

City of Regina



REGINA
Infinite Horizons

REQUEST FOR PROPOSALS
FOR THE PROJECT TO
DESIGN, BUILD, FINANCE, OPERATE AND
MAINTAIN
CITY OF REGINA WASTEWATER TREATMENT
PLANT UPGRADE
REGINA, SASKATCHEWAN, CANADA
RFP No: 2245
VOLUME 1 of 2
INSTRUCTIONS TO PROPONENTS (ITP)
May 13, 2014
Version 5, incorporating Addenda 1 through 19.

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1 INTRODUCTION

1.1 Introduction

On May 14, 2013, the City of Regina (the “City”) issued a Request for Qualifications (“RFQ”) for the design, build, financing, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade (the “Project”). 10 submissions to the RFQ were received by the deadline of June 25, 2013. A short-list of three RFQ respondents was determined and announced on October 16, 2013 by the City. The three Proponents are (in alphabetical order):

- EPCOR Saskatchewan Water Partners (“Team B”)
- Prairie Water Partners (“Team A”) ; and
- Wascana Environmental Partners (“Team C”).

The team letters were randomly drawn and assigned to the Proponents and are used in this RFP for scheduling of site access and meetings.

This RFP is being issued to invite detailed Proposals from the Proponents.

This RFP consists of the following two volumes:

- 1) **Volume 1: Instructions To Proponents (“ITP”)**, which summarizes the Project’s scope and objectives, presents information relating to the selection process, and lists the Submission Requirements including the required forms; and
- 2) **Volume 2: DBFOM Agreement (including Schedules 1-19 (Schedule 18 sets out the technical requirements for the Project))**, which constitutes the draft version of the Agreement that Proponents may comment upon in accordance with Section 5.10. The final form of the Agreement will be executed by the Successful Proponent and the City. There shall be no post-selection negotiations on the final form of the Agreement.

The RFP and any supporting information from the Data Room or otherwise provided by the City are being made available only to the Proponents. Such information is made available on the condition that it is to be used in connection with the Project and for no other purpose whatsoever. Information contained herein or otherwise made available to Proponents shall be treated as confidential. Such information may be shared with Proponents’ advisors, and with potential lenders and potential lenders’ advisors, if applicable, provided that Proponents ensure that these parties treat all such information as confidential as well.

Proponents are referred to Section 6 of the ITP which contains a comprehensive exclusion of liability on the part of the City and its advisors in respect of the RFP. Each Proponent must make its own independent assessment of the Project and determine its interest in the Project and the content of its Proposal.

1.2 Executive Summary of the Business Opportunity

The Successful Proponent will be responsible to design, build and partially finance the Project, and to operate and maintain it, for the Term. The Successful Proponent will be required to continue to employ the existing labour force and comply with the existing collective agreement and *The Trade Union Act* (Saskatchewan) and Applicable Law.

The capital commitment for the Project, as approved by City Council, is up to \$224.3 million (nominal, as-spent) for design, construction, servicing, City planning and procurement management costs, but excluding financing-related costs during construction. Also approved by City Council, in principle, is a commitment to providing a performance-based payment for operations, maintenance, and availability of the Project totaling \$760.2 million (nominal, as-spent) over the Term, which includes all financing costs. Adjusting the above two figures to avoid double-counting of certain costs, the total estimated nominal Project cost is \$858.1 million including the City's planning and procurement costs.

The City's Administration has the authority to proceed with the procurement process, including selection of the Successful Proponent. Following the selection of the Successful Proponent, the City's Administration will be required to seek City Council approval for the exact amount of borrowing necessitated by the Successful Proponent's Financial Offer. More information with regard to approvals and delegated authorities is available in the Minutes of the City Council Meeting of Monday, February 25, 2013, at the following web link:

<http://regina.siretechnologies.com/sirepub/mtgviewer.aspx?meetid=226&doctype=MINUTES>

1.3 Project Objectives

The City has structured the Project to meet the following objectives, which are listed in no particular order:

- to expeditiously complete the procurement process;
- to complete construction of the Project so that the new Effluent Standards are met as of January 1, 2017;
- to achieve “value for money”, that is, optimal value over the Term;
- to meet the conditions of the funding agreement between PPP Canada and the City;
- to ensure that the Project is designed, built and operated in an environmentally sound manner and in a manner that ensures the safety of the public; and
- to ensure that the Infrastructure is “handed back” to the City in the required specified condition at the end of the Term.

1.4 Risk Allocation

The City has developed a risk allocation for the Project which in the City's view is likely to meet the City's objectives. Some of the key features of the risk allocation are highlighted below:

- The Successful Proponent will be responsible for operation and maintenance of the Existing Facilities during the Construction Period. The Successful Proponent will be

responsible for transitioning from the Existing Facilities to the Infrastructure.

- The Successful Proponent will be responsible for all elements of design, construction, partial financing, and O&M for the Infrastructure and for meeting the performance and Handback Requirements, except as otherwise explicitly specified.
- During the Construction Period, the Successful Proponent will be responsible for the performance of all components of the Existing Facilities that it intends to incorporate into the Infrastructure. The City will be responsible for the performance of all other components of the Existing Facilities provided that failure of such components is not due to inadequate maintenance or negligent operation by the Successful Proponent.
- During the Operating Period, the Successful Proponent will be responsible for the performance of all components of the Infrastructure.
- The City will assume the risk of influent flow exceeding the design capacity of the Infrastructure. Future expansion and the related operating expenses will be the responsibility of the City.
- The City will assume the risk of influent quality exceeding the design loadings for the Infrastructure.
- For the Existing Facilities O&M, the City will assume the risk associated with electricity, natural gas, and potable water prices and consumption. The risk associated with treatment chemical prices will be shared between the Successful Proponent and the City through the Existing Facilities O&M Index Factor.
- For the O&M, the City will assume the risk associated with electricity, natural gas, and potable water prices. The Successful Proponent will assume the risk of usage exceeding the consumption rates provided as part of the Successful Proponent’s Financial Offer. The risk associated with treatment chemical prices will be shared between the Successful Proponent and the City through the Infrastructure O&M Index Factor.
- The City will assume inflation risk (based on the various Index Factors) on the payments associated with the Existing Facilities O&M and the O&M.
- The Successful Proponent will be responsible for the partial financing of the Infrastructure. With respect to financing costs, the City will offer to share the risk of changes in base market interest rates between the time of Financial Offer submission and the date of execution of the Agreement.
- The Successful Proponent will be responsible for meeting the Effluent Standards and all other requirements of the Permits and Approvals.

Proponents are advised that the details of the Project and the responsibility of the parties for such risks are contained in the Agreement.

1.5 Defined Terms

“City Permit Fee” has the meaning set out in Section 2.7

“City Permit Fee Construction Value” has the meaning set out in Section 6.19

“**City Representative**” means the sole individual appointed by the City that all information in respect of this procurement is to be issued to or received from.

“**Confidential Information**” has the meaning indicated in Section 1.1 of the Agreement.

“**Commodity Consumption Rates**” means the commodity consumption rates for the treatment of wastewater supplied a Proponent in SR Package 3 in the form provided in this ITP that is binding on that Proponent.

“**Construction Team**” means the Proponent’s Team Members who are responsible for the construction of the Infrastructure.

“**Contact Individual**” has the meaning as set out in Section 6.5.

“**Contact Organization**” has the meaning as set out in Section 6.5.

“**Copyrights**” means all copyright created by virtue of the common law or the provisions of the *Copyright Act* (Canada), in and to any and all literary, artistic, architectural, photographic, or any other works (including but not limited to written descriptions, plans, designs, layouts, renderings, dimensions, strategies, and technical information) contained in the Proposals or in the communications surrounding the development and presentation of the Proposals.

“**Data Room**” has the meaning as set out in Section 5.4.

“**Design Team**” means the Proponent’s Team Members who are responsible for the design of the Infrastructure.

“**Final Financial Model**” means the financial model supplied by a Proponent in SR Package 3.

“**Final Financing Plan**” means the financing plan supplied by a Proponent in SR Package 3.

“**Financial Disclosure Entities**” means the entities described in Section 4.1 of the RFQ.

“**Financial Offer**” means the financial offer supplied by a Proponent in SR Package 3 in the form provided in this ITP that is binding on that Proponent.

“**Financing Team**” means the Proponent’s Team Members who are responsible for the financing and the financial management of the Project.

“**Honorarium**” means the honorarium described in Section 5.15 of this ITP.

“**Indicative Financial Model**” means the financial model supplied by a Proponent in SR Package 2B.

“**Indicative Financing Plan**” means the financing plan supplied by a Proponent in SR Package 2B.

“**Ineligible Person**” has the meaning set out in Section 6.1 of this ITP.

“**ITP**” means the Instructions to Proponents (including the Submission Requirements), which constitutes Volume 1 of this RFP.

“**Key Individuals**” means the individuals that will play a lead role on behalf of a particular Team Member.

“**Lead Team Member**” means the Team Member in each of the Proponent’s Design-Construction Team, O&M Team, or Financing Team, that will direct and coordinate the activity of the other Team Members.

“**New Technology**” means all discoveries, inventions, or ideas related to, and improvements to, processes, methods or devices or any combination thereof which the Proponents, or the Proponents and the City, or their employees, agents, or contractors devise, conceive, invent or otherwise develop which Improvements are incorporated into a Proposal or are part of the communication surrounding the development and presentation of a Proposal, and may be required to be practiced by the further design, construction, operation and maintenance of the Infrastructure under a Proposal.

“**Operation and Maintenance Team**” or “**O&M Team**” means the Proponent’s Team Members who are responsible for the operation and maintenance of the Existing Facilities and the Infrastructure.

“**Predesign**” has the meaning set out in Section 2.3

“**Preferred Proponent**” means the Proponent that receives notification from the City that it has submitted a compliant Proposal with the Financial Offer having the lowest total cost on a net present value basis.

“**Preferred Proponent Deposit**” has the meaning as set out in Section 5.12 of this ITP.

“**Project Lead**” means the Team Member or combination of Team Members, and Key Individual or Key Individuals that are the directing mind and will of a Proponent.

