

MOTION ON NOTICE

2. 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; and
9. Part of the project approval process for the subway extension using SkyTrain is the consideration by the TransLink Mayors' Council meeting on February 15, 2019, so addressing the new issues above are now an urgent matter for Council.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to report back with a thorough review of the existing relationship between the City of Vancouver and SNC-Lavalin and Bombardier, including the procurement relationship.
- B. THAT the City of Vancouver 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 Council direct staff to inform the Mayors' Council of the above matter.

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