2.



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

Revision #	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures							
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Future	
<b>Revision #5</b> 26-May-10	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	-	-	-
<b>Revision #6</b> 13-Jan-11	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	\$ -	\$ -	\$ -
	Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,452,433	\$ 52,000,000	\$ 77,433,494	\$ 29,909,966	\$ 8,690,836	\$ 3,414,318	\$ -
<b>Revision #7</b> 1-Mar-11	Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	116,884,230	145,065,668	117,817,036	66,233,066	-	-
	Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,452,433	\$ 168,884,230	\$ 222,499,162	\$ 147,727,002	\$ 74,923,902	\$ 3,414,318	\$ -
<b>Revision #8</b> 4-Apr-11	Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,452,433	\$ 51,000,000	\$ 78,433,494	\$ 29,909,966	\$ 8,690,836	\$ 3,414,318	\$ -
	Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	117,411,153	117,817,036	66,233,066	-	-
<b>Revision #8</b> 4-Apr-11	Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,452,433	\$ 205,861,989	\$ 188,881,506	\$ 147,727,002	\$ 74,923,902	\$ -	\$ -
	Phase 1: Preliminary Works	\$ 597,000,000	\$ 280,000,000	\$ 140,000,000	\$ 140,000,000	\$ 30,098,953	\$ 78,452,433	\$ 195,538,745	\$ 195,844,647	\$ 147,727,002	\$ 74,923,902	\$ 3,414,318	\$ -
<b>Revision #8</b> 4-Apr-11	Phase 2: Construction of the South Fraser Perimeter Road	638,103,523	446,000,000	223,000,000	223,000,000	-	-	144,538,745	117,411,153	117,817,036	66,233,066	-	-
	Total	\$ 1,235,103,523	\$ 726,000,000	\$ 363,000,000	\$ 363,000,000	\$ 30,098,953	\$ 78,452,433	\$ 205,861,989	\$ 188,881,506	\$ 147,727,002	\$ 74,923,902	\$ -	\$ -

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

Revision #	Project	Estimated Project Cost	Sharable Project Cost	Agreement Contribution		Breakdown of Expenditures							
				Federal	Provincial	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Future	
<b>Revision #5</b> to	Phase 1: Preliminary Works	\$ (396,603,424)	\$ (108,979,986)	\$ (54,489,993)	\$ (54,489,993)	\$ -	\$ 3,547,567	\$ 1,000,000	\$ (71,512,433)	\$ (29,909,966)	\$ (8,690,836)	\$ (3,414,318)	\$ -
	Phase 2: Construction of the South Fraser Perimeter Road	(37,075,394)	108,979,986	54,489,993	54,489,993	-	\$ -	32,447,517	72,518,261	70,247,274	(66,233,066)	-	-
<b>Revision #6</b> to	Total	\$ (433,678,818)	\$ -	\$ -	\$ -	\$ -	\$ 3,547,567	\$ 33,447,517	\$ 1,005,828	\$ 40,337,308	\$ (74,923,902)	\$ (3,414,318)	\$ -
	Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
<b>Revision #7</b> to	Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	(27,654,515)	27,654,515	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,654,515)	\$ 26,654,515	\$ -	\$ -	\$ -	\$ -
<b>Revision #8</b> to	Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,215	\$ 10,323,244	\$ (6,963,141)	\$ -	\$ -	\$ (3,414,318)	\$ -
	Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	-	-	-	-	-
<b>Revision #8</b> to	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,215	\$ 10,323,244	\$ (6,963,141)	\$ -	\$ -	\$ (3,414,318)	\$ -
	Phase 1: Preliminary Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,215	\$ 10,323,244	\$ (6,963,141)	\$ -	\$ -	\$ (3,414,318)	\$ -
<b>Revision #8</b> to	Phase 2: Construction of the South Fraser Perimeter Road	-	-	-	-	-	-	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,215	\$ 10,323,244	\$ (6,963,141)	\$ -	\$ -	\$ (3,414,318)	\$ -

