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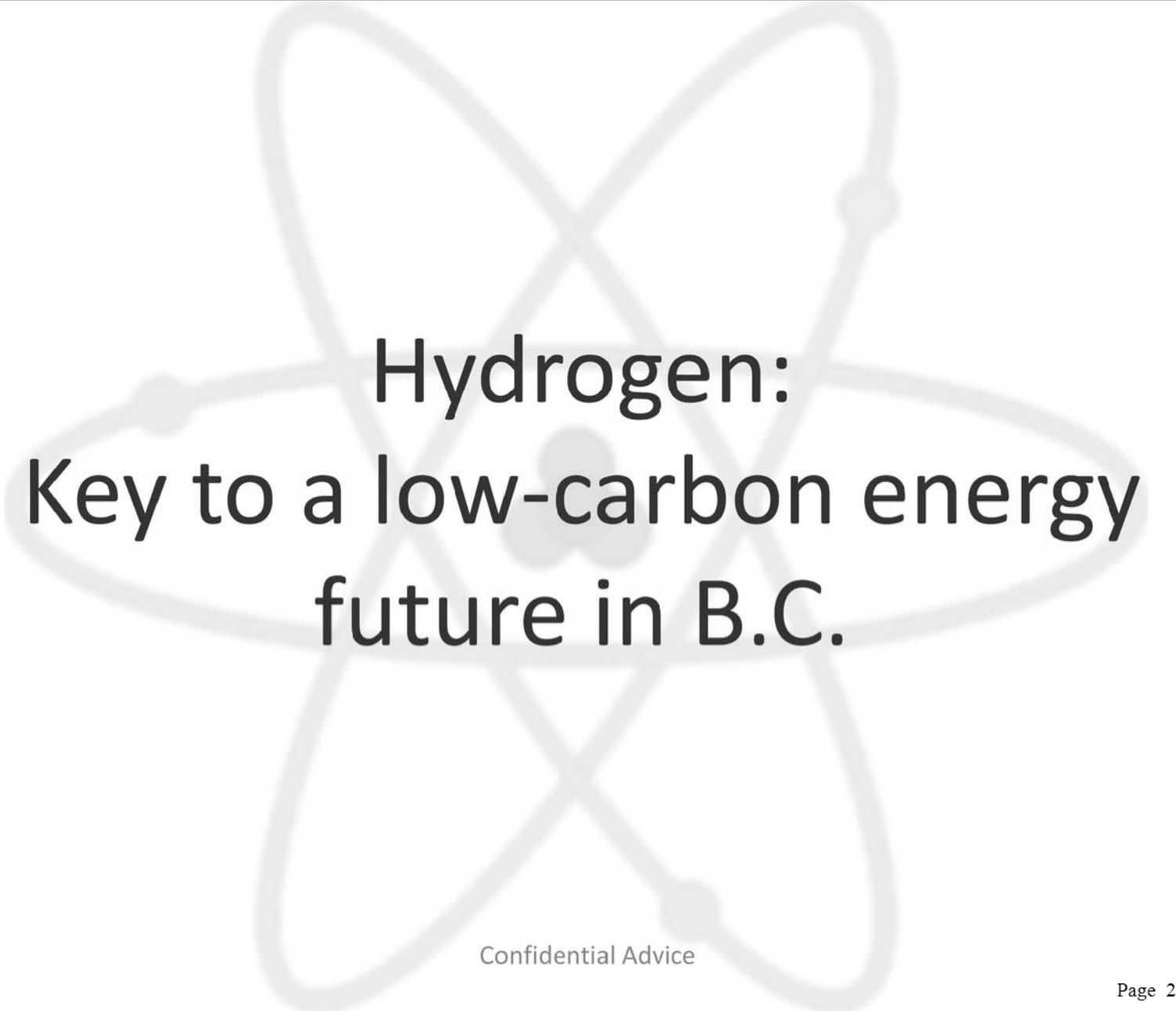
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s.12 ; s.13



# Hydrogen: Key to a low-carbon energy future in B.C.

## Hydrogen 101

- Hydrogen ( $H_2$ ) is the most common chemical element in the universe. It is rarely found in nature on its own – rather, it is bonded to something else (e.g., water  $H_2O$ ).
- $H_2$  is both a fuel and an energy carrier, easy to store in large amounts, and can be produced from many different processes.
- It has the highest energy content of common fuels.

Fuel Type	Energy Density (MJ/kg)
Gasoline	46
Diesel	45
<b>Hydrogen</b>	<b>120</b>



## Ways to Produce H<sub>2</sub>

H<sub>2</sub> can be produced via several processes:

- Steam Methane Reforming (SMR): high-temperature steam separates hydrogen from the carbon atoms in methane (CH<sub>4</sub>). The H<sub>2</sub> produced this way is mostly used in industrial processes.
  - Over 95% of H<sub>2</sub> production around the world uses SMR
- Electrolysis: an electrical current is passed through water (H<sub>2</sub>O) to separate the hydrogen from the oxygen atoms. The H<sub>2</sub> produced is very pure and can be used in fuel cell applications.
  - The electricity used can be from grid electricity or from intermittent renewables
  - In B.C. both options present reductions in GHG emissions for sustainable hydrogen

