



Sea-to-Sky Highway Improvement Project

Registration of Interest for DBFO Arrangement

January 15, 2004



**BRITISH
COLUMBIA**

Ministry of
Transportation

partnerships
British Columbia

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1. Introduction

The British Columbia Ministry of Transportation (“MOT”) is undertaking a major improvement of Highway 99, (the “Sea-to-Sky Highway” or “the Highway”), which extends for approximately 100 kilometres between Horseshoe Bay in West Vancouver and the Resort Municipality of Whistler, in British Columbia, Canada. The improvements to the Highway (the “Improvements”) must be completed by spring 2009.

The overall budget for the Improvements is approximately CDN \$600 million; the design and construction of approximately two-thirds of the Improvements will be undertaken using a Design, Build, Finance, Operate (“DBFO”) arrangement. The selected DBFO contractor (“Contractor”) will be responsible for the design and construction of the Improvements, and the operation and maintenance of the Highway for a period of approximately 20 years following completion of the Improvements (“the DBFO Arrangement”). The remaining one-third of the planned improvements will be designed and constructed separately from the DBFO Arrangement, due to scheduling and other requirements.

The Highway links Vancouver with Whistler and is the only major route between these two major tourism centres in British Columbia. The Highway is therefore a key economic route, as well as an access route to the communities and resources of Lions Bay, Furry Creek, Squamish, Whistler, Pemberton, Mount Currie, and ultimately to the interior of British Columbia and beyond, along the Duffy Lake Road.

The Improvements are a major component of MOT’s capital plan. Improvements to highway safety, reliability, and capacity are high priority.

Partnerships British Columbia (“PBC”) is working with MOT to select a Contractor for the DBFO Arrangement. PBC invites interested parties (“Interested Parties”), through this Registration of Interest (“ROI”), to register their interest in participating in the competitive selection process for the DBFO Arrangement for the Sea-to-Sky Highway Improvement Project. Although registration is not mandatory, it will assist PBC in ensuring that Interested Parties are contacted as further information becomes available.

1.1 Purpose of the ROI

The purpose of the ROI is to inform Interested Parties of this important opportunity and to provide an opportunity for 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 Highway;
- an outline of the proposed transaction 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 transaction process. ROI submissions will not be evaluated. Submissions will only be reviewed to assist in refining the transaction process and the scope and structure of the DBFO Arrangement based on the responses received to the questions posed in **Section 5.2** 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 February 6, 2004.

