

**Hill, Heather K FIN:EX**

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**From:** Edwardson, Jamie GCPE:EX  
**Sent:** Thursday, November 24, 2016 4:49 PM  
**To:** Hill, Heather K FIN:EX  
**Cc:** Manderville, Brad W FIN:EX; Kortum, Melissa FIN:EX; Galbraith, David J FIN:EX; Tomana, Bill FIN:EX  
**Subject:** RE: Revised presentation

thanks heather greatly appreciated.

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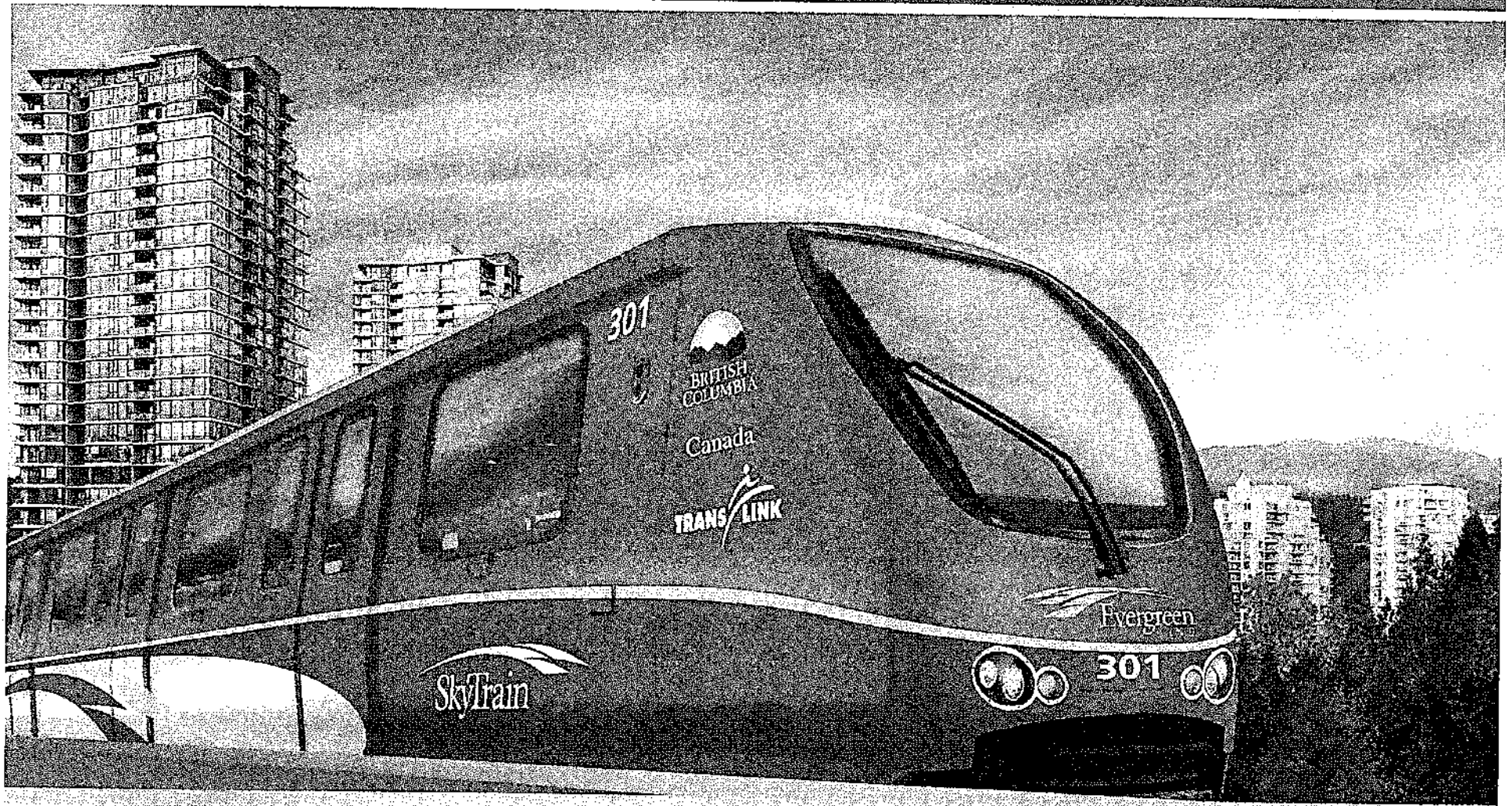
**From:** Hill, Heather K FIN:EX  
**Sent:** Thursday, November 24, 2016 4:38 PM  
**To:** Edwardson, Jamie GCPE:EX  
**Cc:** Manderville, Brad W FIN:EX; Kortum, Melissa FIN:EX; Galbraith, David J FIN:EX; Tomana, Bill FIN:EX  
**Subject:** FW: Revised presentation

Hi Jamie,

Here are the finalized slides for the Evergreen presentation tomorrow. They are now consistent with the Q2 report.

