

## Sea-to-Sky Highway Improvement Project



*“The Province of British Columbia is proud to be working with S2S Transportation Group in a P3 arrangement to deliver the safety and reliability improvements for residents, commuters, tourists and good movers using the Sea-to-Sky Highway.”*

- Peter Milburn, Executive Project Director, Sea-to-Sky Highway Improvement Project, Ministry of Transportation

### Project Overview

The Sea-to-Sky Highway links communities from West Vancouver to Whistler. Set in a spectacular mountain landscape, the highway presents complex engineering and construction challenges.

British Columbia's Ministry of Transportation is undertaking improvements to the highway between Horseshoe Bay and Whistler to improve its safety, reliability and capacity for residents, commuters and tourists. Over the longer term, highway improvements will serve population growth, economic development in corridor communities and increasing demand for resident travel, visitor travel and goods movement.

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

The CDN \$600-million improvement project will be completed by spring 2009, prior to the Olympics, and will meet population growth and travel demands until 2020, with additional improvements phased in as required over approximately 20 years. The project will create 6,000 new jobs throughout the province as a result of economic activity generated along the corridor.

The primary goals for the Sea-to-Sky Highway Improvement Project are to:

- Achieve safety improvements.
- Achieve reliability improvements.
- Achieve capacity improvements.
- Manage traffic flows during construction to minimize disruption and maximize predictability.
- Remain on schedule and on budget.

### Transportation Partnership

The Sea-to-Sky Highway Improvement Project is the first major provincial transportation project to be procured as a public-private partnership using a Design Build Finance Operate (DBFO) model. The partnership structure was determined based on the results of a partnership structure options analysis, the potential for risk transfer and the potential to deliver value for money to taxpayers.

The contract is designed to protect the public interest by specifying service standards in the contract, and then using performance payments as financial incentives to meet those standards.

A key feature of this project is that the Province defined the maximum performance payments that it would pay over

the life of the contract and required proponents to develop their proposals on the basis of meeting the baseline requirements and providing additional improvements that could be achieved within this maximum payment.

### Value for Money

Within the project budget, the private sector contractor is able to provide significant added value to what could have been built by the Ministry of Transportation under traditional procurement. Here are some examples of the added value we are receiving by partnering with the private sector:

- Without the partnership, we expected to build 60 km of additional passing lanes and with the partnership we get an additional 20 km of passing lanes, for a total of 80 km of passing lane along the 100 km highway between Horseshoe Bay and Whistler.
- Without the partnership, we expected to add 20 km of median barrier and with the partnership we get another 16 km of median barrier for a total of 36 km of median barrier.
- Without the partnership, we expected to install highly-reflective pavement markings where they were most needed to enhance safety and with the partnership we are able to install this feature the full length of the highway.

### Public Sector Partner

- Ministry of Transportation

### Private Sector Partner

- S2S Transportation Group
  - o Finance: Macquarie North America Limited
  - o Design/Build: Peter Kiewit Sons Co.
  - o Construction: JJM Construction Limited
  - o Design: Hatch Mott MacDonald
  - o Operations, maintenance, rehabilitation: Miller Paving
  - o Operations and maintenance: Capilano Highway Services

### Role of Partnerships BC

Partnerships BC provided procurement management services to the Ministry of Transportation.