



VANCOUVER FRASER PORT AUTHORITY

REQUEST FOR PROPOSAL: #P100730-19

**Program Management and Technical
Support Services**

for

Container Capacity Preliminary Planning

**Issue Date: July 7, 2010
Response date: July 30, 2010**

1.0 NOTICE TO PROPONENTS

THIS IS A REQUEST FOR PROPOSALS AND NOT A TENDER CALL.

REQUIREMENT - NOTICE OF INTENT TO SUBMIT A PROPOSAL

As a requirement for a proposal to be considered, an e-mail notification with subject "RFP #P100730-19 – Notice of Intent to Submit" must be sent to the attention of Marion Wynnyk at marion.wynnyk@portmetrovancover.com by **Wednesday, July 21, 2010**. The e-mail is to include the following contact information: Company name and full address, company contact name, telephone number, and e-mail address. The receipt of this notice of intent will not bind the proponent to submit a proposal. The objective is to ensure the timely notification of any clarifications or addenda to all potential bidders.

- (A.) Submit your proposal in paper format in sealed envelope, addressed to the undersigned and clearly identifying the Proponent's name, the Request For Proposal (the "RFP") number and the RFP title. **PROPOSALS SUBMITTED BY FAX OR EMAIL WILL NOT BE ACCEPTED.**

All proposals must clearly identify all addenda that were viewed and considered in preparation of the proposal.

The deadline for questions relating to this RFP is 5:00pm on **Thursday July 22, 2010** (the "Deadline"). The Deadline will apply to any addendum issued prior to the Deadline, unless a new Deadline is specified. Any addendum issued after the Deadline will specify the deadline for questions resulting from that addendum.

RFP #P100730-19 Program Management and Technical Support Services for Container Capacity Preliminary Planning will be received at the office of the Vancouver Fraser Port Authority, 999 Canada Place, 100 The Pointe, Vancouver, B.C., V6C 3T4 until **3:00 p.m. then-current Vancouver time on Friday July 30, 2010 to the attention of Marion Wynnyk, Procurement Administrator.**

- (B.) The Vancouver Fraser Port Authority ("VFPA") prefers to receive four (4) paper copies including one unbound copy of the proposal and an electronic copy (PDF preferred) on CD or USB stick, but a proposal will not be rejected for failure to provide these additional copies.
- (C.) **PROPOSALS RECEIVED AFTER THE CLOSING DATE WILL NOT BE CONSIDERED AND WILL BE RETURNED TO THE PROPONENT.**
- (D.) All enquiries should be addressed via email to the attention of:

Cliff Stewart, PEng
Email: Cliff.Stewart@portmetrovancover.com

And cc:

Marion Wynnyk, BComm, C.P.P.
Email: Marion.Wynnyk@portmetrovancover.com

Although VFPA reserves the right to refuse to answer questions it, in its opinion, considers irrelevant to the project, answers that provide a clarification or revision to this RFP will be given in writing to all proponents by way of addenda. Please note that pursuant to section 7(B), questions involving proprietary information given by a proponent will be considered confidential. VFPA will not be bound by any interpretation or information given to any proponent orally.

The RFP and any addenda may be viewed on our website at <http://www.portmetrovanancouver.com/opportunities/RFPs.aspx>.

(E.) RIGHT TO CANCEL

The VFPA does not bind itself to accept any submission, and reserves the right to withdraw from, or cancel the Request for Proposal procurement process at any time.

As a condition of its participation in the process outlined in this Request for Proposal, the Proponent consents to the procedures outlined herein and agrees that the VFPA, and its directors, officers, employees, consultants and advisors will not be liable to the Proponent for any claims, direct or indirect, whether for costs, expenses, damages or loss of anticipated profits, or for any other matter whatsoever, incurred by the Proponent in preparing and submitting a Proposal or participating in this Request for Proposal process.

(F.) NO CONTRACT

This Request for Proposal is not intended to, and will not, impose any legal obligation on the VFPA. By participating in this Request for Proposal procurement process, each Proponent expressly acknowledges and agrees that no contract or legal relationship of any kind is formed under, or arises from, this Request for Proposal or the submission or consideration of any Proposal and that no legal obligation will arise out of this Request for Proposal prior to the execution and delivery of the Project Agreement contemplated herein (see Schedule A – Contract)

Marion Wynnyk, BComm, C.P.P.
Procurement Administrator
Vancouver, British Columbia

2.0 INTRODUCTION

With the return of growth to the container sector after several quarters of contraction VFPA has an opportunity to make orderly preparations for the provision of new container capacity over the next 20 years. VFPA's own traffic forecast for the Vancouver Gateway in 2020 is approximately 3.8 million twenty-foot equivalent units ("TEU's"), which represents about 120% of the sustainable capacity of VFPA's 4 existing terminals.

The Container Capacity Preliminary Planning program consists of a series of related projects ("the Program") which VFPA is examining for their potential to provide or support the provision of this capacity. Given the current condition of the container terminal industry and the potentially long lead times involved, VFPA believes that the process of providing new capacity is best served if VFPA moves these projects forward through at least the preliminary design and/or the permitting phases before seeking third party proponents to finance, construct and operate the facilities.

The VFPA, doing business as Port Metro Vancouver, is seeking a consulting firm ("the Program Manager") to provide end-to-end program management, project management, technical support, administration and cost control services for the Program.

3.0 BACKGROUND

VFPA is a non-shareholder, financially self-sufficient corporate entity, established by the Government of Canada in January 2008 through the amalgamation of 3 predecessor Port Authorities (Vancouver Port Authority, Fraser River port Authority and North Fraser Port Authority), pursuant to the *Canada Marine Act* (RSC 1998.c.10) ("CMA"), and is subject to the provisions of the CMA, the Regulations and Letters Patent issued pursuant thereto. VFPA is accountable to the federal Minister of Transport, Infrastructure and Communities.

VFPA manages the land and water for Canada's largest port. The port trades \$75 billion in goods with more than 160 trading economies annually and generates an estimated \$10.5 billion in Gross Domestic Product.

Canada's Asia-Pacific Gateway and Corridor Initiative ("APGCI") is an integrated set of investment and policy measures seeking to boost Canada's commerce with the Asia-Pacific Region, to increase its share of North American-bound container imports from Asia, and to improve the reliability of the gateway and corridor for Canadian and North American exports.

APGCI is intended to improve the flows along western trade corridors by implementing policies and programs that support the Pacific Gateway system. A key component involves undertaking infrastructure projects to accommodate growth and to improve the efficiency of Western Canada's land-based and intermodal transportation linkages. Many of these projects are underway or in the late planning stages. These include the South Fraser Perimeter Road ("SFPR") scheduled for completion in 2013, and the Roberts Bank Rail Corridor ("RBRC") program which is grade separating key crossings on the rail line serving Roberts Bank.

The Program is intended to move several container capacity projects forward in preparation to deliver additional container capacity in support of the APGCI. The main project in the Program is the Roberts Bank Container Terminal 2 ("T2").