Heather

# EVERGREEN LINE



Canada

TRANS LINK



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# Evergreen Line Project

## Project Financials

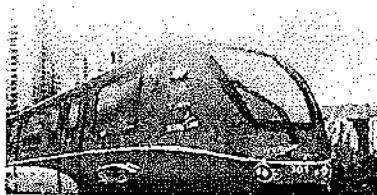
Presented by:  
Amanda Farrell

November 2016



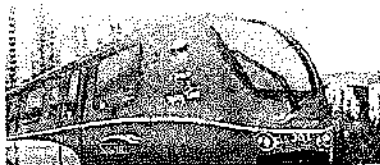
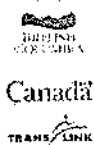
# Overview

- Summary
- Background
- Financial Breakdown
- Design Build Finance Contract
- Funding Partners
- Questions?



# Summary

- Project within the \$1.431 billion budget
  - \$70-85 million under budget, once trailing costs closed
- Completion about 3-months later than expected
  - Contract called for a 43 month construction period; actual construction completed in 46 months despite technical challenges with the tunnel
- No outstanding claims
  - No compensation was paid for cost or schedule impacts of tunnel boring
  - All Owner retained or shared risk issues now closed



# Background

- 2008: Evergreen Line Budget set at \$1.4 billion
- 2012: Evergreen Line Budget updated to \$1.431 billion
  - Revisions to the budget included the addition of the Lincoln Station, to be funded by City of Coquitlam, owners of Coquitlam Mall, and Federal government
- 2016: Updated Forecast: \$1.346 billion - \$1.361 billion



# Financial Breakdown

<b>Design Build Finance Contract</b> Design, Construction, Testing and Commissioning of the Line, including construction financing	886 (* contract of 889 included 3 for municipal road work)	922 (*925 including municipal road work)
<b>Owner's Construction</b> Advance works (road widening, utility relocates) Station Plazas, Park and Ride facilities	44	40-42
<b>Project Management and General</b> Project Management and Engineering Procurement and Legal Public Consultation and Communications Interest During Construction Contingency	223	97-110
<b>TransLink In-Kind</b> Staff support (BCRTC); project management, design review and construction support; smart card and fare gate equipment	25	26
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<b>Total</b>	1,431	1,346-1,361



# Key financial drivers

- Strong competitive process resulted in excellent contract price
  - Robust contract allocated many key risks to the contractor including all costs associated with technical and schedule issues related to tunneling.
- Project benefited from a period of low interest rates
- Vigilant cost control
  - Strong project team with extensive experience (Millennium Line, Canada Line).
  - Expertly negotiated contract and diligent oversight of implementation.
  - Focus on balance of budget and delivery without compromising quality and safety.





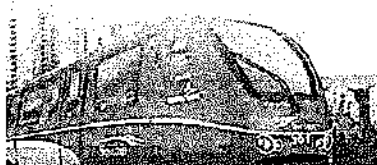
# Design Build Finance Contract

- Fixed price (\$889 million) for fixed scope
- Design Build Finance agreement
  - Monthly progress payments of 64% or work completed (\$582 million over course of construction)
  - Remainder held back until Substantial Completion and demonstration of performance



Canada

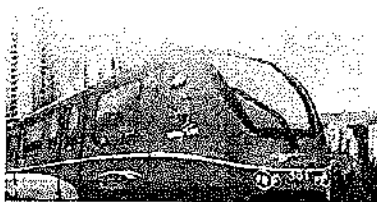
TRANS LINK



*Fast, Frequent, Convenient*

# EGRT Contract - changes

- Province scope changes (\$19 million)
  - 2% of contract value, very low for a large complex project
  - New scope (upgrades, additional noise barriers and environmental remediation) and scope transfers (Port Moody bus loop)
- Province retained/shared risk (\$17 million)
  - Also around 2%, and low for project of this type
  - Undisclosed contamination, geotechnical issues adjacent to Inlet Station, access issues adjacent to heavy rail corridor
  - No compensation paid for tunnel; part of holdback released after tunnel breakthrough and some relief from Liquidated Damages
- Project Contingency in place for these types of issues



# Funding Partners

- Province - \$586 million
- Federal Government - \$424 million
- TransLink - \$400 million
- Other Partners (City of Coquitlam, Coquitlam Mall) - \$21 million



Questions?



