

Transportation Investment Corporation

2023/24 – 2025/26 Service Plan

February 2023



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Published by Transportation Investment Corporation

Board Chair's Accountability Statement



The 2023/24 – 2025/26 Transportation Investment Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 2023, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Transportation Investment Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Transportation Investment Corporation's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

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

Sabine Feulgen
Board Chair, Transportation Investment Corporation
February 20, 2023

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Strategic Direction

In 2023/24, public sector organizations will continue working to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how Transportation Investment Corporation (TI Corp) will support the government’s priorities and selected action items identified in the most recent [Crown Agency Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

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

TI Corp’s mandate is to provide procurement, delivery and commercial oversight of assigned major capital transportation projects, and is aligned with the Province’s strategic direction in the following ways:

- Building the transportation links needed to advance the movement of British Columbians and vital goods around the province quickly, efficiently, and in a way that supports a sustainable province for future generations;
- Expanding infrastructure during a period of significant growth that allows British Columbia to continue to be an important international gateway to Canada and thus supporting the province remaining economically strong;
- Extending reliable transportation networks supporting community safety and the construction of new homes; and
- Collaborating and engaging with Indigenous Peoples, the public, and stakeholders to ensure infrastructure projects contribute to an inclusive and sustainable province.

Operating Environment

TI Corp is 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 Highway 99 Corridor improvements – in construction.
- Surrey Langley SkyTrain Project (SLS) – in procurement.
- Fraser River Tunnel Project (FRTP) – in pre-procurement.

These projects are being delivered according to an agreement with MOTI and BCTFA, reporting through to the Minister of Transportation and Infrastructure.

In September 2020, TI Corp was directed to engage in and conduct business relating to the delivery of the Royal BC Museum (RBCM) Modernization Project including the Collections and Research Building Project (CRB). In June 2022, plans to rebuild the Museum were halted to allow for public engagement. Going forward, the Ministry of Tourism, Arts, Culture and Sport (TACS) will be responsible for the delivery of the project; TI Corp will provide services to TACS as required to support the project.

Supporting Government's Environmental, Social and Governance (ESG) Framework for Capital is a priority, in particular labour objectives including a sustainable workforce in British Columbia. For all projects assigned to it, TI Corp continues to work with BC Infrastructure Benefits Inc. (BCIB) to implement the Community Benefits Agreement (CBA), and through the use of both project-specific labour agreements and contract terms, to support priority hiring for Indigenous people, equity-seeking groups and increased opportunities for apprentices.

There are a number of trends, risks and opportunities to be considered that may impact TI Corp's performance during this service plan period. For the projects under construction, key considerations include the general shortage of skilled construction labour during a time of considerable infrastructure work, the complexities involved in balancing 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.

For the projects in procurement or pre-procurement, key considerations include interest rates and inflationary pressures, many infrastructure projects competing to attract a relatively small pool of qualified, capable contractors, and working closely with Infrastructure BC to adjust

procurement approaches and contract terms to support competition through upcoming procurement processes.

Internally, key considerations include continuous building of the corporation's capacity to meet the needs of existing and new projects. This is 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.

Annual Economic Statement

B.C.'s economy has been resilient to pandemic, geopolitical and climate-related disruptions. However, higher interest rates are expected to weigh on the economy in the coming years. Following a rapid recovery from the economic impacts of the COVID-19 pandemic, high inflation led to successive interest rate increases from the Bank of Canada in 2022. The impact of higher interest rates has been evident in housing markets and there is uncertainty over its transmission to the rest of the economy in B.C. and among our trading partners. B.C. is heading into this challenging period in relatively strong position, with a low unemployment rate. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 3.0 percent in 2022 and expects growth of 0.5 percent in 2023 and 1.6 percent in 2024. Meanwhile for Canada, the EFC estimates growth of 3.4 percent in 2022 and projects national real GDP growth of 0.5 percent in 2023 and 1.5 percent in 2024. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook center around interest rates and inflation, such as the risk of further inflationary supply chain disruptions, the potential for more interest rate increases than expected, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, the emergence of further COVID-19 variants of concern and lower commodity prices.

Performance Planning

Goal 1: Effectively deliver major projects.

