

**MEMORANDUM OF UNDERSTANDING REGARDING
SURREY SCHOOL DISTRICT SURREY CAPITAL PROJECT TEAM**

(This "**Agreement**") is made and is in effect as of January 26th, 2017

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE OF BRITISH COLUMBIA, as represented by the Minister of Education (the "**Province**")

AND:

THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 36 (SURREY), (the Surrey School District)

1. Context and Scope

1. The Province and the Surrey School District (individually, a "Party" and collectively, the "Parties"), have committed to establishing a capital project team within the Surrey School District with oversight by an Executive Project Board with the primary objective to:
 - 1.1.1. define the immediate (2 year) priority capital investment requirements for school additions, property acquisitions and / or new schools aligned to the School District's strategic vision for supporting learning as identified in the Long Range Facilities and Education Plan and the 5 year Capital Plan;
 - 1.1.2. develop the business cases for the immediate priority capital investments required that include options assessment, scope definition, cost estimates and proposed construction scheduling;
 - 1.1.3. reduce the reliance on temporary modular classrooms where permanent classroom space is required;
 - 1.1.4. seek project approval before March 31st, 2017 for project funding to support the addition of two further elementary schools and at least one site acquisition in the Surrey School District as identified on our 5 year capital plan;
 - 1.1.5. obtain project approval, develop and submit to government a final business case for at least one further elementary school by June 30, 2017;
 - 1.1.6. develop and implement a portable reduction strategy to significantly reduce the use of portables as "long-term" classrooms over the initial five year term of the agreement.
- 1.2. The purpose of this Memorandum of Understanding ("MOU") is to define the roles and responsibilities of the capital project team, the Surrey School District, the Executive Project Board and the Ministry of Education and define the terms of the agreement, as well as the funding mechanism.
- 1.3. The term of this agreement is for five years from the date of execution at which point the achievements of the capital project team will be reviewed by

government and the Surrey School District and assessed to determine if the MOU should be renewed.

2. Roles and Responsibilities

- 2.1 The capital project team will be a group of dedicated staff within the Surrey School District, under the direction of an Executive Project Board, for the purpose of planning, scoping, engineering, designing, costing, procuring, and delivering new schools, major school expansion and seismic mitigation projects.
- 2.2 The capital project team will report to an Executive Project Board that will be comprised of a representative from Partnerships BC, the Superintendent and the Secretary Treasurer from the School District and the Deputy Minister and the Assistant Deputy Minister, Capital Division, from the Ministry of Education. All project decisions will be based upon consensus of the Executive Project Board.
- 2.3 The existence of the capital project team and Executive Project Board does not negate the responsibilities and authorities of either the Surrey School District or the Ministry of Education as defined in the School Act.
- 2.4 The Ministry of Education is responsible for:
- setting the building area standards and costing schedules for school design and construction;
 - setting the standard for PDR (business case) development;
 - responding to the Surrey School District capital plan submission with identified supported projects and next steps clearly outlined;
 - ensuring the Surrey School District and capital project team understand the project development and approval process including timelines;
 - reviewing PDRs at key milestones and providing feedback to the capital project team and Surrey School District in a timely manner;
 - informing the capital project team and Surrey School District of notional capital plan funding to guide the timing of project delivery;
 - setting target timelines for completed PDR submissions that align with capital funding availability;
 - approving project funding and where appropriate, seeking the approval of Ministry of Finance and notifying the Surrey School District and capital project team of any anticipated delays in project approval;
 - reviewing and deciding on claims for additional funding;
 - reviewing and deciding on claims for below the line funds;
 - determining timing for project announcements and informing the Surrey School District and capital project team.
- 2.5 The Surrey School District is responsible for:
- ensuring that project management fees provided through capital project budgets are directed to the capital project team;
 - providing accurate and timely project cost tracking and forecasting monthly for both project costs and capital project team costs to the Executive Project Board;

- developing and maintaining a Long-range Facilities and Education plan that clearly guides the priorities of the capital project team;
- providing a capital plan annually to the Ministry of Education that reflects the major capital priorities within the long range facilities plan;
- informing the capital project team of stakeholder issues that should be considered within the development and delivery of the project;
- ensuring that the capital project team delivers projects that are delivered on scope, schedule and budget;
- reviewing Project Definition Reports (PDRs/business cases) at key milestones to ensure they meet the needs of the Surrey School District, and providing feedback to the capital project team in a timely manner;
- verifying and approving expenditures, construction claims and requests for access to contingencies of the capital project team prior to final submission to the Ministry;
- acquiring appropriate School District approvals and ensuring the capital project team and Ministry understand the Surrey School District's approval process;
- reviewing, verifying and forwarding to the Ministry monthly project cost tracking and forecasting and ensuring accurate and timely COA draws.