**Hill, Heather K FIN:EX**

---

**From:** Dave Stewart <Dave.Stewart@partnershipsbc.ca>  
**Sent:** Thursday, November 24, 2016 4:22 PM  
**To:** Hill, Heather K FIN:EX  
**Subject:** FW: Updated Q and A  
**Attachments:** QA\_Evergreen financials - DRAFT\_Nov 24.doc; Evergreen Line Project -Information Sheet and Cost Breakdown. November 1....doc

Draft Q &A and other materials

**From:** Amanda Farrell  
**Sent:** Thursday, November 24, 2016 4:11 PM  
**To:** Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca>; Rorison, Trish GCPE:EX <Trish.Rorison@gov.bc.ca>  
**Cc:** Livolsi, Patrick C TRAN:EX <Patrick.Livolsi@gov.bc.ca>; Elizabeth Thomson <Elizabeth.Thomson@partnershipsbc.ca>; Dave Stewart <Dave.Stewart@partnershipsbc.ca>  
**Subject:** Updated Q and A

As discussed

**Amanda Farrell**  
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**Questions and Answers  
Evergreen financial release  
November, 2016**

- **On December 2<sup>nd</sup>, we will open up the Evergreen line to the public, which will shorten the commute for tens of thousands of people in the Lower Mainland every day.**
- **British Columbians trust government to deliver the services they need with their money, and we have a responsibility to get the best value we can for their hard-earned tax dollars.**
- **We are committed to being open and accountable for the dollars we spend, and I'm pleased to release detailed information today on the Evergreen line budget.**
- **Thanks to the strength of our contract and the leadership of the public servants who've managed the project, we're opening it up between \$70 and \$85 million under the budget.**
- **The province has developed a strong project management framework - and layers of oversight and accountability - which has allowed us to deliver projects like Evergreen within their budgets.**

**Questions/ Answers - General**

**1. Why would you make additional payments to the contractor if you have a fixed price contract?**

The Evergreen Line was built as a Design Build Finance public-private partnership which was endorsed by the Office of the Auditor General in 2013. The province and the contractor agreed to an \$889 million for a set amount of work (\$886 m for Evergreen plus \$3 m for some municipal road work), detailed in the contract to ensure both parties were clear on the work required and responsibilities.

For large, complex infrastructure projects, the province sets aside a contingency to accommodate local community requests and anything that couldn't have been anticipated when drafting the contract. The project team draws from the contingency whenever this is necessary.

In this case, an extra \$36 million was spent on additional equipment and projects to meet code changes and requests from the local communities (noise barriers), as well as unanticipated issues that required changes outside the scope of the project. This includes:

- **Approximately \$19M of changes for items that weren't included in the original contract, including additional noise barriers, additional CCTV cameras, access roads to reduce disruption to the community and additional environmental remediation at Hoy Creek.**

- Approximately \$17M was spent on unanticipated items that arose at the request of a municipality, out of claims and out of changes to the BC Building Code over the 3.5 year course of construction. The contract allowed for a negotiation process to determine whether the province, contractor or both parties would pay for these costs. Examples include unanticipated contamination (asbestos, contaminated groundwater) which were remediated at the province's cost, unanticipated geotechnical issues encountered adjacent to Inlet Station, as well as some access issues experienced where work was adjacent to the active heavy rail corridor.
- All of these items were paid for out of the contingency.
- The province was not required to provide any compensation for the challenges with the bored tunnel work, as the contractor assumed all the risks around the soil condition and the boring method.
- There are no remaining claims for compensation under the contract.

In total, the province spent approximately 2% more on scope changes and 2% more on unanticipated risk items – both amounts low for a project of this size.

## 2. Do you have a detailed list of additional amounts paid to the contractor?

- Over the course of the Project, there was approximately \$19M of Province requested changes
  - Expected in a project of this size and complexity, we retain contingencies to cover these types of items
  - There were 95 changes in all – some were no cost or credits, some were paid for by third parties. The overall value is 2% of the contract value which is extremely low for a contract of this size and complexity.
  - Examples include:
    1. New scope items, such as additional noise barriers, upgrades to messaging systems in stations and additional CCTV cameras, access roads to reduce community disruption, addition of a down escalator at Douglas Lafarge station, additional environmental remediation work at Hoy Creek.
    2. Scope transferred from Owner delivered scope. In some cases it was determined that it would be more efficient for the contractor to deliver scope that had previously been planned to be delivered by the Owner. An example is the design and construction of the Port Moody bus loop. Approximately \$5M of scope was transferred.
- The contract also provided for Supervening Events, where some risks are retained by the Province and some are shared. Approximately \$17M was expended on Supervening Events.
  - Includes undisclosed contamination (asbestos, contaminated groundwater) which could not have been foreseen and are remediated at the Provinces cost.



- Some compensation provided for other risk items, specifically some geotechnical issues encountered adjacent to the Inlet Station and some access issues experienced where work was adjacent to the active heavy rail corridor.
- No compensation was provided for the challenges with the bored tunnel work.
- However, in recognition of the huge efforts that the contractor was undertaking, at their own expense, to resolve the tunneling challenges, the Province agreed to release part of the substantial completion payment on the completion of tunneling \$150M. This left sufficient holdback to cover the remaining risks in the project. The Province also relieved the contractor from Liquidated Damages (penalties for being late) until November 30, 2016, to provide some relief but continued incentive to expedite completion.
- The contract included Liquidated Damages of \$30k per day, so this relief could have saved EGRT \$3.6 million in penalties (and actually saved them \$2.7 million, as they reached Substantial Completion on October 31).
- There are no remaining claims for compensation under the contract.