“**Proponent**” means the RFQ respondents that have been short-listed to proceed to the RFP stage.

“**Proposal**” means any or all of a Proponent’s SR Package 1, SR Package 2, SR Package 2B, and SR Package 3.

“**Proposal Deposit**” has the meaning as set out in Section 5.12.

“**Regina Time**” means the time in the City of Regina in accordance with *The Time Act* (Saskatchewan).

“**RFI**” means a Request for Information submitted to the City as set out in Section 5.7.1.

“**RFP**” means the Request for Proposals for the Project, and includes the ITP and the Agreement, as amended.

“**RFQ**” means the Request for Qualifications No. 2153 for the Project.

“**SR**” means Submission Requirement.

“**SR Package**” means a Submission made in response to a Submission Requirement.

“**Submission**” means a response to the RFP, including comments on the draft Agreement, SR Package 1, SR Package 2, SR Package 2B, and SR Package 3.

“**Submission Requirements**” means the submission requirements set out in Appendix 1 to the ITP.

“**Successful Proponent**” means the legal entity that will enter into the Agreement.

“**Team Member**” means a key business entities forming part of a Proponent.

“**Weighted Average Cost of Capital**” or “**WACC**” means the discount rate that when used to determine the sum of the present value of all capital (debt and equity) inflows and outflows results in a value of zero.

1.6 Interpretation

Other capitalized terms have the meaning assigned to them in the Agreement or within the text of the RFP.

Words and abbreviations which are not defined in the ITP or the Agreement and which have well known technical or trade meanings shall be used in accordance with such recognized meanings.

Standard units of measurement may be abbreviated in the ITP.

References to the RFP or the Agreement, or to the documents which make up the appendices or schedules to the RFP or the Agreement, or to any part of the documents, shall be deemed to be references to the most current version of those documents, including all modifications, amendments and addenda thereto made and issued by the City to Proponents.

References to a section, article or volume, without a further reference to another document or to a specific appendix to the RFP, shall be deemed to be references to that section, article or volume of the RFP, exclusive of appendices, unless the context otherwise expressly requires. References to a section or article of the RFP within a volume of the RFP shall be deemed to refer to the section or article within such volume of the RFP.

References to an appendix or volume by number in the RFP or in an appendix or volume to the RFP shall be deemed to be a reference to an appendix or volume (as applicable) of the RFP unless the context otherwise expressly indicates.

References to a statute include the statute as amended from time to time, and in the event that statute is repealed includes any successor legislation thereto including amendments to the successor legislation, and includes all regulations, by-laws and codes enacted thereunder as such regulations or by-laws or codes may be amended from time to time.

The terms “include”, “includes”, “including” and others of like import shall not be deemed limited by the specific enumeration of items but shall be deemed to be without limitation and interpreted as if the term was “including without limitation”.

Where a section, clause, paragraph or other part of any document includes a list of items, whether or not enumerated, the list of items will be construed and interpreted conjunctively as if each was connected to the other by the word “and”, unless the context specifically indicates the terms are to be construed and interpreted disjunctively by the use of the word “or” at the end of each item of the list.

Unless otherwise specified, all currency amounts are in Canadian dollars.

1.7 Organization of ITP

The remainder of this document is organized as follows:

- Section 2 – Design & Construction, provides an overview of the design and construction requirements and the requirements to operate and maintain the existing facilities prior to Substantial Completion;
- Section 3 – Operation & Maintenance, provides an overview of the operation and maintenance requirements after Substantial Completion;
- Section 4 – Commercial Arrangements, provides an overview of the basis for payment and other commercial elements;
- Section 5 – Proposal Submission and Selection Process, provides a description of how the procurement process will be conducted; and
- Section 6 – Other Matters, addresses matters of communication and conduct during the procurement process, and other matters.

In the event of any discrepancy between the information contained in the sections noted above and the Agreement, the Agreement shall prevail.

SECTION 2 – DESIGN & CONSTRUCTION

2 DESIGN AND CONSTRUCTION

2.1 General

The Project involves the design and construction of the Infrastructure on the Lands and may include the design and construction of upgrades and expansions to the Existing Facilities, as needed to accommodate an average day flow of 92 MLD and a peak hourly wet weather flow of 450MLD, and meet the Effluent Standards.

The Successful Proponent shall design and construct the Infrastructure to meet the relevant requirements in the Agreement, including but not limited to the Technical Requirements.

The City encourages innovation by Proponents in their design and construction of the Infrastructure, subject to the requirements above. To assist Proponents, the City has provided Proponents with pertinent information in the Data Room. Proponents are required to submit their proposed project construction standards and specifications in accordance with the Submission Requirements.

Portions of the Preferred Proponent's Proposal will be incorporated as schedules to the Agreement and will form part of the Agreement to be executed.

The information presented in this section is for guidance to Proponents only and provides an overview of key design and construction facets of the Infrastructure. Proponents are directed to the Agreement and the Technical Requirements for further details.

2.2 Design

The Successful Proponent shall cause independent design checks to be conducted and provide signed documentation, for both design and construction in accordance with the Technical Requirements. This will permit the City to review compliance with stated requirements.

2.3 Predesign

A predesign for the Project (the "**Predesign**") was prepared for the City by AECOM Canada. The predesign report is provided in the Data Room. In addition, a detailed design for an operation and maintenance building prepared by P3Architecture Partnership is provided in the Data Room.

The Predesign and the building design are provided for information only and are not part of the Technical Requirements. Proponents may adopt solutions presented in the Predesign and the building design or develop their own solutions. In either case the Successful Proponent shall be responsible for the design and construction of the Infrastructure in accordance with the Technical Requirements.

For greater clarity, the City has no preference whatsoever as to the extent to which Proponents adopt, or do not adopt, any aspects of the Predesign or the building design.

2.4 Accommodation of Growth

The Technical Requirements describe facilities that are expected to meet projected demand over a 30 year timeframe.

In general, the risk of actual influent flow exceeding the specified design capacity of the Infrastructure is the City's risk. However, the O&M required for the Infrastructure as set out in the Technical Requirements as a result of flow up to and including the design capacity, without any change to the designed capacity of the Infrastructure, will be the responsibility of the Successful Proponent. Proponents may price a variable component of the O&M payment to address changes in costs related to wastewater flow.

2.5 Lands

Subject to Section 6.9 of the Agreement, the Infrastructure is to be constructed on the Lands..

The Lands available should be sufficient to construct the Infrastructure. However, Proponents are to satisfy themselves of the adequacy of the Lands for their design.

2.6 Development on Lands

The Successful Proponent will be granted a nonexclusive licence to access the Lands in order to perform its obligations under the Agreement. No commercial development or other uses whatsoever by the Successful Proponent are allowed upon the Lands either during the Construction Period or during the Operating Period.

2.7 Permits and Approvals

The Successful Proponent will be responsible for conducting all design, construction, operations, and maintenance work for the Project in accordance with Applicable Law.

The Successful Proponent shall be required to apply for, pay for, and obtain, based on the Successful Proponent's designs and the Technical Requirements, all Permits and Approvals required for the Project.

The Successful Proponent shall be responsible for ensuring that all Permits and Approvals remain valid and conditions are adhered to.

The total fee for all permits to be issued by the City of Regina (the "City Permit Fee") shall be calculated as described in Section 6.19 of this ITP.

2.8 Utility and Railway Crossings

The City encourages very early attention on the part of the Successful Proponent to the negotiation and coordination of any utility re-location and protection that may be required, or any arrangements necessary to cross railways or construct in the vicinity of railways.

2.9 Utility Services

The Successful Proponent shall be responsible for arranging for any changes or upgrades to service connections for electrical power, natural gas, potable water, telecommunications, or any other utility service that the Successful Proponent's designs may require. All connection charges shall be the responsibility of the Successful Proponent.

Commodity costs for commodities used for construction shall be the responsibility of the Successful Proponent. Any services on the City's account that are used for construction shall be submetered by the Successful Proponent. The City will set off its costs for the sub metered Commodity consumption against the Existing Facilities O&M Payments and the Monthly Payments as applicable.

City water, natural gas, and electricity costs for the Existing Facilities O&M will be the responsibility of the City. For the Infrastructure O&M, the City will take the price risk for these commodities, with the Successful Proponent being responsible for consumption rates. The risk associated with electricity demand charges will be shared by the City and the Successful Proponent.

2.10 Work by Others

Other City approved construction projects may be underway in the vicinity of the Project during construction. Where it is necessary that work proceed on the Project in areas common to both the Successful Proponent and the forces of others, the Successful Proponent shall coordinate its operations with those of the other forces. Due to the close proximity of construction area, the Successful Proponent and the other forces carrying out their respective work may be required to use common accesses to their respective worksites. It is essential that the Successful Proponent and the other forces maintain close liaison and coordinate their activities in order to minimize operational conflicts.

2.11 Affected Employees

The Existing Facilities are currently staffed by City of Regina employees. The Successful Proponent shall be required on the Transfer Date to employ the unionized employees in accordance with the Collective Agreement and Applicable Law. From and after August 1st 2014 and up to the Transfer Date, the Affected Employees will remain employees of the City and will be managed, supervised, and directed by the Successful Proponent in accordance with the Agreement.

As indicated on Form G1 in Appendix 2 and in Section 4.3 of this ITP, the City will bear the costs of employing the Affected Employees until the Transfer Date.

Existing Facilities O&M Payments for the period January 1, 2015 to December 31, 2015, shall include labour cost for all 24 Affected Employees, including, for greater certainty, positions vacant on the Transfer Date.

The Successful Proponent shall be required to become a participating employer in the Pension Plan and the LTD Plan.

2.12 Operation and Maintenance of Existing Facilities During Construction Period

The Successful Proponent shall be responsible for operation and maintenance of the Existing Facilities during the Construction Period in accordance with the Agreement, including the Technical Requirements.

Proponents are required to submit details of their operation and maintenance plans for the Existing Facilities in their Proposals pursuant to the Submission Requirements.

The information presented in this section is for guidance to Proponents only and provides an overview of key operation and maintenance facets of the Existing Facilities. Proponents are directed to the Agreement including the Technical Requirements for further details.