# Projects Update

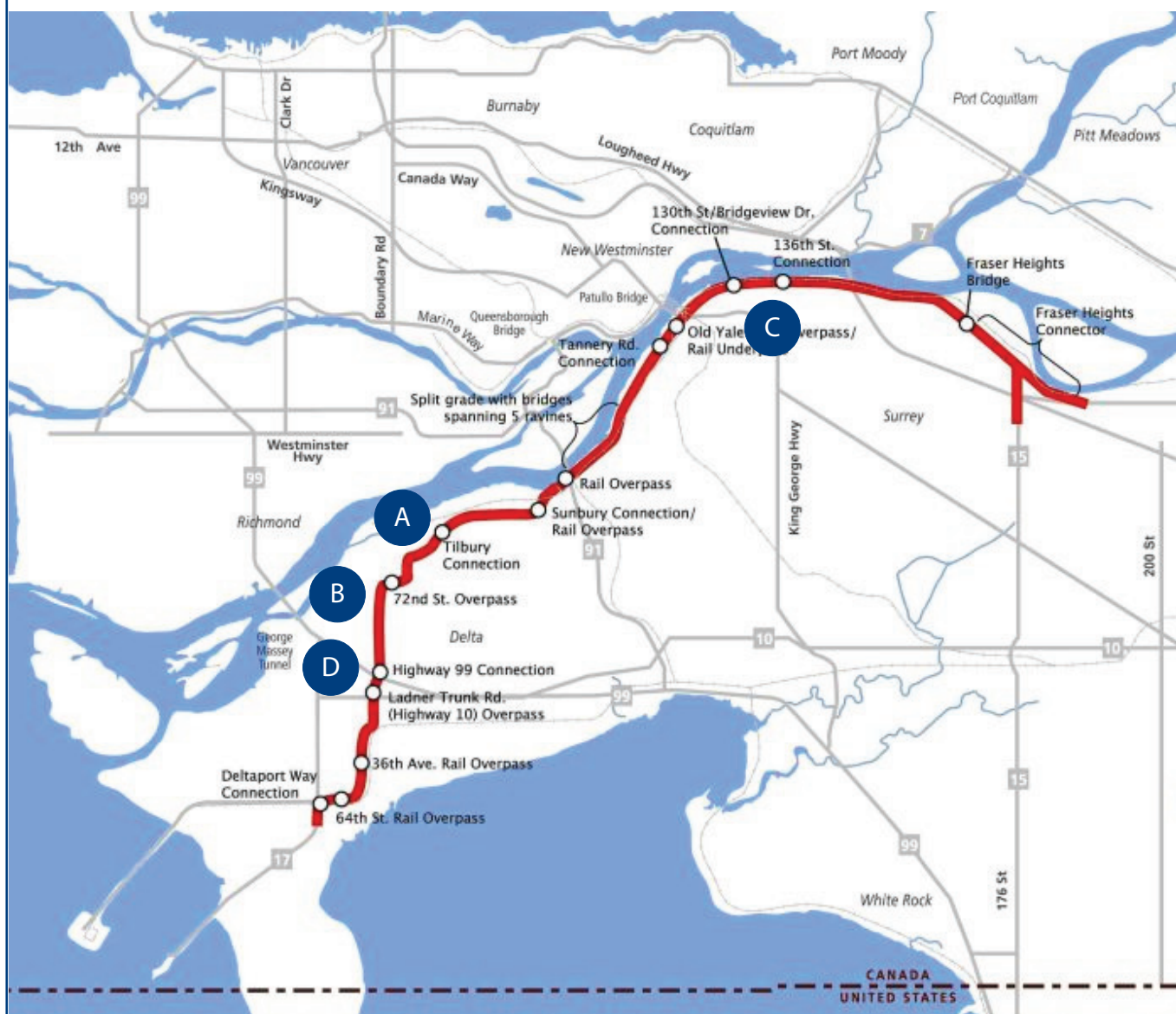
Information on contracts started/completed and estimated completion of contracts is addressed more extensively in a subsequent section of the report "A YEAR END SUMMARY TABLE OF EXPENDITURES UNDER THE AGREEMENT" (Table 3).

