

Page 01 to/à Page 04

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Page 05

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s.12;s.16;s.13

Page 06 to/à Page 08

Withheld pursuant to/removed as

s.12;s.13

Page 09 to/à Page 12

Withheld pursuant to/removed as

s.12;s.13;s.17

Page 13

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George Massey Tunnel Replacement Project (GMTRP) Status Summary

Background

Procurement Process

- The GMTRP received approval to proceed to procurement in the summer of 2016.
- In summer 2016, a Request for Qualifications (RFQ) was issued to secure a Concessionaire to design/ build/ finance/ maintain/ operate/ rehabilitate (DBFOMR) the bridge for 30 years led by TI Corp
- Seven proponents responded to the RFQ ; three proponents were invited to submit proposals under the Request for Proposals (RFP)

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- The proponent Financial submissions are fixed until August 24, 2017 and Technical submissions are fixed until October 23 – between August 24 and October 23, Financial submissions may be changed if factors outside proponents control cause prices to increase (e.g. interest rates)

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Provincial Commitment

- The province has publically committed to engage with the mayors of Metro Vancouver and undertake a technical review to ensure that all options are considered for the crossing in the broader context of regional planning and growth.
- To effectively engage with the mayors and undertake the needed technical analysis, a review would be expected to take six months or more to complete.

Discussion/Considerations:

Impact to Proponents

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- If the current procurement is cancelled, each proponent is entitled claim up to a \$2M stipend per the terms of RFP.

Impact to Government Finances

- The GMTRP was originally planned to be self-financed through tolling.

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Recommended Strategy:

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Next steps

- A communication strategy is being developed to ensure coordinated communication with project staff, proponents, Mayors Council and Industry representatives.
- The proponents will be advised formally that the current procurement process will be cancelled and that they may claim their stipend
- The Province will initiate the independent technical review of the George Massey Crossing to:
 - Validate what level of improvement is needed in the context of regional planning, regional growth and the regional vision.

- Review and objectively analyze public statements on other areas of interest for each tunnel/bridge option (e.g. environment and agricultural, port marine/truck traffic impacts)
 - Assess options against objectives vetted through the Mayors' Council, which are likely to include agriculture and environmental impacts, safety, and the Province's commitment to cancel tolls. This includes the review of all cost estimates, risk and assumptions.
 - Review and make recommendations to the Province about the best option for the crossing
- As a first stage of the independent review, the province will identify an Independent Review panel chair and members; work is underway to identify suitable candidates.

Gow, Lisa A TRAN:EX

From: Livolsi, Patrick C TRAN:EX
Sent: Friday, August 18, 2017 10:10 AM
To: Main, Grant TRAN:EX
Cc: Gow, Lisa A TRAN:EX
Subject: Fwd: George Massey Tunnel Replacement Project overview
Attachments: George Massey Tunnel Replacement Project overview.docx

Importance: High

Grant

As requested. Let me know if you want some changes.

Thanks

Patrick C. Livolsi, P. Eng.
Assistant Deputy Minister
Infrastructure and Major Projects
BC Ministry of Transportation and Infrastructure

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----- Original message -----

From: "Gow, Lisa A TRAN:EX" <Lisa.Gow@gov.bc.ca>
Date: 2017-08-18 9:27 AM (GMT-08:00)
To: "Livolsi, Patrick C TRAN:EX" <Patrick.Livolsi@gov.bc.ca>
Subject: George Massey Tunnel Replacement Project overview

Do you want anything else on this?

George Massey Tunnel Replacement Project (GMTRP)

Current Procurement Process:

- The 30 year design/build/finance/maintain/operate/rehabilitate (DBFO) procurement process was led by TI Corp

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- If the procurement process is terminated, the Province will write-off up to \$52M in costs incurred to date.

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Next Steps:

- A decision has been made to pause the project, and terminate the procurement
- The following steps will be undertaken to terminate the procurement:
 - Shareholder (Ministry of Transportation and Infrastructure) to notify TI Corp of need to cancel procurement.
 - TI Corp Board to pass a consent resolution pending the receipt of notification from the Shareholder.
 - TI Corp, upon notification from the Shareholder, will notify Proponents that procurement process is terminated.
 - Within 90 days, Proponent must deliver invoice to the Authority (TI Corp) setting out expenditures incurred by Proponent to prepare Proposal (to maximum of \$2 Million) – this is also known as the Termination Fee (total \$4M as there are two proponents)
 - TI Corp will pay the Termination Fee to the Proponents
- Concurrent with engagement with the Mayors' Council, the Province intends to initiate an independent technical review of the George Massey Crossing:
 - Validate what level of improvement is needed in the context of regional planning, regional growth and the regional vision.
 - Review and objectively analyze public statements on other areas of interest for each tunnel/bridge option (e.g. environment and agricultural, port marine/truck traffic impacts)

- Assess options against objectives vetted through the Mayors' Council, which are likely to include agriculture and environmental impacts, safety, and the Province's commitment to cancel tolls. This includes the review of all cost estimates, risk and assumptions.
 - Review and make recommendations to the Province about the best option for the crossing: whether to build a 10-lane bridge, build a smaller bridge, build a new tunnel, or twin the existing tunnel.
- Next steps include:

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