The operation and maintenance activities for the Existing Facilities during the Construction Period are described in the Technical Requirements and will include but not be limited to:

- the supply of all management, supervision, professional and technical services required for the provision of the Existing Facilities O&M;
- After August 1, 2014 and prior to the Transfer Date, management, supervision, and direction of the Affected Employees in the execution of the Existing Facilities O&M
- transition of employees from employment with the City to employment with the Successful Proponent;
- quality control and assurance processes;
- supply of labour;
- procuring all Existing Facilities O&M materials and equipment;
- inspections, monitoring, sampling and analysis and reporting;
- management and disposal of treatment process by-products and residuals;
- maximization of the operational efficiency of the plant, including utility efficiency
- building interior and building systems operations and maintenance;
- exterior grounds maintenance;
- obtaining and maintaining in good standing all applicable permits and approvals; and
- all other duties and obligations necessary to operate and maintain the Existing Facilities during the Construction Period.

The Successful Proponent shall be responsible for transitioning from the Existing Facilities to the Infrastructure.

If the Successful Proponent is not meeting its obligations in respect of the Existing Facilities O&M, performance-based adjustments to payments as specified in the Technical Requirements and other remedies will apply.

The operation and maintenance of the Existing Facilities will be transferred to the Successful Proponent on August 1, 2014.

2.13 Safety Management

Safety is of the utmost importance to the City. It shall be the Successful Proponent's responsibility to operate and maintain the Existing Facilities and to design, construct, operate, and maintain the Infrastructure such that the Existing Facilities and the Infrastructure are safe for the general public and for all personnel employed directly or indirectly by the Successful Proponent for the Project.

Proponents are to provide a Safety Management Plan in their proposals as specified in the Submission Requirements. The Safety Management Plan is to outline details with respect to the Successful Proponent's policies, safety plans, training programs and work site control plans to ensure the health and safety of all workers, and policies and safety plans to ensure the safety of the public, during the Construction Period and the Operating Period.

2.14 Environmental Management

It shall be the Successful Proponent's responsibility to ensure compliance with all environmental requirements. As well, the Agreement requires the Successful Proponent to meet specific environmental mitigation obligations and to indemnify the City from any related environmental liability to the extent set out in the Agreement. The Successful Proponent shall be responsible for obtaining and complying with all required environmental Permits and Approvals.

The Successful Proponent shall be required to implement an Environmental Management System during the Term, in accordance with the Agreement.

2.15 Quality Management

The Successful Proponent shall be responsible for carrying out all quality control and quality assurance functions on the Project and shall be required to implement a Quality Management System during the Term.

SECTION 3 – OPERATION & MAINTENANCE

3 OPERATION AND MAINTENANCE

3.1 General

The Successful Proponent shall be responsible throughout the Operating Period for the operation and maintenance of the Infrastructure in accordance with the Agreement, including the Technical Requirements.

Proponents are required to submit details of their operation and maintenance plans for the Operating Period in their Proposals pursuant to the Submission Requirements.

The information presented in this section is for guidance to Proponents only and provides an overview of key operation and maintenance facets of the Project. Proponents are directed to the Agreement and the Technical Requirements for further details.

3.2 Operation and Maintenance

The Successful Proponent shall be responsible for the O&M during the Operating Period.

The O&M activities will include but not be limited to the following:

- monitoring, inspecting and assessing the condition of the Infrastructure to ensure compliance with the Technical Requirements throughout the Operating Period;
- the supply of all management, supervision, professional and technical services required for the provision of the O&M;
- quality control and assurance processes;
- supply of labour;
- procuring all O&M materials and equipment;
- inspections, monitoring, sampling and analysis and reporting;
- operation, maintenance and renewal of Infrastructure, including equipment
- management and disposal of treatment process bi-products and residuals;
- Commodity use efficiency;
- building interior and building systems operations, maintenance and renewal;
- exterior grounds maintenance and renewal; and
- all other duties and obligations necessary to operate, maintain and renew the Infrastructure during the Operating Period.

The Successful Proponent shall be responsible for conducting the O&M in accordance with Applicable Law. The Successful Proponent shall be responsible for ensuring that Permits and Approvals required for the O&M are applied for and obtained and remain valid and that conditions are adhered to.

3.3 Compliance

The Successful Proponent shall be required to have plans, systems, and processes, that meet the Technical Requirements, in order to measure, monitor, and audit its own performance. The City will undertake inspections and audits over the Term to ensure that the Successful Proponent is meeting its obligations.

If the Successful Proponent is not meeting its obligations, including adherence to its plans, systems, and processes, performance-based adjustments to payments as specified in the Technical Requirements and other remedies will apply.

3.4 Handback

On the expiry of the Agreement, the Infrastructure shall satisfy the Handback Requirements, which are specified in the Technical Requirements.

Handback inspections will be conducted over approximately the last five years of the Operating Period in accordance with the Agreement. The Successful Proponent is expected to demonstrate to the City that it has met the Handback Requirements.

If the Successful Proponent is not meeting its handback obligations, a holdback and other remedies specified in the Agreement will apply.

SECTION 4 – COMMERCIAL ARRANGEMENTS

4 COMMERCIAL ARRANGEMENTS

4.1 Business Model

The City has selected a business model in which the Successful Proponent shall be responsible for the design and construction of the Infrastructure, operating and maintaining the Existing Facilities during the Construction Period, operating and maintaining the Infrastructure for approximately 27.5 years, and partially financing the capital cost of the Infrastructure. In return, the Successful Proponent will receive pre-defined payments from the City over the Term.

Beyond the City Funding, the raising of financing shall be the sole responsibility of the Successful Proponent. The City will not guarantee any debt incurred by the Successful Proponent.

It is the intention of the City to enter into the Agreement with a legal entity to be proposed by the Successful Proponent.

4.2 Timing

Responsibilities for the operation and maintenance of the Existing Facilities will be transferred to the Successful Proponent on August 1, 2014. Construction activities may commence immediately upon execution of the Agreement. The City will consider entering into an early works agreement should the Successful Proponent wish to commence construction activities prior to execution of the Agreement.

The Substantial Completion Target Date is December 31, 2016. New Effluent Standards come into effect on January 1, 2017 and the Successful Proponent shall meet these limits or be subject to payment adjustments. Substantial Completion may occur prior to the Substantial Completion Target Date. Only minor works not affecting the safe operation of the Infrastructure, as well as demolition and decommissioning, may remain outstanding on Substantial Completion.

If Substantial Completion occurs prior to the Substantial Completion Target Date, the end date of the term will be adjusted such that the length of the Operating Period remains unchanged (i.e. the total term of the Agreement shall be shortened). If Substantial Completion occurs after the Substantial Completion Target Date, the end date of the Operating Period will remain unchanged.

4.3 Payments and Payment Adjustments

Payments by the City to the Successful Proponent during the Construction Period will consist of the following:

- **Existing Facilities O&M Payments.** The monthly amount will be the amount indicated by the Preferred Proponent in the Financial Offer for each month of the Construction Period, multiplied by an index factor to account for inflation. Existing Facilities O&M Payments for the period August 1, 2014 to December 31, 2014 shall not include labour costs for the Affected Employees as such costs will be borne directly by the City.

Existing Facilities O&M Payments for the period January 1, 2015 to December 31, 2015, shall include labour costs for all 24 Affected Employees, including, for greater certainty, positions vacant on the Transfer Date.

- One **Milestone Payment** and a **Substantial Completion Payment** in amounts that total to approximately 50% of the capital cost of the Infrastructure. The actual amount of this City Funding will be defined as a multiple of the Successful Proponent's Capital Payment as indicated in Table 1 of Form G1 in Appendix 1 of this ITP.
- The Milestone Payment will be in the amount of \$30 million. The timing of the Milestone Payment will be linked to actual construction completion;

Payments by the City to the Successful Proponent during the Operating Period will consist of the following:

- **Capital Payments** for the remaining capital costs of the Infrastructure will be made in constant fixed monthly amounts. Late achievement of Substantial Completion will shorten the Operating Period and reduce the number of payments. The monthly amount payable will be the amount stated in the Financial Offer of the Successful Proponent, subject to the Capital Payment adjustment for interest rate changes as set out in Form G2 in Appendix 2 if so elected by the Preferred Proponent.

In order to provide a degree of protection to Proponents against certain interest rate changes between the time of submission of the Financial Offer and the date of execution of the Agreement, the City is offering a price adjustment to the Capital Payments presented in the Proponent's Financial Offer as set out in Form G2 in Appendix 2. Proponents may elect to accept or decline the price adjustment formula. If a Proponent accepts the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be adjusted for incorporation into the Agreement. If a Proponent declines the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be incorporated into the Agreement without adjustment. Whether a Proponent accepts or declines the price adjustment, the Proponent must provide its Weighted Average Cost of Capital as required in Form G2;

- **Renewal Payments.** The monthly amount will be the amount indicated by the Preferred Proponent in the Financial Offer for each month of the Operating Period, multiplied by an Index Factor to account for inflation;
- **Infrastructure O&M Payments** will be made over the Operating Period. The monthly amount will be the fixed amount indicated by the Preferred Proponent in the Financial Offer for each month of the Operating Period, plus an optional variable payment based on monthly influent flow, all multiplied by an Index Factor to account for inflation. Late achievement of Substantial Completion will delay the transition from the Existing Facilities O&M Payment to the Infrastructure O&M Payment, however payments for the Existing Facilities O&M will continue to be paid during the period of delay, which will be calculated as the average of all Existing Facilities O&M Payments made prior to the Substantial Completion Target Date as detailed in the Agreement.

During both the Construction Period and the Operating Period, performance-based payment adjustments and holdbacks may be made to amounts otherwise payable. Examples of incidents leading to performance-based adjustments include but are not limited to:

- Failure to meet the current Effluent Standards during the Construction Period;
- Failure to meet the new Effluent Standards that come into effect January 1, 2017;
- Failure to receive wastewater from the City;
- Unplanned reductions in available plant capacity;
- Failure to submit reports and plans on time;
- During the Operating Period, over-consumption of electricity, natural gas, and City water (any savings due to under-consumption will be shared between the City and the Successful Proponent); and
- Failure to execute certain plans as written.