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

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

Key Strategies

- Engage Infrastructure BC and work with the Ministry of Attorney General to ensure consistency of approach and documentation of procurement activities.
- Maintain a strong working relationship with BCIB to support the implementation of the CBA for each relevant project.
- Adopt a proactive approach to risk management, which incorporates the guidelines of the Risk Management Branch, and allows for the early identification and effective management of risks through all phases of project delivery.
- Apply best practices to project management, with particular emphasis on cost and schedule management.

Discussion

TI Corp will continue to monitor progress towards the objective through its regular tracking and reporting on scope, schedule and budget, and will continue its coordinated efforts with the organizations referenced in the key strategies to achieve the objective.

Performance Measures

Performance Measure[s]	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
1.1a Executed Project Agreements ¹	0	1	3 ²	1 ³	0
1.1b Percentage of preferred proponent proposals within affordability requirement	100%	100%	100%	100%	100%
1.1c Percentage of projects within budget	100%	100%	100%	100%	100%

Performance Measure[s]	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
1.1d Projects and substantial completion dates ⁴					
PBR – 2024	On target	On target	On target	On target	n/a ⁵
BSP – 2026 ⁶	On target	On target	On target	On target	On target
KHCP4 – 2024	On target	On target	On target	n/a ⁵	n/a ⁵
SIP – 2025	On target	On target	On target	On target	On target
F RTP – 2030	On target	On target	On target	On target	On target
SLS – 2028	n/a ⁷	On target	On target	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

¹Targets are based on major projects assigned to TI Corp and will be adjusted if assignments change.

²Target measure for fiscal year 2023/24 assumes award of three contracts (guideway, stations and systems) for the SLS project rather than a single contract.

³Target measure for fiscal year 2024/25 assumes execution of project agreement pertaining to F RTP.

⁴Reflects project schedules approved by Treasury Board.

⁵Target no longer applicable as substantial completion will have preceded indicated forecast period.

⁶BSP's year of completion was amended from 2025 to 2026 due to a strike that delayed concrete supply to the project.

⁷Approval of business case to identify substantial completion date for SLS did not occur until fiscal year 2022/23.

Discussion

Achieving an executed Project Agreement, as referenced in performance measure 1.1a, represents a significant milestone in the project life cycle for an assigned major project and thus progress towards objective and goal achievement. An executed Project Agreement provides greater confidence in the total project cost and schedule, including the efficient allocation of risks to the parties best able to manage them.

Likewise, delivering projects on or under the affordability requirements, as referenced in performance measure 1.1b, contributes to government's ability to effectively make planned investments in other critical public infrastructure. The affordability requirements for financial proposals are set as part of the request for proposals (RFP) stage of the procurement process for the primary contracts for each assigned major project. Awarding the contract within the affordability requirement represents a key marker in achieving the objective and goal.

Continuous management, monitoring, and forecasting of the total project cost and completion date for each assigned major project, as is tracked in performance measures 1.1c and 1.1d, are required to achieve the approved parameters for each project and thus the objective and goal.

Targets were developed based on projected progress of projects as specified in their business cases or Project Agreements. In the case where targets remain constant over time, such as 100 percent, they represent the expectation of delivering projects according to the specific parameters defined and approved by the Province.

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.

Key Strategies

- Continue to develop a corporate organizational structure and processes that support effective management of major capital projects.
- Continue to maintain a governance structure that provides effective oversight of major capital projects.
- Regular progress reporting to the TI Corp Board, government and the public.

Discussion

Continuous improvement, robust corporate structures and reporting are critical to achieving the objective and are of particular importance as the number of projects assigned to TI Corp increases.

Performance Measures

Performance Measure[s]	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
2.1a Percentage of project management plans and processes fully developed and operational	100%	100%	100%	100%	100%
2.1b Number of Monthly Status Reports (MSR) ¹	43	51	67	53	41

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

¹Targets for performance measure 2.1b have been adjusted from the previous service plan to reflect the progress and approval of assigned projects.