**3. Why did you release \$150 million of the holdback before the project's substantial completion was reached?**

The Design Build Finance agreement was structured to incentivise the contractor to deliver the project on time and to the quality required.

I would like to emphasize that the contractor went above and beyond in trying to resolve the tunneling challenges. They sought advice from highly-qualified geotechnical experts and brought people in from other parts of the world where this kind of work has been done before. They spent considerable money to resolve the challenges, and then to mitigate schedule impacts once tunnelling was complete.

In recognition of the huge efforts that the contractor was undertaking, at their own expense, to resolve the tunneling challenges, the Province agreed to release part of the substantial completion payment on the completion of tunneling, which was \$150M.

This left sufficient holdback, \$100 million, as well as performance holdbacks, to cover the remaining risks in the project.

**4. Shouldn't you have anticipated these costs? Don't these settlements simply mean you poorly planned the budget?**

We did anticipate these types of issues arising, that is why we had a contingency. There were very few changes from a cost perspective (2% of the contract value), and in fact relatively few risks came up that the Province was either taking or sharing. That is why the Project is under budget by \$75 million.

**5. Were there any penalties related to how SNC treated staff?**

In-fact the Evergreen project has had an outstanding safety record, especially for a project of the size and complexity involved.

As of the end of October 2016, EGRT had worked more than 5 million man hours with only 10 Lost Time Accidents (LTAs). This equates to 0.4 LTAs for every 100 workers per year (Work Safe BC's Injury Rate yardstick). The Construction sector average Injury Rate published by WSBC is 4.0 to 4.5, meaning that the Evergreen project has performed a full **10 times better than the sector average**.

There have been two incidents where workers have said they were laid off for raising safety concerns. These cases are still in process. We expect all contractors to meet our high standard of safe work practices and comply with all Work Safe BC rules and recommendations.

**6. Why was the actual cost higher than budgeted for the vehicles?**

The budget for the vehicles was \$98 m; actual was \$101 million due to cost of manuals and some small design changes.

**7. Do you have a detailed list of settlement fees paid to the contractor?**

We have comprehensive lists of the changes made and supervening events.

We did wrap up a number of items in a single settlement in March. This included:

- \$13.5 million for two supervening events relating to ground conditions near Inlet Station and access issues adjacent to the heavy rail corridor
- No payment for issues relating to the tunnel boring and confirmation that no claims would be made for this item.
- A payment of \$1.5 million for a number of outstanding changes, on condition that it would not be paid until EGRT had concluded discussions with a number of third party property owners and secured releases that the owners were satisfied.
- Release of \$150 million (a portion of the substantial completion payment), noting that this was for work that was already completed.
- Relief from Liquidated Damages until November 30 2016.

**8. What will you do with the money saved?**

The Ministry will reinvest the money saved in transit infrastructure.

**9. Will you give any back to the federal government or the municipalities?**

The \$1.431 billion Project is funded as follows:

\$424 million from the Government of Canada;  
\$400 million from TransLink; and  
\$586 million from the Province.

The Province contributed significantly more than its partners in order to make the Project happen. Even though the Project will be under budget, the Province will still have contributed the greatest share.

The Government of Canada and TransLink contributions are fixed; the Province took responsibility for the construction of the Project and the associated budget responsibility (i.e. and under or over-runs).

**10. Aren't you ignoring the fact that the province had to invest an extra \$173 million? So really, aren't you over budget anyways?**

Absolutely not. The total budget for the project was \$1.43 billion when the project was announced with its business case in 2008 – and it is going to be finished \$75-\$80 million under budget.

Regarding the \$173 million, the Province contributed significantly more than its partners in order to make the project happen. In the fall of 2011, the province came forward with the extra money to get the mayors' council to endorse the plan to build the Evergreen line and commit their money for the project.

If we hadn't come forward with more money, Evergreen would not have happened. It's completely unfair to suggest that we or the project are over budget.

**11. Construction of the tunnel seems to have been a major setback. What happened there?**

The main bore started in June 2014, and it took nine months to bore 50% of the tunnel when it stopped at Clarke and Seaview for maintenance in March 2015.

Unfortunately, the machine was stopped at Clarke and Seaview for nearly six months while ground stability issues were safely resolved. Tunnel boring started up again in September with the last 50% of the boring being completed on November, 2015.

Again, because of the strength of our contract, the contractor was responsible for all of the extra costs from these delays.

**12. What are the next steps for Broadway (UBC) and Surrey Line?**

Rapid transit expansions along the Broadway corridor and in Surrey are critical, high priority projects.