**SMR is 7x more carbon intensive than electrolysis using renewable electricity.**

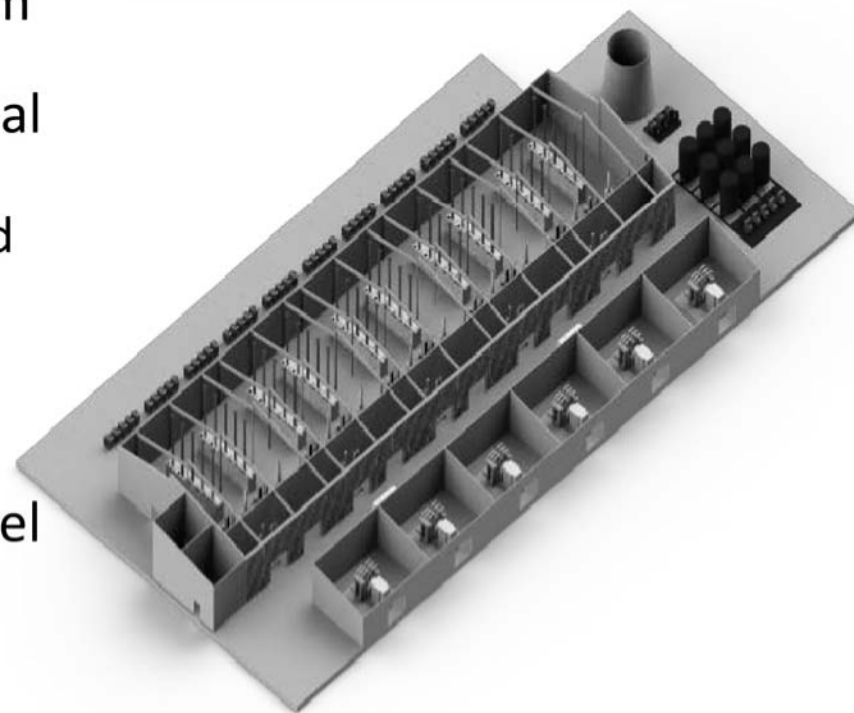


Figure 1: Rendering of a 100MW PEM Electrolyzer plant (ITM Power Inc.)

## Hydrogen Uses in BC

- BC produces approximately 16,425 tonnes of waste hydrogen per year at four chemical plants
  - Two thirds of the hydrogen is burned for high-grade heat, the remainder could be captured and used in other applications (e.g., transportation)
- Parkland Refining (B.C.) Ltd. uses approximately 25 tons of hydrogen per day at the Burnaby refinery

# Alignment with CleanBC

*“Hydrogen can play a major role in B.C.’s low-carbon energy systems.”*

As part of CleanBC, the Province is accelerating development of BC’s hydrogen economy with:

- Injection of sustainable hydrogen into the natural gas grid to lower the overall carbon intensity;
- Support for centralized hydrogen production; and
- Financial supports for the deployment of fuel cell electric vehicles and infrastructure.

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s.12

# The Hydrogen Council

- A global initiative of leading energy, transport and industrial companies with a united vision and long-term ambition for hydrogen to play a central role in



DAIMLER



HONDA



- Many of the companies are headquartered in BC's target export markets, such as Japan, China and South Korea



SINOPEC





# **WORLD-LEADING ECONOMIES ARE ALL-IN ON HYDROGEN**

## China

- In December 2016, China's 13<sup>th</sup> "Five-Year Plan" included a Fuel Cell Technology Roadmap and committed to building over 1,000 hydrogen refueling stations by 2030.
- At least 50% of the hydrogen dispensed must be renewable.
- China has invested almost USD\$900 million in the hydrogen and fuel sector industry from since 2016.

## Japan

- Japan has committed to transition to a “Hydrogen Society” and has made aggressive steps forward to introduce hydrogen into their energy landscape, such as introducing their Basic Hydrogen Strategy in 2018.
- In March 2018, a group of 11 Japanese companies, including Toyota, Nissan, and Honda, launched a venture call Japan H2 Mobility to build 80 hydrogen refueling stations by 2022.
- This venture has also received support from the Japanese Ministry of Economy, Trade and Industry (METI).



## South Korea

- In January 2019, the Government of South Korea laid out a plan to develop the technology and infrastructure needed for a hydrogen-based economy.
- South Korea intends on becoming a leader in fuel cell development, with plans to have 80,000 FCEVs on the road by 2022.

## United States

- The State of California is taking a leading role and has allocated USD\$92 million in funding to support an additional 40+ hydrogen refueling stations.
- At least 33% of the hydrogen sold at all hydrogen refueling stations must be renewable.

## Australia

- In 2018, the Government of Australia released their National Hydrogen Roadmap to provide a blueprint for the development of a hydrogen industry for export.
- Kawasaki Heavy Industries has already broken ground on a project in Australia extracting hydrogen from brown coal which will then be liquefied and shipped to Japan in large quantities.

## United Kingdom (U.K.)

- Faced with limited options to lower their GHG emissions, the U.K. is studying hydrogen as a means of displacing natural gas to decarbonize heat.
- Commissioned in 2016 by the City of Leeds, the H21 Project has studied the potential to convert the nationwide natural gas distribution system to 100% hydrogen.

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## BULLETS

**DATE:** April 9, 2019

**PREPARED FOR:** Don Wright, Deputy Minister to the Premier

**REGARDING:** Information on provincial collaborative initiatives with the First Nation Public Sector Secretariat (FNPSS) for the April 12, 2019 FPT Clerks and Cabinet Secretaries meeting

### SUMMARY:

#### *FNPSS*

- Re-established in March 2018 and administered by First Nations Summit, the FNPSS holds a mandate to support public service capacity within Indigenous governments.
- Through consultation and engagement with BC First Nations, FNPSS identified three key goals:
  1. Strengthen and support relationships between First Nations leadership, administration and communities
  2. Coordinate and strengthen human resource development for Nation workers in the core competencies: human, financial and information management, and policy development.
  3. Support and enhance human resource development efforts for Nation workers in a range of professional sectors such as health, education, children and families, resource management.
- One key way that the FNPSS has made progress on its goals is by developing partnerships with organizations, agencies and other orders of government with expertise in areas of public administration to access existing programming, services and other opportunities or to jointly develop programs and other opportunities that are customized to meet the needs of BC First Nations.

#### *Memorandum of Understanding*

- Provincial staff met with representatives from the FNPSS in June 2018 to discuss how the Public Service Agency could partner with them to support capacity building.
- The Province and the FNPSS are working on revising an MOU that formalizes the partnership between the BC Public Service Agency, the Ministry of Indigenous Relations and Reconciliation and FNPSS, and outlines the parties intent to work collaboratively to identify needs and develop and implement strategies to strengthen and enhance the capacity of First Nations and BC Public Service employees.
- We will do this by:
  - Working towards building and supporting a more diverse and inclusive British Columbia public service;

- Supporting cultural safety, agility and intelligence in the workplace; and
- Building relationships that allow all parties to learn from and mentor one another in their respective work environments.

#### *Funding*

- In 2018/19, the Province (MIRR) provided the FNPSS a total of \$286,531 in funding to support priority initiatives identified through consultation with First Nations across the British Columbia.
- Some of the funded activities include: FNPSS conferences in March and October 2018; train-the-trainer workshops and toolkit on records management; development of First Nation-to-First Nation mentorship program; regional capacity building sessions; expansion of the band administrators advisory committee; and, a website re-design for enhanced outreach.
- The priority initiatives identified were distinct from, but complementary to, those outlined in the draft MOU with FNPSS.