Discussion

The preparation and approval of Project Management Plans occurs as part of contract award and the preparation and issuance of MSRs is usually initiated coincident with the issuance of the RFP. The timing of these two procurement steps depends on project approvals and progress, which can be subject to market conditions and thus necessitate adjustment to the targets of performance measure 2.1b. In cases where targets remain constant over time, such as 100 percent, they represent the expectation of comprehensive and transparent reporting procedures and management systems.

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.

Key Strategies

- Identify and define major capital project delivery competencies and qualifications, and the associated key roles at both the corporate and project team level.
- Align project team roles to the level of project complexity.
- Establish technical and project leadership career paths for promoting the development of the key project delivery roles.
- Use contract resources effectively to support projects, training and development.

Discussion

TI Corp’s efforts to continue to align roles and establish career paths in support of organizational development remain important to achieving the goal. This is particularly significant given the current global context, including many infrastructure projects underway in an increasingly tight labour market.

Performance Measures

Performance Measure[s]	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
3.1a Employee Training (percentage of employees engaged in training)	86%	75%	75%	75%	75%
3.1b Employee Retention (percentage voluntary turnover)	6.7%	Less than 10%	Less than 10%	Less than 10%	Less than 10%

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

Discussion

Performance measure 3.1a recognizes the importance of investing in employee development to build organizational capacity and support current and future staff to excel in their roles. Training opportunities include internal training, such as formal mentorships and training offered through the BC Public Service Agency Learning Hub and external training including support for continuing education in association with professional designations. TI Corp will continue to strive for the performance achieved in 2021/22 as it welcomes new employees to the corporation and advances others to new opportunities within TI Corp. As part of this,

TI Corp recognizes the people of its workforce have a wide variety of experience, training requirements and are at different stages of their career.

Supporting and tracking employee training directly increases TI Corp's capabilities and competencies for the effective delivery of major capital projects. Training is a factor which serves to attract, enhance and retain talent as monitored by performance measure 3.1b, and its close tracking allows TI Corp to monitor where additional supports might be needed to realize the objective.

Performance measure 3.1b reflects the value to the public sector in retaining major project delivery expertise, which provides for knowledge transfer to new employees and continuity in major project delivery practices.

The target level will continue to be monitored for both performance measures over the upcoming year to evaluate whether any adjustment is necessary within current labour markets.

Financial Plan

Financial Summary

(\$000)	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
Total Revenue				
Project delivery	31,208	44,429	43,302	44,179
Other revenues	243	300	300	300
Total Revenue	31,451	44,829	43,602	44,479
Total Expenses				
Salaries and benefits	24,533	35,780	36,214	37,288
Other operating costs	6,918	9,049	7,388	7,191
Total Expenses	31,451	44,829	43,602	44,479
Annual Surplus (Deficit)	0	0	0	0
Total Debt	0	0	0	0
Accumulated Surplus (Deficit)	5,017	5,017	5,017	5,017
Capital Expenditures	0	0	0	0

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

Key Forecast Assumptions, Risks and Sensitivities

The forecasts includes the following key assumptions:

- Management and oversight expenses to deliver currently assigned major projects, which include the PBR, BSP, KHCP4, the Highway 99 Tunnel Program (including SIP and FRTP) and SLS projects as well as to support services to other projects.
- Management and oversight expenses relating to transportation sector projects are fully recovered from the BCTFA and expenses relating to the CRB from the RBCM/TACS.
- Expenditures related to its organizational structure (staff salaries and benefits) and operational costs (e.g., project-specific contractors, office rent, IT costs, travel, other corporate overhead) to support organizational capacity to deliver assigned and future projects.

Forecasted key risks and sensitivities include:

- A significant portfolio of projects in the implementation and planning phases has resulted in organizational capacity risk to execute current and future projects. TI Corp continues to innovate and generate new strategies to secure the quality and quantity of resources required to achieve its objectives. Some of these strategies revolve around retention, diversity, and mentoring.
- Obtaining required permits for delivery of major infrastructure projects has proven to be a significant challenge and lessons learned from existing projects are being applied to future projects.

