

## MOTION ON NOTICE

### 5. Review of SNC-Lavalin Relationship with the City of Vancouver

Submitted by: Councillor Hardwick

#### WHEREAS

1. On January 30, 2019, Vancouver City Council endorsed a SkyTrain extension from Arbutus Street to UBC;
2. SNC-Lavalin built the existing SkyTrain system in Vancouver. In 2005, SNC-Lavalin was awarded a contract for the total engineering, procurement, construction, partial financing, and operations and maintenance of the project until 2040;
3. On February 11, 2019, it was announced that Federal Ethics Commissioner Mario Dion will investigate allegations that the Prime Minister's Office pressured former attorney general Jody Wilson-Raybould to help Quebec engineering firm SNC-Lavalin avoid criminal prosecution;
4. Recent media reports since February 6, 2019, have exposed current status of corruption charges of SkyTrain technology supplier SNC-Lavalin Group Inc. for bribery and fraud. The criminal prosecution through Public Prosecution Service of Canada is requiring a trial rather than a negotiated settlement agreement;
5. SNC-Lavalin and Bombardier partner for SkyTrain projects in Metro Vancouver;
6. Bombardier is also reported as being investigated for allegations of corruption through a World Bank audit and has been struggling to produce trains for existing orders for rail equipment or to fix equipment problems. New York City Transit Authority announced as reported on January 24, 2019, that they are halting delivery of any new train cars from Bombardier until more of the existing ones are fixed;
7. Tying Broadway rapid transit solely to SkyTrain technology could delay transit delivery with additional costs;
8. City of Vancouver statements of financial information show a total of \$2,916,452 in payments to SNC-Lavalin between 2010 and 2017;
9. Part of the project approval process for the subway extension using SkyTrain is the consideration by the TransLink Mayors' Council, which endorsed SkyTrain technology at their meeting on February 15, 2019, subject to confirmation from staff regarding the proprietary rights of SNC-Lavalin and the ability to get competitive bids;
10. The Expo and Millennium Lines are a proprietary unconventional railway called SkyTrain, which the technical patents are owned by Bombardier Inc. and the engineering patents owned by SNC-Lavalin;

11. The criminal trial for corruption charges for SNC-Lavalin could impact the ability for SkyTrain to be used on both the Phase 1 Broadway subway Millennium Line extension from VCC to Arbutus and the Phase 2 extension from Arbutus to UBC; and
12. The planning program for the Jericho Lands will be impacted by the type of transit used west of Arbutus Street for a potential station on Jericho and the potential that development from the site may be required to pay for a station rather than Community Amenity Contributions (CACs) going to pay for civic amenities.

THEREFORE BE IT RESOLVED

- A. THAT staff report back to Council with a thorough review of the existing relationship between the City of Vancouver and SNC-Lavalin and Bombardier, including the procurement relationship.
- B. THAT Council acknowledge that SkyTrain use is subject to further outcomes of the criminal prosecution for corruption charges of SNC-Lavalin Group Inc. and the World Bank's audit of Bombardier for allegations of corruption.
- C. THAT staff report back to Council on the results from the TransLink staff report to the Mayors' Council on the proprietary rights of SNC-Lavalin and Bombardier for SkyTrain and the ability for other firms to bid competitively.
- D. THAT the Broadway subway phase 1 and 2 not proceed with SkyTrain until the above matters have been fully reviewed and confirmed to the City of Vancouver's satisfaction.
- E. THAT the planning program for the Jericho Lands not make any assumptions of a Broadway subway extension to UBC unless the subway is approved and fully funded without using development on the Jericho Lands to pay for a subway or onsite station.

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