

South Fraser Perimeter Road



Project Overview

The South Fraser Perimeter Road (SFPR) is an important component of the Ministry of Transportation and Infrastructure's Gateway Program. Gateway improvements will complement other regional road and transit improvements already planned or underway. These improvements will help create a comprehensive and effective transportation network that supports the movement of people and goods, facilitates economic growth, increases transportation choice and provides better connections to designated population growth areas.

The need for the SFPR is closely related to the growth in population, development and economic activity that has occurred over the past 20 to 30 years in Metro Vancouver. This growth is expected to continue in the coming years with Metro Vancouver's population forecast to grow from the current 2.1 million to 3.0 million by 2031, with more than 50 per cent of this growth anticipated to take place in Surrey, Delta and the northeast.

The SFPR has been part of B.C.'s regional plans for more than 20 years and will take significant steps toward completing the network of major roads in Metro Vancouver. The Project objectives include improving the movement of people and goods by providing improved connections to the provincial highway network, reducing east-west travel times, improving access to major trade gateways and industrial areas, improving safety and reliability, and restoring municipal roads as community connectors by reducing truck traffic on local road networks.

“The South Fraser Perimeter Road will help to strengthen our trade competitiveness by improving the movement of goods and people while creating jobs and enhancing traffic safety and travel times throughout metro Vancouver.”

– Honourable Stockwell Day, President of the Treasury Board of Canada and Minister responsible for the Asia-Pacific Gateway

The South Fraser Perimeter Road project involves the construction of a new four-lane route, approximately 40 kilometres long, located on the south side of the Fraser River. The road will extend from the existing Highway 17 and Deltaport Way, through Delta and Surrey, and along the south bank of the Fraser River, with connections to Highways 1, 15, 17, 91, 99 and the Golden Ears Bridge.

Construction of SFPR is being completed in two segments: a western and an eastern segment. Fraser Transportation Group Partnership (FTG) is responsible for completing construction on the eastern segment of the road by the end of 2012, and the western segment is anticipated to be open to traffic by the end of 2013 with substantial completion by summer 2014.

Partnership Highlights

The SFPR scope is being completed in two phases. The Province is delivering the first phase of the project with the remainder of the work in the second phase being procured using a design, build, finance and operate (DBFO) partnership delivery model. The total project capital budget is \$1.264 billion.

During construction, FTG will be paid after achieving identified milestones. After the SFPR is constructed, FTG will receive payments over the 20-year operating period for operations, maintenance and rehabilitation of the highway.

The SFPR is a complex project to design and build with long-term risks, such as challenging ground conditions. The performance-based fixed-price agreement transfers key design and construction risks, such as cost and schedule, and long-term operations, maintenance and rehabilitation, to FTG.

Expected Benefits

By delivering phase two of the Project using the DBFO partnership model, significant value for money for taxpayers over the lifetime of the Concession Agreement will be realized. In financial terms, the Partnership model is expected to achieve value for money for taxpayers of \$34 million (net present cost).

The significant factors in achieving this value for money include efficiencies from the integration of the design, build, finance and operate teams through effective risk transfer. Other factors include a number of benefits from the private partner such as:

- Significant initial investment in the design and construction of the road and associated structures, resulting in lower long-term operating and maintenance costs, and an efficient rehabilitation strategy over the 20-year operating period;
- Standardized design elements and construction methods for structures;
- Optimized use of materials to reduce risk and provide significantly greater schedule certainty; and
- Design innovation through the competitive process whereby proponents are encouraged to develop the best possible design, reflecting the best-in-class from around the world.

Public Sector Partners

- Ministry of Transportation and Infrastructure

Private Sector Partner

FTG Fraser Transportation Group Partnership

- ACS Infrastructure Canada Inc.
- Ledcor Developments Ltd.
- Dragados Canada Inc.
- Ledcor CMI Ltd.
- Bel Pacific Excavating and Shoring LP
- Vancouver Pile Driving

Partnerships BC's Role

Partnerships BC acted as the procurement manager on this project.