

## MOTION

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

At the Regular Council meeting on April 2, 2019, Vancouver City Council referred the following Motion to the Regular Council meeting on April 23, 2019. Subsequently, on April 23, 2019, Vancouver City Council referred this matter to the Standing Committee on City Finance and Services meeting on April 24, 2019, in order to hear from speakers.

Moved by: Councillor Hardwick

#### WHEREAS

1. On January 30, 2019, Vancouver City Council endorsed a SkyTrain Millennium Line extension from Arbutus Street to the University of British Columbia (UBC);
2. SkyTrain is TransLink's name for the Vancouver region's rail system which has two main types of technology, the Canada Line that is conventional and the Expo and Millennium Lines that are unconventional. The unconventional Millennium Line technology would apply to the proposed extension to UBC, of which SNC Lavalin (track and electrics) and Bombardier (cars) partnered to build the SkyTrain Millennium Line;
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. Ongoing media reports since February 6, 2019, have exposed the current status of corruption charges related to the SNC-Lavalin Group Inc., involving alleged bribery and fraud. In the wake of a failed bid for judicial review, the appearance is that Public Prosecution Service of Canada is likely to proceed with a trial rather than a negotiated settlement agreement;
5. 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. The 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;
6. City Council endorsement of Broadway rapid transit extension to UBC as SkyTrain Millennium Line technology was rushed in consideration of potential funding in the Federal budget announced March 19, 2019, that did not materialize;
7. City of Vancouver statements of financial information show a total of \$2,916,452 in payments to SNC-Lavalin between 2010 and 2017;
8. Part of the project approval process for the subway SkyTrain Millennium Line extension is the consideration by the TransLink Mayors' Council, which endorsed

SkyTrain 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;

9. The recent 2019 McElhanney draft report, that both the City of Vancouver and the TransLink Mayors' Council based the decision to endorse SkyTrain technology for a Millennium Line extension of the subway Arbutus to UBC, was an update of the former 2012 report by SNC-Lavalin / Steer Davies Gleave report that recommended the SkyTrain Millennium Line extension to Broadway;
10. A criminal conviction against SNC-Lavalin could result in them not being allowed to bid on either the phase 1 Millennium Line extension Broadway subway from VCC to Arbutus or the phase 2 extension from Arbutus to UBC;
11. Council requires all related information to make informed decisions.

THEREFORE BE IT RESOLVED

- A. THAT Council instruct staff to report back to Council with a thorough review of the existing relationship between the City of Vancouver, SNC Lavalin, and Bombardier, including the procurement relationship.
- B. THAT Council instruct staff to report back to Council with information on how SkyTrain use as a Millennium Line extension could be affected by 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 instruct staff to consult with TransLink staff and report back to Council on the results as soon as available from the TransLink staff report to the Mayors' Council on any proprietary rights or bidding advantage of SNC-Lavalin and Bombardier for the SkyTrain Millennium Line extension and the ability for other firms to bid competitively.
- D. THAT the above information be provided to Council, and before any further Council decisions are made on a Broadway subway phase 1 or phase 2 for a SkyTrain Millennium Line extension, Council should consider whether any information required by this motion has not been presented to Council, and whether any decision should be delayed until that information is fully reviewed and confirmed to Council's satisfaction.

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