

Transportation Investment Corporation

2022/23 Annual Service Plan Report

August 2023



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Board Chair's Accountability Statement



The Transportation Investment Corporation 2022/23 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2022/23 - 2024/25 Service Plan published in 2022. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in cursive script that reads "Sabine Feulgen".

Sabine Feulgen
Board Chair

August 3, 2023

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Letter from the Board Chair & CEO

The enclosed Annual Service Plan Report for fiscal year 2022/23 summarizes Transportation Investment Corporation's (TI Corp) performance in relation to the [Mandate Letter](#) provided in May 2021 by the Minister of Transportation and Infrastructure.

Over the past fiscal year, significant progress has been made on projects assigned to TI Corp in the pre-procurement, procurement and construction phases. The projects that TI Corp is advancing will contribute to the safe and efficient movement of people and vital goods around B.C. and will support the province's economy and sustainable modes of transportation for future generations.

TI Corp has four projects in construction. Over the year, the Pattullo Bridge Replacement Project started work on the erection of the main bridge tower. The Project team continues to work closely with regulators, Indigenous groups and many stakeholders through the project's progression. Key milestones were achieved on the Broadway Subway Project with the arrival of the Tunnel Boring Machines, Elsie and Phyllis. In the Interior of the province, there has been substantial progress in installation of bridges and viaducts on the Kicking Horse Canyon Phase 4 Project, where traffic can now travel on the newly constructed eastbound lanes. In addition, advance works and early construction began on the Steveston Interchange Project, an important part of the Highway 99 Tunnel Program.

The business case for the Surrey Langley SkyTrain Project was approved in July 2022 and procurement began in August 2022. The Project will not only extend reliable transportation networks to communities south of the Fraser River, it will also serve as a critical catalyst for transit-oriented development that will support provincial goals to increase the supply of affordable housing. The procurement for the Royal BC Museum's Collections and Research Project was completed, and a contract was signed for the delivery of the Project in February 2023. Significant work continues to advance the Fraser River Tunnel Project including the submission of the Detailed Project Description to the Environmental Assessment Office, and the completion of extensive pre-procurement planning in a changing market environment.

TI Corp continues to advance the Province's Environmental, Social and Governance (ESG) priorities on all projects, including working closely with BC Infrastructure Benefits Inc. As TI Corp's portfolio has expanded, the organization continues to build capacity in specialized areas including commercial management, regulatory affairs and Indigenous relations, and has invested in enhanced IT systems to support project controls.

Our thanks go to all TI Corp staff who have worked hard to deliver the goals and mandate of the corporation during 2022/23.



Sabine Feulgen
Board Chair
August 3, 2023



Amanda Farrell
Chief Executive Officer
August 3, 2023

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the [Board Chair's 2021/22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Transportation Investment Corporation 2022/23 – 2024/25 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

TI Corp has been established pursuant to the *Transportation Investment Act* and is a wholly-owned subsidiary of the BC Transportation Financing Authority (BCTFA).

TI Corp's strategic direction and mandate have been set by the Minister Responsible, the Minister of Transportation and Infrastructure, as per the 2021 Mandate Letter¹.

The current corporate goals reflect TI Corp's focus on the priorities set for the organization and the mandate as outlined below:

- Provide cost effective and flexible delivery, including procurement and commercial oversight, of selected major projects assigned to it by the Province.
- Apply effective and consistent risk management, project and financial processes and controls to all assigned projects.
- Build capacity within TI Corp, and by extension the public service, for delivery of major capital projects.

¹ TI Corp is accountable to the Minister of Transportation and Infrastructure for the transportation sector projects which include the Pattullo Bridge Replacement Project (PBR), Broadway Subway Project (BSP), Kicking Horse Canyon Project (KHCP4), Fraser River Tunnel Project (FRTP), Steveston Interchange Project (SIP) and Surrey Langley SkyTrain Project (SLS). The Ministry of Tourism, Arts, Culture and Sport (TACS) is responsible for the delivery of the CRB project; TI Corp will provide services to TACS and the Royal BC Museum (RBCM) as required to support this project.