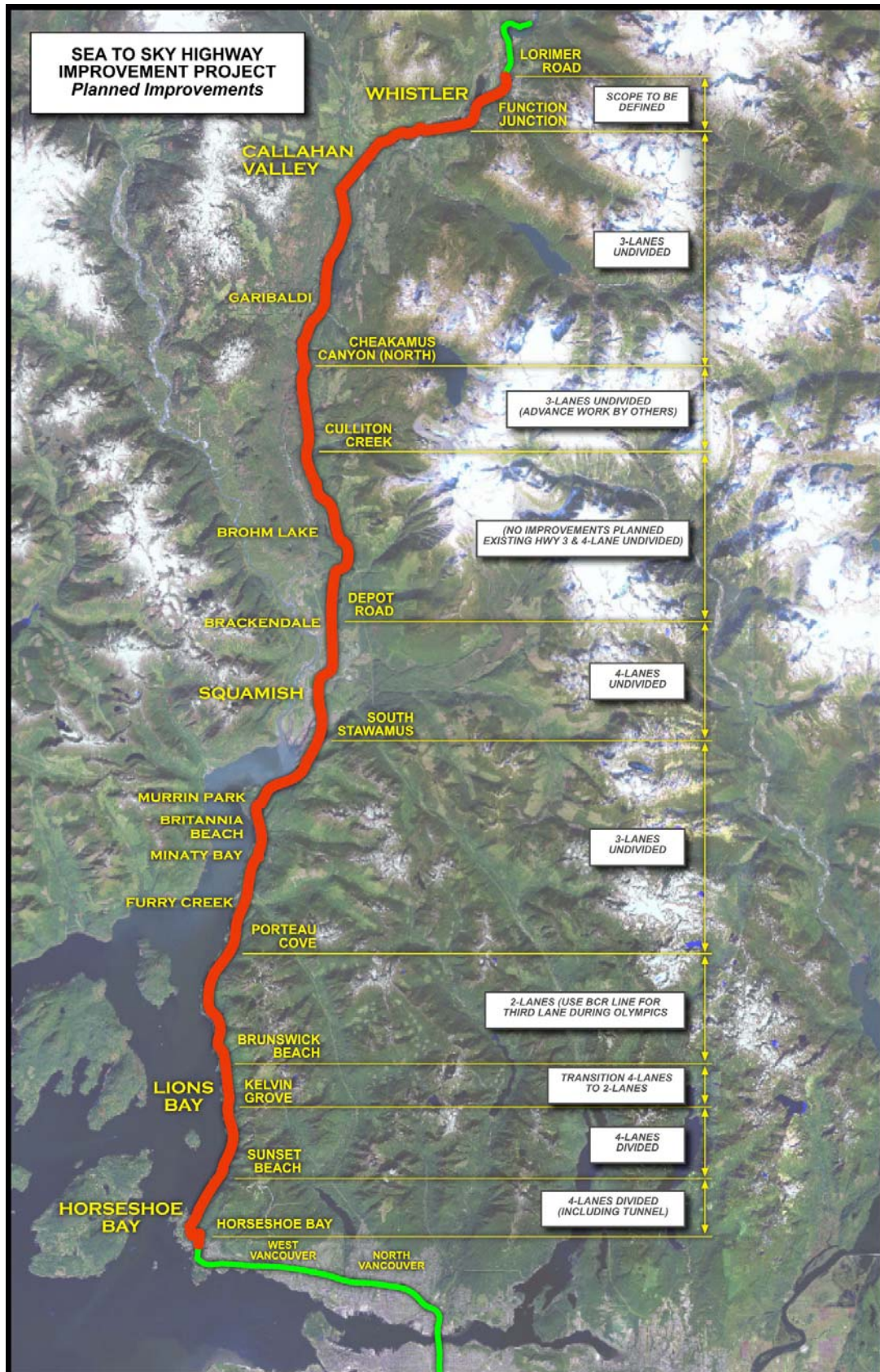
1.2 Description of the DBFO Project

The Improvements to be undertaken prior to Spring 2009 will make travel along the corridor safer for residents, commuters, and tourists. Over the longer term, the Improvements will serve population growth, economic development in corridor communities, and increasing demand for resident travel, visitor travel, and goods movement.

The Improvements will include highway widening and straightening, improvements to the sightlines, additional passing lanes, and other design innovations and measures to reduce hazards, shorten travel times, and increase capacity of the Highway.

The ultimate lane configurations announced by the Province are listed below. It is expected that the DBFO Arrangement will meet or exceed this level of improvements.

- 4 lanes between Horseshoe Bay and Lions Bay
- 2 lanes between Lions Bay and Porteau Cove (3rd lane on rail bed for Olympics)
- 3 lanes between Porteau Cove and Squamish
- 4 lanes within urban Squamish
- 3 lanes between Squamish and Whistler



2. Current Status of the Sea-to-Sky Highway Improvement Project

The project team has undertaken planning and engineering studies, and engaged in extensive consultations with stakeholders along the Highway corridor. A summary of the Sea-to-Sky Highway Improvement Project (the Project) current status is outlined in the remainder of this section and further summary information can be found at the following website address: www.seatoskyimprovements.ca.

2.1 Project Approvals

The project team has recently received approval to proceed with a competitive selection process for a DBFO Arrangement for the Sea-to-Sky Highway Improvement Project.

2.2 Planning and Engineering

Preliminary design work for all of the required Improvements will be completed by the end of 2004. Highlights of key engineering activities include:

- Development of the scope of Improvements through West Vancouver and Lions Bay.
- Review of the third lane options between Lions Bay and Porteau Cove. The current solution involves the use of the BC Rail land as a temporary third lane during the 2010 Olympics. Alternative options are under consideration.
- An aggregate and materials management strategy for the corridor.
- Further preliminary design and geotechnical investigations at numerous locations along the Highway corridor.
- Pavement condition assessments along the Highway corridor.
- Design criteria development and sign-off.
- Advanced design of creek crossing structures to address environmental considerations.

Some of this work is in response to input received through the Environmental Assessment Process applicable to the Project, while other work continues in response to community input.

2.3 Environmental Assessment

The Project submitted a project application for an Environmental Assessment Certificate ("EAC") to the BC Environmental Assessment Office, which is coordinating the Project review under a harmonized agreement for Federal and Provincial environmental legislation.

2.3 Consultations with Stakeholders

The project team has consulted with local governments, First Nations, residents, and businesses in West Vancouver, Horseshoe Bay, Lions Bay, Furry Creek, Squamish, and Whistler regarding the scope and nature of the Highway Improvements, including traffic management plans. This is also part of the Environmental Assessment Process.