#### **KEY MESSAGES:**

- The Province of British Columbia values the work of the First Nations Public Services Secretariat (FNPSS) and appreciates opportunities to partner on initiatives that support broader goals of Indigenous self-government and self-determination.
- We have provided funding in the past to support priority activities identified by FNPSS through consultation with First Nations in B.C. and look forward to exploring future opportunities for partnership.

#### **PREPARED BY:**

Emily Arthur, Executive Director  
Reconciliation Strategies Branch  
(778) 974-4702

**From:** Baskerville, Shannon AEST:EX  
**To:** Wright, Don J. PREM:EX; Kennedy, Christine PREM:EX  
**Subject:** Update  
**Date:** April 1, 2019 11:45:38 AM  
**Importance:** High

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Don and Christine,

This is an FYI of a potential emerging issue that has arisen over the week-end re: the financial status of Quest University (approx. 600 students). Please find below a summary of what we know of the situation and also what we are doing to ensure that students are protected (noting AEST has a financial security from Quest of \$1.9M for purpose of student protection – we are doing work today to ensure that this security is protected in case of a creditor protection or bankruptcy outcome). As this is an evolving situation – we are gathering more facts today s.13; s.14; s.17

s.13; s.14; s.17

, and I will

provide a further update end of day or tomorrow. Shannon

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**Issue:**

- Financial instability of **Quest University** in Squamish

**Current situation:**

- Quest University is facing immediate cash flow issues, as well as high debt servicing costs on outstanding mortgage debt and a need to refinance its \$23M debt by November 2019.
- Quest has advised s.17; s.21  
s.17; s.21
- Quest advises that s.17; s.21  
s.17; s.21 . Quest expects tuition and other revenue received starting in May for the coming academic year will provide the necessary cash flow to sustain operations.
- Quest believes s.17; s.21  
s.17; s.21

**Ministry next steps.**

- We have requested updated financials from Quest to ensure our picture of their situation is current.
- Staff will maintain regular contact with Quest and advise of any issues.
- The ministry continues to work on s.13; s.14  
s.13; s.14
- The ministry is also continuing contingency planning to ensure student protection in the event Quest ceases operations.

**Background / Facts:**

- Quest is a private, not-for-profit university operating under the authority of a private act of the Legislature, the 2002 *Sea to Sky University Act* (SSUA). The SSUA vests control of the institution in the Quest University Board.
- Quest requires the Minister's consent under the *Degree Authorization Act* (DAA) to offer degree programs, and undergoes quality assessment processes overseen by the Degree Quality Assessment Board (DQAB). Quest has had authority under the DAA for a Bachelor of Arts and Science degree since 2006.

● s.13



- In 2017, the DQAB undertook an organizational review by external reviewers with financial and governance expertise. The review determined that Quest had a feasible financial plan to reach positive cash flow and was stabilizing its operating budget, but continues to have revenue issues due to lower than expected enrolment.
- Quest's most pressing financial issue is outstanding mortgage debt of approximately \$20 million, which comes to term in November 2019, and a number of short term loans of approximately \$2.5 million. s.13
- Quest has been reporting to the Ministry monthly regarding the implementation of its plan towards financial stability.
- Quest University has provided the Ministry with financial security of \$1,968,750 under section 4(4) (a) of the Degree Authorization Act to "protect the interests of students", which can be used for tuition refunds, covering student loans and scholarships in the case of closure. The instrument is an Irrevocable Letter of Credit (ILOC) s.21

● s.13; s.17; s.21

- Quest is the fifth largest private sector employer in Squamish. Quest has a purpose built, 58 acre campus located on the border of Garibaldi Provincial Park. Of the 654 students (2017-18) 41% were domestic. About 43% of students are from the US. Degrees Awarded: 147 (2017-18)

● s.13; s.14; s.17; s.21

Public Accounts Data - Selected Consultants 2014/15 - 2018/19 (preliminary)						
Name of Service Provider	2014/15 Actual Spending	2015/16 Actual Spending	2016/17 Actual Spending	2017/18 Actual Spending	2018/19 Actual Spending (per Ministry Reports)	Five-Yr Total Spending
ALEX GRZYBOWSKI & ASSOCIATES LTD.	361,384	506,922	576,679	807,821	1,582,270	3,835,076
BDO Canada LLP	778,484	219,647	323,552	285,777	251,919	1,859,379
BERLIN, EATON & ASSOCIATES LTD.	584,719	698,619	642,305	413,528	184,628	2,523,799
BERT PHIPPS CONSULTING LTD.		136,541	42,902	31,051	7,950	218,444
CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.	26,326,505	31,015,262	42,123,606	46,019,877	6,125,015	151,610,265
CHARTWELL CONSULTANTS LTD.	2,250,571	2,327,932	2,392,668	1,928,734	1,636,209	10,536,114
CUMBERLAND CAPITAL PROJECTS LTD. (Bruce McAllister)			482,168	399,920		882,088
Deetken Enterprises - Andre Powell	800,302	1,155,578	1,229,412	1,282,128	1,483,705	5,951,125
DELOITTE INC.	4,194,112	19,067,248	17,946,489	16,789,391	1,250,131	59,256,371
Deloitte LLP	1,018,007	486,804	2,572,640	3,924,025	535,892	8,537,368
Deloitte Consulting	49,678		49,945	67,075		166,698
Deloitte Managmt & Touche	397,546		1,778,915	4,420,301		6,596,762
Deloitte Restructuring	44,360,292	6,120,780	533,340			51,014,412
<b>Deloitte Total</b>	<b>50,019,635</b>	<b>25,674,832</b>	<b>22,881,329</b>	<b>25,200,792</b>	<b>1,795,023</b>	<b>125,571,611</b>
Elevate Consulting Inc	978,518	1,393,435	1,785,397	1,979,852	2,096,900	8,234,102
ERNST & YOUNG LLP	2,219,532	1,481,942	1,252,212	1,746,225	1,094,082	7,793,993
FUJITSU CONSULTING (CANADA) INC.	19,030,550	20,306,550	17,841,457	14,731,232	10,369,687	82,279,476
Grant Thornton LLP	1,058,369	714,664	168,251	216,763	193,811	2,351,858
KPMG LLP/INC	3,747,547	2,581,843	1,896,382	1,611,763	726,504	10,564,039
MNP LLP	1,166,509	1,827,745	1,240,477	1,424,861	1,128,817	6,788,409
PERRIN, THORAU AND ASSOCIATES LTD.						
Dan Perrin	309,838	329,360	281,390	188,751	242,375	1,351,714
POSITIVE DEVIANCE INC. - Doug Konkin	234,608	204,620	122,914	91,421	147,092	800,655
PRICEWATERHOUSECOOPERS LLP -	2,309,907	4,508,411	6,383,408	4,923,784	1,262,792	19,388,302
PRICEWATERHOUSECOOPERS INC	39,890	44,087	190,963	82,192	10,664,582	11,021,714
PRICEWATERHOUSECOOPERS LLP - Land Base Inv.	158,018	6,679,130				6,837,148
<b>PWC Total</b>	<b>2,507,815</b>	<b>11,231,628</b>	<b>6,574,371</b>	<b>5,005,976</b>	<b>11,927,374</b>	<b>37,247,164</b>
STRATEGIC NATURAL RESOURCE CONSULTANTS INC.	4,539,644	5,741,476	5,497,177	5,637,915	4,207,639	25,623,851
T.D.B. CONSULTANTS INC.	2,722,059	1,974,136	2,278,711	2,838,292	1,475,889	11,289,087
TRUMPY, CHRISTOPHER MICHAEL	47,414			104,125		151,539
VICTORIA CONSULTING NETWORK LTD. - Peter Adams	70,598					70,598
<b>Contractor Totals</b>	<b>119,754,601</b>	<b>109,522,732</b>	<b>109,633,360</b>	<b>111,946,804</b>	<b>46,676,889</b>	<b>497,534,386</b>

