FCSAP Demand Forecast Analysis

RemTech
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Miguel Lariviere, P.Eng.
Senior Environmental Engineer
PWGSC-National Capital Area
Overview of Presentation

• PWGSC role as Expert Support within FCSAP

• Caveats associated with demand forecast projections

• Presentation of projected demands on private sector to deliver projects associated with the Federal Contaminated Sites Action Plan (FCSAP)
Context: PWGSC Expert Support

Within the Federal Contaminated Sites Action Plan (FCSAP) program, PWGSC has the following expert support mandate:

- Develop project management enabling tools for consistent contaminated sites project delivery.
- Share information within government, the private sector, and academia on innovative technologies that accrue from the FCSAP investment.
- Liaise with the environmental industry such that they are aware of, and can build capacity in response to, future demand arising from the FCSAP program.
Communicating the Demand

- Budget 2004– $3.5B to address federal contaminated sites over 15 years.
- Budget 2009 – Incremental funds of $80.5M for environmental site assessments and program management plus priority access to $165M to accelerate remediation/risk management projects.
- Currently in Year 5 of first 5 years of FCSAP investment in fiscal framework – project initiation occurs through annual solicitation and acceptance of proposals submitted by custodians on “IDEA” Database.
- This demand forecast analysis projects $769M in investment based on 782 priority projects plus 3,561 assessment projects on 12,141 contaminated sites in IDEA (as of July 22, 2009)
Caveats Attached to Demand Forecast

• Data is based on a snapshot of project estimates as of July 22, 2009 which are subject to possible revision.

• Confidence is highest on the FY2009-11 estimates addressed by the Accelerated Infrastructure Program (AIP) and thus, the focus is on these projects.

• Even when projects are approved, projects may not proceed for logistical reasons.

• Program renewal be sought after FY20010-11 for next 5 year cycle; funding projections beyond FY2010-11 are uncertain.

• Further elaboration is at the site level – will occur through advertisement on MERX.
FCSAP Project Distribution

- Overall, there are 782 priority projects plus 3,561 assessment projects planned on 12,141 federal contaminated sites throughout Canada (based on data extract of July 22, 2009).

- Current demand forecasts based on possible projects between April 2009 to March 2013, however, custodians required to submit annual updates.

- Annual updates will improve future year estimates in terms of quality (from a cost objective to a budget estimate) and quantity (both number of projects and value).
Project Distribution in Canada
Geographic Distribution of Projects

FCSAP Projects: Assessment And Remediation / Risk Management Project - By Province
2009-2013

- Assessment (3561)
- Remediation / Risk Management (782)
Distribution of Projects by Custodian

FCSAP Projects: Assessment And Remediation / Risk Management - By Custodian
2009-2013

Number of Projects

Assessment (3561)
Remediation / Risk Management (782)
Geographic Distribution of Total Planned Project Values for FY2009-11
FCSAP Funding Requested by Custodian for FY2009-11

[Bar chart showing estimated costs in millions for different custodians for FY2009-10 and FY2010-11.

Category Other: AAFC, CBSA, CSC, HC, JCCBI, NRC and Marine Atl]
Summary of Project Distribution

Majority of projected expenditures associated with projects in Territories:

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>% of 4,343 projects (assessment plus R/RM)</th>
<th>% of $769M investment</th>
</tr>
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<tbody>
<tr>
<td>Territories</td>
<td>24</td>
<td>52</td>
</tr>
<tr>
<td>BC and Prairies</td>
<td>37</td>
<td>23</td>
</tr>
<tr>
<td>Ontario &amp; Quebec</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Atlantic Provinces</td>
<td>18</td>
<td>7</td>
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</tbody>
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Project Type and Relative Value

• Assessment projects represent 82% of the 4,343 projects but just 13% of the $769M investment.

• Remediation/Risk Management project represent 18% of the 4,343 projects but account for 87% of the $769M investment.

• The total planned values of projects for FY2009-10 and FY2010-11 are approximately $372M and $397M, respectively.

• As the assessment cycle progresses, the number of remediation/risk management projects will increase with an attendant rise in project values.
FCSAP Projects: Estimated Project Cost Ranges
2009-10 And 2010-11

Number of Projects

Estimated Cost Ranges

- Up To $50,000: 2474
- $50,000 - $250,000: 757
- $250,000 - $1M: 527
- $1M - $10M: 534
- Over $10M: 51
Total Planned Cost of Projects

- Vast majority of 4,343 projects have a low total planned cost, with 57% <$50K and 74% <250K; 13% of planned project values exceed $1 M
- DND and INAC-NAP responsible for majority of projects with planned values > $10M and relates to work in the Territories
- RCMP, DFO, and INAC-IIABL responsible for majority of lower planned project values <50K, <250K
Looking into the Crystal Ball

• Significant number of environmental site assessments to be completed
• Uncertain as to the number of remediation/risk management projects that will result from this work
• Anticipate that the most significant contaminated site liabilities have been identified
### PWGSC Expert Support Contacts

Lead (Ottawa) : Clayton Truax, [Clayton.Truax@pwgsc.ca.ca](mailto:Clayton.Truax@pwgsc.ca.ca), 819-934-1964

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<td>Raman Birk <a href="mailto:raman.birk@pwgsc.gc.ca">raman.birk@pwgsc.gc.ca</a> 604-775-6810</td>
</tr>
<tr>
<td>Western</td>
<td>Edward Domijan <a href="mailto:edward.domijan@pwgsc.gc.ca">edward.domijan@pwgsc.gc.ca</a> 780-497-3796</td>
</tr>
<tr>
<td>Ontario</td>
<td>Stephan Moushian <a href="mailto:stephan.moushian@pwgsc.gc.ca">stephan.moushian@pwgsc.gc.ca</a> 416-512-5718</td>
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<tr>
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<td>Sebastien Yelle <a href="mailto:sebastien.Yelle@pwgsc.gc.ca">sebastien.Yelle@pwgsc.gc.ca</a> 514-496-3646</td>
</tr>
<tr>
<td>Atlantic</td>
<td>Eric Parsons <a href="mailto:eric.parsons@pwgsc.gc.ca">eric.parsons@pwgsc.gc.ca</a> 902-496-5830</td>
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