We maintain the province is firmly committed to funding one third of these projects and working with the municipalities going forward.

Rapid transit expansion is critical to dealing with today's congestion, and ensuring that the Metro Vancouver region is able to accommodate the million additional people expected over the next 30 years.

## **Evergreen Line Project - Information Sheet and Cost Breakdown**

With the opening of the Evergreen extension on December 2, Metro Vancouver's SkyTrain service will become the longest, automated rapid transit system in the World. The new extension connects Coquitlam City Centre through Port Moody to Lougheed Town Centre in about 15 minutes. It also connects to the rest of the SkyTrain system to Waterfront Station in downtown Vancouver.

The Evergreen project is one of the largest transportation infrastructure projects in B.C.'s history and is being delivered \$70-85M under the \$1.431 billion budget, once trailing costs are closed out.

### **About Evergreen Project:**

- Length of Line: approx. 11 km
- No. of Stations: 7
- Estimated Daily Riders by 2021: 70,000
- Maximum Operating Speed: 80km/h
- Technology: Automated Light Rail System
- Construction of the Evergreen extension has provided 8,000 jobs during the 3.5-year construction period, which began early 2013.
- 250,000 people travel each day between Coquitlam, Port Moody, Port Coquitlam and Burnaby/New Westminster and downtown Vancouver.
- The 2016 population of the city of Coquitlam is estimated at 147,600 and is expected to grow to 160,600 by 2021 (9% growth).

### **Travel times and frequency:**

- From Lafarge Lake-Douglas Station in Coquitlam to Lougheed Town Centre in Burnaby – 15 minutes
- From Lougheed Town Centre to Waterfront downtown Vancouver – 3 minutes and 20 seconds
- Train Frequency at Peak Hours and Midday: every 3 minutes and 20 seconds between Lafarge Lake-Douglas in Coquitlam and Lougheed Town Centre in Burnaby

### **Budget, Funding and Operation:**

As of 2012, the Evergreen Line budget was \$1.431 billion with the province contributing \$586 million and other partners contributing \$845 million.

Other funding partners are the Government of Canada: \$424 million (\$350 million from the Building Canada Fund, \$67 million from the Public Transit Capital Trust Fund, and \$7 million from the P3 Canada Fund), TransLink: \$400 million and other partners \$21 million.

The province is responsible for the delivery of the project and, once complete, the new extension becomes part of the TransLink rapid transit system. TransLink is responsible for the operation and maintenance of the system.

### Financial Details:

	Budget (\$ M)	Actual (\$M)
Design Build Finance Contract <ul style="list-style-type: none"><li>Design, construction, testing and commissioning of the Line and construction financing</li></ul>	886 <i>(the contract of 889 included 3 for municipal road work)</i>	922* <i>(925 including municipal road work)</i>
Owners' Construction <ul style="list-style-type: none"><li>Advance works (road widening, utility relocates)</li><li>Station plazas, Park and Ride facilities</li></ul>	44	40-42
Project Management and General <ul style="list-style-type: none"><li>Project Management and Engineering</li><li>Procurement and Legal</li><li>Public Consultation and Communications</li><li>Interest During Construction</li><li>Contingency</li></ul>	223	97-110
TransLink In-Kind <ul style="list-style-type: none"><li>Staff support (BCRTC); project management, design review and construction support; smart card and fare gate equipment</li></ul>	25	26
Vehicles	98	101
Property	155	160
<b>Total</b>	<b>1,431</b>	<b>1,346-1,361</b>

\*Additional costs included scope changes, scope transfers and risks that the province retained or shared. No additional payments were made to the contractor for challenges associated with the tunnel bore. All associated risk and cost was the contractor's responsibility, as per the contract. Even with changes made to complete the tunnel, the project still finished under budget.

### Design Build Finance Project

The Evergreen Line was built as a Design Build Finance public-private partnership; the Office of the Auditor General reviewed the project in 2013 and concluded that moving forward with SkyTrain technology was the right decision, and that the Design Build Finance best met government's objectives.

A Design Build Finance project means the province and the contractor agreed to a fixed price (\$889 million) for the scope of work set out in the contract. The contract allows for the province to request and approve scope changes and also defines those risks that the province retains or shares. A project contingency fund is retained to address these types of costs if and when they arise.

**Hill, Heather K FIN:EX**

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**From:** Dave Stewart <Dave.Stewart@partnershipsbc.ca>  
**Sent:** Thursday, November 24, 2016 3:04 PM  
**To:** Hill, Heather K FIN:EX  
**Subject:** Revised presentation  
**Attachments:** Draft Project Financials Update November 2016.1pm.pptx

Hi Heather – please see updated presentation....i think it explains and is consistent now. Give me a call if you want to discuss.

