
BACKGROUND

2004TRAN0026-000454
June 1, 2004

Ministry of Transportation
Partnerships BC

PROVINCE REQUESTS PROPOSALS FOR OKANAGAN LAKE CROSSING

Overview

The Okanagan Lake Bridge, located on Highway 97 in Kelowna, is the most congested stretch of highway outside the Lower Mainland. After 46 years of use, Kelowna has outgrown the existing bridge, and repairs are no longer an option for the long term.

A Request for Expressions of Interest (REOI) was released in October 2003 to initiate the selection process for a performance contractor to design, build, finance and operate a new five-lane, toll-free crossing. A new crossing will increase capacity, reliability and safety. A Request for Qualifications (RFQ) was released in December 2003 to shortlist proponents for the Request for Proposals (RFP) stage of the selection process.

The Province is using a performance contract to help ensure the high-quality delivery of the new crossing.

A new crossing will have a positive impact on jobs, tourism and the movement of goods and people in the region. Marine traffic will also be able to pass without having to stop highway traffic. It is estimated that 52,000 cars will use the crossing daily.

The Request for Proposals

The Request for Proposals (RFP) is part of a competitive selection process to select a performance contractor to provide transportation services involving the design, construction, finance and operation of a new Okanagan Lake crossing. It invites the shortlisted proponent teams to submit proposals and outlines the proposal process, the scope of the project, the project schedule, the evaluation criteria and other proposal requirements.

The RFP has been issued to three shortlisted proponent teams selected in May 2004 from five teams that responded to the RFQ. The three shortlisted proponent teams are:

- Bouygues Travaux Publics
- Okanagan Bridge Group, led by Flatiron Constructors
- SNC-Lavalin Inc.

The RFP is intended to elicit proposals from proponent teams that will optimize innovation for capacity, reliability, safety and customer satisfaction, at the lowest risk-adjusted long-term cost to the Province. Proposals are required to include a Technical Proposal and a Commercial Proposal. The Commercial Proposal should have three components comprising a legal and commercial component, a price proposal and a financial plan.

Competition and Selection Process Timeline

Request for Expressions of Interest (REOI)

- Released Oct. 26, 2003
- 35 expressions of interest were received by the Nov. 25, 2003 deadline
- 30 were approved to move to the next stage. The list of these companies is available on the project website

Request for Qualifications (RFQ)

- Released Dec. 30, 2003
- Five proponent teams, some comprising up to 15 companies, submitted responses by the March 10, 2004 deadline
- Three proponent teams were shortlisted to move to the RFP stage in the selection process

Request for Proposals (RFP)

- Released June 1, 2004
- Submission deadline for proposals is Nov. 2004
- The RFP is publicly available on the project website at www.okanaganlakebridge.ca

Best and Final Offer Stage (BAFO)

- Anticipated for Winter 2004/05
- The Province may select two proponent teams to move to a BAFO stage to submit best and final offers, or it may, at its option, select the preferred proponent at the end of the RFP stage without proceeding to a BAFO stage.

Selection of the Preferred Proponent

- Anticipated between Winter 2004/05 and Spring 2005
- The Province will enter into negotiations with the preferred proponent

Contract Award to a Performance Contractor

- Anticipated for Spring 2005

Anticipated Project Schedule Overview

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|-------------------------------------------------|------------------|
| • Preliminary Environmental Approval | Late Summer 2004 |
| • Preliminary construction by Ministry underway | Fall 2004 |
| • Completion of new crossing | Spring 2008 |

Scope of Project

- The proponent teams are asked to address the design, construction, financing and operation of a new five-lane, toll-free Okanagan Lake crossing. In addition, the performance contractor will become responsible for the ongoing operation and maintenance of the existing bridge and infrastructure until the new crossing is completed.
- The term of the agreement between the Province and performance contractor is expected to be 30 years.
- The lifecycle of the new crossing is expected to be 75 years.
- The performance contractor will be paid on the basis of performance. The government's payments to the performance contractor will be based on the quality of service to users as measured by ratings for safety performance, access to open lanes, traffic volumes and customer satisfaction.
- Because the performance contractor will be responsible for maintaining and operating the crossing through a performance contract, incentives are provided to design and build a reliable project that is on time and on-budget.
- The performance contractor will be responsible for any design and construction cost overruns for the new crossing and there will be financial penalties if the project is late.
- The Province will retain responsibility to set and monitor performance standards for the new crossing. If performance standards are not met, the payments to the performance contractor will be adversely affected.
- Safety is paramount in the delivery of all aspects of the project, and the performance contractor will be responsible for ensuring the safety of the travelling public, workers and the integrity of the physical assets of the new crossing and the existing bridge.
- The performance contractor will be responsible for the protection and maintenance of the environment and will be responsible for managing and investigating environmental impacts and mitigation.

- An agreement has been reached with the City of Kelowna to ensure traffic can flow easily between the city and the new crossing. This agreement is an attachment to the RFP.
- The Province will retain the responsibility of ensuring that both the east and west approaches are appropriate to service the new crossing by the commissioning date.

Conflict of Interest Adjudicator

The Province has appointed Leslie R. Peterson, Q.C. as the conflict of interest adjudicator for this project. The adjudicator will make decisions on conflicts of interest and restricted parties. Restricted parties are those who are not eligible to advise any RFP proponent team in the selection process or are not eligible to participate in a proponent team. This decision may be based on a party's previous participation in the project planning or implementation, or its ability to provide a materially unfair advantage.

Leslie R. Peterson is a founding partner of the firm Boughton Peterson Yang Anderson and practices in corporate/commercial law, conflicts adjudication, transportation and administrative law matters. He has also served as an arbitrator in international commercial and other arbitrations. Mr. Peterson was the Attorney General of British Columbia from 1968 to 1972 and is a Chancellor Emeritus of the University of British Columbia.

Fairness Auditor

The Province has appointed Joan Young as the fairness auditor for this project. The fairness auditor monitors the procurement process and evaluations to help ensure the Province acts in accordance with the process stated in the RFP and that the process is fair, open and competitive. She will comment on the way in which the Province administers the entire procurement process, and at the end of the process, the fairness auditor will present a report to government regarding her findings.

Joan Young is a partner of Swadden Virgin & Young. Ms. Young joined the Ministry of Attorney General in 1992 and joined the Legal Services Branch in 1995. During her time there she worked on a wide variety of civil, constitutional, administrative and aboriginal law litigation for the ministries of Transportation & Highways, Children & Family Development, Health, Forests, Attorney General, Office of the Premier, and Education. She has appeared at all levels of court in B.C. and in front of many administrative law bodies. In 2000, she left government and established the firm now known as Swadden Virgin & Young.

To view the full RFP document, please visit the project website at www.okanganlakebridge.ca.

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Visit the province's Web site at www.gov.bc.ca for online information and services.