Over the last two years, MOT has attended almost 300 meetings with groups along the Highway corridor. In addition, MOT has commissioned extensive studies regarding transportation alternatives, alternative routes, and socio-economic and environmental impacts.

2.4 Construction Activity

Work is underway for the following two sections:

- Culliton to Cheakamus: Construction of Improvements along the Culliton to Cheakamus section of the Highway was initiated in advance of the Project and is scheduled for completion in late 2004.
- Sunset Beach to Lions Bay: In order to minimize the risk to the Project's schedule and to minimize the disruption to traffic flow (by keeping to a minimum the number of sites at which traffic could be disrupted during any period of time), the Improvements for this Highway section need to be made during the 2004 summer construction season. To achieve this, a design-build contract for the Sunset Beach to Lions Bay section need to be issued by April 2004. To meet this schedule, the RFQ for this work was issued in early November 2003 and a response from interested parties was received on December 16, 2003.

3. Business Model Proposed for the DBFO Arrangement

This section describes the business model that is being proposed for the DBFO Arrangement within the Sea-to-Sky Highway Improvement Project.

3.1 Description of DBFO Arrangement

The anticipated contractual arrangements between MOT and the Contractor will provide for the following:

- A large design-build assignment encompassing approximately two-thirds of the design and construction work required for the Project
- A long-term maintenance and rehabilitation assignment for the Highway from Horseshoe Bay to Whistler during both the construction and operational phases of the Project, not including the two highway sections, described in Section 2.4 of this document, for which work is currently underway
- The long-term maintenance and rehabilitation of two highway sections described in Section 2.4 of this document, once construction has been completed
- Contractual arrangements and obligations that will last for a period of approximately 20 years post the completion of the Improvements
- Compensation to the Contractor on the basis of performance against defined standards over the term of the DBFO Arrangement

3.2 Performance Standards

The Performance of the Contractor in relation to the design, construction, operation, and maintenance of the Highway will be defined with reference to a number of performance parameters. The parameters will cover the following:

- The design and construction standards that the Contractor will be required to meet, or exceed, in completing the Improvements to the Highway
- The operational standards that the Contractor will be required to meet, or exceed, in operating the Highway over the term of the DBFO Arrangements

3.3 Performance Payment

The performance payment will be structured to ensure that the Contractor has the appropriate incentives to meet, or exceed, the long-term objectives that MOT has for the Project.

The performance payments will be based on the quality and quantity of service provided to users of the Highway, and will be structured to encourage the Contractor to do the following:

- Achieve the Project's construction schedule, including final completion, by Spring 2009
- Minimize traffic disruption during construction
- Ensure reliable and good quality service for Highway users after initial construction is completed, through good quality construction, and enhanced operations and maintenance

The details of the performance payment structure will be finalized after considering input from respondent teams short-listed through an RFQ process, and prior to issuing the Request for Proposals ("RFP") for the DBFO Arrangement.

The key principles of the performance payment will be as follows:

- Payment will be based on performance in operating and maintaining the Highway during the period of the contract. The performance payment will be a series of blended (unitary) payments from MOT to reflect the level of performance measured against specific, agreed, performance standards.
- MOT will not guarantee the performance payment, as it will be contingent upon achieving agreed performance levels.
- The performance payment will be based on objectively measurable standards.
- Traffic volume may also be considered as a component of the performance payment. A final decision on this issue has not yet been made.

4. Selection Process and Schedule for the DBFO Arrangement

This section presents an overview of the selection process and schedule for the DBFO Arrangement.

4.1 Selection Process

The selection process is proposed to consist of three stages:

1. Registration of Interest (ROI)
2. Request for Qualifications (RFQ)
3. Request for Proposals (RFP)

4.2 Registration of Interest Stage

The ROI process is a non-compulsory process and any Interested Parties will only be required to provide, as a minimum, contact details in order to receive further information related to the Project.

As part of the ROI, there will be an information meeting on February 6, 2004. Further details will be provided to Interested Parties that respond to this ROI by February 3, 2004. Interested Parties should indicate whether they will attend the information meeting on February 6, 2004.

Your Registration of Interest will ensure that key representatives of your team receive further information and details about the February 6, 2004 information meeting, which will be followed by a conference call and / or webcast.

4.3 Request for Qualifications Stage

At the RFQ stage, respondent teams will submit qualifications to demonstrate their capabilities to fulfil the roles and responsibilities under the DBFO Arrangement.