Operating Environment

Infrastructure development continues as an important provincial priority that supports government's key mandate areas. TI Corp plays a role in this priority as an organization currently responsible for the delivery of six major transportation projects for the Ministry of Transportation and Infrastructure (MOTI or the Ministry). These projects are:

- Pattullo Bridge Replacement Project (PBR) – in construction.
- Broadway Subway Project (BSP) – in construction.
- Kicking Horse Canyon Project (KHCP4) – in construction.
- Steveston Interchange Project (SIP) and Transit & Cycling Improvements (TCI) – in construction.
- Surrey Langley SkyTrain Project (SLS) – in procurement.
- Fraser River Tunnel Project (FRTP) – in pre-procurement.

The projects are being delivered according to an agreement with MOTI and BCTFA, reporting through to the Minister of Transportation and Infrastructure. TI Corp has also been directly engaged in the delivery of the Royal BC Museum's Collections and Research Building Project (CRB); in February 2023, the Ministry of Tourism, Arts, Culture and Sport (TACS) redirected the engagement from an assigned project to a project delivery services model to support the project.

Fiscal 2022/23 was a significant year in achieving key milestones for the projects in construction. PBR substantially completed the Project's in-rivers bridge foundation works, started the erection of the main bridge tower, and advanced work on the north and south approaches to the new bridge. BSP progressed in the elevated guideway portion of the Project, received and assembled two tunnel boring machines from the manufacturer in Germany, and had their first tunnel boring breakthrough at the future Mount Pleasant station in January 2023. Ongoing engagement with the stakeholders along the project corridor continues to reduce disruption to residents, businesses and commuters during the project construction. Significant construction milestones were achieved on the KHCP4 including the completion of the new Sheep Bridge at the western end of the project, which moved two-way traffic from the old highway alignment onto the eastbound lanes. In April 2022, a contract was awarded to construct the new interchange on SIP. Early construction works included utility relocations, site preparations and foundation works.

In July 2022, the Surrey Langley SkyTrain business case was approved. The project will extend the Expo Line 16 kilometres primarily along Fraser Highway on an elevated guideway from King George SkyTrain Station in Surrey to Langley City. It includes eight stations and three transit exchanges. As the procurement process was accelerated and the contract model was broken out into three phases, the project team met and accelerated procurement schedule

and issued three Request for Qualifications, followed by two Requests for Proposals by the end of fiscal 2022/23.

Ongoing pre-procurement activities on the Fraser River Tunnel Project progressed throughout the year with the submission of the Detailed Project Description through the Environmental Assessment Certification process and continued efforts on advancing procurement phases, working closely with Infrastructure BC.

The projects assigned to TI Corp for delivery have budgets that total more than \$13 billion.

Supporting the Provincial Environmental, Social and Governance (ESG) Framework for Capital remained a priority, in particular labour objectives including a sustainable workforce in British Columbia by providing opportunities for local workers, training and apprentices and people that have been traditionally under-represented in the construction industry. TI Corp works to achieve government's ESG goals in all its projects, including supporting priority hiring for Indigenous people, equity-seeking groups, and increased opportunities for apprentices. TI Corp continues to work with BC Infrastructure Benefits Inc. (BCIB) to implement the Community Benefits Agreement (CBA) where applicable.

A number of factors have been addressed over the service plan period to mitigate impacts on TI Corp's performance. For projects under construction, key factors included the general shortage of skilled construction labour during a time of considerable infrastructure work, the balancing of the needs of Indigenous Nations, regulators and third parties to successfully meet complex project requirements, and timely communication with those affected by projects to minimize inconvenience and disruption during construction.

Internally, key factors included building of the corporation's capacity to meet the needs of existing and new projects. This has been particularly important during a time of significant competition for specific commercial and project controls-related skills, continued organizational development to share knowledge on topics such as commercial and risk management between projects, and acquisition of information management systems to effectively support critical functions such as records management, project controls and stakeholder engagement.

Throughout this past the year the TI Corp Board of Directors, its sub-committees and due diligence committees met regularly to provide oversight of TI Corp's assigned projects. The Board also participated in training and professional development activities, including cybersecurity training, a crown governance workshop, and the Crown Agency Secretariat's "Governing in the Public Interest" Conference.

Report on Performance: Goals, Objectives, and Results

Goal 1: Effective delivery of major projects.

Objective 1.1: Deliver each assigned major project within approved parameters.

The approved parameters (scope, schedule and budget) for each assigned major project are defined by the Province.