3.1 The Container Capacity Projects

T2 is a green field marine container terminal related to the APGCI sponsored by the federal and provincial governments. T2 will include the filling of about 80 - 100 hectares of new land adjacent to Westshore and Deltaport and the construction of a 3 (or 4) berth container terminal with capacity between 2.4 and 3.2 million TEUs annually.

In addition to T2, there will be a related project for the construction of a bank of compensatory marine habitat. This project is planned to proceed in parallel with the T2 permitting process. It is the intention to deliver built and functioning habitat sufficient to mitigate T2 prior to the completion of the T2 permitting process. Other compensatory habitat works will likely continue to be built following the completion of T2 permitting.

There are likely to be additional projects required to enhance the capacity of the British Columbia Railway Company ("BCRC") Port Sub and associated railways which, collectively, provide rail access to Roberts Bank as the RBRC. The nature of such works will be the subject of further study during this Program.

Although there is likely to be little other interaction between Deltaport and T2, the issue of road and rail interactions at the base of the causeway and beyond will also form an important component of the study work during Preliminary Planning.

3.2 Roberts Bank Container Terminal 2

T2 is proposed as part of the Roberts Bank port facility. This location offers an excellent opportunity to develop a marine terminal capable of serving the next generation of container ships. The port facility is located in the Fraser River estuary and is the first marine terminal available to vessels arriving in the port of Vancouver. Roberts Bank has deep-water access and excellent connections to road and rail intermodal services.

The proposed site for T2 is located on the north side of the Roberts Bank port facility as shown in Figure 1 below. The existing port facility is constructed on reclaimed land and currently includes the Deltaport Container Terminal and Westshore Coal Terminal. The two terminals have a total land area of 140 ha and are connected to the mainland by a 4-km long causeway.

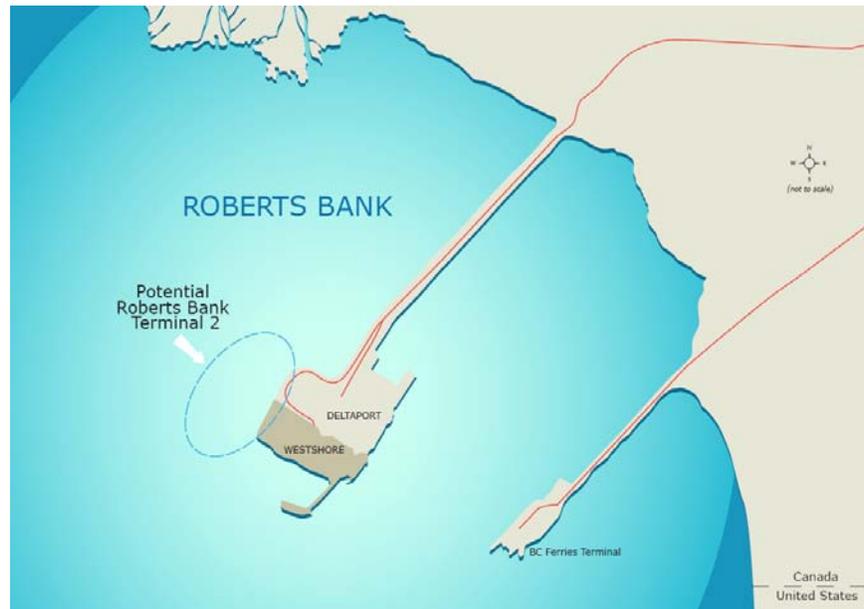


Figure 1 - Terminal 2 Site Location

Previously VFPA had committed to negotiate the T2 franchise with a consortium which intended to design/permit/build and operate a container terminal. The negative economic climate of the past few years has prevented that from occurring. VFPA believe that in order to meet projected container capacity projections later this decade it needs to move the T2 project forward through the permitting phase. As a result, it has cancelled the prior concession process and is commencing a new process.

VFPA anticipates the proposed T2 will include the following components:

- An estimated 80 ha to 100 ha marine terminal site created by fill using dredged and/or imported material;
- Three (or 4) deep-sea berths equipped with cranes capable of handling the latest generation of container ships;
- An automated container yard (CY);
- A dedicated rail intermodal yard (IY);
- A separate truck gate;
- Terminal support facilities;
- An expanded causeway for road and rail access;
- rail support tracks and a dedicated rail link; and
- a dedicated causeway access road.

3.3 Roberts Bank Site Information

The existing Roberts Bank port facility was created in two phases over the past 38 years by filling the seabed with locally dredged sand. The Westshore Coal Terminal has been in operation since 1970 and now handles approximately 24 million tonnes of coal annually through two berths. The Deltaport Container Terminal opened in 1997. It was expanded in 2004 with addition of the Pod 3 lands. In 2010 capacity increased again with the opening of the Third Berth and its associated 21 Ha terminal expansion. The terminal now has consists of 86 Ha.

Roberts Bank is located within the jurisdiction of the Corporation of Delta, a suburban municipality in the southwest portion of the Greater Vancouver region, on the south side of the Fraser River estuary. It is an important area in terms of its environmental attributes. Roberts Bank supports 72 different species of fish; ecologically important eelgrass beds and contains mudflats that sustain significant communities of birds on the Pacific Flyway. Socially and economically, the Roberts Bank area maintains agriculture and fishing, First Nations use, and since the late 1950's has provided direct and indirect employment to local and regional residents due to local transportation developments. The Corporation of Delta supports a community of approximately 100,000 residents.

VFPA, as an agent of the Government of Canada, controls rights to substantially all the lands surrounding the Roberts Bank port facility that includes the potential T2 site location shown in Figure 2 as well as the proposed causeway expansion. In the event the final terminal configuration requires additional property rights, VFPA will negotiate to acquire them from the Government of British Columbia.

3.4 Road and Rail Network

The Roberts Bank port facility has excellent access to road and rail. A provincial highway connects Roberts Bank to the Greater Vancouver highway system and to the Trans Canada and US Interstate highway systems. The RBRC provides rail connections across Canada and the United States through three major railways: CN Rail, Canadian Pacific Railway and the Burlington Northern Santa Fe Railway.

The BC Ministry of Transportation is building the SFPR (see Figure 2 below) as a new controlled access highway that will provide direct connections from Roberts Bank to the Trans Canada Highway. This project is estimated to cost approximately \$1 billion and will include contributions from the provincial and federal governments. Contracts have been issued and construction is underway. Construction is planned for completion in 2013.



Figure 2 – Road Network with Proposed South Fraser Perimeter Road

The RBRC (see Figure 3 below) is owned in parts by CN Rail, Canadian Pacific Railway, BCRC and the Burlington Northern Santa Fe Railway. Additional support track adjacent to Roberts Bank, new and extended sidings as well as double tracking portions of the mainline have been proposed by the railways to handle the additional T2 train traffic. As part of the deliverable for the Preliminary Plan it will be important to confirm the exact rail requirements and to reconfirm the railways' commitments that construction of track improvements will proceed as required.

In addition to the above works, a grade separation program is also underway for several of the major road crossings along the RBRC. This initiative has been led by Transport Canada as part of the Program. Cost estimates for implementing this initiative are in the range of \$300 million with financing provided through a partnership of the federal, provincial and municipal governments as well as VFPA and the railways. Construction of the first phase of improvements began in 2010.