## Information Note

### ISSUE:

Analysis of Ministry Contracted consulting services spending for fiscal year 2018/19.

### ANALYSIS

- Ministries provided details of contracted consulting services incurred in 2018/19 (refer to Appendix A: Table 1 for spending by ministry).
- Key data groupings collected include: Name of vendor; type of services; date range and financial limit of contract; and amount paid or accrued for services provided during 2018/19.
- Ministries that incurred the highest expenses for 2018/19 were:
  - FLNR \$228M – this includes various contracts for logging, planting, seedling production, etc. (see Tables 2 and 3),
  - HLTH \$87M HLTH – this includes a number of Maximus contracts for MSP and BC Services Card services of \$60M (see Tables 2 and 4),
  - FIN \$60M – this includes the ESIT agreement for revenue services (billing, collection, customer service, account management) and the retirement allowance obligation for \$45M (see Tables 3 and 4),
  - AG \$30M – includes various contracts for legal, medical, transcription and facilitation services (see Table 3), and
  - EDUC \$24M – includes expenses incurred on the MyEducBC (a student information system) as well as the design/development of various IMIT systems (see Tables 4).
- Highest Paid vendors were (refer to Table 4 for details of the 10 highest paid vendors):
  - Maximus BC Health (see above),
  - ESIT Advanced Solutions Revenue services (see above),
  - Freshwater Fisheries Society of BC of \$11M for fish hatching services,
  - ICBC operational costs for BC services card (phase 1) of \$11M, and
  - Forests For Tomorrow program of \$10.5M
- Details of top three contracts per ministry provided in Table 5

Program Area Contact: Ministry of Finance, Melissa Kortum, 778-698-0401

## APPENDIX A:

Table 1:

<b>Spend by Ministry</b>	<b>2018/19 \$</b>
AEST	1,023,193
AG	30,134,379
AGRI	5,687,363
CFD	6,532,058
CITZ	16,145,984
EDUC	24,109,618
EMPR	4,448,512
ENV	14,080,129
FIN	60,862,077
FLNR (see below)	228,811,753
GCPE	2,621,059
HLTH	86,927,564
IRR	1,301,759
JTT	13,631,891
LBR	887,931
MAH	1,960,988
MH	88,410
PREM	251,401
PSA	2,818,463
PSSG	8,917,832
SDPR	4,185,634
TAC	1,124,127
TRAN	16,950,087
<b>Total spend</b>	<b>533,502,212</b>

## APPENDIX A:

**Table 2:**

Spending by Subject Matter	2018/19 \$	Notes
Organization and program review, design, planning, development, implementation and support	124,089,796	HLTH - Maximus contracts for MSP and BC Services Card services- \$61M, HLTH includes various other e.g. completing business cases, conducting jurisdictional scans and implementing recommendations from various reports. FLNR PwC Operational Contract for Forests For Tomorrow program - \$10.5M, FLNR BC Conservation Foundation - \$3.8M,
IM/IT and other procurement review, design, planning, development, implementation and support	38,174,135	Development and improvement to various IT systems across ministries
Economic, financial, accounting and statistical review, analysis, planning and support	15,823,833	Includes financial audit and other advisory services
Communications and outreach review, planning, development and support	6,717,812	Communication and support for various govt programs including the BearAware program
Policy review, design, planning, development, implementation and support	6,550,637	Project management and advisory services for various areas such as BCUC, court services and review of GHG methodology
Indigenous sector planning, consultation, accommodation and support	2,084,177	
Other - see below	340,061,822	
<b>Total</b>	<b>533,502,212</b>	

**Table 3:**

Other Services include:	2018/19 \$
FLNR - includes various contracts for logging, planting, seedling production, etc	228,811,753
AG - legal, medical, transcription and facilitation services	26,982,803
FIN - Renewal Agreement with ESIT, money laundering panel, rating agency services, etc.	44,976,636
All other ministries - smaller expenses	39,290,630
<b>Total Other</b>	<b>340,061,822</b>