Dave Stewart, CPA, CA  
Assistant Vice-President, Transportation Sector  
partnerships British Columbia  
D. 604.806.4183  
C. 250.589.9650  
[dave.stewart@partnershipsbc.ca](mailto:dave.stewart@partnershipsbc.ca)

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# EVERGREEN LINE



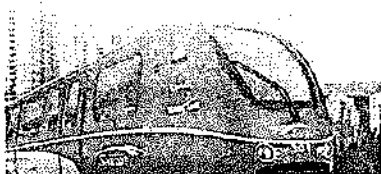
**Evergreen**  
LINE  
*Fast, Frequent, Convenient*

# Evergreen Line Project

## Project Financials

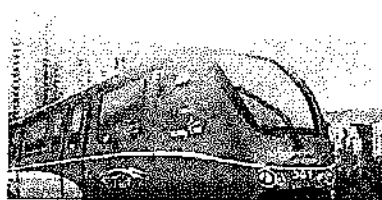
Presented by:  
Amanda Farrell

November 2016



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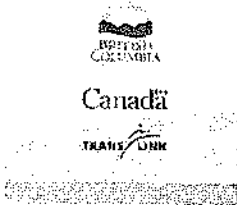
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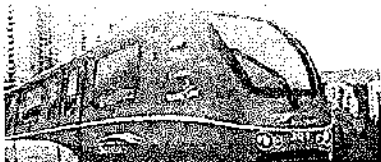
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Questions?



## Hill, Heather K FIN:EX

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**From:** Manderville, Brad W FIN:EX  
**Sent:** Wednesday, November 23, 2016 3:13 PM  
**To:** Hill, Heather K FIN:EX  
**Cc:** Tomana, Bill FIN:EX  
**Subject:** RE: Evergreen DRAFT Financials Powerpoint for review  
**Attachments:** Draft Project Financials Update November 2016.pptx

Hi Heather,

As you know, the Q2 report (April to September 2016) indicates that the anticipated total cost of the Evergreen Line Project is \$1.431B. However, the PPT deck from Amanda Farrell is reporting on the close-to-final cost of the Evergreen Line project as of this week (i.e., outside of the Q2 report period), and confirms that the project is \$70-85M under budget (slide 4 and slide 6).

As a result, we should likely mention in the Q/A document that the Evergreen Line cost estimate in the Q2 report was based on known information as of September, and subsequently the project team confirmed that the project is expected to be under budget, and this will be reported in the \$50M table in the Q3/Budget document.

In addition, slide 6 of the PPT deck mentions that the actual value of the DBF (P3) contract is \$925M, which differs from the \$922M mentioned in the Q2 report. Perhaps there has been another adjustment after September to increase the P3 contract from \$922M to \$925M. Bill should check with TRAN on this item.

Slide 8 of the PPT identifies a fixed price contract of \$889M for "fixed scope". The original P3 contract was \$889M, but has subsequently been increased a few times and is \$922M in the Q2 report, so it appears that price and scope were not fixed and Amanda may receive questions on this item.

Thanks,  
Brad

---

**From:** Hill, Heather K FIN:EX  
**Sent:** Wednesday, November 23, 2016 12:49 PM  
**To:** Manderville, Brad W FIN:EX  
**Subject:** Fw: Evergreen DRAFT Financials Powerpoint for review

Brad

Can you have a look at this please. In Q2 we have Evergreen in the \$50M table. There was an allocation from the contingency to the P3 of I think \$16M. I will flip you the latest version of Q2.

Thanks  
Heather

Sent from my BlackBerry 10 smartphone on the TELUS network.

**From:** Edwardson, Jamie GCPE:EX <[Jamie.Edwardson@gov.bc.ca](mailto:Jamie.Edwardson@gov.bc.ca)>  
**Sent:** Wednesday, November 23, 2016 12:22 PM  
**To:** Hill, Heather K FIN:EX  
**Cc:** Galbraith, David J FIN:EX  
**Subject:** Fw: Evergreen DRAFT Financials Powerpoint for review

Amanda Farrell will do a background brief for media on evergreen line Financials Friday, in her role as project director. Can you please review the attached, let me know if you see any redflags, and check consistency with Q2 report?

Thx

Sent from my BlackBerry 10 smartphone on the TELUS network.

**From:** Elizabeth Thomson <[Elizabeth.Thomson@partnershipsbcc.ca](mailto:Elizabeth.Thomson@partnershipsbcc.ca)>  
**Sent:** Wednesday, November 23, 2016 12:13 PM  
**To:** Edwardson, Jamie GCPE:EX  
**Subject:** Evergreen DRAFT Financials Powerpoint for review

Hi Jamie,  
Here is the draft PP that Amanda sent to MOTI GCPE for HQ yesterday.

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QAs are being finalized and I will send those to you when I receive them.