The Agreement, including the Technical Requirements, contains the triggers for and amounts of adjustments to the payments otherwise payable to the Successful Proponent over the Term. Payment adjustments will be multiplied by an Index Factor to account for inflation.

4.4 Holdbacks

In addition to the performance-based adjustments described above, there are a number of other performance-related and offset provisions in the Agreement, including:

- Construction completion holdback following achievement of Substantial Completion; and
- Holdbacks or alternate security for work identified as required through the handback inspections.

4.5 Ownership of Real Estate

The City will retain ownership of the Lands and grant a right of access and use to the Successful Proponent pursuant to the Agreement.

4.6 Tax

Each Proponent should satisfy itself as to the tax consequences of entering into the Agreement, including but not limited to, the goods and services tax under Part IX of the *Excise Tax Act* (Canada), income tax under the *Income Tax Act* (Canada), and provincial sales tax under *The Provincial Sales Tax Act* (Saskatchewan).

4.7 Insurance Requirements

The Successful Proponent is required to maintain certain mandatory insurance coverage. The insurance forms and amounts for the Construction Period and the Operating Period in the Agreement are minimum mandatory requirements that the Successful Proponent shall provide,

without limiting its obligation or liabilities. The insurance coverage shall comply with *The Saskatchewan Insurance Act* (Saskatchewan). The Successful Proponent is responsible for determining its own insurance needs beyond the specified requirements. Proponents are to provide certain details of insurance in accordance with the Submission Requirements.

4.8 Early Works

The City will enter into an early works agreement of the form included in Appendix 6 of this ITP should the Successful Proponent wish to commence construction activities prior to execution of the Agreement. Eligible scope of Early Works under the Early Works Agreement is limited to:

- Road access for the vehicles required for the Early Works and/or necessary for construction activities planned for the winter of 2014/15;
- Site fencing and gates specific to the Early Works and/or necessary for construction activities planned for the winter of 2014/15;
- Parking area for Design and Construction Subcontractor personnel needed for the Early Works and/or necessary for construction activities planned for the winter of 2014/15;
- Site clearing in the location of the major process tanks;
- Site stripping in the location of the major process tanks;
- Excavation in the location of the major process tanks; and
- Erosion control specific to the activities related to the Early Works.

The activities described in Section 5.14.7 of this ITP are permitted regardless of whether the Early Works Agreement is entered into, and those activities are not eligible scope under the Early Works Agreement.

If a Proponent wishes to enter into the Early Works Agreement, it must submit an Early Works Proposal as part of Submission Requirement 2B. The Early Works Proposal is not an evaluation criterion for selection of Preferred Proponent.

The City will review the Early Works Proposal against the submission requirements outlined in Appendix 1, and reserves the right to ask clarification questions of Proponents and reserves the right to request a final SR2B.8 submission, as clarified. The City will notify Proponents if their Early Works Proposals meet the submission requirements separately but on the same date as the notification of evaluation results of SR Package 2B.

If a Proponent is notified that its Early Works Proposal meets the submission requirements, the City will enter into the Early Works Agreement with that Proponent's Design and Construction Subcontractor, should that Proponent be selected as Preferred Proponent. If a Proponent is notified that its Early Works Proposal does not meet the submission requirements, the City will not enter into the Early Works Agreement with that Proponent's Design and Construction Subcontractor.

Proponents are instructed to submit their SR2B.3 submission (designs and plans) without incorporating any assumptions about commencing construction prior to execution of the

Agreement unless the Proponent has been notified in advance that its Early Works Proposal meets the submission requirements.

Should a Proponent wish to have its Early Works Proposal reviewed in advance of the SR Package 2B submission date, it should be submitted to the City by the deadline indicated in the table of milestone dates in Section 5.1 of this ITP.

SECTION 5 – PROPOSAL SUBMISSION AND SELECTION PROCESS

5 PROPOSAL SUBMISSION AND SELECTION PROCESS

5.1 Process Overview and Schedule

The selection process is based on the evaluation of the submissions and the ranking of the Financial Offers. The Proponent whose submission has met all the technical and financial requirements and that provides the Financial Offer with the lowest total cost on a net present value basis may be selected as the Preferred Proponent. The legal entity formed by the Preferred Proponent shall be the Successful Proponent, and shall be required to deliver the Financing and Initial Performance Letter of Credit and execute the Agreement in its final form.

The selection process will consist of four Submissions (SR Package 1, 2, 2B, and 3) due in stages. Additionally, Proponents are invited but not required to submit comments on the draft Agreement.

An overview of the various submissions is provided below:

- **SR Package 1** requires preliminary plans and strategies.
- **SR Package 2** requires detailed technical plans and detailed designs.
- **SR Package 2B** requires blacklined and clean restated (with required clarifications) specified components from SR Package 1 and 2, an Indicative Financial Model, and an Indicative Financing Plan.
- **SR Package 3** requires a Final Financial Model, a Final Financing Plan, a Financial Offer, the Proposal Deposit, and the Preferred Proponent Deposit.

A total of up to five confidential meetings per Proponent are anticipated, with attendance at the option of each Proponent, as follows:

- Two meetings to discuss the Agreement and Proposal submission issues, with Proponent's comments on the Agreement submitted prior; and
- Three technical meetings to discuss the Technical Requirements and proposed solutions.

The agenda for these meetings will largely be at each Proponent's discretion, with the City reserving the right to bring forth topics. The City will advise Proponents of the City's meeting attendees in advance.

Site access on a pre-determined schedule for each Proponent will also be facilitated.

Upon consideration of the comments submitted by all Proponents and following each set of Agreement meetings, the City will issue a revised draft of the Agreement. The final form of the Agreement will be issued in advance of the deadline for SR Package 3. The Successful Proponent shall enter into the Agreement in its final form.

Execution of the Agreement by the Successful Proponent is expected to occur no later than the date indicated in the table below.

A web meeting for all Proponents will be conducted according to the schedule below. Attendance of at least one representative of each Proponent is strongly recommended.

The schedule for the selection process for this procurement as currently anticipated is presented in the table below. The City reserves the right to amend this schedule at any time.

Milestone	Date
Issue RFP	October 16, 2013
Proponent Web Meeting	October 18, 2013
Site Access Round 1	October 21 – 25, 2013
Site Access Round 2 with Technical Meetings Round 1	November 4-8, 2013
SR Package 1 Submission Deadline	November 13, 2013
Deadline for 1 st Round Comments on the 1 st Draft Agreement	November 18, 2013
Notification of SR1 Results and Provision of Feedback (if any) on SR Package 1	November 26, 2013
Site Access Round 3	December 2-11, 2013
Agreement Meetings Round 1	December 3,4,5 2013
Site Access Round 4 with Technical Meetings Round 2	December 11-20, 2013
Issuance of 2 nd Draft Agreement	December 18, 2013
Site Access Round 5 with Technical Meetings Round 3	January 8-17, 2014
Deadline for 2 nd Round Comments on the 2 nd Draft Agreement	February 3, 2014
SR Package 2 Submission Deadline	February 18, 2014
Deadline for hard copy Imperial D size SR2 drawing set	February 24, 2014
Agreement Meetings Round 2	February 11,12,13, 2014
Site Access Round 6	February 19 – 28, 2014
Issue of penultimate draft of the Agreement	March 13, 2014
Site Access Round 7	March 24 – April 2, 2014
Deadline for 3 rd Round Comments on the penultimate draft of the Agreement	March 27, 2014
Deadline for Submission of Early Works Proposal for Advance Review (Optional, Should Proponent Wish Advance Review)	April 9, 2014
Issue of Final Form of Agreement	April 11, 2014
Notification of Evaluation Results of SR Package 2	April 16, 2014
SR Package 2B Submission Deadline	April 23, 2014
Site Access Round 8	April 23 – May 2, 2014
Notification of Evaluation Results of SR Package 2B	May 7, 2014
Notification of Review Results of Early Works Proposal	May 7, 2014

Notification of Discount and Inflation Rates	May 20, 2014
SR Package 3 Submission Deadline	May 22, 2014
Notification of Preferred Proponent	May 30, 2014
Execution of Agreement	No Later Than July 30, 2014

Timing relating to deadlines for questions from Proponents is presented in Section 5.7.1 of this ITP.

5.2 Detailed Site Access and Meeting Schedule

The dates assigned to each Proponent for site access, technical meetings, and agreement meetings are provided in the table below. Daily access hours are from 7:30am to 5:00pm for full days, 7:30am to 12:00pm for half-day mornings, and 12:30pm – 5pm for half day afternoons.