The 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](http://www.th.gov.bc.ca/gateway/SFPR/photo_gallery.htm)

## SFPR Alignment



# Project Overview: South Fraser Perimeter Road

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

## Milestones (2010/2011)

- 2010 – Spring: 64th Street and 36 Avenue Rail Overpasses, Highway 17 and Interchange projects were all awarded with construction beginning in the spring
- 2010 – August: Concessionaire began construction (clearing, preloading, culvert installations)

## Future Milestones (2011/2012)

- 2010 – 2013: Final Design and Construction
- 2012 – December: 176th Street in Surrey to Pattullo Bridge opens
- 2013 – December: Pattullo Bridge to Deltaport Way opens

Transport Canada approves the change of the Sunbury Interchange and Fraser Heights Interchange to full movement intersections. From BC's draft proposal, the

subsequent information provided by email (January 28, 2011) by BC and subsequent discussion at management committee meeting (February 16, 2011), it was agreed that the proposed change from interchange to intersection is minor in nature and it still meets the objective of the South Fraser Perimeter Road Project.

In addition, the removal of the Rail Overpass structure at Elevator Road location was also approved. Transport Canada's approval is based on the information provided by BC that alternate access will be provided will be provided through a new public road to be constructed by Port Metro Vancouver that connects to the Tannery Interchange. It is Transport Canada's understanding that BC is working with Port Metro Vancouver to finalize a MOU under which the access road would be provided by 2015. The removal of this structure will improve visibility with respect to overhead structures along the corridor. Canada's financial contribution will remain unchanged.

The geographic location of the following photographs relates to the map on the previous page.



A

**Looking east, landfill remediation area.** Please refer to the map on page 15.



B

**Looking east towards  
Tilbury Business park.**  
*Please refer to the map on  
page 15.*



C

**Looking East, this area  
is just east of Pattullo  
Bridge (Bridgeview Area  
in Surrey).** *Please refer to  
the map on page 15.*



D

**Looking East, in the  
foreground is Ladner  
Trunk Road; in the  
background is the future  
Highway 99 Interchange.**  
*Please refer to the map on  
page 15.*





The following photographs provide a context to the Project to the end of the 2010/11 Fiscal Year













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

### **South Fraser Perimeter Road Update**

#### **64th Street and 36 Avenue Overpasses**

- Construction began in late March, 2010 and completion is anticipated to be in the fall of 2011.

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

- Construction began in August, 2010 and completion is anticipated in the spring of 2011.

#### **Highway 17 Interchange**

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

#### **Landfill Closure**

- There are a number of landfills and contaminated sites in the Sunbury area; the Ministry is remediating some areas and facilitating the remediation/closure of areas adjacent to the highway.
- Completion is anticipated in the summer of 2011.

#### **Environmental Update**

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

### **Burns Bog**

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

#### **Community Liaison Committee**

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

#### **Multi-stakeholder Traffic Advisory Committee**

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

# Communication Activities Completed During Fiscal Year



NEWS RELEASE COMMUNIQUÉ

For Immediate Release

2010TRAN0076-001211

Oct. 5, 2010

Ministry of Transportation and Infrastructure

## WORK BEGINS ON HIGHWAY 17 INTERCHANGE IN DELTA

DELTA – As part of the South Fraser Perimeter Road (SFPR) project, construction of a new interchange on Highway 17 in Delta is underway, Transportation and Infrastructure Minister Shirley Bond and the Honourable Stockwell Day, President of the Treasury Board of Canada and Minister responsible for the Asia-Pacific Gateway announced today. The new interchange will improve mobility, reduce congestion and support economic development in and around Deltaport.

“This project sets the stage for improving Metro Vancouver’s major road network,” said Bond. “The interchange will connect to the new South Fraser Perimeter Road, which will reduce heavy truck traffic on community streets, improve the movement of people and goods and will create up to 7,000 jobs.”

“This announcement brings us closer to realizing the full potential of this region as an important national trading connection with the Asia-Pacific,” said Minister Day. “The South Fraser Perimeter Road, including Highway 17 Interchange, will help to strengthen our trade competitiveness by improving the movement of goods and people, while creating jobs and enhancing traffic safety and travel times throughout Delta.”

The interchange will be built adjacent to the existing Highway 17 crossing of the BC Rail line and will connect Deltaport Way and Highway 17 traffic to the new SFPR.