## APPENDIX A:

**Table 4:**

<b>Spend by Vendor (top 10)</b>	<b>2018/19 \$</b>	
MAXIMUS BC HEALTH INC.	60,463,787	BC Service Card Fees and project enhancements; and MSP services
ESIT ADVANCED SOLUTIONS INC.	53,715,244	Revenue services (billing, collection, customer service, account management) and retirement allowance obligation
FRESHWATER FISHERIES SOCIETY OF B.C.	11,934,228	Fish hatching services
ICBC	11,283,605	ICBC operational costs for BC services card (phase 1)
PWC	10,460,281	Forests For Tomorrow program
FUJITSU CONSULTING (CANADA) INC.	10,369,687	STUDENT INFORMATION SYSTEM MyEducBC
Trade and Investment Representatives	10,103,706	International trade representative services; business development; investment attraction; in-market support
PRT GROWING SERVICES LTD.	6,499,390	Seedling and plant growing services
GWA'NAK RESOURCES LIMITED PARTNERSHIP	6,039,895	Gwa'Nak Resources LP Disposition Agreement
CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.	5,875,015	Design/development of various IMIT systems and service desk at EDUC

**Table 5: Top 3 Contracts by Ministry**

Min	Name of Service Provider	2018/19 Expenditures	Description of services provided
AEST	R.A. Malatest & Associates Ltd.	193,716.80	Evaluate the Find Your Fit program
AEST	Caesar Consulting Associated	158,802.00	Support business planning of Canada-BC Job Grant system and support planning of new Workforce Development Agreement.
AEST	Openroad Communications Ltd.	130,315.26	Provides skills upgrade to attain sustainable employment, focusing on vulnerable citizens
AG	FEENIE MACDONALD	1,981,404.83	Legal Services
AG	NANCY L. KINSMAN LAW CORP	1,829,662.14	Legal Services
AG	FEENIE MACDONALD	1,454,476.03	Legal Services
AG	SIMON D. M. WAGSTAFFE, LAW CORPORATION	1,132,855.92	Legal Services
AGRI	FARRIS, VAUGHAN, WILLS & MURPHY LLP	440,012.30	Legal services
AGRI	JOBS TRADE AND TECH	270,435.24	Tech services
AGRI	ELSAESSER, CHRISTINE J	213,889.54	Legal services
CFD	Justice Institute of British Columbia	1,254,591.87	CHILD WELFARE TRG & SPECIAL PROJECTS
CFD	DELOITTE	565,353.95	Strategic Initiatives
CFD	LEGAL SERVICES SOCIETY	368,600.00	Legal Advice
CITZ	ACCESS RECORDS AND MEDIA MANAGEMENT LTD.	1,270,396.64	Offsite records storage - fees
CITZ	IRON MOUNTAIN CANADA OPERATIONS ULC	1,200,638.11	Off-site Record Storage for Existing Records Stored at the Contractors Facility
CITZ	303627 B.C. LTD.	984,078.06	Off-site Record Storage for Existing Records Stored at the Contractors Facility
EDUC	FUJITSU CONSULTING (CA) INC.	10,319,100.76	STUDENT INFORMATION SYSTEM MyEducBC
EDUC	CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.	5,170,075.23	IT TECHNICAL SUPPORT AND HELPDESK SERVICES
EDUC	TC SAFER SCHOOLS TOGETHER LTD.	735,802.07	ERASE - Provincial Safety and Wellness Strategy
EMPR	ALEX GRZYBOWSKI & ASSOCIATES LTD.	1,415,876.43	Environmental Stewardship Initiative Project Management and Facilitation
EMPR	CITY GREEN SOLUTIONS SOCIETY	435,438.00	BC ENERGY COACII EXPANSION
EMPR	MCDANIEL & ASSOCIATES CONSULTANTS LTD.	350,000.00	Economic, engineering and geological analysis of natural gas development
ENV	CAMIS INC.	2,261,892.60	Revenue and attendance services for BC Parks
ENV	RECEIVER GENERAL FOR CANADA	1,404,321.06	Hydrometric system payments to Canada

Min	Name of Service Provider	2018/19 Expenditures	Description of services provided
ENV	NUCOR ENVIRONMENTAL SOLUTIONS LTD.	1,129,727.22	Port Alice Plant Decommissioning
FIN	ESIT ADVANCED SOLUTIONS INC.	43,313,133.46	Amended/Restated Renewal Agreement Base Fees Revenue Services 2018/19
FIN	ESIT ADVANCED SOLUTIONS INC.	10,391,157.32	Amended/Restated Renewal Agreement Base Fees Revenue Services 2018/19
FIN	FAST CANADIAN ENTERPRISES LTD.	1,498,000.00	Software License
FIN	FAST CANADIAN ENTERPRISES LTD.	749,000.00	Software License
FIN	FAST CANADIAN ENTERPRISES LTD.	482,000.00	Software License
FIN	PROCOM SERVICES	269,230.00	Project Director for FICOM's transformation
FLNR	FRESHWATER FISHERIES SOCIETY OF B.C.	11,921,463.88	FISH HATCHING SERVICES
FLNR	PWC	10,460,281.43	OPERATIONAL CONTRACTS-FEES
FLNR	PRT GROWING SERVICES LTD.	6,499,390.22	Seedling and plant growing services
GCPE	SW Audio Visual	349,473.65	Provide Audio & Visual Services for Provincial Government Events/Project
GCPE	FrischkornMediaco	333,895.85	Provide Audio & Visual Services for Provincial Government Events/Project
GCPE	Simon Fraser University	225,544.70	Engagement Support for Mental Health Engagement 18-062
HLTH	MAXIMUS BC HEALTH INC.	56,043,197.78	Medical Service Plan (MSP) services, PharmaCare plan services.
HLTH	ICBC	11,283,605.40	Phase 1 operational costs for BCSC
HLTH	MAXIMUS BC HEALTH INC.	2,421,038.51	BCSC Project enhancements e.g. name mis-match, Gender x
HLTH	MAXIMUS BC HEALTH INC.	1,999,550.28	BC Services HBO base fees as of October 2018 (NEW fixed CO 67 BCSC Base Fees)
HLTH	PROVINCIAL HEALTH SERVICES AUTHORITY	1,085,782.23	Digital Health Strategy (DHS) contract with Elevate Consulting & Deloitte.
IRR	ALEX GRZYBOWSKI & ASSOCIATES LTD.	166,393.55	CSTC Forestry Table Negotiations
IRR	POSITIVE DEVIANCE INC.	147,091.89	TLE Negotiation Services. Chief Negotiator for settlement of Treaty Land Entitlement
IRR	FOUR DIRECTIONS MANAGEMENT SERVICES LTD.	137,110.17	Environmental Stewardship Initiative Project Management and Facilitation.
JTT	Trade and Investment Representatives	10,103,705.61	International trade rep services; business development; investment attraction
JTT	BC Stats Contracts	1,142,576.96	BC Stats contracts on behalf of other clients. Recovered from users.
JTT	PriceWaterhouse Cooper	204,300.70	Catalyst Review
LBR	Price Waterhouse Cooper (JV from Finance)	142,429.00	IM/IT Systems Development. Temp Foreign Workers Protection Act/Employment Stds Branch Pilot