Key results

- Accelerated a multi-phased procurement process for SLS guideway, stations and systems to ensure alignment with approved parameters, including releasing three RFQs and two RFPs within the last fiscal year.
- Revised the procurement schedule for CRB to align project requirements to successfully award and execute a Design Build Agreement.
- All projects in implementation remain on budget.

Summary of progress made in 2022/23

Delivery of assigned projects progressed according to objectives through TI Corp's financial management, controls and enhanced risk management processes, including routine project budget and schedule monitoring. The uncertainty in the stability of the economy produced procurement and project viability challenges due to inflation and supply chain issues, where the project teams have had to adjust their methods and collaborative efforts with the market and procurement agents to meet the project parameters.

Performance measure(s) and related discussion

Performance Measure(s)	2021/22 Actual	2022/23 Target	2022/23 Actual
1.1a Executed Project Agreement ^{1,2}	0	2	2
1.1b Percentage of preferred proponent proposals within affordability requirements ^{1,2}	100%	100%	50%
1.1c Percentage of projects within budget ^{1,2}	100%	100%	100%
1.1d Projects and substantial completion dates ^{1,2,3}			
PBR – 2024	On target	On target	On target
BSP – 2026	On target	On target	Amended
KHCP4 – 2024	On target	On target	On target
CRB – 2025 ⁴	On target	On target	Amended
SIP – 2025	On target	On target	On target
F RTP – 2030	On target	On target	On target
SLS – 2028	N/A	On target	On target

Data source: 1.1a Executed project agreements; 1.1b RFP financial submissions; 1.1c Project financial forecasts; 1.1d Project schedule forecasts

¹PM 1.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 0 and 1, respectively. PM 1.1b to 1.1d targets for 2023/24 and 2024/25 stated in the 2022/23 service plan are 100% and On target in all cases. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

² Targets will be adjusted if new projects are assigned to TI Corp.

³ Reflects current Treasury Board approved project schedules.

⁴ Going forward the Ministry of Tourism, Arts and Culture and the RBCM will be responsible for the delivery of CRB. TI Corp will provide support through a services agreement.

During the fiscal year 2022/23, BSP's year of completion was amended from 2025 to 2026 due to a strike that delayed concrete supply to the project. For CRB, the original affordability requirement was not met; the procurement process was extended to address cost pressures; a preferred proponent was selected and contract executed in February 2023. As a result of the extended procurement process the Project is now expected to open in summer 2026.

Goal 2: Effective management and financial control across all assigned major projects.

Objective 2.1: Ensure project management plans, systems, and reporting procedures are in place.

Development and implementation of project management plans within a corporate system operating according to clear and efficient reporting procedures is essential to effective management and financial control of major projects.

Key results

- Monthly project status reports for all projects in construction were published on project websites.
- Specialized software was procured and implemented to support risk quantification methods, risk management, cost estimation and electronic document and records management system.
- Established a dedicated commercial management department to support growing project commercial issues.

Summary of progress made in 2022/23

Effective management and financial control has been achieved through support to the Board to manage project decision-making and oversight including through regular project, financial and risk management updates. Governance structures with partners and project owners were maintained and updated as necessary and regular updates and reports were provided to project owners.

Performance measure(s) and related discussion

Performance Measure(s)	2021/22 Actual	2022/23 Target	2022/23 Actual
2.1a Percentage of project management plans and processes fully developed and operational ¹	100%	100%	100%
2.1b Number of Monthly Status Reports (MSR) ¹	43	58	48

Data source: 2.1a Project management plans; 2.1b Monthly Status Reports

¹PM 2.1a targets for 2023/24 and 2024/25 were both stated in the 2022/23 service plan as 100%. PM 2.1b targets for 2023/24 and 2024/25 were both stated in the 2022/23 service plan as 60 and 69 respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

Fiscal year 22/23 targets for performance measure 2.1b were calculated assuming an estimated 12 monthly status reports per year, per assigned project from the month of the project RFP release. Actual MSRs in fiscal year 2022/23 reflect issuance of 12 reports for four

projects in construction, PBR, BSP, KHCP4 and SIP, 48 in total. The extended procurement process for CRB resulted in the publication of 10 fewer MSRs than forecast.

Goal 3: Build capacity within the public service for delivery of major capital projects.

Objective 3.1: Continue developing TI Corp’s organization, its capabilities and competencies for the effective delivery of major capital projects.

Organizational development to support expanded project management and corporate competencies to directly increase public service capacity for major capital project delivery.

