



KICKING HORSE CANYON PROJECT

Registration of Interest – Phase 2

May 27th, 2004



BRITISH
COLUMBIA

Ministry of
Transportation

partnerships
British Columbia

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1. INTRODUCTION

The Province of British Columbia through the Ministry of Transportation (“MOT”), in conjunction with Partnerships British Columbia Inc. (“Partnerships BC”) is pleased to issue this request for Registration of Interest (“ROI”) for parties interested in assuming the role and responsibilities of a private sector partner for Phase 2 of the Kicking Horse Canyon Project (the “Project”).

1.1 Objectives of the Kicking Horse Canyon Project

MOT objectives for the Project include the following:

- Improve safety record;
- Provide better service and access to the community of Golden;
- Derive economic benefits to the Province and to Golden;
- Achieve value for money;
- Transfer specific risks to the party able to manage them most effectively;
- Ensure that the existing road serves traffic demand during construction of new improvements; and
- Optimize asset condition over the long term.

1.2 Purpose of the ROI

The purpose of the ROI is to inform interested parties of this important opportunity and to allow interested parties to provide current contact information for future stages of the competitive selection process. Specifically, this ROI provides:

- general background information related to the Project;
- an outline of the proposed competitive selection process and timing;
- an opportunity for interested parties to articulate their interest in participating; and
- an opportunity for interested parties to provide input on a variety of issues.

Please note that a response to this ROI is not a prerequisite to participating in the procurement process. ROI submissions will **not** be evaluated. Submissions will only be reviewed to assist in refining the competitive selection process and the scope and structure of Project, based on the responses received to the questions posed in Appendix 1 of this document.

Interested parties are encouraged to respond to the ROI. By registering their interest, interested parties ensure that they will be kept informed.

Interested parties should indicate whether or not they plan to attend the information meeting on the 7th July 2004.

1.3 Description of the Project

The Kicking Horse Canyon is located on the Trans-Canada Highway and extends 80-kilometres through the Rocky Mountains between Golden, British Columbia and Lake Louise, Alberta. The 26 kilometres between Golden and the western boundary of Yoho National Park (Canyon Section) are within provincial (BC) jurisdiction. The remaining 54 kilometres traverse through Yoho and Banff National Parks and are the responsibility of Parks Canada. The Kicking Horse Canyon is the major road gateway to BC and essential to the commerce of both the Province and the nation, but it has been a challenging stretch of the Trans-Canada Highway. This section of highway remains one of the most difficult portions of the Trans-Canada Highway to upgrade, maintain, operate and drive.

The existing Kicking Horse Canyon road was constructed in the mid-1950s with the Yoho and Park bridges completed in 1956. Since it was built in the 1950s, there have been no significant upgrades.