Site Access Round 1 (1½ day)	
Team A	Monday October 21, 7:30am- Tuesday October 22, noon
Team B	Tuesday October 22, 12:30pm – Wednesday October 23, 5:00 pm.
Team C	Thursday October 24, 7:30am – Friday October 25 noon
Site Access Round 2 (1½ day) <i>(held in conjunction with Technical Meetings Round 1)</i>	
Team B	Monday November 4, 7:30am – Tuesday November 5, noon
Team C	Tuesday November 5, 12:30 pm – Wednesday November 6, 5:00 pm
Team A	Thursday November 7, 7:30am – Friday November 8, noon
Site Access Round 3 (2½ day)	
Team C	Monday December 2, 7:30am – Wednesday December 4, noon
Team A	Wednesday December 4, 12:30pm – Friday December 6, 5:00 pm
Team B	Monday December 9, 7:30 am - Wednesday December 11, noon
Site Access Round 4 (2½ day) <i>(held in conjunction with Technical Meetings Round 2)</i>	
Team A	Wednesday December 11, 12:30pm – Friday December 13, 5:00 pm
Team B	Monday December 16, 7:30 am – Wednesday December 18, noon
Team C	Wednesday December 18, 12:30pm – Friday December 20, 5:00 pm
Site Access Round 5 (2½ day) <i>(held in conjunction with Technical Meetings Round 3)</i>	
Team B	Wednesday January 8, 7:30am – Friday January 10, noon
Team C	Monday January 13, 7:30am – Wednesday January 15, noon
Team A	Wednesday January 15, 12:30pm – Friday January 17, 5:00 pm
Site Access Round 6 (2½ day)	
Team C	Wednesday February 19, 7:30am – Friday February 21, noon
Team A	Monday February 24, 7:30am – Wednesday February 26, noon

Team B	Wednesday February 26, 12:30pm – Friday February 28, 5:00 pm
Site Access Round 7 (2½ day)	
Team B	Monday March 24, 7:30am – Wednesday March 26, noon
Team C	Wednesday March 26, 12:30pm – Friday March 28, 5:00 pm
Team A	Monday March 31, 7:30am – Wednesday April 2, noon
Site Access Round 8 (2½ day)	
Team A	Wednesday April 23, 12:30pm – Friday April 25, 5:00 pm
Team B	Monday April 28, 7:30am – Wednesday April 30, noon
Team C	Wednesday April 30, 12:30pm – Friday May 2, 5:00 pm
Technical Meeting Round 1 <i>(held in conjunction with Site Access Round 2)</i>	
Team B	November 5, 1:30 pm – 5:00 pm
Team C	November 5, 8:30 am – 12:00 pm
Team A	November 6, 8:30 am – 12:00 pm
Technical Meeting Round 2 <i>(held in conjunction with Site Access Round 4)</i>	
Team A	Wednesday December 11, 8:30 am – 12:00 pm
Team B	Wednesday December 18, 1:30 pm – 5:00 pm
Team C	Wednesday December 18, 8:30 am – 12:00 pm
Technical Meeting Round 3 <i>(held in conjunction with Site Access Round 5)</i>	
Team B	Friday January 10, 1:30 pm – 5:00 pm
Team C	Wednesday January 15, 1:30 pm – 5:00 pm
Team A	Wednesday January 15, 8:30 am – 12:00 pm
Agreement Meeting Round 1	
Team A	Tuesday December 3, 8:30 am – 4:30 pm
Team B	Wednesday December 4, 8:30 am – 4:30 pm
Team C	Thursday December 5, 8:30 am – 4:30 pm
Agreement Meeting Round 2	
Team C	Tuesday February 11, 8:30 am – 4:30 pm
Team A	Wednesday February 12, 8:30 am – 4:30 pm
Team B	Thursday February 13, 8:30 am – 4:30 pm

As noted above, half-day technical meetings are planned in conjunction with 1½ day and 2½ day site access opportunities for each Proponent.

All site access opportunities, technical meetings, and agreement meetings are at each Proponent's option. Proponents may elect to use any of the opportunities offered, in full or in part. The number and extent of site access opportunities and meetings used by a Proponent shall have no bearing whatsoever on the selection of the Preferred Proponent.

5.3 City Representative

The City Representative for this RFP is:

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

Attention: Gloria Bechtold, CPPB
Email: reginapurchasing@regina.ca

All correspondence or contact by Proponents with the City in respect of this RFP must be directly and only with the City Representative. Failure to restrict correspondence and contact to the City Representative may result in the rejection of the Proponent's SR Packages and the termination of the Proponent's right to continue in the procurement process.

5.4 Data Room

5.4.1 Information for Proponents

Background information will be available through the electronic data room (the “**Data Room**”) such as the Predesign report, wastewater treatment plant condition information, and wastewater treatment plant operational information. Such information may be updated from time to time. A catalogue of the information in the Data Room as at the date of issuance of this RFP is provided in the Data Room. Updates and additions to this catalogue will be provided in the Data Room as they become available. Refer to Section 6.16 of this ITP regarding accuracy of information provided.

It is the responsibility of Proponents to monitor the Data Room for any additional information that may be posted from time to time.

5.4.2 Data Room Access

Only Proponents will be entitled to receive access to the Data Room. Proponents are required to register for access by completing the form and signing the confidentiality agreement included as Appendix 3 of this ITP and submitting by email to:

City of Regina Purchasing Branch
Email: reginapurchasing@regina.ca

A single login name and password will be issued to each Proponent by the City.

5.4.3 Requests for Information and Submission Management

The Data Room will also be used for management of most communications between the City and Proponents. Each Proponent will be provided a secure area within the Data Room which will have sub-folders for the following purposes:

- Submission of Requests for Information and receipt of City responses;
- Submission of responses to the City's requests for clarification of Submissions; and
- Submission of comments on the Agreement, and other submission requirements (but not SR Packages 1, 2, 2B, or 3).

Each Proponent's secure area will be accessible only to the Proponent and the City.

All information posted to each Proponent's secure area will be deleted from the Data Room at the conclusion of the procurement process.

Notifications to Proponents listed in the schedule in Section 5.1 will be delivered by email and/or phone call to each Proponent's Contact Individual. The Data Room will not be used for such notifications.

5.4.4 RFP Addenda

Addenda to the ITP will be posted to the Data Room, as will the successive revisions of the Agreement described in Section 5.1.

5.5 Investigations, Surveys and Studies by Proponents

Proponents are required to conduct their own due diligence in relation to all aspects of the Project. Proponents are responsible for carrying out any independent investigations, surveys, and studies which they consider necessary or appropriate in connection with satisfying their due diligence responsibilities, at their own cost.

5.6 Site Access

Proponents may access the Lands and Existing Facilities and the McCarthy Boulevard Pumping Station and the GTH Pumping Station to conduct site investigations during the prescheduled periods assigned to each Proponent outlined in Section 5.2.

Prior to being granted access, Proponents and their Team Members and consultants, as applicable, will be required to provide evidence of comprehensive general liability insurance in the amount of \$2,000,000 per occurrence and, if applicable, automobile liability insurance in the amount of \$1,000,000 per occurrence. Proponents and their Team Members and consultants, as applicable, will be required to provide evidence of registration with the Saskatchewan Workers' Compensation Board or the workers' compensation board in the organization's home jurisdiction.

Proponents will have access to the WWTP's library during site visits. An office will be made available for Proponent's use during site visits. The City will have a representative available on site to assist with the site visits. Anyone participating in a site visit will be required to attend a safety orientation and will be required to comply with the City of Regina Wastewater Treatment Plant Safety Manual.

Proponents are requested to advise the City 1 week prior to each site visit of the total number of expected attendees, the number of subgroups into which the attendees are expected to split to conduct their on-site activities, and the nature of the site investigations it plans for each visit. This will ensure that the City has sufficient resources available to support the site visit. Proponents are also requested to advise the City of their planned time of arrival at the WWTP on the first day of any site visit, and advise whether any team members will require the mandatory safety training described in Section 5.6.

Proponents may apply for additional site access for investigations that cannot be conducted or completed during the prescheduled periods. To do so, Proponents should submit an RFI briefly outlining the request including reasons why the prescheduled periods are not suitable, proposed dates and times, planned activities, and any requested City support. The City in its sole discretion will permit or deny the application, after considering factors such as impact on operation and necessary resources.

5.7 Requests for Information, Clarifications, and Addenda

5.7.1 Requests for Information

Proponents who wish to ask the City questions regarding this RFP must submit their requests for information (each, an "RFI") in writing using the RFI Submission Form provided in Appendix 4 of this ITP. **All RFIs are to be submitted by uploading them to the Data Room.**

RFIs specific to each of the Submissions (including SR Packages) must be received by the City Representative by 4:00 pm Regina Time on or before the tenth (10th) Business Day prior to the Submission Deadline to which they apply. The City Representative intends to respond on or before the fifth (5th) Business Day prior to the Submission Deadline to which the questions apply. The City intends to issue all responses and their corresponding questions to all Proponents. However, the City reserves the right to issue particular responses only to a particular Proponent depending on whether the question is confidential, or not to issue a response at all. Notwithstanding the forgoing, RFIs specific to SR Package 3 may be submitted up until 4:00 pm Regina Time on May 13, 2014.

Should a Proponent wish to ask a question that it considers to be confidential (i.e., the response is to be directed only to the Proponent that asks the question), the Proponent may request such an RFI be kept confidential provided it sets out on the RFI Submission Form with such request an explanation as to why it believes the RFI to be confidential. If the City considers that the RFI is in fact confidential, it will direct the response only to the Proponent that has asked the question, and not to the other Proponents. If the City considers that the RFI is not confidential, it will advise the Proponent of its view, and the Proponent can decide whether to withdraw the RFI, re-submit the RFI as non-confidential or revise the RFI to remove what the Proponent views as the

confidential elements and resubmit the RFI as non-confidential. The City reserves the right in its sole discretion to determine whether an RFI is confidential or not, and anticipates that only in exceptional circumstances will it determine an RFI to be confidential.

Written instructions or clarifications in the form of addenda to this RFP will be issued if deemed necessary by the City. Addenda will supersede and amend the specified portions of the RFP.

Neither RFI responses nor verbal responses to inquiries, including responses received at the Agreement meetings, technical meetings, and site visits, are binding on the City, unless reflected in an addendum to this RFP.

5.7.2 Clarification and Additional Information

The City may in its sole discretion request additional information or clarification from any Proponent after any Submission has been received. Proponents are to submit the additional information or clarification to the City Representative in the form specified by the City and within the time limit specified by the City.

5.7.3 Additional Proponent Meetings

In addition to the scheduled Agreement meetings and technical meetings outlined in Section 5.1, the City may require Proponents to meet with representatives of the City on one or more occasions to provide further explanation and clarification of their Submissions or RFIs, or to receive feedback. The City is not required to have such meetings with any or all Proponents. No information provided or statement made in any meeting will be binding on the City unless it is reflected in an addendum to this RFP.

After the date of the third round of technical meetings outlined in Section 5.2, Proponents may apply for a limited number of additional brief teleconference-based technical meetings. To do so, Proponents should submit an RFI briefly outlining the request for the additional meeting, the proposed topic(s), and the justification for favouring a teleconference meeting over the RFI process to address the topic(s). The City in its sole discretion will permit or deny the application after considering factors such as the ability to deal with the proposed topic(s) through the RFI process and available resources.