Figure 3 – Rail Network

3.5 Compensatory Habitat Bank

VFPA is in the process of negotiating a Fraser River Framework Agreement (“the Agreement”) with the Federal Responsible Authorities (“RA’s”) including the Federal Department of Fisheries and Oceans and Environment Canada. Part of the scope of the Agreement is the development of a Habitat Banking Agreement which will permit VFPA to build compensatory marine habitat (“the Habitat Bank”) in advance of its requirement to mitigate any particular project. The benefit of this is that RA’s often require a 2:1 or even a 3:1 ratio of compensatory habitat to allow for the uncertain value or productivity of habitat that will be built in the future. The purpose of the Habitat Bank is to have the habitat built and functioning at a known level so that appropriate compensatory ratios can be achieved. Given the large volume of compensatory habitat required for T2, achieving a lower ratio has significant value.

VFPA currently disposes of about 1 million m³ of sand surplus to sales requirements from the Fraser River dredging program each year. It is expected that this material can be usefully deployed in the construction of habitat for the bank.

3.6 Environmental Assessment Processes

Given the size, complexity and significance of T2, it will be submitted to an Environmental Review Panel. The panel will consist of a group of experts that is selected by, and reports to, the Federal Minister of Environment. Under the

harmonized federal/provincial EA process the Provincial Government will likely nominate one of the experts.

A review panel is appointed to review and assess, in an impartial and objective manner, a project with potentially significant adverse environmental effects. A review panel may also be appointed in cases where there is potentially significant public concern. Such projects may be referred by the responsible authority to the Federal Minister of the Environment for assessment by a review panel but only the Minister of the Environment may order an assessment by a review panel.

In practice, review panels are reserved for project types that are new, excessively large, or where the proposed project is largely unprecedented and its potential impacts are adverse and/or unknown. T2, as a large development located in the Fraser River Estuary, would fall into that category.

Once VFPA has completed the T2 impact assessment and environmental application, the review panel process is expected to take 36 to 48 months to complete. A review panel submits its recommendations to the Federal Minister of the Environment and to the responsible authority.

The Program Manager will be responsible to manage the EA for T2 on behalf of VFPA directly or through 3rd party environmental consultants. In the preliminary planning phase this will include developing a permitting timeline and budget.

4.0 OUTLINE OF RESPONSIBILITIES, SCOPE OF WORK AND DURATION

4.1 Program Context

VFPA is looking to develop costs and schedules for the preliminary design and permitting phase of T2. This information will be used to inform a decision to be made in December as to whether VFPA wishes to commit the risk capital required to move the T2 Project forward through the permitting phase, estimated to take about 5 years.

The preliminary design phase of T2 will include a decision on the most appropriate location for the terminal given the competing demands of minimizing environmental footprint, limiting construction cost, minimizing wind and wave impacts on operations, constructability, and likely seismic impacts from various levels of earthquake. A Roberts Bank Seismic Report has been commissioned to address the question of expected ground response to the 1/475 and 1/2,475 return period seismic events. This report will not be available until at least mid-December (in draft). On that basis, the existing T2 W2 location (see Figure 2) will be used for preliminary planning purposes for the work to be completed by November 15th, 2010.

There is significant information about the W2 location, including recently updated conceptual level construction costs (Moffatt & Nichol – May 2010). This will be used for planning purposes during the period of the Program (and until following the delivery of the Seismic report).

Work carried out as part of the T2 planning will be geared towards eventually completing a Project Definition Report ("PDR"). This will be a key deliverable of

the preliminary design phase and is a prerequisite for the permitting phase. It will include schedules and budgets for the preliminary design and project permitting phases of the work.

Planning work will include such studies as are required to confirm what works will be required to ensure that the RBRC has sufficient capacity to sustainably support the ultimate rail volume of Deltaport, Westshore Terminals and T2. Details of road connections and interactions of road and rail among Deltaport, Westshore and T2 will also be required.

4.2 Program Organization

VFPA will develop a team of internal resources to assist in the Program. The Program Manager will be responsible for program delivery through its local Vancouver office, including the following activities:

- Managing all aspects of the scope, schedule and budget (for the preliminary planning);
- Developing the scope, schedule and budget for the T2 Preliminary Design and Permitting phases
- Managing the delivery of both the design and permitting process consultants and outputs (for work beyond 2010 if approved)
- Providing the QA/QC function for the preliminary studies, design and permitting processes
- Provision of commercial/legal structuring advice for the design/build/operate concession which is the intended outcome of the permitting process.
- Liaising between Program projects and other VFPA initiatives; and
- Verifying the completion of the work.

The Program delivery will involve extensive collaboration and communication with VFPA resources, specialist consultants, RA's, as well as with terminal operators, First Nations, the Municipality of Delta and the local community (e.g. Deltaport Community Liaison Committee or its successor).

VFPA has assigned an internal Project Management Team ("PMT") at the Director level who will be responsible for providing key decisions on the project. VFPA has retained a 3rd party consultant to act as liaison between the Program Manager and the PMT.

4.3 Project Delivery Process

VFPA follows a structured approach to project delivery, summarized in Appendix 1, that includes key milestones for progress reporting and the release of funds.

The first phase, project definition, culminates with a key milestone consisting of a PDR that encompasses all aspect of the project including business case, scope as agreed upon by all stakeholders, conceptual and preliminary design, site analysis results, consultations and communication, stakeholder management, procurement strategy, schedule for detailed design/construction/hand over/close out of the project, dependencies, risks analysis and management, and the detailed budget breakdown.

The implementation phase includes finalization of all permits, detailed design, construction and project close out.

VFPA has authorized the development of a preliminary plan for T2 and other projects. The preliminary plan, which is to be delivered by November 15, 2010 is designed to provide VFPA with a clearer understanding of the costs and schedules for the preliminary design, project definition and permitting phases of the Program. It will also include an initial triple bottom line business case analysis of the T2 project based on the information available at the end of the preliminary planning process. The preliminary plan is intended to provide VFPA guidance when it considers whether to advance the T2 project through the to the end of the permitting phase.

Because of the timing and budget of the preliminary planning phase, the work approved to date for the Program comprises only part of the first phase of the formal project management process. Some of the work required to complete the PDR can be completed during the August – December 2010 time frame. Some of it will need to be completed next year assuming approval is given to proceed through to permitting. The second phase of the Program (2011 and beyond) will span across phases of the structured project management process noted above. The Preliminary Design and Permitting phases cover tasks from the first and implementation phases of structured project management. As a result, some effort will need to be expended early on to clearly delineate which tasks will be required before December, and which will be carried out in 2011 and later.