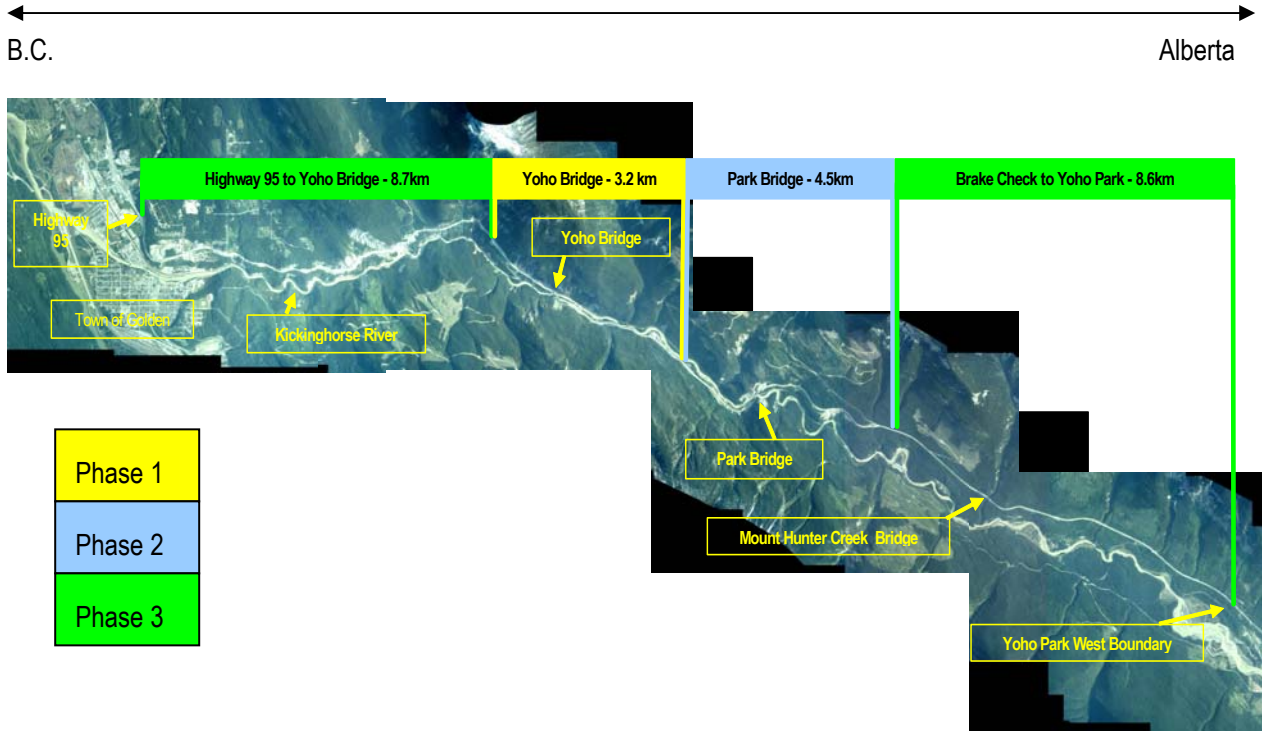
The condition of the highway (resulting in an accident rate double the Provincial average) has necessitated the development of a plan to upgrade this 26-kilometre section of the Trans-Canada Highway to a modern four-lane standard with a standard speed of 100km/hr.

The improvements to be undertaken will make travel along the corridor safer for residents, commuters, tourists and commercial users. Over the longer term, the improvements will serve population growth, economic development in the surrounding region and increasing demand for resident travel, visitor travel and goods movement.

The improvements will include highway widening to four lanes and straightening, improvements to the sightlines, replacement of the bridge structures and other design innovations and measures to reduce hazards, improve safety along the corridor and increase the capacity of the highway.

1.4 Project Phases

Due to the size and complexity of the Project, the improvements are being undertaken in three phases as shown in the map below:



1. Phase 1: Construction of Phase 1 (Yoho Bridge and Approaches) was announced by the Government of Canada in July 2002 and is currently underway. The estimated cost of Phase 1 is \$65 million, including the Government of Canada contribution of \$23 million provided through the Strategic Highway Infrastructure Program. The Phase is progressing well and is on target to meet the expected completion in the fall of 2006.
2. Phase 2: This phase consists of the Park Bridge replacement and the upgrade of the highway approaches west to the Rafter's Pull Out and East to the Brake Check. Cost estimates for the capital cost components of Phase 2 of the Project are in the order of \$130 million. Preliminary engineering studies have been completed and two alignments have been identified.

On March 5th, 2003, the Government of Canada announced its agreement to contribute up to \$62.5 million through the Canada Strategic Infrastructure Fund, subject to matching contributions by the Province of British Columbia.

3. Phase 3: This phase consists of Golden to Yoho Bridge and Mt Hunter Bridge and approaches. While the delivery of Phase 3 remains an important infrastructure initiative for both the Federal and BC government, this section will not be procured until federal and provincial funding is available, the timing of which is uncertain. Phase 3 is considered a long-term objective by MOT, and not likely to reach procurement for some years. The capital cost of this phase is estimated at approximately \$530 million.

2. CURRENT STATUS OF THE KICKING HORSE CANYON HIGHWAY IMPROVEMENT PROJECT – PHASE 2

The project team has undertaken planning and engineering studies, and engaged in consultation with major stakeholders such as CP Rail, environmental interest groups, provincial and federal agencies. A summary of the current status of the Phase 2 is outlined in the remainder of this section.