Submissions to the RFQ will be evaluated to shortlist respondent teams to proceed to the RFP stage. It is expected that up to three respondent teams will be shortlisted.

4.4 Request for Proposals Stage

The RFP will be issued only to respondent teams shortlisted from the RFQ stage. Shortlisted respondent teams will be asked to submit binding proposals describing how they intend to meet the requirements of the Sea-to-Sky Highway Improvement Project DBFO Arrangement. MOT will select a Contractor using clearly defined evaluation criteria.

4.5 DBFO Competitive Selection Process Schedule

Milestones	Timeline
Issue Registration of Interest	January 15, 2004
Deadline to register for information meeting	February 3, 2004
Information meeting	February 6, 2004
Issue Request for Qualification	February 2004
Deadline for submissions in response to the RFQ	March 2004
Short-list respondent teams	April 2004
Commence Request for Proposal process	April 2004
Issue Request for Proposal	June 2004
Deadline for submissions in response to the RFP	September 2004
Select Contractor	Q4 2004
Award/financial close	January – March 2005

Please note, MOT reserves the right to alter the schedule at any time.

5. Responding to the ROI

This section outlines the information to be provided in response to this Registration of Interest document and provides information on how to submit responses.

Please note that the length of typical responses may be 1-2 pages and should be no more than 10 pages.

5.1 General Profile

Please provide the following general information:

- Organization name, mailing address, phone number, fax number, and website address
- Primary contact name, title, and email address
- Organization's major lines of business
- Organization's intent to attend the information meeting on February 6, 2004

5.2 Questionnaire

Your responses to the following questions will assist MOT in final project development.

A summary of responses will be available on the Sea-to-Sky Highway Improvement Project website following the information meeting; there will be no indication which responses are from which organization.

It is not mandatory for you to respond to these questions.

Please provide your current views on each of the following questions:

1. Looking at the proposed DBFO competitive selection **schedule**, please describe any issues you anticipate and what adjustments could be made to address these issues.
2. Looking at the proposed DBFO competitive selection **process**, please describe any issues you have and what adjustments could be made to address these issues.
3. Please comment on any specific aspects of the Project that will influence your participation in the DBFO competitive selection process. How and why will these aspects impact your participation? How could they be addressed?
4. 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.

5.3 Questions Regarding the ROI

Any questions with respect to the ROI should be made in writing to:

Partnerships BC
Suite 1250-999 West Hastings Street
Vancouver, British Columbia
V6C 2W2
Canada

Attention: Karla Kennedy

Fax: 604.660.1199

Email: seatosky@partnershipsbc.ca

5.4 Registering Interest

In order to ensure that you receive details regarding the information meeting or the proposed conference call and/or webcast, Interested Parties must submit their responses to MOT/Partnerships BC; see Section 5.3 for address, fax, and email information. Please note the following submission details:

Number of copies: 1 (one)

Deadline: 5:00 pm PST, Tuesday, February 3, 2004

Delivery Method: email, fax, or courier

Please note that a response to this ROI is not a prerequisite to participating in the procurement process. The ROI submissions will not be evaluated.

5.5 Other Matters

This invitation is not an offer and is not a tender. No legal relations are created by this document, or the responses to this document. 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 organizations that respond to this ROI and a summary of the ROI responses.
- Modify or terminate the competitive selection process or schedule at any time.
- Respond to questions regarding the ROI or circulate any questions and responses to all Interested Parties.

Please note that this ROI does not obligate MOT to enter into a contract with, nor does this 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 PBC.

6. Conflicts of Interest and Restricted Parties

6.1 Advisory Team

MOT and PBC have engaged advisors for the Project to assist in the development of the DBFO Arrangements. These advisors will be ineligible for participation with any proponent team in connection with the DBFO Arrangements.

The advisory team consists of the following:

A.H.B. 2000 Inc.
CH2M HILL
Ernst and Young LLP
James Hoggan and Associates
Kirk & Co. Consulting Ltd.
KPMG LLP
Nossaman Guthner Knox Elliot LLP
SNC-Lavalin Group Inc.

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

6.2 Restricted Party Disclosure

For 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 PBC, either an actual conflict of interest or an unfair competitive advantage. An unfair competitive advantage will be determined on the specific facts of each situation, but will generally 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 which 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.
- The advisory team as referenced in section 6.1 of this document.

The Project has adopted conflict of interest and unfair advantage guidelines. Interest Parties are encouraged to refer to those guidelines at www.seatoskyimprovements.ca.