Min	Name of Service Provider	2018/19 Expenditures	Description of services provided
LBR	I.D. Connell, M.D. Inc.	135,300.00	Consulting physician to support WCAT's medical investigation function
LBR	Succeed Solutions Inc.	125,241.53	Employment Services Branch Transformation Project and Temporary Foreign Workers Protection Act implementation
MAH	AECOM Canada Ltd	637,039.00	Infrastructure planning and advisory
MAH	Rissling Services Ltd	435,723.00	Provide scheduled and emergency utility works and services
MAH	Modus Planning Design & Engagement Inc	144,457.00	Prepare Neighbourhood Plan for Area D
MH	Inside Out	24,850.00	Focus Group design
MH	Metis Nation BC	19,500.00	Focus Group & Mental Health and Wellness session facilitation
MH	Rise Leadership	18,750.00	Strategic Issues Management
PREM	DEWAR, ROBERT	139,945.14	Provide strategic advice on various government priorities
PREM	WING, DONNIE	69,171.15	Review, evaluate, develop and present Cabinet and Cabinet Committee material
PREM	HARRIS PALMER LTD.	11,985.00	Organize and lead meetings with First Nations fishing groups and provide input to the Wild Salmon Advisory Council
PSA	ALLIANCE MEDICAL MONITORING INC.	206,406.58	Physician Assessments
PSA	IMA SOLUTIONS INC.	123,312.50	Physician Assessments
PSA	PEGASUS RECOVERY SOLUTIONS	99,060.00	Physician Assessments
PSSG	JUSTICE INSTITUTE OF BRITISH COLUMBIA	2,444,088.66	Training/Learning Services for the Corrections Branch.
PSSG	HCM CATASTROPHE SERVICES INC.	2,075,216.69	Disaster Evaluation and Support
PSSG	JUSTICE INSTITUTE OF BRITISH COLUMBIA	1,325,000.00	Training Services (gov't, volunteers and municipal)
PSSG	BEIRNESS & ASSOCIATES INC.	399,600.00	Legal Services
SDPR	THE UNIVERSITY OF BRITISH COLUMBIA	1,031,500.00	Determine viability of Basic Income Pilot, reduce poverty and address impact of technological changes.
SDPR	ARMOUR SECURITY AND PROTECTION SERVICES CORP.	973,188.35	Security Guards
SDPR	MISC-INTERMINISTRY CHARGES/TRANSFERS	577,746.44	MOU with CITZ for procurement and legal support associated with WorkBC Renewal
TAC	Eagle Spirit Community Solutions Inc	70,000.00	Develop plan for Grizzly Bear totem pole at Peace Arch Provincial Park
TAC	Partnerships British Columbia	190,143.00	Royal BC Museum concept plan

<b>Min</b>	<b>Name of Service Provider</b>	<b>2018/19 Expenditures</b>	<b>Description of services provided</b>
TAC	Miller, Gordon	108,800.00	Evaluate After School Sport and Arts Initiative
TRAN	Stantec Consulting Ltd	3,222,967.81	Technical Services - BROADWAY SUBWAY PROJECT
TRAN	Parsons Inc.	681,502.60	Technical Consultant Services. PATTULLO BRIDGE REPLACEMENT PROJECT
TRAN	Golder Associates Ltd.	600,000.00	Geotechnical Consulting Services

## BRIEFING NOTE FOR INFORMATION

**DATE:** March 7, 2019  
**PREPARED FOR:** Don Wright, Deputy Minister to the Premier  
**ISSUE:** Sea to Sky Regional Transit

### SUMMARY:

- Since 2015, the local governments and First Nations (the 'local partners') along the Sea to Sky (S2S) Corridor have been working with MoTI and BC Transit and are interested in establishing a new Regional Transit Service that would connect Mt. Currie, Pemberton, Whistler and Squamish to Horseshoe Bay and Vancouver.
  - Improvements made to the Sea to Sky Highway since 2005 have enabled housing and commercial development, improved and increased access between communities and strengthened the economy in the S2S region. Squamish and other communities along the corridor have attracted many new residents from the lower mainland due to the affordability of housing in the area.
  - Thousands of vehicles, drivers and passengers travel daily along the corridor. Department of Highway's data (2018) estimates 19,000 vehicles a day travelling to and from Horseshoe Bay to Squamish; 10,000 vehicles a day to and from Squamish to Whistler; and, up to 2,500-5,000 vehicles a day to and from Whistler to Pemberton. In a recent BC Transit survey, forty percent of S2S residents indicated they travel the corridor daily, with 55 percent of trips during peak hours.
  - At the core of the local partners interest is establishing an inter-regional transit service to provide affordable, safe and reliable commuter transit for residents and the public to get to and from home, work and school as well as to access services along the corridor.
  - Although there are several private bus operators that offer transportation services along the corridor, the fares are costly, and the operating schedules are not conducive to serving the needs of the commuting public in the area.
  - BC Transit operates local transit systems in Whistler, Pemberton and Squamish. The municipal portion of the cost to operate transit is 53% which is funded through property taxes and fare revenue. The province's share is 47%.
  - The proposed S2S service can be characterized as inter-regional transit that connects two or more separately funded transit systems. To support a new regional inter-community transit system, the local partners have each passed a resolution citing a strong preference for a fuel tax to fund the service instead of increasing property taxes.
- s.12; s.13; s.16; s.17
- 
- BC Transit currently provides several inter-regional routes (e.g. Vernon to Kelowna, Nelson to Castlegar, Chilliwack to Abbotsford, Campbell River to Comox, Duncan to Victoria), s.12; s.13; s.16; s.17  
s.12; s.13; s.16; s.17
  - The Minister of Transportation met with S2S elected officials at UBCM in 2017 and 2018 and made a commitment to expedite the work to establish this new service.
  - On March 5, 2019, during Estimates debate, the Minister reiterated her commitment to make sure that the BC Transit system is established and working along the corridor.