2.1 Project Approvals

The Government of Canada has agreed to contribute up to \$62.5 million through the Canada Strategic Infrastructure Fund, subject to matching contributions by the Province of British Columbia.

The environmental assessment of the corridor is ongoing. Final environmental approval is subject to a final design being submitted to the environmental authorities.

2.2 Planning and Engineering

Highlights of key engineering and planning activities to date include:

- Preliminary design work identified two potential alignment options.
- Geotechnical investigation at numerous locations along potential alignments.
- Design criteria development and sign-off.
- Traffic Information. Historical data collection and reports will be available for review. In addition, MOT intends to undertake a series of surveys in July/ August to update the traffic information.
- An asset inventory study will be conducted by MOT.
- Right of way will be provided by the Province.
- Local source of gravel and materials storage will be provided by MOT.

3. PROJECT DELIVERY MODEL

MOT is considering various delivery models for Phase 2 of the Project, including:

- Design-Build (“DB”)
- Design-Build-Operate (“DBO”)
- Design-Build-Finance-Operate (“DBFO”)

A decision as to the delivery model will be taken before the issue of a Request for Qualifications.

4. SCOPE OF PHASE 2

The project scope for Phase 2 includes:

New Build Element (total length of 4.5km):

- Although MOT has explored several alignment options and has developed two preferred alignments for the highway, the private sector is being given the opportunity to innovate and select the preferred solution and alignment.
- Bridge (approximately 400-600 metres long -depending on alignment selected).
- Construction of approximately 4.5km of 4 lane highway.
- The selected private sector partner will assume full responsibility for the design risk.
- Ensuring that the construction of the project does not interfere with adjacent rail operations.

Should a DBO or DBFO option become the preferred delivery model for Phase 2, the scope will include the following in addition to the new build element:

Operations and Maintenance:

- During construction of the new build element, the scope will include maintenance of the full 26km (Phases 1 – 3) section of the Trans Canada Highway.
- After completion of construction, the scope will include:
 - Operations and maintenance of completed Phases 1 and 2, and existing Phase 3.
 - The decommissioning of the old Phase 2 road and bridge structure that is no longer required.

Other:

- Operations and Maintenance of three side roads, Wapta Road, Beaver Foot Road and Kicking Horse Road during and after completion of construction of Phase 2.
- Traffic management along the whole 26km corridor during construction and operation.

5. SELECTION PROCESS AND SCHEDULE

This section presents an overview of the competitive selection process and schedule for Phase 2.

5.1 Selection Process

The competitive selection process consists of the following stages:

1. Request for Qualifications (“RFQ”)
2. Request for Proposals (“RFP”)

At the RFQ stage, potential proponents will submit qualifications to demonstrate their capabilities to fulfil the roles and responsibilities outlined for the private sector partner. Submissions to the RFQ will be evaluated to shortlist proponents to proceed to the RFP stage. It is expected that up to three respondent teams will be short-listed.

The RFP will be issued only to proponents short-listed from the RFQ stage. Short-listed proponents will be asked to submit proposals on how they intend to meet the requirements for Phase 2. Based on the evaluation of the proposals

using clearly defined evaluation criteria, MOT will select a preferred proponent with whom it will negotiate a contractual arrangement reflecting the applicable delivery model.

5.2 Competitive Selection Process Summary Schedule

Issue Registration of Interest	May 27 th , 2004
Information Meeting	July 7 th , 2004
Issue Request for Qualifications	July 2004
Deadline for submissions in response to the RFQ	Summer 2004
Short-list respondent teams	Early Fall 2004
Issue Request for Proposal	Fall 2004
Deadline for submissions in response to the RFP	Winter 2004/ 2005
Announce preferred proponent	Late Summer 2005
Award of Concession	Fall 2005
Commencement of Construction	Fall 2005

Please note, MOT and Partnerships BC reserve the right to change the above process and/or schedule at any time.

6. RESPONDING TO THE ROI

This section outlines the information to be provided in response to this ROI.