5.8 Review by Water Security Agency

The City has undertaken some preliminary work with the intent of facilitating the approval processes that Project Co must go through with the Water Security Agency (“WSA”). The City will facilitate the review by the WSA of select information provided during the SR2 submission phase for feedback specifically related to the WSA’s regulatory authorizations and approvals. WSA has signed a non-disclosure agreement with respect to the information that the City may provide to WSA. WSA is also bound by provincial legislation, The Freedom of Information and Protection of Privacy Act. Any feedback from the WSA may provide Proponents with an opportunity to refine their plans to facilitate the Successful Proponent’s ability to obtain Permits and Approvals under the WSA’s jurisdiction. Proponents are encouraged to provide the optional SR 2.33 (Envelope D) of the SR 2 Submission Requirements as described in Appendix 1 of this

ITP. Information exchanges during the SR2 review phase between the Proponents and the WSA will be facilitated by the City. Any responses from the WSA are not binding on the City nor the WSA and are not to be construed as authorization or approval by the WSA.

Proponents should not contact WSA with respect to their Proposals prior to being named Preferred Proponent.

5.9 Review by Other Authorities

The City may consider facilitating the review and feedback of other authorities, in a manner similar to that outlined above for the WSA. Proponents will be notified of any such additional review through addenda to this RFP.

Should any such review be arranged, Proponents should not contact the relevant authorities with regard to their Proposals prior to being named Preferred Proponent.

5.10 Comments on Agreement

The City is inviting comments from Proponents on the draft Agreement, including, for clarity, the Technical Requirements. The City does not expect to make changes to the Technical Requirements and other performance standards, although the City reserves the right to do so.

Proponents are invited to suggest modifications to the Agreement, Technical Requirements, and Early Works Agreement, by way of blacklining and providing supplemental commentary sufficient to explain the reason for the proposed modifications, including how the proposed modifications provide enhanced value for money to the City. Proponents are invited to submit their comments as follows:

Comment Table for Agreement and All Schedules Except Schedule 18

Item No.	Document Section Reference	Text with proposed revision	Commentary

Comment Table for Schedule 18 (Technical Requirements)

Item No.	Sch. 18 Section Reference	Text with proposed revision	Commentary

The optional comments shall be submitted to the Data Room on or before the deadline specified in Section 5.1.

The City reserves the right in its sole discretion to accept or reject any proposed modifications in whole or in part.

Timing related to deadlines to submit comments on the draft Agreement and the releases of the draft and final Agreements is presented in Section 5.1 of this ITP. It is the City's intention to issue the final form of the Agreement to Proponents prior to the submission deadline for SR Package 3.

Proponents should submit the comment tables in MS Word file format. Text with proposed revision should be presented by reproducing the original text, showing proposed revisions as blackline changes.

5.11 Submission Procedures

The submission procedure set out in this Section 5.11 applies to the following Submissions:

- SR Package 1
- SR Package 2
- SR Package 2B; and
- SR Package 3.

Proponents shall submit five bound copies and one unbound copy of each Submission. Each SR package must be accompanied by an authorized declaration. The forms of the declaration are provided in Appendix 2 to this ITP – Required Forms.

SR Package 2, SR Package 2B and SR Package 3 shall also include an identical electronic version of the written document in PDF and Microsoft Word formats on a CD or memory stick. SR Package 2B and SR Package 3 shall include a working financial model on the same CD or memory stick. SR Package 3 shall include the Financial Offer Form (Form G1) submitted electronically in the form of a Microsoft Excel spreadsheet populated with the Form G1 Table 2 values (to the cent) on the same CD or memory stick. This additional spreadsheet shall be independent of the financial model, shall be submitted as a separate Microsoft Excel file with no external links to the financial model, and shall be with cells containing only numeric values (no formulas) entered in the cell with a precision of two decimal places (that is, to the cent).

In the event of any discrepancy between the printed and electronic versions of a Submission, the printed version shall prevail.

SR Package 2 (but not SR Package 2B) shall also include one hard copy set of the drawings on Imperial D sheets. The hard copy Imperial D size drawing set has its own submission deadline as outlined in Section 5.1 of this ITP.

Proponents shall provide one hard copy set of the SR Package 2B drawings upon the City's request and within the timeframe indicated by the City in the request.

Each Submission (including any amendment to a Submission) should be received no later than 4:00 pm Regina time on the applicable Submission deadline specified in Section 5.1 of this ITP at:

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

Attention: Gloria Bechtold, CPPB

Proponents should use the RFP Submission Label included in Appendix 5 to clearly identify their Submissions.

SR Package 2B as clarified and SR Package 3, together will be a stand-alone binding comprehensive final Submission by each Proponent incorporating earlier Submissions and that Proponent's responses to the City's clarification questions. SR Package 2B must include a clean restated re-submission of SR Packages 1 and 2 (incorporating changes resulting from the City's clarification questions or required by addenda to the RFP but with **NO OTHER MATERIAL CHANGES**). In addition, SR Package 2B must include a blackline of all changes from the original submission of SR Package 1 and SR Package 2.

SR Package 2B as clarified and SR Package 3, including the Financial Offer, shall be irrevocable and valid and binding for a period of ninety (90) days from the submission deadline for SR Package 3 set out in Section 5.1. The Financial Offer shall be consistent with SR Package 2B as clarified, and shall not contain any qualifications or conditions to SR Package 2B as clarified.

SINCE PORTIONS OF THE PREFERRED PROPONENT'S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE AGREEMENT, WHEN PREPARING SR PACKAGE 2, SR PACKAGE 2B AND SR PACKAGE 3, PROPONENTS SHALL USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE AGREEMENT, INCLUDING SCHEDULE 18.

5.12 Proposal Deposit and Preferred Proponent Deposit

5.12.1 Proposal Deposit

Each Proponent must deliver to the City with its SR Package 3 an irrevocable, unconditional, on sight letter of credit in the amount of \$1 million (the "**Proposal Deposit**") expiring no earlier than 120 days from the submission deadline for SR Package 3 and substantially in the form of the sample form of letter of credit attached as Form F1 of Appendix 2, presentable at a bank in Canada and issued by a bank authorized under the *Bank Act* (Canada) to do business in Canada (or issued by such other financial institution approved in advance for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion), and having a senior, unsecured long-term credit rating of not less than A+ (with a stable outlook) or equivalent from one of (and no rating less than A+ (with a stable outlook) or equivalent from any other of)

Standard & Poor's, DBRS (formerly known as Dominion Bond Rating Service) or Fitch Ratings (or any other major credit rating agency approved for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion).

The Proposal Deposit must be maintained in effect by the Proponent until either of the following events has occurred:

- the Successful Proponent has executed the Agreement and provided the Financing and Initial Performance Letter of Credit; or
- the City has notified Proponents that the City has decided not to select and notify a Preferred Proponent,

and upon either of such events, the City shall surrender the Proposal Deposit to the Proponent within 14 Business Days. Notwithstanding the foregoing, the City shall surrender the Proposal Deposit to the Preferred Proponent within 14 Business Days of that Proponent being notified it is the Preferred Proponent.

The City may present the Proposal Deposit for payment and retain the proceeds therefrom as liquidated damages, only if an unsuccessful Proponent is subsequently notified it is the Preferred Proponent and fails to provide a new Preferred Proponent Deposit within seven Business Days of being so notified.

Failure to provide the Proposal Deposit in accordance with the RFP may result in disqualification of a Proponent from the RFP Process.

5.12.2 Preferred Proponent Deposit

Each Proponent must deliver to the City with its SR Package 3 an irrevocable, unconditional, on sight letter of credit in the amount of \$10 million (the “**Preferred Proponent Deposit**”) expiring no earlier than 120 days from the submission deadline for SR Package 3 and substantially in the form of the sample form of letter of credit attached as Form F2 of Appendix 2, presentable at a bank in Canada and issued by a bank authorized under the *Bank Act* (Canada) to do business in Canada (or issued by such other financial institution approved in advance for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion), and having a senior, unsecured long-term credit rating of not less than A+ (with a stable outlook) or equivalent from one of (and no rating less than A+ (with a stable outlook) or equivalent from any other of) Standard & Poor's, DBRS (formerly known as Dominion Bond Rating Service) or Fitch Ratings (or any other major credit rating agency approved for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion).

The City shall surrender the Preferred Proponent Deposit to each Proponent other than the Preferred Proponent within seven Business Days of Notification of Preferred Proponent. In the event the City cancels the procurement process after Notification of Preferred Proponent, the City shall surrender the Preferred Proponent Deposit to each Proponent within seven Business Days of such cancellation.

The Preferred Proponent Deposit must be maintained in effect by the Preferred Proponent until the Successful Proponent has executed the Agreement and provided to the City the Financing

and Initial Performance Letter of Credit and upon such event, the City shall surrender the Preferred Proponent Deposit to the Preferred Proponent within five Business Days of such event.

The City may present the Preferred Proponent Deposit for payment if any of the senior, unsecured long-term credit ratings of the issuer of the Preferred Proponent Deposit becomes less than A+ (with a stable outlook) or equivalent and the Preferred Proponent fails to deliver a replacement of the Preferred Proponent Deposit no later than 10 Business Days after the occurrence of such downgrade.

The City may present the Preferred Proponent Deposit for payment and retain the proceeds therefrom as liquidated damages, only if the Successful Proponent fails to execute the Agreement in accordance with this RFP or fails to provide to the City the Financing and Initial Performance Letter of Credit in accordance with the Agreement.

Failure to provide the Preferred Proponent Deposit in accordance with the RFP may result in disqualification of the Preferred Proponent from the RFP process.

5.13 Financing and Initial Performance Letter of Credit

In order to secure the financial and initial performance commitments of the Successful Proponent, the City will require the Successful Proponent to provide a Financing and Initial Performance Letter of Credit in the amount of \$10 million in accordance with the Agreement in the form of an unconditional irrevocable letter of credit substantially in the form of the sample form of letter of credit attached as Form F3 of Appendix 2.

Details with respect to the release of the Financing and Initial Performance Letter of Credit are provided in the Agreement. Failure to provide or cause to be provided the Financing and Initial Performance Letter of Credit in accordance with the RFP may result in disqualification of the Preferred Proponent from the RFP process.

