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To: Utilities Committee

From: Fred Nenninger, Director, Policy Planning and Analysis

Date: October 29, 2015 Meeting Date: November 12, 2015

Subject: **Lions Gate Secondary Wastewater Treatment Plant – Quarterly Report**

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#### **RECOMMENDATION**

That the GVS&DD Board receive for information the report titled “Lions Gate Secondary Wastewater Treatment Plant – Quarterly Report” dated October 29, 2015.

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#### **PURPOSE**

To update the Board on the work underway for the Lions Gate Secondary Wastewater Treatment Plant (LGSWWTP) project.

#### **BACKGROUND**

In accordance with the *Integrated Liquid Waste and Resource Management Plan* approved by the BC Minister of Environment in 2011, the Lions Gate Plant is required to be upgraded to secondary treatment by December 31, 2020. The Board authorized funds in 2011 and subsequent budgets to proceed with the initial work.

#### **PROJECT STATUS**

Work is proceeding with the preparation of the procurement documents for the design-build-finance contract of the LGSWWTP. An information webinar was held for parties interested in the project on July 28, 2015. Over 100 interested parties participated in the webinar. The Request for Qualifications for the purpose of shortlisting pre-qualified proponents for the project was released on September 28, 2015 and is scheduled to close on December 17, 2015. This is the first step of the procurement process. The Request for Proposals for the design-build-finance contract is scheduled to be issued to the shortlisted proponents in March 2016 in order to meet the regulatory timeline to complete the secondary treatment upgrade. The final award of the contract is anticipated in early 2017.

#### **Project Funding Update**

At the Board’s direction, Metro Vancouver formally applied for P3 Canada funding in June 2015 as part of Round 7 of P3 Canada’s intake. On October 29<sup>th</sup> Metro Vancouver received notification from P3 Canada that, following their review of the Round 7 intake applications, the Lions Gate Secondary Treatment Plant project was not screened-in to the program for further consideration (Attachment 1). P3 Canada confirmed that their program priority is to fund full P3 projects that include long-term operation and maintenance as part of the contract. This decision renders the New Building Canada Fund the only funding program available to the project. Given this decision, Metro Vancouver will follow up with the Province on the funding application previously submitted for the project for consideration under the New Building Canada Fund.

Metro Vancouver received a letter from BC Minister of Community, Sport and Cultural Development Peter Fassbender, dated September 3, 2015, that acknowledged a previous Metro Vancouver letter addressed to Minister Stone and confirmed that the Lions Gate Project is recognized as “provincially significant”. Minister Fassbender also indicated that his senior staff will continue to work with relevant ministries “in identifying appropriate funding mechanisms”. Metro Vancouver is working with staff in Minister Fassbender’s office to secure a meeting with the Minister to update him on the Lions Gate project.

Metro Vancouver met with Minister of Transportation and Infrastructure Todd Stone on September 21 during the UBCM Convention in Vancouver to update him on the Lions Gate Project. Metro Vancouver staff also met with senior officials from the Ministry of Transportation and Infrastructure and the Ministry of Environment to brief them on the current status of the Lions Gate project.

With the Federal election now over, Metro Vancouver will soon be requesting meetings with the new North Shore MPs and appropriate federal Ministers to pursue funding for the Lions Gate project.

#### **Engagement and Consultation Program Update**

The engagement and consultation program for the Design and Construction phase focuses on community integration, traffic and construction impacts, and education and awareness opportunities. Metro Vancouver hosted a booth at Norgate Community Day (August 15) to continue to build the relationship between Metro Vancouver and the community. The Metro Vancouver Board approved the Lions Gate Public Advisory Committee membership in July and the inaugural meeting was held on September 24 with next meetings planned on a monthly basis through to February 2016. A project update was given to the North Shore Waterfront Liaison Group (Sept 22). Metro Vancouver staff continue ongoing discussions with affected First Nations.

#### **ALTERNATIVES**

This is an information report. No alternatives are presented.

#### **FINANCIAL IMPLICATIONS**

Project initiation is proceeding in accordance with the current schedule and within the \$20M budget approved by the Board in 2011 for the initial project work.

#### **SUMMARY / CONCLUSION**

A Request for Qualifications (RFQ) was issued on September 28, 2015 and is scheduled to close on December 17 for the purpose of pre-qualifying proponents. This is the first step in the procurement process. The Request for Proposal for the design-build-finance contract is scheduled for issue in March 2016 in order to meet the regulatory timeline to complete the secondary upgrade project.

P3 Canada recently notified Metro Vancouver that the Lions Gate Secondary Treatment Plant project has not been screened-in to their program. Given this decision Metro Vancouver will follow up with the Province on the application previously submitted for the project for consideration under the New Building Canada Fund. With the Federal election now over, Metro Vancouver will soon be requesting meetings with the new North Shore MPs and appropriate federal Ministers to pursue funding for the Lions Gate project.

The Lions Gate Public Advisory Committee for the design and construction phase has been established. The engagement and consultation program for this fall focuses on providing an update on the project and opportunity for public input into community integration and mitigation planning for construction as well as education and awareness opportunities.

**Attachment**

1. Letter from PPP Canada dated October 21, 2015 re: Application to Round Seven of the P3 Canada Fund - Lions Gate Secondary Wastewater Treatment Plant

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**PPP Canada**

Chief Executive Officer

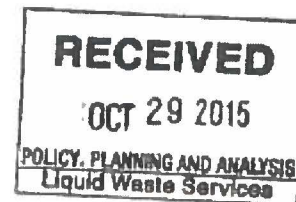
100 Queen Street, Suite 630  
Ottawa, Ontario K1P 1J9

Premier dirigeant

100, rue Queen, Suite 630  
Ottawa (Ontario) K1P 1J9

October 21, 2015

Fred Nenninger  
Director, Policy, Planning & Analysis  
Greater Vancouver Sewerage and Drainage District  
4330 Kingsway  
Burnaby, BC V5H 4G8



Dear Mr. Nenninger,

On behalf of PPP Canada, I want to thank you for your project application for the Lions Gate Secondary Wastewater Treatment Plant Project to Round Seven of the P3 Canada Fund. We have carefully reviewed your proposal and completed the screening assessment.

The P3 Canada Fund is both merit-based and competitive. To be considered for funding, project submissions must meet assessment criteria that are applied at two stages, known as the screening decision and the investment decision. At the completion of each assessment, the results are considered by our Board of Directors, who weigh the merits of each project and determine which submissions show the greatest potential for success.

PPP Canada considers projects with significant operation and maintenance a priority under the P3 Fund. Based on a review of your application at the screening stage, the proposed P3 project delivery model will lack core elements that include long-term operations, maintenance and financing. Consequently, I regret to inform you that the Lions Gate Secondary Wastewater Treatment Plant project will not be retained for further consideration in Round Seven.

Again, thank you for your interest in the P3 Canada Fund. Should you have any questions about your application or our processes, please feel free to contact Mr. Carol Beaulieu, Vice President, Project Development at (613) 992-5577.

Sincerely,

John McBride

cc. Mark Liedemann, Vice President, Projects, Partnerships BC

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