Key results

- Organizational structures were refined to reflect project delivery competencies and qualifications for each project and corporate function.
- More than 70 new recruits (bringing the total corporation staff complement to over 180 by March 31, 2023) were on-boarded to support the requirements of four projects in construction and three projects in planning and procurement.
- Staffing models blending employee and contracted resources were implemented to support knowledge transfer, capacity development and to meet the need for specific commercial and project controls-related skills under significant market competition.

Summary of progress made in 2022/23

Corporate organization, capacity and competency development was advanced through planning initiatives such as succession plan development and implementation, and the promotion of project leadership career paths for key project delivery roles. Organizational objectives were also supported through active employee engagement including employee surveys, training opportunities and participation in industry conferences, forums and other events.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
3.1a Employee Training (% of employees engaged in training) ¹	86%	75%	99%
3.1b Employee Retention (% voluntary turnover) ¹	6.7%	Less than 10%	12%

Data source: 3.1a Public Service Agency Learning Management System and TI Corp Human Resources corporation training participation records; 3.1b Public Service Agency – Strategic Human Resources Self Service Reports

¹PM 3.1a and 3.1b targets for 2023/24 and 2024/25 were both stated in the 2022/23 service plan as 75% and Less than 10%, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

Actual results achieved for fiscal year 22/23 varied from targets for performance measures 3.1a and 3.1b. Actual employee training exceeded the target for performance measure 3.1a due to the wide variety of experience, training requirements and career stages of TI Corp employees. The positive variance between the actual from target reflects significant employee recruitment and advancement during the reporting year, as well as mandatory training pertaining to *Public Interest Disclosure Act* obligations. The negative variance between the actual and target for performance measure 3.1b is a result of two key factors. The first is the unusually competitive labour market that intensified over the reporting year and the particularly high demand for specific skills related to major infrastructure projects due to elevated levels of infrastructure work in BC and across Canada. The second is the pursuit of employment that provides for more remote work opportunity.

Financial Report

For the auditor’s report and audited financial statements, see [Appendix \[Letter\]](#). These documents can also be found on the TI Corp website.

Discussion of Results

The actual results for 2022/23 reflect management and oversight expenses to deliver TI Corp’s assigned major projects, which include PBR, BSP, KHCP4, FRTP, SIP and SLS, as well as a CRB project under a services delivery model. The actuals also reflect management expenses to support other services provided to non-assigned projects.

Revenue and expenditures increased compared to prior year due to additional resources needed for major projects that are currently in the pre-procurement, procurement and implementation phases of construction.

Financial Summary

(\$000s/\$m)	2021/22 Actual	2022/23 Budget	2022/23 Actual	2022/23 Variance
Revenues				
Project Delivery	22,318	29,581	31,094	1,513
Other Income	96	40	315	275
Total Revenue	22,414	29,621	31,409	1,788
Expenses				
Salaries and Benefits	16,991	24,589	24,034	(555)
Other Operating Costs	5,423	5,032	7,375	2,343
Total Expenses	22,414	29,621	31,409	1,788
Net Income	-	-	-	-
Accumulated Surplus	5,017	5,017	5,017	-

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

Variance and Trend Analysis

For fiscal 2022/23, revenues and expenses are \$1.8 million higher than budget. The major variances included:

- Salaries and benefits were lower than budget by \$0.6 million, due to the timing of hiring staff later than originally anticipated. TI Corp budgeted 167 full-time equivalent (FTE) staff in 2022/23 but averaged only 161 FTEs during the year.

- Other operating costs were higher than budget by \$2.3 million due to increases in: travel costs as COVID restrictions were removed, occupancy costs due the lease of a new floor and project specific contractor costs for major project delivery.

Capital Expenditures

TI Corp is a subsidiary of the BCTFA, with a mandate to provide procurement, delivery, and commercial oversight of major capital projects.