A \$12.1-million contract has been awarded to Westpro Infrastructure Ltd. of Surrey to build the interchange, which is expected to finish in the fall of 2011. Minimal traffic delays are expected during construction. The final paving of the interchange and its connection to Deltaport Way and Highway 17 will be carried out by the South Fraser Perimeter Road Concessionaire.

The new 40 kilometre, four-lane SFPR will run along the south side of the Fraser River, improving the movement of people and goods through the region, providing better access to major trade gateways and reducing east west travel times. It will extend from Deltaport Way in southwest Delta to 176th St. (Highway 15) in Surrey with connections to Highway 1, 91, 99 and the Golden Ears Bridge. The Province is contributing over \$600 million toward the SFPR project.

The Government of Canada, through its Asia-Pacific Gateway and Corridor Initiative (APGCI), is contributing \$363 million toward the SFPR project, in addition to a \$2-million contribution toward the environmental assessment process.

The APGCI is an integrated set of federal investment and policy measures focused on national trade with the Asia-Pacific Region. Its mission is to establish Canada’s Asia-Pacific Gateway and Corridor as the world’s best transportation network facilitating global supply chains between North America and Asia.

## Media Contacts:

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Mélisa Leclerc  
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Office of the President of the Treasury Board and Minister for the Asia-Pacific Gateway  
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## The South Fraser Perimeter Road Project wins National Award

### South Fraser Perimeter Road wins national award

Public-private partnership achieves award of merit for project financing

(November 25, 2010) Toronto, Ontario – The South Fraser Perimeter Road project has won an Award of Merit for Project Financing at the presentation of the National Awards for Innovation and Excellence by The Canadian Council for Public-Private Partnerships (CCPPP).

Each year, at its annual conference, CCPPP celebrates successful Canadian public-private partnership (P3) projects by showcasing governments and private-sector partners that have demonstrated excellence and innovation in establishing P3 projects.

The South Fraser Perimeter Road project is a partnership between the British Columbia (BC) Ministry of Transportation and Infrastructure and Fraser Transportation Group (FTG) Partnership for the construction of a 40-kilometre, 4-lane highway along the south side of the Fraser River. The highway will run from Deltaport Way in southwest Delta to Highway 15 in Surrey, with connections to the highway network and to the Golden Ears Bridge.

"I want to congratulate the winners and everyone involved in the South Fraser Perimeter Road project," said British Columbia Transportation and Infrastructure Minister Shirley Bond. "This project is another example of how P3s save the taxpayers millions of dollars and transfer risk. P3s continue to help us make sure we get the best value for every single tax dollar we invest in transportation infrastructure projects in British Columbia."

"We are grateful to the Canadian Council for Public-Private Partnerships for this acknowledgment, and we appreciate the efforts of our partner and professional advisers. The South Fraser Perimeter Road is an important infrastructure project for our community and Province. Ledcor is very proud to be a lead contributor assisting in its ultimate delivery," said Will Walls, Senior Vice President, Ledcor Group.

"ACS Infrastructure Canada is honoured to receive this award from CCPPP and to be involved with the South Fraser Perimeter Road Project, which will not only help benefit the communities of Metro Vancouver, but also exemplifies true partnering between the Province of British Columbia and the private sector. We are very appreciative of our partners and advisors who have worked diligently to get the project done," noted Juan Santamaria, COO, ACS Infrastructure Development.

The route will take a significant step toward improving Metro Vancouver's major road network. It will benefit commuters, the trucking industry and tourists by connecting primary gateway facilities and facilitating access to borders, the Delta ferry terminal and the BC interior.

This project includes the largest environmental and agricultural mitigation and enhancement plan for a highway

**The Canadian Council for  
Public-Private Partnerships**



**Le Conseil Canadien pour  
les Partenariats Public-Privé**

construction project of this size in British Columbia. At \$88 million, the agricultural mitigation and enhancement budget includes a commitment to improved and expanded agricultural irrigation systems, remediation of landfills and contaminated sites, improvements to the water management system for Burns Bog and fisheries habitat enhancements.

The SFPR project will be completed in two stages, with the second stage being completed as a public-private partnership (P3). Partnerships BC was engaged to assist in the management of the competitive selection process which resulted in the signing of a performance-based concession agreement on July 14, 2010. Stage 2 of the project will be complete using the design, build, finance and operate (DBFO) partnership model. The value of the construction work for stage 2 is \$658 million. The operation and maintenance agreement has a term of 20 years from the completion of construction.