2.6 The capital project team is responsible for:

- ensuring their efforts support the capital priorities identified by the Surrey School District;
- developing projects within the standards and policies set by the Ministry and the Surrey School District;
- developing projects to match the notional capital plan funding identified by Ministry and the long range facilities plan set by Surrey School District;
- providing factual, evidence based PDRs at key milestones for feedback and decision;
- ensuring the development of an accurate scope, schedule, and budget, with appropriate, industry based cost escalation and risk cost estimates reliable for the duration of the project schedule;
- providing a final fully developed PDR to the Surrey School District for submission to the Ministry of Education for funding approval with a cover letter verifying the PDR is complete and the information provided is accurate;
- • managing the delivery of the project within the approved scope, schedule and budget;
- seeking to resolve issues locally while ensuring timely reporting to the Executive Project Board as required and as issues arise;
- immediately notifying the Executive Project Board of issues that may materially affect the scope, schedule or budget of a project;
- maintaining all project records and documentation relating to scope, schedule, budget or other issues that arise;
- providing all required supporting documentation to enable the Executive Project Board, the Surrey School District and Ministry to make timely and informed decisions.

3. Terms and Conditions

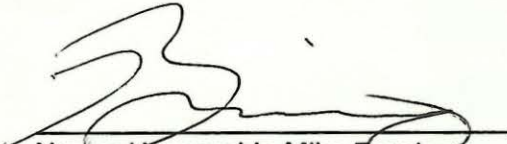
- 3.1 The capital project team will manage the development and delivery of the major Capital expansion and Seismic projects in the Surrey School District as outlined above.
- 3.2 The capital project team shall be led by the Director, who will receive direction from the Executive Project Board on issues related to the planning and implementation of major capital expansion and seismic projects in the Surrey School District.
- 3.3 Recommendations concerning individual projects agreed upon by the Executive Project Board will be forwarded to the Surrey School District and the Province for approval, as required.
- 3.4 The capital project team's budget shall be approved by the Executive Project Board and funded through an up to 3% cost recovery from the approved Surrey capital project budgets and operated as part of the Surrey School District. The staffing compliment of the capital project team is directly proportional to the amount of project recoveries and capital project team costs cannot exceed the 3% cost recovery. The Surrey School District is accountable for ensuring all costs are reported in accordance with accounting policy.
- 3.5 The capital project team will provide for all costs, for example layoff costs, related to the closure or downsizing of the capital project team will be approved by the Executive Project Board and funded through cost recovery from the capital project budgets. Capital project budgets will be approved by the Ministry at an appropriate level up to 3% to cover all costs as described above. The capital project team may consist of a project director, manager of finance, municipal liaison, communications assistant and core team consisting of an Associate Director, project managers, project technicians, and clerical support as approved by the Executive Project Board. The capital project team will augment the core team with consultant engineering, planning, environmental, architectural experts, and other professionals as and when needed.
- 3.6 The Executive Project Board shall be responsible for developing the qualifications and criteria required for the Director position. The Executive Project Board will oversee the hiring of the Director through a competitive process as well as conduct annual performance evaluations.
- 3.7 The Director shall be responsible for staffing the capital project team. Capital project team staff, including the Director, will be employees of the Surrey School District.
- 3.8 The capital project team staff are intended to augment the existing staff of the Surrey School District with the sole focus of developing, defining and delivering major capital projects for the Surrey School District.

3.9 The capital project team is to develop a major capital project implementation schedule, for approval by the Surrey School District and the Province that enables the Surrey School District to accelerate major capital projects (see paragraph 1.1.4), address overcrowding in schools by reducing the average utilization of schools in the Surrey School District, substantially reduce the usage of portables (see paragraph 1.1.6) and complete the Seismic Mitigation Program.

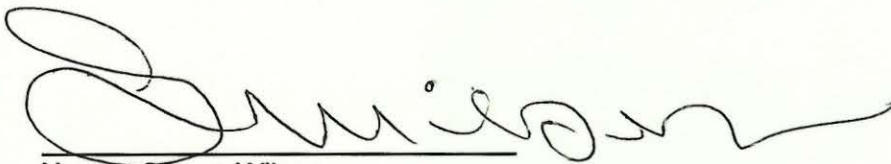
3.10 The capital project team is subject to legislative requirements including the Financial Administration Act, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

4. Terms of MOU

4.1 This MOU will be in force for a term of five years from the Effective Date, provided that the Parties may extend the term at any time by written agreement, and either Party may terminate this Agreement on at least ninety days written notice to the other Party.



Name: Honourable Mike Bernier
Title: Minister of Education
Ministry of Education



Name: Shawn Wilson
Title: Chairperson
School District No. #36 (Surrey)