4.4 Scope of Work

The Program Manager shall appoint a Program Management Team led by an individual who will act as the single point of contact for VFPA for the duration of the Program. VFPA requires the Program Management Team to focus on project scope, schedule and cost, as well as accountability, traceability, communication, visibility and risk management. The scope of work includes but is not limited to the management of:

- Planning, Execution, Monitoring and Control;
- Procurement and contracts for all related supplies and services;
- Budgeting and expenditure process;
- Schedule development and control;
- Reports and presentations;
- Conceptual and Preliminary Planning Phase;
- Preliminary Design;
- Permitting Phase; and
- Development of the Concession Phase plans

The Program Management Team also assists VFPA with other supporting functions, such as establishing MOU's/Third Party Agreements with funding partners and other stakeholders, communication, lease agreements, etc.

The Program involves a multi-disciplinary team of VFPA internal resources and consultants, each responsible for a specific set of deliverables, as well as multiple partners, agencies and terminal operators. The Program Management Team will provide overall management of and/or assistance to all aspects of the Program

(e.g. planning, design, construction, budget, business, environment, legal, operations, real estate, communications and consultation, etc.).

4.5 Responsibilities

The responsibilities of the Project Management Team include:

- Assist in forming the Project Team (composed of VFPA employees and consultants), and confirm roles and responsibilities;
- Clearly define the Program's scopes in collaboration with stakeholders;
- Assist with developing RFPs/RFQs and contract documents, as well as selection and procurement processes for design and environmental consultants as necessary;
- Prepare the Project Definition Report ("PDR") and obtain approvals, as required;
- Provide the overall management of project activities and requirements (e.g. budget, schedule, design, risk assessment/management, change control process, etc.);
- Develop a project communications plan in conjunction with VFPA's Communications and Government Affairs (CGA), and assist with all consultation and communications requirements associated with the project:
- Conduct value engineering review;
- Manage the delivery by internal resources or others of project analyses which address financial, environmental and social costs and benefits of the projects;
- Ensure all deliverables are properly developed, reviewed, approved and executed;
- Manage, in conjunction with the Environmental Consultants, all aspects of the permitting process necessary to obtain project approvals;
- Manage dependencies and ensure continuity of Port operations during all project phases (i.e. terminals, road, rail);
- Facilitate the organization and coordination of project meetings, engage the stakeholders, and manage stakeholders' expectations;
- Monitor the design teams to ensure completion of engineering design deliverables (i.e. engineering drawing plans, specifications, cost estimates, etc.), manage design reviews and obtain VFPA approvals;
- Develop project specific EA and permitting phase plans and schedules and monitor to ensure adherence, or to identify externally driven changes to schedules;
- Establishment of a QA/QC process covering all design and study inputs to the Program as well as Program outputs such as the PDR and Permit Applications; and
- Ensure project adherence to VFPA/Federal/Provincial requirements and design standards;

4.6 Deliverables

The minimum deliverables for the Project Management Team include:

- Rail requirements study;
- T2/Deltaport/Westshore road/rail interface conceptual design report;
- T2 Preliminary Plan and planning documentation (November 2010);
- T2 Project Definition Report (if approval is given to proceed beyond December 2010);

- T2 Environmental Assessment Process (permitting) Documents (if approval is given to proceed beyond December 2010);
- Concession Phase plans (if approval is given to proceed beyond December 2010);
- Communication items and presentations;
- Status reports (schedule, costs, issues, risks, scope, dependencies, etc.);
- Change request process and change orders;
- Risks and issues register;
- RFQs, RFPs and other contract documentations as necessary;
- Design and permitting reports/documentation;
- QA/QC program and process outputs
- Meeting minutes and agendas;
- Project permits (if approval is given to proceed beyond December 2010); and
- Program close out documentation.

In delivering these, the Program Management Team will be responsible for providing or retaining whatever expert assistance is required to ensure a thorough canvassing of the issues to be addressed.

4.7 Experience

The successful proponent must assign a Program Management Team who possess extensive and proven experience with the end-to-end delivery of complex transportation infrastructure projects of similar size and scope (i.e. design and construction of filled land, marine structures, terminal infrastructure, roads, railways and bridges) in a multi-stakeholder environment, including:

- Working with government agencies (federal, provincial, municipal, environmental, archeological, agricultural, utility companies, etc.), regional authorities, railway companies, customers (e.g. terminal Operators) and First Nations;
- Public/stakeholder consultation, project permitting/approval and environmental assessment process; and
- Working with multi-disciplinary design and construction teams.

The proponent must present its approach to scope agreement and management, stakeholder management, communication and project deliverables.

The proponent must also possess, as a minimum, the ability to deliver, either directly or through sub-consultants, design and environmental/permitting/EA services.

4.8 Duration

The entire Program may last up to 5 years and culminate in the delivery to construction teams of permits for T2. The minimum work program is the first phase which will be completed in time to present recommendations to the VFPA Board of Directors at its December 2010 meeting. The deadline for information for that meeting is November 15, 2010.

In the event that approval is given to move forward with the Program or any of the constituent projects the proponent would be expected to continue to provide

the services on the same terms and conditions through until the completion of permitting or the earlier termination of any project forming part of the Program.

If T2 project timing permits, the successful proponent will be permitted, following the completion of its project services for VFPA, to bid on any subsequent design, design /build, or design/build/operate proposals (individually or collectively “the subsequent work”) which the VFPA may request for T2. It is possible, however, that a compressed schedule may not permit the completion of the permitting phase of the T2 project prior to any requests for proposal or tenders for the subsequent work. In that case, the VFPA may, in its sole discretion, deny the successful proponent the opportunity to bid for the subsequent works

5.0 PROPOSAL GUIDELINES

Proposals should address the following broad categories that will be considered in VFPA’s assessment of each proposal:

(A) PROPOSED SERVICES, METHODOLOGY, APPROACH

Proponents are asked to describe how they are best suited to perform the services outlined in section (4) (Outline of Responsibilities, Scope of Work and Duration). Proponents should also describe their approach and the manner in which they plan to perform the services required, including resource utilization, timelines and any other relevant aspects.

(B) COMPANY BACKGROUND

Proposals should include a description of the proponent including:

- (i) the legal name of the proponent and brief company history (in the case of a joint venture or partnership, a description of each partner),
- (ii) names of directors and senior management and a brief background statements about each of them,
- (iii) a brief financial statement of the proponent, and
- (iv) if the services would involve the use of subcontractors or if the Proposal is presented as a potential joint venture or partnership between two or more partners or organizations, then provide the information requested from 5(B)(i)-(iii) for the subcontractors and joint parties along with the areas of services covered by these parties. Proponents submitting a Proposal with one or more organizations or partners should identify one primary contact.

(C) EXPERIENCE

Proponents should include:

- (i) a description of similar or relevant projects, operating experience and expertise,
- (ii) curricula vitae of those staff proposed for the project,
- (iii) descriptions of associated or affiliated organizations and companies (if any),
- (iv) the proponent’s related businesses and activities across Canada and elsewhere (if any),
- (v) any other information regarding experience considered relevant by the proponent,
- (vi) a minimum of three references from prior clients, and

- (vii) if the proponent's representation of any of its clients could create a conflict of interest should the proponent provide services to VFPA, stipulate that conflict in general terms.

(D) COST ESTIMATE

All submissions should include a description of the basis on which the proponent proposes to be paid.