FTG Partnership is made up of equity partners ACS Infrastructure Canada Inc. and Ledcor Industrial/Mining Group Ltd., and design-build team members Dragados Canada Inc., Ledcor CMI Ltd., Belpacific Excavating and Shoring Ltd., and Vancouver Pile Driving Ltd.

The award was presented at CCPPP's annual conference where more than 950 participants are sharing experiences and best practices related to public-private partnerships (P3s). ***A P3 project is defined as a cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards. The ownership of P3 projects always remains with the public sector.***

For more information on CCPPP's 2010 conference, "Shifting into High Gear", or to arrange an interview with the award-winning partners, please contact:

Rita Smith at 647-242-5505 or email [ritasmith@rogers.com](mailto:ritasmith@rogers.com)

Additional background is available at <http://pppcouncil.ca>

To view the CCPPP Database of over 150 P3 projects operating or in development across Canada, please visit <http://projects.pppcouncil.ca>.

# 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, 2011, for each of the respective components/phases:

## ■ Phase 1 – Preliminary Work

58 contracts have been established for a total cost of \$206,974,625 primarily for purposes of site preparation and was carried out using conventional procurement methods. A total of \$169,928,845 (including \$2,175,080 in accruals/PAYE) has been expended against these 58 contracts (82.1% of the existing contracts) as of the end of the 2010/11 fiscal year. There were \$59,148,165 of claims and \$2,175,080 of accruals (PAYE) in the 2010/11 fiscal year. Previous year claims were \$108,605,601.

## ■ Phase 2 – Construction

As of March 31, 2011, there have been 1 contract (concessionaire) established with claims totaling 144,538,745 (32.9 % of the existing contract).

Overall, as of the end of the fiscal year 2010/11, 59 contracts have been established on the on-line **Transport Canada – Surface Infrastructure System (SIS)** for a total cost of \$ \$652,974,625.00 out of a HCOMS-active sharable cost of \$726,000,000. A total of \$313,962,644 has been expended (48.08% of the existing value of the 59 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, 2011

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2010/11 (\$)	Accruals (PAYE)
1.1	<b>Phase 1 – Preliminary Works (\$597,000,000)</b>  Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation and environmental mitigation. In addition, one interchange will be constructed along with three overpass/underpass structures.	039CS0075	3,770.00	–
		042CS4531	1,023.75	–
		04830MJ0101	3,433,359.03	–
		04830MJ0102	1,967,632.15	–
		04830MJ0103	3,227,342.12	–
		04830MJ0106	970,772.25	–
		04830MJ0107	3,250,044.12	–
		04830MJ0108	2,613,624.51	–
		04830MJ0109	613,581.12	–
		04830MJ0111	5,018,435.46	–
		04830MJ0114	2,717,713.97	–
		04830MJ0301	7,483,316.78	–
		04830_CoD	100,000.00	–
		04830_CoS	9,182.22	–
		04830_Con_Agree	1,100,000.00	–
		04830_Cranwest	82,880.17	–
		04830_Demolition	378,513.93	–
		04830_Env_Comp	617,703.98	–
		04830_Materials	720,000.00	–
		04830_Misc_Const	10,794.80	–
		04830_Signage	446.30	–
		04830_Stipend	3,000,000.00	–
		04830_Util_BCHydro	51,961.02	–
		04830_Util_Telus	17,847.36	–
		04830_Util_Terasen	7,786,921.15	–
		048CS0375	645,091.57	–
		048CS1003	668,392.03	–
		048CS1102A	52,422.50	–
		048CS6012	558,848.23	–
		048CS6015	9,029.97	–
		048CS6023	9,839.47	–
		048CS6029	286,352.23	–
		048CS6031	1,520,729.23	–
		048CS6035	1,250.40	–
		048CS6059	18,714.41	–
		048CS6059A	70,487.68	–
		048CS6070	306,443.85	–



Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2010/11 (\$)	Accruals (PAYE)
		048CS6071	166,713.21	–
		048CS6072	181,348.43	–
		048CS6073	664,390.50	–
		048CS6074	454,795.50	–
		048CS6076	1,544,597.90	–
		048CS6085	1,007,707.61	–
		048CS6088	1,610,075.12	–
		048CS6114	42,164.54	–
		048CS6115	461,448.57	–
		048LA6075	12,433.23	–
		048LA6100	73,379.24	–
		048LOA6060	19,140.00	–
		048LOA6095	14,452.96	–
		048LOA6099	8,359.78	–
		100CS4615	140,524.28	–
		100CS4622	1,560.00	–
		11763OP0001	64,764.53	–
		170204LOAA	377,799.87	–
		721CS4594	59,624.50	–
		PO-004341	2,866,853.00	–
		PO-004438	51,564.94	–
	<b>Subtotal</b>		<b>59,148,165.47</b>	<b>2,175,079.90</b>
1.2	<b>Phase 2 – Construction of the South Fraser Perimeter Road (\$638,103,523)</b>  This work involves the construction of approximately 40 kilometres of new four-lane, 80 km/h highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersections will be constructed along with nine major overpass/underpass structures. Two kilometres of split-grade roadway with bridges to span three ravines will be built.	Milestone 1 – General	67,406,812.00	–
		Milestone 2 – Design and Approvals	22,206,463.00	–
		Milestone 3 – Highway Construction	31,388,369.00	–
		Milestone 4 – Bridge Structures	5,824.00	–
		Milestone 5 – Retaining Walls	2,563,215.00	–
		Milestone 6 – Construction Engineering	11,324,533.00	–
		Milestone 7 – Finishing Works	277,705.00	–
		Milestone 8 – Demolition and Removals	1,296,993.00	–
		Milestone 9 – Concessionaire Eligible	8,068,831.00	–
	<b>Subtotal</b>		<b>144,538,745.00</b>	<b>–</b>
	<b>TOTAL</b>		<b>203,686,910.47</b>	<b>2,175,079.90</b>

### **Annual Audit of Program**

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



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Schedule of Detailed Expenditure Claims**

At the request of the British Columbia Ministry of Transportation and Infrastructure on behalf of the Management Committee, I have audited the accompanying Schedule of Detailed Expenditure Claims (“the Schedule”) for the year ended March 31, 2011, and Notes to the Schedule. The Schedule has been prepared by management pursuant to the requirements contained in Schedule C of the Asia – Pacific Gateway Corridor Transportation Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road, 2008 - 2009 / 2013 - 2014 (“the Agreement”), dated September 3, 2008.

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

Management is responsible for the preparation and fair presentation of the Schedule in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines, is necessary to enable the preparation of a Schedule that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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



## **Opinion**

In my opinion, the Schedule of Detailed Expenditure Claims presents fairly, in all material respects, the eligible costs incurred under the Asia – Pacific Gateway Corridor Transportation Infrastructure Fund Contribution Agreement for South Fraser Perimeter Road, 2008 - 2009 / 2013 - 2014 as at March 31, 2011, in accordance with the provisions of Schedule C of the Agreement referred to above.