5.14 Proposal Content and Evaluation

This Section 5.14 summarizes the requirements of the SR Packages. Further details of the requirements for each of the SR Packages are included in the Submission Requirements (Appendix 1 of this ITP). In the event of any discrepancy between this Section 5.14 and Appendix 1, the latter shall prevail.

SR Packages will be reviewed to ensure that they are complete and address the Submission Requirements according to the following steps:

- Assessment of whether a substantially complete submission has been provided.
- Determination of acceptability of required forms.
- Assessment of acceptability of each component in the SR Packages on a pass/fail basis as applicable (some components of SR Packages are for information only and are not evaluated; such components are subject to clarification under Section 5.7.2).

The City will set up technical and financial evaluation teams with the requisite expertise to evaluate the Submissions.

There are a number of elements of SR Package 1 that will be further detailed by Proponents in SR Package 2. For these components, rather than assessing them on a pass/fail basis in SR Package 1, the City will provide feedback to Proponents on the likely acceptability of the approach contained in those components based on how the approach meets the Technical Requirements.

The following is an overview of the components of the SR Packages and how each component will be evaluated by the City.

5.14.1 SR Package 1 Overview

The SR Package 1 consists of the following components:

Envelope A

- SR 1.1 – General/Proponent information (pass/fail evaluation)
 - Including Form A1 and Form A2
- SR 1.2 – Financial Capacity (pass/fail evaluation)
 - Including Form D

Envelope B

- SR 1.3 – Management plan (pass/fail evaluation)
- SR 1.4 – Permitting strategies (feedback)
- SR 1.5 – Schedule strategies (feedback)
- SR 1.6 – Employee Transition Strategy (feedback)

SR 1.1, 1.2, and 1.3 will be evaluated against the submission requirements outlined in Appendix 1. Feedback on SR 1.4, 1.5, and 1.6 will reflect how these components meet the Agreement, including the Technical Requirements.

The contents of SR 1.4, 1.5, and 1.6 will be superseded and/or incorporated into components of SR Package 2 Envelope B. The contents of SR 1.2, as clarified, will be required to be resubmitted in SR Package 2B.

5.14.2 SR Package 2 Overview

The SR Package 2 consists of the following components:

Envelope A

- SR 2.1 – General/Proponent information (pass/fail evaluation)
 - Including Form B

Envelope B (all pass/fail evaluation):

- SR 2.2 – Design Development Reports (includes drawings)

-
- SR 2.3 – Project Co’s Construction Schedule
 - SR 2.4 – Quality Management System
 - SR 2.5 – Environmental Management System
 - SR 2.6 – Health and Safety Management Plan
 - SR 2.7 – Permitting and Approval Plan
 - SR 2.8 – Operations Interface Plan
 - SR 2.9 – Wastewater Sampling and Analysis Plan
 - SR 2.10 – Incident Logging Centre Plan
 - SR 2.11 – Design Plan
 - SR 2.12 – Construction Management Plan
 - SR 2.13 – Construction Occupational Health and Safety Plan
 - SR 2.14 – Commissioning and Startup Plan
 - SR 2.15 – Construction Period Public Communication Plan
 - SR 2.16 – Construction Period Interface Protocol
 - SR 2.17 – Demolition and Decommissioning Plan
 - SR 2.18 – Operation and Maintenance Plan
 - SR 2.19 – Emergency Response Plan
 - SR 2.20 – O&M Occupational Health and Safety Plan
 - SR 2.21 – Odour Management Plan
 - SR 2.22 – Noise Control Plan
 - SR 2.23 – Staffing and Training Plan
 - SR 2.24 – Residuals Management Plan
 - SR 2.25 – Biosolids and Existing Lagoon Management Plan
 - SR 2.26 – Security Plan
 - SR 2.27 – Asset Management Plan
 - SR 2.28 – Transition Out Expiry Plan
 - SR 2.29 – Transition Plan for Existing Facilities O&M
 - SR 2.30 – O&M Plan for Existing Facilities
 - SR 2.31 – Existing Facilities Occupational Health and Safety Plan

Envelope C (pass/fail evaluation):

- SR 2.32– Insurance
 - Including Form E

Envelope D (optional submission for WSA review)

- SR 2.33 Information for WSA Review

SR 2.1 will be evaluated against the submission requirements outlined in Appendix 1.

All the components within Envelope B will be evaluated against the submission requirements outlined in Appendix 1 and against the Agreement including the Technical Requirements. Proponents must demonstrate that their technical submissions meet the Agreement, including the Technical Requirements. The City may seek clarification and/or additional information as described in Section 5.7.2 to facilitate its evaluation.

SR 2.32 will be evaluated against the submission requirements outlined in Appendix 1.

5.14.3 SR Package 2B Overview

The SR Package 2B consists of the following items:

Envelope A

- SR 2B.1 – Form C1 and Form C2

Envelope B (all pass/fail evaluation)

- SR 2B.2 – SR Package 1 – SR 1.3 as clarified
- SR 2B.3 – SR Package 2 Envelope B – all components as clarified
- SR 2B.4 – SR Package 2 Envelope C – all components as clarified

Envelope C (pass/fail evaluation)

- SR 2B.5 – Financial Capacity
 - Including Form D

Envelope D (no pass/fail or feedback; for information only)

- SR 2B.6 – Indicative Financing Plan
- SR 2B.7 – Indicative Financial Model

Envelope E (Optional and required only if Proponent wishes to enter into the Early Works Agreement)

- SR2B.8 – Early Works Proposal

SR Package 2B is intended as the consolidated and clarified submission from Proponents. Portions of SR Package 2B as clarified will be incorporated into the Agreement.

All the components in Envelope B will be evaluated for consistency with the clarifications made during the review of SR2.

SR 2B.5 will be evaluated against the submission requirements outlined in Appendix 1.

The Indicative Financing Plan (SR 2B.6) is intended to provide the City with an indication of the likely final form of the Proponent's financing plan in order to expedite the review of the Final Financing Plan in SR Package 3 and will be reviewed against the submission requirements outlined in Appendix 1. The Indicative Financing Plan is for information only and will not be evaluated although the City reserves the right to ask clarification questions of Proponents.

The Indicative Financial Model (SR 2B.7) is intended to provide the City with an indication of the likely final form of the Proponent's financial model in order to expedite the review of the financial model in SR Package 3 and will be reviewed against the submission requirements outlined in Appendix 1. The Indicative Financial Model is for information only and will not be evaluated although the City reserves the right to ask clarification questions of Proponents.

5.14.4 SR Package 3 Overview

The SR Package 3 consists of the following items:

Envelope A

- SR 3.1 – Final Financial Model (for information only)
- SR 3.2 – Final Financing Plan (for information only)
- SR 3.5 – Form G5 in Appendix 2 of this ITP

Envelope B

- SR 3.3 – Financial Offer (Forms G1, G2, G3, G4) , Form C3, Form C4, and Form C5 (if Proponent wishes to enter into the Early Works Agreement), in Appendix 2 of this ITP
- SR 3.4 – Proposal Deposit and the Preferred Proponent Deposit (pass/fail evaluation)

SR Package 3 is the binding financial offer that corresponds to the solution proposed in SR Package 2B, as clarified. The Financial Offer shall be consistent with SR Package 2B as clarified, and shall not contain any qualifications or conditions to SR Package 2B as clarified.

The City will calculate the net present value of the financial offer based on the payment information provided by Proponents on Form G1, G2, and G3.

SR 3.1 and 3.2 will be reviewed against the submission requirements outlined in Appendix 1.

The City reserves the right to ask clarification questions of Proponents regarding their SR Package 3 submissions.

5.14.5 Evaluation Process

A Proponent will fail with respect to any SR Package if that Package, after clarification, is materially incomplete or determined by the City to be unacceptable having regard to the requirements of this RFP and the Agreement, including the Technical Requirements.

Proponents who fail on any SR Package will not be permitted to submit subsequent SR Packages or to otherwise further participate in this RFP. Proponents who pass an SR Package will be permitted to submit subsequent SR Packages (if any), subject to the City's right to obtain additional clarifications.

From among the Proposals that are compliant, the Preferred Proponent, if selected, will be the Proponent whose Financial Offer presents the lowest total cost on a net present value basis.

5.14.6 Calculation of Net Present Value of Financial Offers

The net present value will be calculated to the date of the SR Package 3 Submission Deadline by discounting the Financial Offer using a discount rate to be determined by the City and based on the City's borrowing costs as estimated by the City two Business Days prior to the SR Package 3 submission Deadline based on information supplied by the City's bank. The total cost on a net present value basis will be calculated by taking the sum of the net present values of the following in the Financial Offer:

- a. the Milestone Payment and Substantial Completion Payment as determined by the City in accordance with Table 1 of Form G1 (the City shall determine prior to the SR Package 3 Submission Deadline the assumed timing of the Milestone Payment to be utilized for the purpose of this calculation and shall apply such determination equally to each Proponent's Financial Offer);
- b. the Existing Facilities O&M Payments set out in Table 2 of Form G1 adjusted in accordance with Note 4 in Table 2 of Form G1;
- c. the Capital Payments set out in Table 2 of Form G1;
- d. the Infrastructure O&M Payments set out in Table 2 of Form G1 adjusted in accordance with Note 4 in Table 2 of Form G1, comprising:
 - o the Infrastructure Operation and Maintenance Fixed Payments
 - o the Infrastructure Operation and Maintenance Variable Payments, calculated using the assumed monthly influent flow set out in Table 2 of Form G1
 - o the Renewal Payments
- e. the cost of commodities for the Infrastructure O&M to be calculated using the commodity consumption rates set out in Tables 1 and 2 of Form G3, the assumed monthly influent flow provided in Table 2 of Form G1, and rates as follows:

Commodity	Rate
City Water	\$ 1,590.00 / ML

Commodity	Rate
Electricity	\$ 0.05790 / kWh
Natural Gas	\$ 4.67 / GJ

adjusted in accordance with Note 4 in Table 2 of Form G1. To calculate the cost of electricity, the bands in Table 2 of Form G4 will be converted to monthly equivalents by dividing the lower and upper band limits by 12, and each month's band will be selected based on the assumed monthly influent flow provided in Table 2 of Form G1 to determine the electricity consumption rate to be applied in the month.