The VFPA prefers to receive a cost estimate that includes:

- a. an hourly fee structure for individual team members;
- b. an estimate of the average monthly utilization of resources; and
- c. the estimated average monthly cost to VFPA, based upon the proponent's estimate of the average monthly utilization of resources and the individual team members' daily rates.

6.0 ASSESSMENT OF PROPOSALS

VFPA will assess each proposal by taking into account the criteria outlined in section 5, (Proposal Guidelines) and VFPA's business objectives. Prior to making a decision, the VFPA may request individual interviews with a short list of proponents. VFPA reserves the right to utilize additional criteria and considerations by which it will assess the proposals to ensure that VFPA's business objectives are met.

7.0 PROPOSAL CONDITIONS

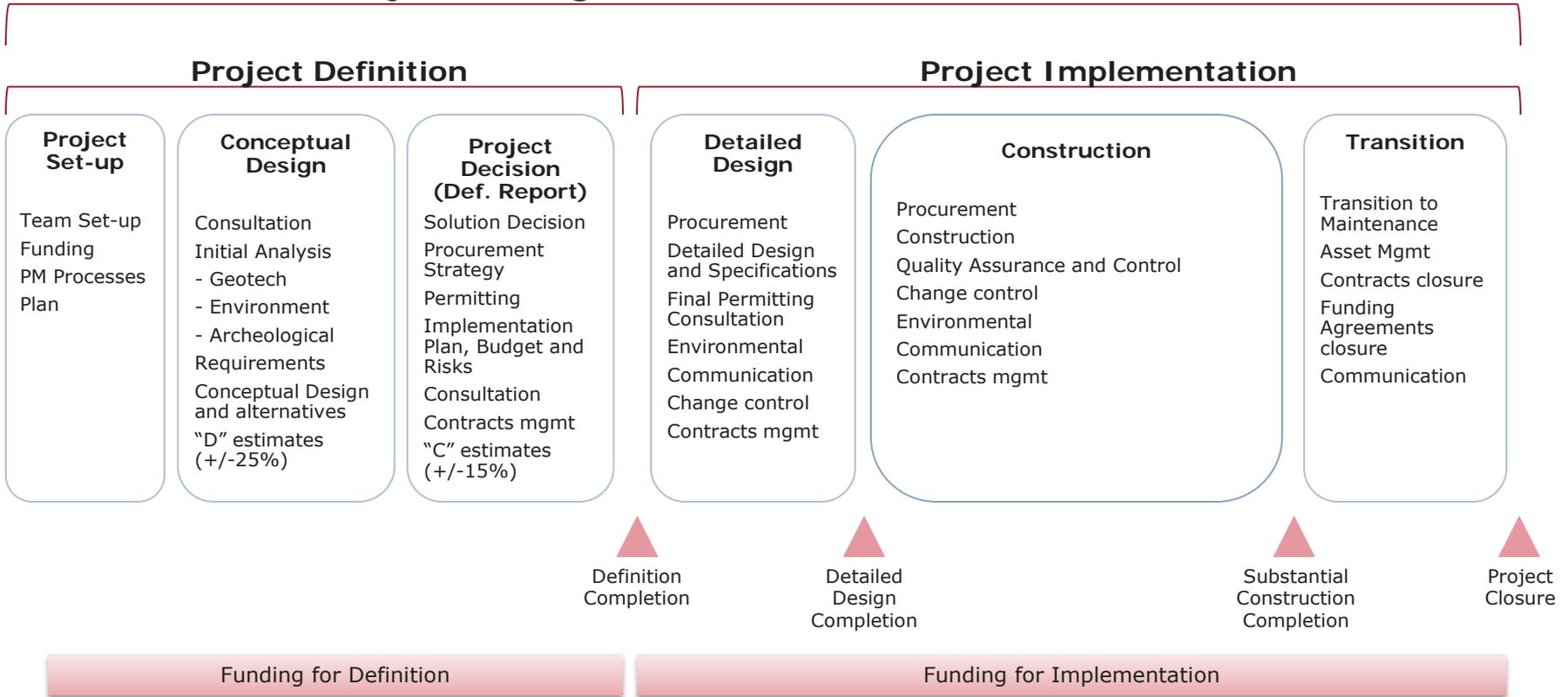
In addition to section 1.0 ("Notice to Proponents"), the following terms and conditions shall govern the proposal process:

- (A) VFPA does not bind itself to accept or reject any proposal, for any reason whatsoever. VFPA reserves the right to withdraw from, or cancel, the proposal process at any time.
- (B) Due to the commercial nature of the information requested, proposals will be kept confidential and shall not be divulged by VFPA except to its respective legal, financial and other professional and technical advisors.
- (C) The documents appended to this request for proposal (if any) are provided solely to assist proponents in the preparation of proposals. VFPA in no way warrants or guarantees the accuracy of the information contained in the appendices.
- (D) A proponent may be a joint venture or partnership. A proponent may also utilize a subcontractor for a portion or portions of the services. A joint venture, partnership or subcontractor will only be considered if each party to the proposal provides appropriate background information as detailed in section 5(B) and is an active participant in the provision of services.
- (E) VFPA reserves the right to reject a proposal if the proponent or its subsidiary, parent corporation, affiliate, associate, partner or subcontractor intends to or does provide services to another organization in competition with VFPA. VFPA reserves the right to determine whether a conflict of interest exists or may exist and VFPA's decision in this regard shall be final.

- (F) VFPA reserves the right to reject any proposal which in VFPA's opinion:
 - (i) does not evidence or reflect sufficient knowledge of the type of work involved,
 - (ii) does not evidence the proponent's ability to perform the work or services to the satisfaction of VFPA, and is not, thereby, in VFPA's best interest.
- (G) In its assessment of proposals, VFPA may also consider public information about the proponent that is available to VFPA.
- (H) In its assessment, VFPA reserves the right to obtain clarification of a submitted proposal from a proponent and to request changes in a proponent's team.
- (I) An agreement, substantially in the form attached hereto as Schedule A, must be negotiated and executed by VFPA and the successful proponent before the services or work is awarded. Prior to negotiating the terms of the agreement and executing it there is no agreement capable of acceptance.
- (J) The VFPA reserves the right in its sole discretion to award all or part of the services or work to one or more proponents.