## BACKGROUND:

Regional and inter-regional transit have been identified as key priorities for the local partners (including the District of Squamish, Resort Municipality of Whistler, Village of Pemberton, Mount Currie, Squamish Nation, Lil'wat Nation and Squamish-Lillooet Regional District) through the Sea to Sky Transit Future Plan Process. Post civic elections, the newly elected local officials have reconfirmed this as a top priority. Significant planning and community engagement have occurred over the past few years and there is strong support for this service in the region.

## DISCUSSION:

### Chronology of work to date

A brief chronology that outlines the work to date and direction / decisions that have been taken in terms of having this item considered by Government is provided in Appendix A.

### Prior Commitments

Minister Trevena met with the Sea to Sky local elected officials at UBCM in 2017 and 2018. At the 2018 meeting, a commitment was made by Minister Trevena that the Ministry would do everything possible to expedite the work required to have this service implemented as soon as possible. The Minister also indicated that although a September 2019 implementation date would be challenging to meet, that the Ministry would continue to work towards that target. A follow up post UBCM letter was sent to the local elected officials (Appendix B). On March 5, 2019 during Budget estimates debate the Minister reiterated her commitment to the service.

### Regulatory Framework

Provisions for funding and governance with respect to BC Transit services are provided in the *BC Transit Act* (the 'Act'). The Act provides BC Transit's Board of Directors (the 'Board') the authority to establish Regional Transit Commissions and Regional Transit Service Areas.

On November 1, 2018, the Board established a Regional Sea to Sky Transit Commission, and a Regional Sea to Sky Transit Service Area s.12; s.13; s.16; s.17

s.12; s.13; s.16; s.17 The appointment of members to a Transit Commission must be made by the Lieutenant Governor in Council via Order in Council (OIC). s.12; s.13; s.16  
s.12; s.13; s.16

The Act also allows municipalities and transit commissions access to regional motor fuel tax revenue to help pay for the local share of transit costs. The decision to grant this authority rests with the Province and requires an amendment to the *Motor Fuel Tax Act* to prescribe the tax rate. The other funding sources available to local partners are property taxes, fares and advertising revenue.

### Local Partner's Proposed Funding Model & Request for a Motor Fuel Tax

The local partners have passed several Council resolutions regarding funding models and are in support of a new regional motor fuel tax, citing a preference to use motor fuel tax over increasing property taxes. They are advocating for a cost share ratio where the Province contributes 47 percent of operating and capital costs and the local partners contribute 53 percent. s.12; s.13; s.16; s.17

s.12; s.13; s.16; s.17

s.12; s.13; s.16; s.17

#### Additional Rural and Remote Transportation Challenges and Community Expectations/Considerations

Public, media and political pressure concerning the lack of affordable, safe and reliable transportation service between rural and remote communities has many communities in B.C. looking to the province and the federal government to subsidize the gaps in service that surfaced due to Greyhound abandoning long-haul intercity bus service at the end of October 2018. Currently the ministry is in negotiations with Transport Canada about a two-year 50/50 cost share agreement to subsidize eight gaps in B.C. where no private operator has applied for a licence to operate a service.

In early June 2018, due to Greyhound's first phase of service abandonment, the ministry, through BC Transit, launched BC Bus North a one-year pilot serving Prince George, Prince Rupert, Valemont, Fort St. John and Fort Nelson to Dawson Creek. The cost to operate the pilot is approximately \$2 million and is being funded through BC Transit's existing 18/19 budget.<sup>s.13</sup>

s.13

s.12; s.13; s.16; s.17

s.12; s.13; s.16; s.17

#### Attachments

Appendix A - Sea to Sky Chronology

Appendix B – UBCM Correspondence

Appendix C – Victoria Regional Transit System Implications

REVIEWED BY:

INITIALS

#### PREPARED BY:

Andrea Mercer, Executive Director  
Transit Branch  
(250) 812-5486

Deborah Bowman, ADM  
Transportation Policy & Programs  
Nancy Bain, EFO  
Finance and Management Services Department

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### Appendix A – Sea to Sky Regional Transit Chronology

Late 2016	25-Year S2S Transit Future Plan completed. Recommendation included undertaking a S2S Corridor Regional Transit Study for a Regional Transit Service
Sept 2017	UBCM. Meetings with local partners - commitment to work with local partners on Regional transit service. BC Transit CEO panelist on a 'Transit Session' – S2S characterized as being 'worked on' <a href="https://vancouver.sun.com/news/local-news/b-c-transit-translink-working-on-transit-link-between-sea-to-sky-metro-vancouver">https://vancouver.sun.com/news/local-news/b-c-transit-translink-working-on-transit-link-between-sea-to-sky-metro-vancouver</a>
Oct 2017	S2S Corridor Transit Study Completed (BC Transit). Report included proposed Service levels, routes, preliminary costing. Included 'Next Steps' which included determining Governance Structure and Funding Model.
Nov 2017 - Oct 2018	MOTI / BC Transit worked closely with Local partners (Senior Officials WG) mainly on governance. Local partners eventually opted to form a Regional Transit Commission. Governance approach solidified through a local partner MOU in Sept 2018. Discussion on funding models also undertaken by the group. Local partners expressing strong desire to use a regional Motor Fuel tax to fund the local share.
Sep 2018	s.12; s.13; s.16; s.17
Sep 2018	s.12; s.13; s.16; s.17
Oct 2018	UBCM. Minister Trevena met with Local elected officials. Committed to continuing to work with the local officials toward their target date of September 2019 for the new service (verbal). Follow up UBCM letter sent reiterating commitment to work with partners.
Oct 2018	s.12; s.13; s.17
Nov 2018 - Dec 2018	Visible Local support (media coverage and council resolutions) for Sea to Sky Transit. Sample news articles: <ul style="list-style-type: none"> <li>• "The fall 2019 goal requires that the Province approve a regional transit funding model, create a Regional Transit Commission and include a motor fuel tax in its February 2019 budget." <a href="https://www.slrd.bc.ca/inside-slrd/news-events/sea-sky-communities-make-progress-toward-regional-transit">https://www.slrd.bc.ca/inside-slrd/news-events/sea-sky-communities-make-progress-toward-regional-transit</a></li> <li>• "Sea to Sky governments and First Nations united on regional transit" <a href="https://www.squamishchief.com/news/local-news/sea-to-sky-governments-and-first-nations-united-on-regional-transit-1.23520528">https://www.squamishchief.com/news/local-news/sea-to-sky-governments-and-first-nations-united-on-regional-transit-1.23520528</a></li> <li>• Council Resolutions passed by Squamish, Pemberton, Whistler and the SLRD supporting the S2S Regional Transit, including seeking provincial approval for a Motor Fuel Tax.</li> </ul>
Nov 1, 2018	BC Transit Board established a Sea to Sky Regional Transit Commission and Sea to Sky Regional Transit Service Area through Board Resolution. s.12; s.13; s.16 s.12; s.13; s.16