Thanks, Elizabeth



# EVERGREEN LINE



Canada

TRANS LINK



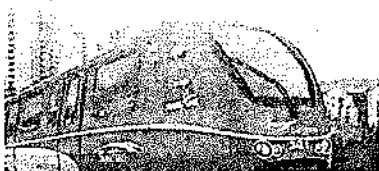
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# Evergreen Line Project

## Project Financials

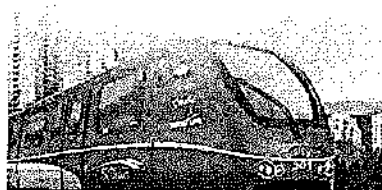
Presented by:  
Amanda Farrell

November 2016



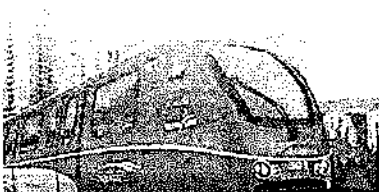
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- Summary
- Background
- Financial Breakdown
- Design Build Finance Contract
- Funding Partners
- Questions?



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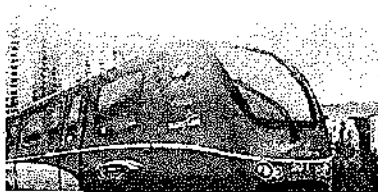


# Financial Breakdown

	Budget (\$M)	Actual (\$M)
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Owner's Construction Advance works (road widening, utility relocations) Station Plazas, Park and Ride facilities	44	40-42
Project Management and General Project Management and Engineering Procurement and Legal Public consultation and Communications Interest During Construction Contingency	220	94-107
TransLink In-Kind Staff support (BCRTC), project management, design review and construction support, smart card and fare gate equipment	26	26
Vehicles	97	101
Property	155	160
Total	1,431	1,346-1,356

# Key financial drivers

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  - Monthly progress payments of 64% or work completed
  - Remainder held back until Substantial Completion
  - Total amount of holdback \$[250 million]





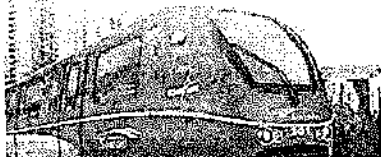
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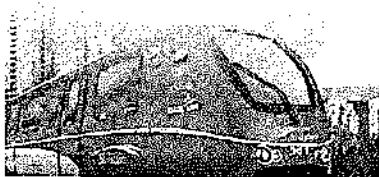


# Funding Partners

- Province
- Federal Government
- TransLink
- Other Partners (City of Coquitlam, Coquitlam Mall)



Questions?



**Hill, Heather K FIN:EX**

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**From:** Tomana, Bill FIN:EX  
**Sent:** Wednesday, November 23, 2016 4:22 PM  
**To:** Hill, Heather K FIN:EX  
**Cc:** Manderville, Brad W FIN:EX  
**Subject:** RE: Evergreen DRAFT Financials Powerpoint for review

Hi Heather,

I was dealing with Ellen Slanina (just sent her an email requesting confirmation) and Gary So s.22 Originally when they increased the amount by \$3M I had asked for the rationale, but as they were trying to provide the details they decided that the \$3M should not be transferred from internal/borrowing to P3 and therefore no change. Since there was no change I did not ask for additional details.

Bill

---

**From:** Hill, Heather K FIN:EX  
**Sent:** Wednesday, November 23, 2016 4:15 PM  
**To:** Tomana, Bill FIN:EX; Manderville, Brad W FIN:EX  
**Subject:** Re: Evergreen DRAFT Financials Powerpoint for review

Hi Bill

Who are you dealing with at TRAN? I will call Amanda tomorrow if needed. What is the \$3M for?

Heather

Sent from my BlackBerry 10 smartphone on the TELUS network.

---

**From:** Tomana, Bill FIN:EX  
**Sent:** Wednesday, November 23, 2016 4:06 PM  
**To:** Manderville, Brad W FIN:EX; Hill, Heather K FIN:EX  
**Subject:** RE: Evergreen DRAFT Financials Powerpoint for review

Hi Heather, Brad,

There was some back and forth with TRAN regarding the additional \$3M for P3, which TRAN advised not to add it to the \$50M Table P3 component. I'm trying to confirm with TRAN on the final number and whether we should update the \$50M Table of the PBC Deck. Hope to have an answer tomorrow. Q2 goes to print on Friday.

Bill

---

**From:** Manderville, Brad W FIN:EX  
**Sent:** Wednesday, November 23, 2016 3:13 PM  
**To:** Hill, Heather K FIN:EX  
**Cc:** Tomana, Bill FIN:EX  
**Subject:** RE: Evergreen DRAFT Financials Powerpoint for review

Hi Heather,

As you know, the Q2 report (April to September 2016) indicates that the anticipated total cost of the Evergreen Line Project is \$1.431B. However, the PPT deck from Amanda Farrell is reporting on the close-to-final cost of the Evergreen Line project as of this week (i.e., outside of the Q2 report period), and confirms that the project is \$70-85M under budget (slide 4 and slide 6).