PMV Project Delivery Process

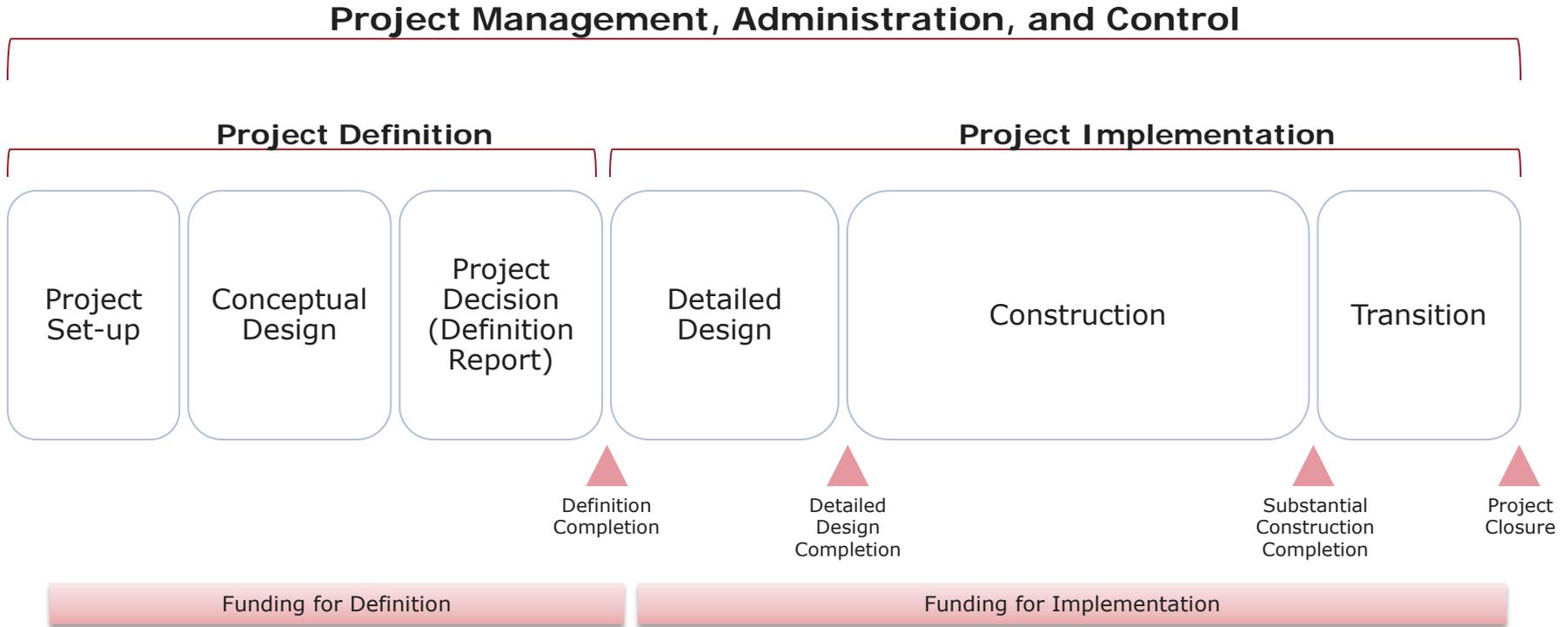
Project Management, Administration, and Control



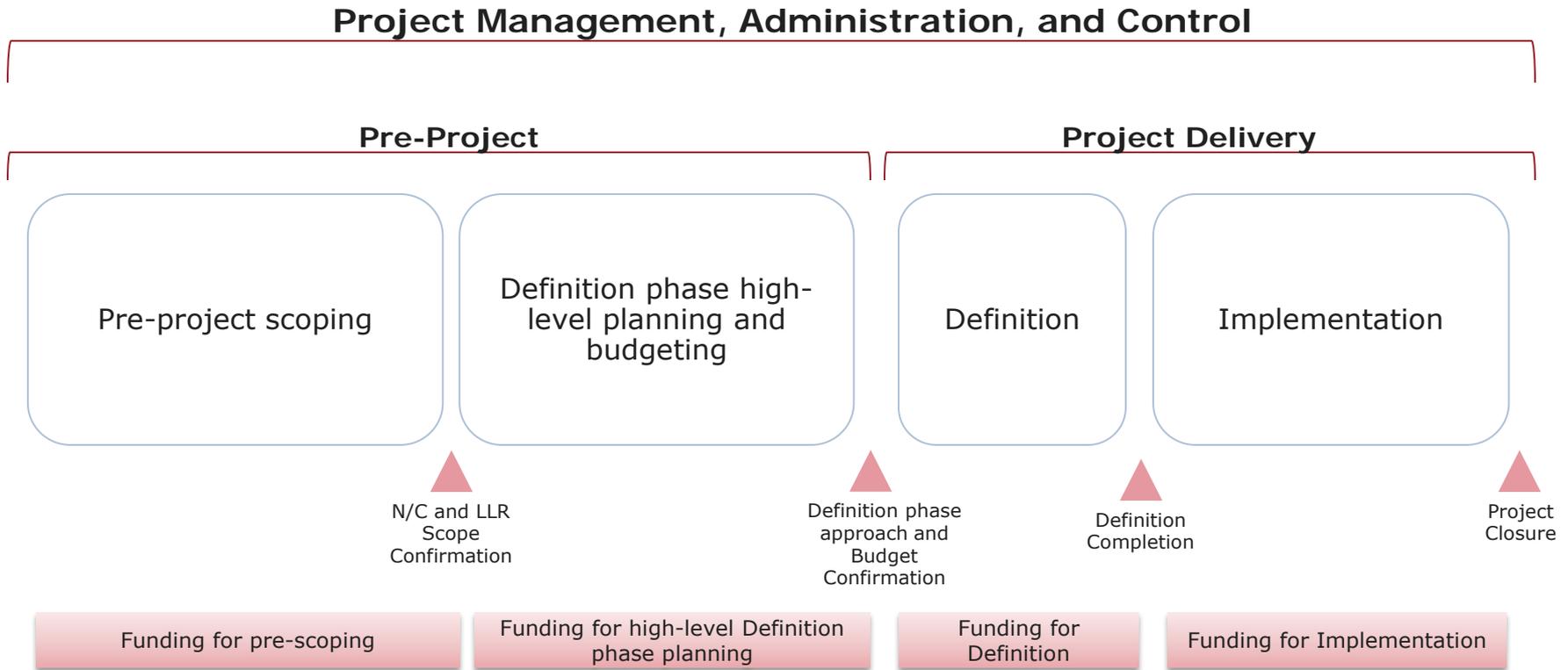
Control Processes

- Status Meetings
- Change request
- Cost control
- Risk management
- Deliverables review and sign-offs
- Milestone reviews
- Monthly status reports

PMV Project Delivery Process



Neptune/Cargill Pre-Project Activities



Project Delivery Process -Original

Project Mgmt, Administration, and Control

Construction Mgmt

Project Design

Project Definition

Project Implementation

Project Set-up

- Committees
- Teams
- Funding
- Processes (change control, approval,..)
- Plan

Conceptual Design

- Initial Consultation
- Initial site Analysis
- Geotech
- Environment
- Archeological
- Requirements
- Conceptual Design and alternatives
- Class "D" estimates

Preliminary Design (Project Decision)

- Solution Decision
- Procurement Strategy
- Permitting
- Implementation Plan and Risks
- Consultation
- Contracts mgmt
- Class "C" estimates

Design

- Procurement
- Detailed Design and Specifications
- Consultation (1st Nations, Stakeholders,..)
- Environmental
- Communication
- Change control
- Contracts mgmt

Construction

- Procurement
- Construction
- Quality Assurance and Control
- Change control
- Environmental
- Communication
- Contracts mgmt

Transition

- Support
- Contracts closure
- Communication

Funding for Definition

Funding for Implementation



NO. ____

CONTRACT

VANCOUVER FRASER PORT AUTHORITY

AND

AUTHORITY: _____

SUBMISSION: _____/_____

APPROVAL DATE: _____

DATE: _____

SUBJECT: _____

CONTRACT AMOUNT: \$_____

THIS AGREEMENT made as of the ____ day of _____, _____.