TI Corp's major transportation projects consisted of the PBR, BSP, KHCP4, FRTP, SIP and SLS. These capital projects are owned and funded by the BCTFA and are reported on through the MOTI's Service Plan. TI Corp's other major capital project is CRB. This capital project is owned and funded by the RBCM Corporation through grants provided by TACS and is reported through the RBCM and TACS Service Plans.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 Mandate Letter from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>Deliver each assigned major project within the approved parameters (scope, schedule and budget). Any material changes to these parameters must be approved by the Ministry of Transportation and Infrastructure (MOTI), Ministry of Tourism, Arts, Culture and Sport (TACS), and/or Treasury Board.</p>	<ul style="list-style-type: none"> • Assigned major projects (PBR, KHCP4, SIP, SLS and F RTP) are being delivered within approved parameters. • The amended substantial completion date for BSP from 2025 to 2026 was approved. • An increased budget for CRB has been approved, and the substantial completion date has been amended from 2024 to 2025. Going forward TACS will be responsible for the Project; TI Corp will support the project under a services agreement.
<p>Continue to develop and maintain a governance and organizational structure that supports informed decision-making and management of the assigned projects.</p> <p>The assigned projects include:</p> <ul style="list-style-type: none"> • Pattullo Bridge Replacement (PBR) Project; • Broadway Subway (BSP) Project; and • Kicking Horse Canyon – Phase 4 (KHCP4). 	<ul style="list-style-type: none"> • Governance and organizational structure maintained and developed through: <ul style="list-style-type: none"> ○ Full Board of Directors membership and regular board and committee meetings, ○ Development of <i>Public Interest Disclosure Act</i> and Fraud Risk Policies, and ○ Development of new Service Agreement to support TACS in its delivery of the RBCM CRB Project. • Since the 2021/2022 Mandate Letter, Steveston Interchange Project (SIP) and Transit & Cycling Improvements (TCI); Surrey Langley SkyTrain Project

	<p>(SLS); and Fraser River Tunnel Project (FRTTP) have been assigned to TI Corp.</p>
<p>Business Case, procurement and delivery for George Massey Crossing Project (GMC) (subject to approval and direction from Treasury Board);</p> <p>Procurement and delivery for the Collections and Research Building Project (CRB) (subject to Treasury Board approval of a Report Back);</p> <p>Concept Plan development for Surrey-Langley SkyTrain (subject to approval and direction from Treasury Board): and</p> <p>Develop updated Business Case for the Royal BC Museum Modernization Project (subject to approval and direction from Treasury Board).</p>	<ul style="list-style-type: none"> • Business Case approved for the Highway 99 Tunnel Program (previously named George Massey Crossing Project) in June 2021 • FRTTP submitted a Detailed Project Description to the Environmental Assessment Office and advanced pre-procurement work. • CRB Procurement closed and Design Build Agreement executed in February 2023. • SLS Business Case approved in July 2022 with procurement process underway with RFPs issued for guideway and stations and RFQ issued for systems. • RBCM Modernization Project Business Case approved and plans to rebuild museum halted in June 2022.
<p>Maintain a strong working relationship with BC Infrastructure Benefits Inc. (BCIB) to support the implementation of the Community Benefit Agreement for the assigned projects.</p>	<ul style="list-style-type: none"> • Regular engagement between corporations to ensure successful management of labour forecasting and supply for projects in construction including PBR, BSP and KHCP4. • Active engagement with BCIB throughout SLS procurement to support implementation of BCIB-Contractor Agreements consistent with provincial environmental, social and governance objectives.
<p>Ensure project management plans, systems, financial controls, and reporting procedures are in place. This includes implementing project management IT systems (including a document management system and a stakeholder management system) that are compatible with those by the</p>	<ul style="list-style-type: none"> • Project management plans for all assigned projects prepared and approved by Board of Directors at contract award. • Budgets and forecasts, contingency draws, schedule and risk information for each assigned project regularly presented to independent Due

<p>contractors to ensure appropriate systems and processes to effectively manage the assigned projects.</p>	<p>Diligence Committees and Board of Directors.</p> <ul style="list-style-type: none"> • Specialized software, compatible with those of contractors, was procured and implemented to support the estimation of costs, risks and schedule analysis, as well as document control and stakeholder management.
<p>Continue developing TI Corp's organization by building public sector capacities and competencies to deliver on its commitments and the effective delivery of assigned projects.</p>	<ul style="list-style-type: none"> • Expanded organizational capacity with more than 70 new recruits, totalling the number of employees to over 180 as of March 31, 2023. • Project delivery competencies and qualifications reflected in organizational structures for each project and corporate function and project resourcing forecast system implemented. • Increased capacity in specialized areas acquired including commercial, risk management, regulatory affairs and Indigenous relations.

Appendix B: Auditor's Report and Audited Financial Statements