



Background information on sole-sourced contract between the Province of Alberta and the Tervita Corporation

Documents

The Canadian Taxpayers Federation (CTF) was leaked the full, unredacted contact made between the Province of Alberta and the Tervita Corporation signed on July 15, 2013 for flood recovery in High River, Alberta.

The CTF also received tips from anonymous whistleblowers that demolitions conducted under the sole-sourced contract between the Government of Alberta and the Tervita Corporation required closer examination. The CTF filed a Freedom of Information (FOI) request for the cost of these demolitions.

Contact

The contract required of the Tervita Corporation, “assessment, planning, and management services and execution of Deconstruction and/or Demolition, Water Management, and Waste and Asset Management, and Earthworks services to be provided in the Town of High River, Alberta related to the flooding...”

The contract awards the Tervita Corporation a sum not to exceed \$45 million including expenses. Schedule C of the leaked contract lay out rates of equipment and personnel that the Tervita Corporation may bill the Province of Alberta for. Schedule C also allows the Tervita Corporation to charge a cost + 15 per cent markup for “3rd party mobilization.”

In effect, the contract awards the Tervita Corporation \$45 million for general flood-related work, for which it need only submit the bill.



Freedom of Information (FOI) request for demolition costs

| Quote/Cost | Address | Demo Date | Contractor | House Description | Asbestos Result |
|---------------------|----------------|-------------------|------------|-------------------|-----------------|
| \$33,680.92 | Redacted | November 27, 2013 | Tervita | Single Home | Positive |
| \$32,997.42 | Redacted | November 5, 2013 | Tervita | Single Home | Positive |
| \$35,398.62 | Redacted | October 23, 2013 | Tervita | Single Home | Positive |
| \$42,374.92 | Redacted | October 28, 2013 | Tervita | Single Home | Positive |
| \$37,249.54 | Redacted | November 29, 2013 | Tervita | Single Home | Positive |
| \$34,084.17 | Redacted | November 13, 2013 | Tervita | Single Home | Positive |
| \$40,701.42 | Redacted | November 25, 2013 | Tervita | Single Home | Positive |
| \$35,086.39 | Redacted | November 14, 2013 | Tervita | Single Home | Positive |
| \$36,806.04 | Redacted | October 31, 2013 | Tervita | Single Home | Positive |
| \$328,379.44 | TOTAL | | | | |
| \$36,486.60 | AVERAGE | | | | |

According to the documents obtained through FOI requests, Tervita demolished nine homes at an average cost of \$36,486.60, costing taxpayers a total of \$328,379.44. The only descriptions made of the properties in the documents are that they were “single homes,” that there had been at least some asbestos involved, and ostensibly all in High River. No address or home size is given, nor if basement fill was involved.

Industry insiders inform the CTF that basement fill is a major variable in the cost of residential demolitions.

Private quotes and contracts provided to the CTF from whistleblowers were significantly less expensive, but not directly comparable due to the limited information provided about asbestos removal in the FOI documents.



Dates & Timing

The contract was signed on July 15, 2014 and expires on January 15, 2014.

The demolitions noted in information obtained from the FOI request took place between October 28 and November 29, 2013.

While an argument can be made that the Province of Alberta had some justification in sole-sourcing a *short-term* contact for cleanup in the immediate aftermath of the flood, the duration of the contact (six months) goes well beyond any *short-term* emergency needs. The demolitions took place four-to-five months after the floods, and by any definition, were not “emergency” projects, but could have easily faced a competitive tendering process.

Tervita political donations: 2012-2014 (Q1)

| Amount | Time Period | Recipient |
|-------------|-------------|--|
| \$900.00 | 2014, Q1 | Calgary-Klein PC Association of Alberta (Kyle Fawcett) |
| \$900.00 | 2014, Q1 | Calgary-Mountain View PC Association of Alberta |
| \$3,750.00 | 2014, Q1 | PC Association of Alberta |
| \$675.00 | 2013, Q1 | Calgary-Lougheed PC Association of Alberta (Dave Rodney) |
| \$3,750.00 | 2013, Q1 | PC Association of Alberta |
| \$1,500.00 | 2013, Q2 | Wildrose Alliance Party |
| \$900.00 | 2013, Q4 | Calgary-Elbow PC Association of Alberta (Alison Redford) |
| \$10,000.00 | 2013, Q4 | PC Association of Alberta |
| \$900.00 | 2012 | Calgary-Elbow PC Association of Alberta (Alison Redford) |
| \$10,000.00 | 2012 | PC Association of Alberta |
| \$4,750.00 | 2012 | PC Association of Alberta |
| \$250.00 | 2012 | PC Association of Alberta |



Summary of Tervita political donations to the Alberta PC Association: 2012 to date

| Time Period | Amount |
|---------------------------|--------------------|
| 2014 To Date | \$5,550.00 |
| 2013 Total | \$15,325.00 |
| 2012 Total | \$15,900.00 |
| 2012 To Date Total | \$36,775.00 |

The Tervita Corporation is a major donor to the Alberta PC Association and PC constituency associations. In 2012 and 2013, they donated \$31,225, averaging \$15,612.50 a year.

In 2012, the Tervita Corporation donated \$15,000 to the Alberta PC Association and \$900 directly to the Calgary-Elbow PC Constituency Association (CA) of then Premier Alison Redford.

In 2013, the Tervita Corporation donated \$13,750 to the Alberta PC Association, \$900 to the Calgary-Elbow PC CA (Alison Redford) and \$675 to the Calgary-Lougheed PC CA (Dave Rodney). Tervita also donated \$1,500 to the Wildrose Alliance Party in 2013.

In the first reporting quarter of 2014 the Tervita Corporation donated \$3,750 to the Alberta PC Association, \$900 to the Calgary-Mountainview PC CA, and \$900 to the Calgary-Klein PC CA (Kyle Fawcett). Kyle Fawcett is the Associate Minister of Recovery and Reconstruction for Southwest Alberta.