BETWEEN:

VANCOUVER FRASER PORT AUTHORITY, a corporation established pursuant to the *Canada Marine Act*, with a place of business at 100 The Pointe, 999 Canada Place, Vancouver, British Columbia, V6C 3T4 (the "Authority");

AND:

_____, a company incorporated under the laws of _____ and having a place of business at _____(the "Consultant")

WHEREAS the Authority requires certain consultancy services and the Consultant has offered to supply same;

In consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the sufficiency of which is acknowledged, the Consultant and the Authority mutually covenant and agree as follows:

Term

1. This Agreement shall be in force from _____ to _____, or such other period as the parties agree (the "Term"). All of the work and services of the Consultant shall be completed by the end of the Term.

Consultant's Services

2. The work and services to be provided by the Consultant are described in the Consultant's proposal dated _____, a copy of which is attached as Schedule "A" (the "Services"). In the event the terms and conditions of Schedule "A" conflict with this Agreement, the terms and conditions of this Agreement shall prevail.

3. The Consultant shall provide the Services through competent staff and in a manner consistent with the degree of care and skill ordinarily exercised by reasonable and prudent members of the same profession currently practicing under similar circumstances. The Consultant acknowledges that the Authority may reasonably rely on the experience and expertise of the Consultant.

4. The Consultant shall ensure that the Services will be substantially provided by those persons described in Schedule "A" and there shall be no substitutes without the written consent of the Authority. The Authority may request that the Consultant remove any employee from provision of the Services and upon receipt of such a request the Consultant shall ensure that such employee will not continue to provide the Services.

5. The Consultant shall provide to the Authority, wherever reasonable, electronic copies of the work product related to the Services and all non-verbal communications by the Consultant to the Authority, in a manner satisfactory to the Authority. Such electronic documents shall not be provided to third parties, other than professional advisors of the Authority, without the prior written consent of the Consultant.

Compensation

6. In consideration of the Services being performed to the satisfaction of the Authority, the Authority shall pay to the Consultant, upon monthly billings, fees at the rates set forth in Schedule "A". All rates set forth in Schedule "A" are not subject to change or revision for any reason whatsoever, without the prior written authorization of the Authority. If the Consultant is not a Canadian resident, the Authority shall withhold from the amount payable for the portion of the Services provided inside Canada as required by tax legislation of Canada and British Columbia.

7. The Authority will reimburse the Consultant for all reasonable disbursements referenced in Schedule "A". Overtime or other extras will not be paid unless authorized in writing by the Authority.

8. Notwithstanding sections 6 and 7 and subject to section 9, the total amount paid by the Authority to the Consultant shall not exceed _____ (\$_____) (the "Contract Amount").

9. The Authority may pay the Consultant an amount in excess of the Contract Amount for services beyond the scope of this Agreement if the Authority gives the Consultant its prior written authorization. Prior to performing such services the Consultant shall notify the Authority, in writing, of:

- (a) the precise details of such services;
- (b) the amount of additional consideration to be claimed for such services; and
- (c) the method of calculation used to arrive at such additional amount.

Upon receipt of this notice, the Authority may either allow the Consultant to perform some or all of the additional services, at such consideration as the Authority deems reasonable, or instruct the Consultant not to proceed with such services.

10. Notwithstanding sections 6 and 7, the Authority may, in its sole discretion, make periodic payments of a portion or portions of the Contract Amount.

11. The Authority shall not pay any fee or disbursement for services arising in whole or in part from any error or omission for which the Consultant is responsible.

Assignment

12. The Consultant shall not assign this Agreement, in whole or in part, without the prior written consent of the Authority.

Contacts

13. The Consultant's contact person throughout the Term shall be:

Telephone: _____
Facsimile: _____
E-mail: _____

14. The Authority's contact person throughout the Term shall be:

Vancouver Fraser Port Authority
100 The Pointe
999 Canada Place
Vancouver, British Columbia
V6C 3T4

Telephone: _____
Facsimile: _____
E-mail: _____

Waiver and Indemnity

15. The Consultant shall not make any claim or demand nor bring any action or suit or petition against the Authority for any loss or damage the Consultant may sustain by reason of any delay or delays arising from any cause.

16. The Consultant shall indemnify and save harmless the Authority from and against any and all losses, claims, damages, actions, fines, penalties, costs or expenses, including legal fees, arising from the performance of the Services, except for the portion of any loss arising from the negligence or willful misconduct of the Authority.

Insurance

17. Throughout the Term the Consultant shall obtain, maintain and pay for the following insurance:

- (a) Comprehensive General Liability Insurance in an amount not less than TWO MILLION DOLLARS (\$2,000,000) per occurrence, to cover all Services. Such insurance shall contain the following endorsements:
 - (i) Contractual Liability (including this Agreement);
 - (ii) Non-owned Automobiles;
 - (iii) Products and Completed Operations;
 - (iv) Broad Form Property Damage;
 - (v) Cross Liability;
 - (vi) Employees as Additional Insureds;
 - (vii) Contingent Employers' Liability; and
 - (viii) Personal Injury.
- (b) Automobile Liability Insurance in an amount not less than TWO MILLION DOLLARS (\$2,000,000) per accident for all vehicles owned, leased, rented to or used by the Consultant in conjunction with the Services.
- (c) Professional Liability Insurance in an amount not less than TWO MILLION DOLLARS (\$2,000,000) per claim to cover errors and omissions of the Consultant which result from the performance of Services.

- (d) The Comprehensive General Liability Insurance policy shall name the Authority and Her Majesty the Queen in right of Canada as Additional Insureds.
- (e) Evidence of the insurance shall be provided to the Authority prior to the commencement of the Services. At the request of the Authority the Consultant shall provide the Authority with a copy of its insurance policy(ies), excepting those portions relating solely to projects or parties unrelated to this Agreement. Acceptance by the Authority of such evidence of insurance shall not constitute agreement by the Authority that the policy(ies) are in compliance with the terms of this Agreement. The Consultant's failure to deliver evidence of insurance as required constitutes a default in this Agreement.
- (f) Deductibles, if any, which are applicable to the insurance shall be borne by the Consultant.
- (g) All insurance policies shall be in a form and with insurers acceptable to the Authority. All insurance policies shall be issued by insurers licensed to do business in the Province of British Columbia.
- (h) Prior to the date of execution of this Agreement, if additional insurance is deemed necessary by the Authority, such insurance shall be provided by the Consultant, at the sole cost of the Consultant. If requested by the Consultant, the Authority shall provide an explanation as to the reasons for requesting such additional insurance.
- (i) The limits of insurance specified in this Agreement in no way define or limit the obligation of the Consultant to indemnify the Authority in the event of a loss.