As a result, we should likely mention in the Q/A document that the Evergreen Line cost estimate in the Q2 report was based on known information as of September, and subsequently the project team confirmed that the project is expected to be under budget, and this will be reported in the \$50M table in the Q3/Budget document.

In addition, slide 6 of the PPT deck mentions that the actual value of the DBF (P3) contract is \$925M, which differs from the \$922M mentioned in the Q2 report. Perhaps there has been another adjustment after September to increase the P3 contract from \$922M to \$925M. Bill should check with TRAN on this item.

Slide 8 of the PPT identifies a fixed price contract of \$889M for "fixed scope". The original P3 contract was \$889M, but has subsequently been increased a few times and is \$922M in the Q2 report, so it appears that price and scope were not fixed and Amanda may receive questions on this item.

Thanks,  
Brad

---

**From:** Hill, Heather K FIN:EX  
**Sent:** Wednesday, November 23, 2016 12:49 PM  
**To:** Manderville, Brad W FIN:EX  
**Subject:** Fw: Evergreen DRAFT Financials Powerpoint for review

Brad

Can you have a look at this please. In Q2 we have Evergreen in the \$50M table. There was an allocation from the contingency to the P3 of I think \$16M. I will flip you the latest version of Q2.

Thanks  
Heather

Sent from my BlackBerry 10 smartphone on the TELUS network.

**From:** Edwardson, Jamie GCPE:EX <[Jamie.Edwardson@gov.bc.ca](mailto:Jamie.Edwardson@gov.bc.ca)>

**Sent:** Wednesday, November 23, 2016 12:22 PM

**To:** Hill, Heather K FIN:EX

**Cc:** Galbraith, David J FIN:EX

**Subject:** Fw: Evergreen DRAFT Financials Powerpoint for review

Amanda Farrell will do a background brief for media on evergreen line Financials Friday, in her role as project director. Can you please review the attached, let me know if you see any redflags, and check consistency with Q2 report?

Thx

Sent from my BlackBerry 10 smartphone on the TELUS network.

**From:** Elizabeth Thomson <[Elizabeth.Thomson@partnershipsbcc.ca](mailto:Elizabeth.Thomson@partnershipsbcc.ca)>

**Sent:** Wednesday, November 23, 2016 12:13 PM

**To:** Edwardson, Jamie GCPE:EX

**Subject:** Evergreen DRAFT Financials Powerpoint for review

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Thanks, Elizabeth

**Hill, Heather K FIN:EX**

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**From:** Hill, Heather K FIN:EX  
**Sent:** Thursday, November 24, 2016 9:12 AM  
**To:** Farrell, Amanda PSBC:EX  
**Subject:** Evergreen  
**Attachments:** Draft Project Financials Update November 2016.pptx

**Importance:** High

Hi Amanda,

Our GCPE director asked me to review the ppt for your financial update on Evergreen on Friday. We are releasing our Second Quarterly Report next week, so I want to ensure the numbers and message are consistent. A couple of questions:

1. You are signalling that the Evergreen project is \$70-\$85M under budget, in Q2 we are still reporting the project budget as \$1.431B. The rationale is that there are still trailing costs, and once the numbers have been finalized we will report the budget decrease in Q3. Are you ok with that messaging?
2. The DBFM contract is \$925M in your slides and TRAN reported \$922M to us for Q2. Not sure what the \$3M difference is but we want to be consistent, so please let me know which is correct.
3. The slides say that the EGRT contract was fixed price at \$889M plus \$19M in scope changes gives a total of \$908M, not \$925M?

We need to finalize the Q2 report today to get to the printer. I am available anytime to discuss 250-387-9007 or my cell at 250-415-8340.

Thanks,  
Heather Hill  
Executive Director, Capital  
Treasury Board Staff  
(250)-387-9007



# EVERGREEN LINE



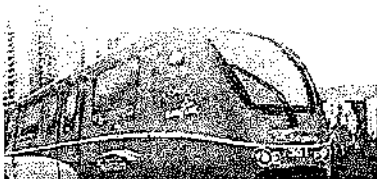
**Evergreen**  
LINE  
*Fast, Frequent, Convenient*

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Presented by:  
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November 2016



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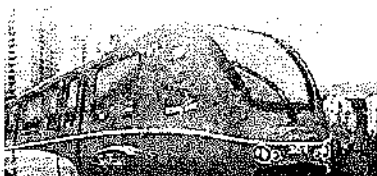
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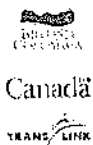
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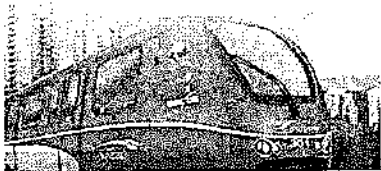
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