



Ministry of
Transportation
and Infrastructure

BRIEFING NOTE FOR DECISION

DATE: July 17, 2017

PREPARED FOR: Minister of Transportation and Infrastructure

ISSUE: George Massey Tunnel Replacement Project ("GMTRP") Next Steps -
Procurement Options

SUMMARY:

1. GMTRP planning, option analysis, and consultation have been underway since 2012. Following three rounds of consultation and technical analysis, a decision was made to construct a new \$3.58 bridge along the same alignment along highway 99 and remove the existing tunnel.
2. GMTRP is currently in the procurement phase for a concessionaire to design, build, partially finance and operate a replacement bridge. A Request for Proposal was issued in the fall of 2017, proposals evaluated in spring 2017 :s.13,s.17
3. s.13,s.17
4. The Province has committed to undertaking further consultation and collaboration with the Mayors' Council to ensure that the most appropriate solution is chosen for improving safety and congestion at the tunnel crossing that fully integrates with regional transportation planning.
Next Steps for consideration:
5. An Independent Review Team be engaged to review and reassess all alternatives for improving safety and congestion at the Massey Tunnel. The panel would collaborate with the Mayors' Council to identify interests and context for regional planning priorities, review all previous technical and consultation work previously undertaken, reassess project goals and objectives, and ensure all technical alternatives are assessed including options for building a new tunnel and/or retaining the existing tunnel.
6. s.13,s.17
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BACKGROUND :

Planning for GMTRP began in 2012. Three phases of consultation were held between 2012 and 2016. The project scope, cost estimate and schedule was finalized after Phase 3 of consultation. Five technical options were evaluated against three primary considerations: achievement of project goals; risk profile; and cost. The five options evaluated included:

- retrofit existing tunnel;
- replace tunnel with new bridge along existing alignment;
- replace existing tunnel with a new tunnel;
- retrofit tunnel and build either a new tunnel or new bridge adjacent to the existing tunnel; and
- maintain the existing tunnel and build a new six-lane crossing in a new corridor

The proposed option, a new bridge (eight lanes plus two transit lanes built for future rapid rail) and upgrades on Highway 99 would be built to current seismic and traffic safety standards, include more than \$500M in transit, cycling and walking improvements that will improve access to Canada Line and reduce idling and save rush-hour commuters up to 30-minutes a day.

The GMTRP business case was completed in October 2015. The GMTRP has a 2.1:1 benefit-cost ratio based on a Project estimate of \$3.58. Benefits of GMTRP include reduced seismic risk and congestion, and increased safety and reliability. The Project Definition Report, Business Case, and procurement strategy (DBFO) were approved by government in June 2016.

GMTRP received approvals from the Environmental Assessment Office and the Agricultural Land Commission in early 2017. Advance construction works, including drainage improvements and preloading of soft soils, began in March 2017 and will be complete in summer 2017. The total commitment is \$17M of which \$7M has been spent as of June 30, 2017.

In July 2016, the Province authorized the Transportation Investment Corporation (TI Corp) to undertake the competitive selection process, implement GMTRP and take responsibility for any tolling.

TI Corp is a self-supported commercial crown corporation constituted under the Transportation Investment Act (TIA) in 2008. The board of directors of TI Corp is appointed by the Lieutenant Governor in Council. The sole share of TI Corp is registered in the name of the minister responsible for the TIA (currently Minister of Transportation and Infrastructure) and is held by that minister on behalf of the government. TI Corp's mandate includes acquisition, financing, construction and operation of long-term transportation infrastructure and provincial public undertakings.

TI Corp's procurement approach for GMTRP was a 30-year public private partnership to design, build, partially finance, operate, maintain and rehabilitate (DBFO) the infrastructure. A two-phase procurement process, Request for Qualifications (RFQ) and Request for Proposals (RFP), began in June 2016. Three Technical Submissions were received in March 2017.^{s.13,s.17}

^{s.13,s.17} A Due Diligence and Fairness Reviewer were engaged throughout both phases.

The proposal with the lowest price had a financial submissions.^{s.13,s.17}
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s.13,s.17 relating to the Preferred Proponent requires TI Corp Board approval. Provincial approvals would be required prior to TI Corp entering into the Concession Agreement with the DBFO concessionaire.

Under the original project timeline, negotiation with the Preferred Proponent was expected to last six weeks, with Provincial approvals before the August 24, 2017 financial submission expiration date. Detailed design and construction was to start in late summer 2017, with completion and bridge opening expected in 2022 and tunnel decommissioning in 2023 (see Appendix 1).

BC Hydro initiated a project to relocate its infrastructure away from the George Massey Tunnel. Temporary works and ground improvements are near completion, towers and associated materials have been procured and foundation works are in progress. BC Hydro has spent approximately \$1SM and have committed another \$1SM through awarded contracts. These costs are in addition to the GMTRP planning and capital project costs incurred by the Ministry (\$44M) and TI Corp (\$32M) to date.

DISCUSSION:

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The GMTRP is currently supported by staff and contractors (on as and when contracts). These resources are available to provide technical and other support, as well as oversight of completion of early construction works (to be completed by September 2017).

**NEXT STEPS:**

The Province has committed to undertaking further consultation and collaboration with the Mayors' Council to consider alternatives for improving safety and congestion at the tunnel crossing, integrated with regional transportation planning. This consultation/collaboration could encompass the following with the Mayors' Council:

- Initial outreach with Mayors' Council to identify concerns and interests relating to Massey;
- Reconfirm the Massey considerations (goals, risk and cost) in view of broader regional transportation planning;
- Independent review of the tunnel/bridge options by technical specialist(s) (with historic and existing analysis and information to be provided by GMTRP resources); and
- Engagement/collaboration with Mayors' Council on approach to address Massey safety and congestion issues as part of overall decisions on funding Mayors' Council regional transportation priorities.

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INITIALS

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Appendix 1: Original Procurement Schedule

Procurement Milestone (Complete)	Date
RFQ Issued	28-Jun-2016
RFQ Submissions	3-Aug-2016
RFP Issued to Proponents	4-Oct-2016
RFP Technical Submissions	15-Mar-2017
RFP Financial Submissions	26-Apr-2017
Recommend Preferred Proponent (PP)	June 2017
Original Procurement Milestone (Future)	Proposed Date
TI Corp Board approval of Preferred Proponent and invitation to submit Preferred Proponent Security Deposit	July 2017*
Receive security deposit; initiate steps to achieve Financial Close (min. 6 wk. process)	July 2017*
Shareholder approval to award contract including Treasury Board approval and OIC's	July/August 2017*
Award (Financial Close - Project Agreement Signed)	24-Aug 2017*
Start of Design and Construction	Fa/1 2017*
Construction Completion	2022*
Tunnel Decommissioning	2024*
Note: Price Validity Expiry Date	24-Aug-2017
Note: Technical Proposal Expiry Date	23-Oct-2017

*Original schedule