18. Every policy of insurance described in this Agreement shall contain a provision that the insurance carrier shall provide the Authority with THIRTY (30) days written notice of cancellation, reduction or substantial change of the policy.

Compliance with Laws

19. The Consultant shall, throughout the Term, comply with all applicable laws, bylaws, rules and regulations in relation to the provision of Services including, without limitation, the provisions of any environmental, health and safety legislation.

Ownership

20. The Consultant warrants that the Authority shall be the sole owner of and have free and clear title to the work product related to the Services.

Authority Cooperation

21. The Authority shall cooperate with the Consultant and shall furnish the Consultant with such files, reports and other information as may be reasonably requested by the Consultant and which the Authority in its sole discretion considers should properly be furnished to the Consultant.

Accounts and Records

22. The Consultant shall keep proper accounts and records of the cost of providing the Services, including all related expenditures, commitments, invoices, receipts and vouchers. Such accounts, records, invoices, receipts and vouchers shall be open to audit and inspection at all times by the Authority. The Consultant shall afford the Authority adequate facilities for inspection, together with all such information as the Authority may require from time to time with reference to such accounts, records, invoices, receipts and vouchers. The Consultant shall not dispose of such records for a period of THREE (3) years following completion of the Services without the written consent of the Authority.

23. The Consultant shall establish and employ all such audit controls, operating procedures, back-up files and checks as are required in order to provide the Services.

Confidentiality

24. All information relating to the provision of the Services, all data, designs and drawings furnished by the Authority and all other information relating to or in any way connected with the Authority's business or the provision of Services which is not in the public domain shall be deemed Confidential Information. The Consultant shall

- (a) safeguard all Confidential Information both during the Term and for an indefinite period of time thereafter;
- (b) utilize the Confidential Information solely for provision of the Services, and no other purpose;
- (c) not disclose the Confidential Information to any third party, other than its professional advisors consulted in relation to the Services or this Agreement, or unless obligated by law in which case the Consultant will advise the Authority in writing of any required disclosure; and
- (d) store Confidential Information only within Canada,

until such time as the Authority advises the Consultant in writing. The Consultant shall indemnify and save harmless the Authority from and against any loss, claim, action or damage arising out of or in any way connected with a breach of the Consultant's obligations in this section.

Non-agency

25. The Consultant acknowledges that it has no authority to give any guarantee or warranty whatsoever, express or implied, on behalf of the Authority and it is in no way the legal representative or agent of the Authority and that it has no right or authority to create any obligation on behalf of the Authority or to bind the Authority in any way.

26. The Consultant shall not make any use whatsoever of the Authority's name, logo or initials without the prior written consent of the Authority.

Consultant's Representations and Warranties

27. The Consultant represents and warrants that:

- (a) it is a duly incorporated, validly subsisting company, in good standing under the laws of _____;
- (b) it has the corporate power and capacity to enter into, fully perform, be responsible for and meet all the obligations and liabilities relating to it and set forth in this Agreement, and has taken or obtained all the necessary or appropriate actions, authorizations or permissions to do so;
- (c) it has not knowingly entered into any contract, arrangement or understanding with any other corporation, firm, person or other entity, and will not do so during the Term, that does or may impair or diminish its ability to fully perform, be responsible for and meet all the obligations and liabilities set forth in this Agreement;
- (d) it has no pending or anticipated litigation, action or proceeding before any court, tribunal or person relating to any matter or thing that may affect its ability to fully perform, be responsible for and meet all the obligations and liabilities set forth in this Agreement;
- (e) it has, and will fully maintain at its own cost, all the necessary and appropriate authorizations and permissions, including those concerning any licenses, assignments, copyrights, patents and technical data, to fully perform, be responsible for, and meet all the obligations and liabilities set forth in this Agreement;
- (f) it has all necessary Workers Compensation coverage, or equivalent coverage, to cover the provisions of Services and the obligations described in this Agreement;
- (g) it has expressly granted its officials signing this Agreement the full power and authority to obligate it for all purposes, obligations and liabilities set forth in this Agreement; and
- (h) the performance by the Consultant of its obligations pursuant to this Agreement does not involve any unlawful, wrongful or unauthorized use, disposition, or infringement of, any copyright, patent, technical data or secret information.

Cancellation

28. The Authority may cancel this Agreement at any time and for any reason whatsoever by giving the Consultant written notice of cancellation.

29. In the event that the Authority cancels this Agreement, and notwithstanding section 6, the compensation payable to the Consultant shall be determined by the Authority whose decision shall be final and binding. The Authority shall make its decision after consideration of the circumstances resulting in the cancellation and of the work completed by the Consultant to the date of notice of cancellation, including any work authorized thereafter by the Authority.

Notices

30. (1) All notices to the Authority in connection with this Agreement shall be addressed to:

Vancouver Fraser Port Authority
100 The Pointe
999 Canada Place
Vancouver, British Columbia, V6C 3T4

Attention: Director, Legal Services
Facsimile: 604-665-9062

or such other address as the Authority may advise the Consultant in writing;

(2) All notices to the Consultant in connection with this Agreement shall be addressed to:

Attention: _____
Facsimile: _____

or such other address as the Consultant may advise the Authority in writing; and

(3) Any notice shall be deemed effectively given if sent by letter or fax addressed to the party at its address as indicated above. Any notice so given shall be deemed to have been received by the other party at the time when in the ordinary course such letter or fax should have reached its destination.

Miscellaneous

31. All rights and remedies of the parties contained in this Agreement are cumulative and not alternative.

32. Any headings and captions appearing in this Agreement have been inserted for convenience and reference only and shall not define, limit or expand the scope or meaning of this Agreement.

33. The Consultant confirms that it has not, nor has any person on its behalf, given, promised or offered to any official or employee of the Authority or Her Majesty for or with a view to obtaining this Agreement any bribe, gift or other inducement and that it has not, nor has any person on its behalf, employed any person to solicit or secure this Agreement for a commission, percentage, brokerage or contingent fee.

34. If a provision or term or condition of this Agreement is wholly or partially operationally invalid, the Agreement shall be interpreted as if the invalid provision, term or condition or part thereof had not been a part of this Agreement.

35. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all previous negotiations,

communications and other agreements relating to it unless they are incorporated by reference in this Agreement.

36. Time is of the essence in this Agreement.

37. This Agreement shall be binding upon the parties and their respective successors, administrators and permitted assigns.

38. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada, and in cases where federal and provincial laws conflict, the federal law shall prevail. The parties shall attorn only and exclusively to the jurisdiction of courts of the Province of British Columbia save and except in the circumstance where the Federal Court has exclusive jurisdiction.

The parties have executed and delivered this Agreement as of the date and year first above written.

Signed, sealed and delivered by the)
VANCOUVER FRASER PORT AUTHORITY)
 by its duly authorized signatory(ies))
)
)
 _____)
)
)
 _____)
 Corporate Secretary)

C/S

Signed, sealed and delivered on behalf of)
 by its authorized signatory(ies))
)
)
 _____)
 Name (please print):)
)
)
 _____)
 Title (please print):)
)
)
 _____)
 Signature:)

C/S