Dec 2018 s.12; s.13; s.16

Dec 2018 s.12; s.13; s.17

Jan 2019

Feb 2019

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## Appendix B – UBCM Correspondence



OCT 02 2018

Her Worship  
 Mayor Nancy Wilhelm-Morden  
 Resort Municipality of Whistler  
 4325 Blackcomb Way  
 Whistler BC V0N 1B4

Reference: 279876

Dear Mayor Wilhelm-Morden,

**Re: Thank you for meeting at UBCM 2018**

Thank you for taking the time to meet with me at the recent Union of British Columbia Municipalities (UBCM) Convention in Whistler. I was glad to have the opportunity to discuss your ideas about moving forward with a Sea-to-Sky regional transportation system.

The yearly UBCM gathering is a pivotal opportunity for us to come together with local leaders and look at how we can foster positive partnerships and innovative solutions to meet the transportation needs of people around the province. I am always impressed by the outstanding level of passion and dedication shown by elected representatives like yourself, who go above and beyond to make a positive impact in their communities.

I know we share the goal of ensuring British Columbians have access to the transportation infrastructure and services they rely on to support economic growth and social development within their communities. By continuing to work together, I am confident we can succeed in delivering the improvements people want and continuing to uphold our commitment to transportation excellence.

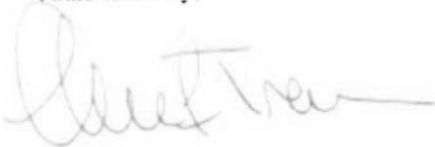
I was pleased to learn of the progress that local Sea-to-Sky partners have made toward an agreement on a governance structure for a new regional transit service. Ministry staff will continue to work closely with Sea-to-Sky partners and BC Transit on next steps. If your office should have questions or concerns about this matter in the meantime, Silas Brownsey, Assistant Deputy Minister, Partnerships Department, would be pleased to assist you. He can be reached by phone at 250 387-5062 or by email at [ADMPartnershipsTransportation@gov.bc.ca](mailto:ADMPartnershipsTransportation@gov.bc.ca).

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Thank you again for taking the time to meet with me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Claire Trevena', written in a cursive style.

Claire Trevena  
Minister

Copy to:      Grant Main, Deputy Minister  
  
                 Silas Brownsey, Assistant Deputy Minister  
                 Partnerships Department  
  
                 Kevin Richter, Assistant Deputy Minister  
                 Highways Department

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s.12 ; s.13 ; s.16 ; s.17

## **PUBLIC SECTOR EMPLOYERS' COUNCIL SECRETARIAT BRIEFING NOTE – FOR DECISION**

**PREPARED FOR:** Honourable Carole James, Minister of Finance and Minister responsible for the *Public Sector Employers Act*

**TITLE:** Proposed compensation plan for the CEOs of small and medium-sized Crowns

### **BACKGROUND:**

In 2007, government implemented total compensation maximums for provincial public sector CEOs. s.12

s.12

Many Crown Boards have communicated recruitment and retention challenges pressures they are facing, particularly when recruiting a new CEO.

In the Fall of 2018, total compensation maximums for Colleges and Institutes were revised in response to recruitment and retention challenges, and gradual increases are currently being implemented over time.

Currently, CEO maximums at small and medium-sized Crowns can be increased by 2% per year to allow for modest performance-based increases. At large commercial crowns, no increases to CEO compensation are permitted without the approval of the Minister responsible for the *Act*. (This applies for Health Authority and Research University CEO's as well.)

Implementing changes to CEO compensation requires the approval of the Minister responsible for the *Public Sector Employers Act* (the *Act*).

### **DISCUSSION:**

Most small and medium-sized Crown total compensation maximums are below market and have not kept pace with comparators in the core public service. s.13; s.17

s.13; s.17

For the purposes of this review, benchmarking required for public sector employers placed a heavier weighting on public sector executive comparators, and then factored in size, scope, complexity, and strategic importance to Government priorities.

s.13; s.17

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*This briefing document contains confidential information pertaining to labour relations and other matters.*

s.13; s.17

Based on unique circumstances at some crowns, alternate approaches are suggested below:

s.13; s.17

The Ministries have all been consulted on this issue and support the plan as proposed.

Large Commercial Crowns, Health Authorities and Research Universities

In 2016, when government permitted modest increases to total compensation maximums by up to 2% each year to assist in recruitment of new leadership and to enable performance-based increases for incumbent CEOs for small and medium-sized Crowns, the salaries of VPs and total compensation maximums of CEOs in these sectors were not adjusted. While these organizations have been successful at recruiting to these roles, there are no performance-based increases.

In September of 2018, the ability for holdbacks to be reduced or eliminated has helped these organizations provide more pensionable earnings to their executives, but the compensation for these positions at the VP and CEO levels were not permitted to be increased without Minister approval. s.13

s.13

s.13; s.17

**OPTIONS: Small and medium-sized Crowns**

s.13; s.17

s.13; s.17

**APPROVED: Option #**\_\_\_\_\_

**OPTIONS: Commercial Crowns, Health Authorities, Research Universities**

s.13; s.17

**APPROVED: Option #**\_\_\_\_\_

\_\_\_\_\_  
Minister

\_\_\_\_\_  
Date

Prepared by:	Lindsay Coburn	Approved by:	Chris Rathbone
	Director, Labour Relations, PSEC Secretariat		Assistant Deputy Minister, PSEC Secretariat
Phone #:	778.698.9161	Phone #:	250.812.3246

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s.13 ; s.17



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s.14