

## BACKGROUND

### Government takes action on Milburn review

The Province has released Peter Milburn's Site C Project Review and is taking action on all 17 recommendations to improve management and independent oversight of the project.

The review focused on four key areas of the project: governance and oversight, geotechnical issues, risk, and construction supervision and claims management.

Government has accepted all 17 recommendations and is undertaking the following actions, with more planned in the coming months:

- Revising the structure and mandate of the Project Assurance Board (PAB) to ensure increased oversight and due diligence.
- Making the PAB more independent, with increased resources and additional external members, to increase its expertise in major construction projects, commercial negotiations and claims management.
- BC Hydro is expanding its risk management team with additional dedicated resources responsible for identifying, analyzing, monitoring and mitigating risks.
- BC Hydro is working with the independent oversight advisor, Ernst and Young, to implement enhanced risk management and reporting to make risk reporting more complete, transparent and frequent.
- BC Hydro is creating a dedicated commercial management team for claims administration.
- BC Hydro will improve and expand the construction management team for the Earthfill Dam, including the addition of very experienced construction management specialists to supervise, train and lead field personnel, and a robust team of construction managers, resident engineers, field engineers, construction officers and quality-assurance resources.
- Value engineering is being utilized to refine the design for right-bank foundation enhancements prior to procurement.

In July 2020, the Ministry of Energy, Mines and Low Carbon Innovation, with the support of the Ministry of Finance, engaged Mr. Peter Milburn to provide government an independent review of the Site C project. Mr. Milburn's review team consisted of individuals with specialized expertise and experience with major capital projects.

The review period covered January 2018 to October 2020. Developments post-October 2020 are not considered in the review. Mr. Milburn's final report was received by the Minister of Energy, Mines and Low Carbon Innovation and the Minister of Finance in December 2020.

Mr. Milburn also has been retained to provide oversight and ongoing advice on the implementation of his recommendations.

Government will also be enhancing transparency and reporting around the project. With the Milburn review now complete, BC Hydro will restart its regular public reporting to the British Columbia Utilities Commission. More information will also be provided on the structure, mandate and work of the Project Assurance Board once these changes are finalized.

**Specialized expertise:**

The individuals on the Milburn review team have been part of major capital projects and understand the complexities of project delivery. The team members are:

**Peter Milburn:** Former deputy minister of Finance, deputy minister of Transportation, and Infrastructure. Executive project director Sea to Sky Highway Improvement Project. Previous chair of numerous project boards, including Surrey Memorial hospital, Interior Heart and Surgical Center, and Transportation Investment Corporation. Thirty-five years of experience in construction, maintenance, and capital projects.

**Rodney Chapman:** Director of construction and maintenance for the Ministry of Transportation and Infrastructure. Forty-six years of experience with construction and claims issues.

**Frank Margitan:** Former vice-president of Kiewit Canada, former chair of the Road Builders and Heavy Construction Association. Forty years-experience working in the heavy construction industry.

**Mike Oliver:** Former chief geotechnical engineer for the B.C. Ministry of Transportation and Infrastructure. More than 40 years of experience as a geotechnical engineer involved in the province's most challenging soils issues.

**Maureen Kelly:** Former principal and senior geotechnical engineer with Golder Associates Ltd., current senior geotechnical engineer with the Ministry of Transportation and Infrastructure. More than 30 years of experience solving complex geotechnical problems.

**Bruce Mc Allister:** Former director of operations and procurement for the Ministry of Transportation and Infrastructure. Co-author/contributor to the Provincial Capital Asset Management Framework. Decades of experience in conducting all types of procurement and project reviews.

**John Mendes** Construction lawyer since 1986. Established Lesperance Mendes in 1997. His construction law practice has included advising government agencies, private owners, and contractors on the tendering and procurement of public, private, and design-build projects.

**Shelley MacLean:** Former director, executive operations, Office of the Deputy Minister of Finance. Extensive experience with government operations,

including Treasury Board.

**Guy Lembach:** Partner, capital projects leader, Deloitte LLP. More than 27 years of experience as an engineer, lawyer, and consultant in the areas of engineering, construction, project management, construction cost, scheduling, and construction claims.

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