## **Basis of accounting and Restriction on Use and Distribution**

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

Victoria, British Columbia  
August 25, 2011

John Doyle, MAcc, CA  
Auditor General

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

Schedule of Detailed Expenditure Claims  
For the Year Ended March 31, 2011

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2010/11 (\$)	Accruals (PAYE)
1.1	Phase 1 - Preliminary Works (\$597,000,000.00)	039CS0075	3,770.00	
		042CS4531	1,023.75	
	Site preparation work that will be carried out using Conventional Procurement methods. This work includes, but is not limited to, soil preloading, major utility relocations, some drainage work, landfill site remediation, and environmental mitigation. In addition, one interchange will be constructed along with three overpass/underpass structures.	04830MJ0101	3,433,359.03	
		04830MJ0102	1,967,632.15	
		04830MJ0103	3,227,342.12	
		04830MJ0106	970,772.25	
		04830MJ0107	3,250,044.12	
		04830MJ0108	2,613,624.51	
		04830MJ0109	613,581.12	
		04830MJ0111	5,018,435.46	
		04830MJ0114	2,717,713.97	
		04830MJ0301	7,483,316.78	
		04830_CoD	100,000.00	
		04830_CoS	9,182.22	
		04830_Con_Agree	1,100,000.00	
		04830_Cranwest	82,880.17	
		04830_Demolition	378,513.93	
		04830_Env_Comp	617,703.98	
		04830_Materials	720,000.00	
		04830_Misc_Const	10,794.80	
		04830_Signage	446.30	
		04830_Stipend	3,000,000.00	
		04830_Util_BCHydro	51,961.02	
		04830_Util_Telus	17,847.36	
		04830_Util_Terasen	7,786,921.15	
		048CS0375	645,091.57	
		048CS1003	668,392.03	
		048CS1102A	52,422.50	
		048CS6012	558,848.23	
		048CS6015	9,029.97	
		048CS6023	9,839.47	
		048CS6029	286,352.23	
		048CS6031	1,520,729.23	
		048CS6035	1,250.40	
		048CS6059	18,714.41	
		048CS6059A	70,487.68	
		048CS6070	306,443.85	
		048CS6071	166,713.21	
		048CS6072	181,348.43	
		048CS6073	664,390.50	
		048CS6074	454,795.50	
		048CS6076	1,544,597.90	
		048CS6085	1,007,707.61	
		048CS6088	1,610,075.12	
		048CS6114	42,164.54	
		048CS6115	461,448.57	
		048LA6075	12,433.23	
		048LA6100	73,379.24	
		048LOA6060	19,140.00	
		048LOA6095	14,452.96	
		048LOA6099	8,359.78	
		100CS4615	140,524.28	
		100CS4622	1,560.00	
		11763OP0001	64,764.53	
		170204LOAA	377,799.87	
		721CS4594	59,624.50	
		PO-004341	2,866,853.00	
		PO-004438	51,564.94	
	<b>Sub-total</b>		<b>59,148,165.47</b>	<b>2,175,079.90</b>

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, 2011

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2010/11 (\$)	Accruals (PAYE)
1.2	<p><b>Phase 2 - Construction of the South Fraser Perimeter Road (\$638,103,523.00)</b></p> <p>This work involves the construction of approximately 40 kilometres of new four-lane, 80 km/h highway. This work will involve, but is not limited to, the construction of approximately 160 lane-km of new four-lane highway. Three new interchanges, as well as four new intersections will be constructed along with nine major overpass/underpass structures. Two kilometres of split-grade roadway with bridges to span three ravines will be built.</p>	<p>Milestone 1- General</p> <p>Milestone 2 - Design &amp; Approvals</p> <p>Milestone 3-Highway Construction</p> <p>Milestone 4-Bridge Structures</p> <p>Milestone 5-Retaining Walls</p> <p>Milestone 6-Construction Engineering</p> <p>Milestone 7-Finishing Works</p> <p>Milestone 8-Demolitions &amp; Removals</p> <p>Milestone 9-Concessionaire Eligible</p> <p><b>Sub-total</b></p>	<p>67,406,812.00</p> <p>22,206,463.00</p> <p>31,388,369.00</p> <p>5,824.00</p> <p>2,563,215.00</p> <p>11,324,533.00</p> <p>277,705.00</p> <p>1,296,993.00</p> <p>8,068,831.00</p> <p><b>144,538,745.00</b></p>	-
<b>TOTAL</b>			<b>203,686,910.47</b>	<b>2,175,079.90</b>

Approved by:

  
 David Marr  
 Executive Director  
 Program Development and Monitoring

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



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

**Notes to the Schedule of Detailed Expenditure Claims  
For the Year Ended March 31, 2011**

**1. Nature of the Agreement**

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

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

**2. Costs**

Eligible Costs:

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

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



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

#### Ineligible Costs:

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

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

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

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

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

The Accruals (PAYE - Payable After Year End) represent amounts booked for eligible work completed as at March 31, 2011 but not yet claimed.



# Asia-Pacific Gateway Corridor Transportation Infrastructure Fund

South Fraser Perimeter Road

ANNUAL REPORT 2010/11

Fiscal Year Ended March 31, 2011



Ministry of  
Transportation  
and Infrastructure



Transport  
Canada

Transports  
Canada