6.1 General Profile

Please provide the following general information:

- Organization name;
- Postal address;
- Phone, fax number and website address;
- Primary contact name, title, and email address;
- Background regarding the organization, i.e. history, lines of business, size of organization; and
- Organization's intent to attend the information meeting on Wednesday 7th July 2004.

Please note, responses should be limited to no more than 10 pages.

6.2 Questionnaire

Your response to the attached questionnaire (See Appendix 1) will assist Partnerships BC and MOT in their development of specific aspects of the Project.

6.3 Questions regarding the ROI

Any questions regarding the ROI should be made in writing (fax, letter, or email is acceptable) to:

Ms Tara Moultrie
Procurement Manager
Kicking Horse Canyon Project
Partnerships BC

Suite 1260
999 West Hastings Street
Vancouver
V6C 2W2

Fax: (604) 660 1199
Email: kickinghorsecanyon@partnershipsbc.ca

Information obtained from another source is not official and may be inaccurate.

6.4 Delivery Details

One copy of the ROI submission should be emailed or couriered to the address stated in section 6.3. Responses to this ROI will be accepted until the issue of the Request for Qualifications, estimated to occur in July 2004.

6.5 Other Matters

This ROI is neither an offer nor a tender. No legal relations or obligations of any kind, including, without limitation, to any interested party, are created by this ROI, or the responses to this ROI. MOT reserves the right, but will not be obligated to:

- Interview any interested party and/or request clarification, additional information, or supporting data.
- Solicit further input from any interested party.
- Disclose the names of any persons, including without limitation, any interested party, firm or other organization that responds to this ROI and a summary of the ROI responses.
- Modify or terminate the competitive selection process schedule at any time.
- Respond to questions regarding the ROI or circulate any questions and responses to all interested parties.
- Use the information received from interested parties in the subsequent competitive selection process.

This ROI does not obligate Partnerships BC or MOT to enter into a contract with, nor does the ROI constitute an offer to enter into a contract with, any interested party.

Interested parties should be aware that the ***Freedom of Information and Protection of Privacy Act (BC)*** applies to MOT and Partnerships BC. All responses received to this ROI will become subject to the provisions of this Act.

Interested parties are solely responsible for their own expenses incurred in preparing a response to this ROI.

7. CONFLICTS OF INTEREST AND RESTRICTED PARTIES

7.1 Advisory Team

MOT and Partnerships BC have engaged advisors to assist in the development of Phase 2 of the Project. These advisors will be ineligible for participation with any proponent team in connection with Phase 2 of the Project.

The external advisory team consists of:

- Macquarie North America Ltd.
- Fraser Milner Casgrain LLP
- Novatrans Engineering Inc.
- E. Wolski Consulting

An updated version of this list will be provided in the RFQ.

7.2 Restricted Party Disclosure

For the purposes of the competitive selection process, a restricted party will be one who has, by virtue of a previous or current direct or indirect contractual relationship with MOT or with Partnerships BC, either an actual or perceived conflict of interest or an actual or perceived unfair competitive advantage. An unfair competitive advantage will be determined on the specific facts of each situation, but may involve one or more of the following circumstances:

- Possession of material, non-public information regarding some aspect of the Project or the competitive selection process.
- Possession of material, non-public information that is subsequently disclosed, in advance of disclosure to other competitors, where the prior possession of the information provides an unfair competitive advantage.
- A clear opportunity, through previous or current relationships, to influence a material aspect of the design or evaluation criteria or the evaluation or competitive selection process.

8. APPENDIX 1 - QUESTIONNAIRE

Please note: It is not mandatory for respondents to answer all or any of these questions.

Please provide your current views on the following questions:

1. Based on the proposed schedule for the competitive selection process given above in Section 5.2, describe any issues or concerns you anticipate and what action could be taken to address these issues or concerns.
2. Please comment on any specific aspects of the Project that will influence your participation in the competitive selection process, either positively or negatively. How could they be addressed?
3. Please identify any additional information that you consider essential in assisting you in deciding whether to participate in the various stages of the proposed competitive selection process.