Management's Perspective on the Financial Outlook

For the fiscal years 2023/24 – 2025/26, TI Corp has forecasted and planned management resources to deliver SLS and the Highway 99 Tunnel Program, both of which are or include projects currently in the procurement phase. Planning for these projects includes a full complement of project delivery resources and corresponding overhead expenditures for the life of the project. The associated risks of incorporating these projects in the financial outlook includes timing of project execution and schedule risk, in which case TI Corp would adjust and amend the resourcing plans, and organizational capacity risk that TI Corp manages through a comprehensive recruitment plan for key personnel.

Capital Expenditures

- As discussed above, TI Corp is a subsidiary of BCTFA, with a mandate to provide procurement, delivery and commercial oversight of major capital transportation projects: PBR, BSP, KHCP4, SIP and FRTP of the Highway 99 Tunnel Program and SLS. These capital projects are owned and funded by the BCTFA and are reported on through MOTI's service plan.
- Also as described above, TI Corp is authorized by OIC 548/2020, to engage in and conduct business related to the delivery of the CRB. TI Corp will provide services to TACS to support TACS' delivery of CRB, owned by RBCM and funded through grants provided by TACS with capital project reporting through TACS' and RBCM's service plans.

Appendix A: Mandate Letter from the Minister Responsible



May 27, 2021

Sabine Feulgen, Chair
Board of Directors
Transportation Investment Corporation
Suite 1750–401 West Georgia St.
Vancouver, BC V6B 5A1

Reference: 300575

Dear Chair Feulgen:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for the Transportation Investment Corporation (TI Corp), on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to TI Corp, about priorities and expectations for the coming fiscal year.

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board's decisions maintain, protect and



enhance the public services people rely on and make life more affordable for everyone.

- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown Agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.



- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. The Governing in the Public Interest online certificate program is now available, and all board members are encouraged to complete this new offering.

As the Minister Responsible for TI Corp, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2021/22 Service Plan:

- 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.

Continue to develop and maintain a governance and organizational structure that supports informed decision-making and management of the assigned projects.

The assigned projects include:

- Pattullo Bridge Replacement (PBR) Project;
- Broadway Subway (BSP) Project; and
- Kicking Horse Canyon - Phase 4 (KHCP4).

In addition,

- Business Case, procurement and delivery for George Massey Crossing Project (GMC) (subject to approval and direction from Treasury Board);
- Procurement and delivery for Collections Research Building Project (CRB) (subject to Treasury Board approval of a Report Back);



- Concept Plan development for Surrey-Langley SkyTrain (subject to approval and direction from Treasury Board); and
- Develop updated Business Case for the Royal BC Museum Modernization Project (subject to approval and direction from Treasury Board).
- Maintain a strong working relationship with BC Infrastructure Benefits Inc. (BCIB) to support the implementation of the Community Benefit Agreement for the assigned projects.
- 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 used by the contractors to ensure appropriate systems and processes to effectively manage the assigned projects.
- Continue developing TI Corp's organization by building public sector capacities and competencies to deliver on its commitments and the effective delivery of the assigned projects.

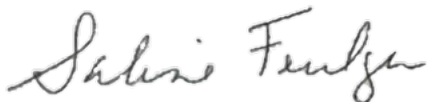
Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,


Rob Fleming
Minister

Date: May 27, 2021



Sabine Feulgen, Chair
Transportation Investment Corporation

Date: June 4, 2021



A handwritten signature in black ink, appearing to read "Nicole Asselin".

Nicole Asselin, Director
Transportation Investment Corporation

Date: June 6, 2021

A handwritten signature in black ink, appearing to read "Terry Brown".

Terry Brown, Director
Transportation Investment Corporation

Date: June 4, 2021

A handwritten signature in black ink, appearing to read "Glen Copping".

Glen Copping, Director
Transportation Investment Corporation

Date: June 4, 2021

A handwritten signature in black ink, appearing to read "Marina Pratchett".

Marina Pratchett, Director
Transportation Investment Corporation

Date: June 4, 2021

A handwritten signature in black ink, appearing to read "Allan Bruce".

Allan Bruce, Director
Transportation Investment Corporation

Date: June 7, 2021



Enclosure

cc: Honourable John Horgan
Premier

Lori Wanamaker
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Douglas S. Scott
Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Kaye Krishna
Deputy Minister
Ministry of Transportation and Infrastructure

Amanda Farrell
President and CEO
Transportation Investment Corporation