5.14.7 Notification of Preferred Proponent

The Preferred Proponent, if selected, will be notified in writing of its selection by the City Representative. The notification shall also authorize the Preferred Proponent to, at the Preferred Proponents option and risk, immediately commence design, site inspections, surveys, and other similar investigations, and to prepare and submit permit applications on the City's behalf. The insurance requirements for site access described in Section 5.6 shall apply to the Preferred Proponent.

5.15 Honorarium

The City will pay an honorarium in the amount of \$250,000 (the "Honorarium") to each Proponent that submitted a compliant Proposal and was not selected as the Preferred Proponent. Other than as set out below, the Preferred Proponent shall not be entitled to the Honorarium. The payment of honoraria will be made 21 Business Days after the execution of the Agreement and delivery to the City of the Financing and Initial Performance Letter of Credit by the Successful Proponent.

If the City elects not to select a Preferred Proponent, the City will pay the Honorarium to each Proponent that submitted a compliant Proposal and in such event payment of the honoraria will be made 21 Business Days after the City advises the Proponents that the City has elected not to select and notify a Preferred Proponent.

If the City has (i) selected a Preferred Proponent and (ii) failed to execute the Agreement on or before July 30, 2014, other than as a result of a breach by the Preferred Proponent of any of its obligations under this RFP or any other act or omission of the Preferred Proponent, then the City shall pay the Preferred Proponent the Honorarium and in such event the payment of the Honorarium will be made 21 Business Days after July 30, 2014.

The Honorarium shall be paid to the order of the Contact Organization unless otherwise directed by a written notice from the Contact Organization to the City.

5.16 Fairness Advisor

The City has retained a fairness advisor to independently observe and report upon the RFP process. A Proponent may submit questions related to fairness to the City through this RFI process and the City, at its sole discretion, may submit a response.

5.17 Legal Opinions

Concurrently with executing the Agreement, the Successful Proponent's legal counsel shall provide a legal opinion in form and substance satisfactory to the City's legal counsel, acting reasonably, with respect to existence, power and capacity, authorization, execution and delivery, enforceability, no breach of default, regulatory approvals and such other opinions as are customary for a transaction of this nature. The City's legal counsel will provide a similar opinion in form and substance satisfactory to the Successful Proponent's legal counsel, acting reasonably.

5.18 Execution of Agreement

The Agreement is to be executed by the Successful Proponent no later than 5:00 p.m. Regina Time on the deadline date set out in Section 5.1 without further negotiation or amendment, except for limited customization to incorporate specific portions of the Preferred Proponent's Proposal and to reflect the structure and identity of the Successful Proponent. The Preferred Proponent cannot qualify the acceptance of the final form of the Agreement. If the Preferred Proponent does not execute the Agreement in its final form no later than 5:00 p.m. Regina Time on the deadline date set out in Section 5.1, in addition to any other remedy available to the City, the City may retain the Preferred Proponent Deposit of \$10 million, and, in the sole discretion of the City, may designate the Proponent with the Financial Offer with the next lowest total cost (on a net present value basis) as the Preferred Proponent.

5.19 Assistance to City Re: PPP Canada

The City has negotiated a financial contribution agreement with PPP Canada Inc. This financial contribution from PPP Canada Inc. will be paid directly to the City and the City will use this financial contribution to pay in part the City Funding or Capital Payments. A requirement of the financial contribution agreement is that the City provide PPP Canada Inc. with access to the Preferred Proponent's financial model.

All Proponents to this RFP are deemed to have consented to the City providing any information that the Proponent provides to the City to PPP Canada Inc., if so requested by PPP Canada Inc. The City will provide all of such information to PPP Canada on a confidential basis.

5.20 Technical Meetings and Agreement Meetings

Proponents are requested to advise the City one week prior to each meeting of the number of expected attendees and their titles, and provide a draft agenda (which may include brief supporting information if necessary). This will ensure that the City has the correct resources available to support each meeting.

SECTION 6 – OTHER MATTERS

6 OTHER MATTERS

6.1 Ineligibility

Each Key Individual, on behalf of the Team Members identified in the Proponent’s RFQ submission, must declare and continue to be under an obligation to declare, all Conflicts of Interest or any situation that may be reasonably perceived as a Conflict of Interest that exists now or may exist in the future.

In this RFP, “**Conflict of Interest**” includes any situation or circumstance where in relation to the Project, a Proponent, any Team Member or any Key Individual, has other commitments, relationships or financial interests that:

- a. could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of the City’s independent judgment; or
- b. could, or could be seen to, compromise, impair or be incompatible with the effective performance of its obligations under the Agreement.

In connection with its Proposal, each Proponent shall:

- a. avoid any Conflict of Interest in relation to the Project;
- b. immediately disclose to the City any actual or potential Conflict of Interest that arises during the RFP process; and
- c. comply with any requirements prescribed by the City to resolve any Conflict of Interest.

In addition to all contractual or other rights or rights available at law or in equity or legislation, the City may immediately exclude a Proponent from further consideration or remove the Proponent from the RFP process if:

- a. the Proponent fails to disclose an actual or potential Conflict of Interest;
- b. the Proponent, any Team Member or any Key Individual identified in the Respondent’s RFQ submission fails to comply with any requirements prescribed by the City to resolve a Conflict of Interest; or
- c. the Respondent’s Conflict of Interest issue cannot be resolved.

Proponents must not include among their Team Members or Key Individuals any business entity or individual (an “**Ineligible Person**”) who is associated with any of the following:

- any consultant retained by the City in relation to the Project, including but not limited to consultants providing engineering, process, legal, finance, financial capacity, fairness, or communications advice, namely:

Engineering Consultants:

- AECOM Canada and its subconsultants (KGS Group, SEPW Architects, Clifton

Associates and WPC Solutions)

Business Advisor:

- Deloitte LLP

Legal Advisor:

- Torys LLP

Communications Advisor:

- McKim Cringan George

Fairness Advisor:

- JD Campbell and Associates Ltd.
- any former or current employee of the City or of any consultant named above who through his/her employment by the City was involved in the procurement model analysis for the Project or the development of this RFP any time after April 1, 2012; or
- any member of City Council or any closely connected person (as defined and applied in section 114 of *The Cities Act* (Saskatchewan)).

Other firms or persons that may be contracted or retained by the City to work on the Project may also be deemed Ineligible Persons.

With respect to Ineligible Persons or their affiliates, subcontractors or consultants, the City reserves the right, in its sole discretion, to exclude any Proponent or any affiliate, subcontractor or consultant to any Proponent on the grounds of Conflict of Interest. The City may, in its sole discretion, waive the ineligibility of an affiliate, subcontractor or consultant of an Ineligible Person on such terms and conditions as the City, in its sole discretion, may require, including that the Proponent or entity put into place adequate safeguards to mitigate the impact of any Conflict of Interest and to ensure that any and all confidential information the Proponent, affiliate, subcontractor or consultant may have, continues to be kept confidential and not disclosed or used except as expressly allowed by the City.

If a Proponent considers that a particular relationship or association does not create a Conflict of Interest and will not create a perception of Conflict of Interest, but is concerned that the City could arrive at a different conclusion, the Proponent should fully disclose the circumstances to the City at the earliest possible date, and request that the City provide an advance interpretation as to whether the relationship or association will be likely to create a Conflict of Interest or a perception of Conflict of Interest. The City will provide confidential responses to such inquiries.

Failure to comply with this provision may result in disqualification of a Proponent from the RFP process.

6.2 No Exclusive Relationships

Due to the role of the following firms in providing the City with information related to the Project, no Proponent may enter into an exclusive relationship with:

- Tervita Corporation.

6.3 Contractors On Site During Procurement Process

Proponents are advised that the following firms are expected to be conducting work at the WWTP during the procurement process:

- Westridge Construction Ltd.
- Black and McDonald Limited
- Suer & Pollen Mechanical Partnership
- C & E Mechanical Inc.
- Alliance Energy Ltd.
- Mocon Construction Ltd.
- Joe's Electric Ltd.
- Tervita Corporation

as well as others that may be retained for work subsequent to release of the RFP. These firms are not Ineligible Persons.

6.4 No Advantage Through Alternative Site Access

To the extent that a Proponent obtains information about the Existing Facilities through access to the site obtained after the release of the RFP, other than the site access specifically facilitated by the City as described in Section 5.6, such information shall not be used in the development of a Proponent's Proposal. Any personnel of a Proponent or its Team Members obtaining access to the site through such other means shall not contribute to the development of a Proposal and the Proponent shall put into place adequate safeguards to ensure that any information obtained as a result of such access is not used in the development of its Proposal.

6.5 Contact Organization and Contact Individual

A Proponent shall maintain the same Contact Organization and Contact Individual for the RFP as for the RFQ. The Contact Organization will be the contact for all communications with the City regarding this RFP, and the Contact Individual shall be responsible for all such communications on behalf of that organization. The City shall be entitled to rely on any communication from the Contact Individual as having been duly authorized by the Contact Organization and as being duly given on behalf of the Proponent and its Team Members.

A Proponent may change its Contact Organization only by providing notice from the previous Contact Organization. The Contact Organization may substitute a new Contact Individual only by a written notice to the City signed either by the previous Contact Individual or by an officer of the Contact Organization whose authority to do so is affirmed to the satisfaction of the City.

6.6 Changes to Proponents' Team Structure

A Proponent may not change the roles of Team Members or Key Individuals, replace, remove or change Team Members and Key Individuals, or change entities from “under consideration” to confirmed Team Members without the prior written consent of the City, in its sole discretion. The City will evaluate the proposed change in accordance with the RFQ criteria. The City reserves the right to either accept or reject the proposed change and to change the short-listed status of the Proponent accordingly. Breach of this provision may result in disqualification of the Proponent from the RFP process.

6.7 Proponents' Expenses

Except as otherwise expressly provided in this RFP, Proponents and their Team Members are solely responsible for all costs incurred in their participation in the RFP process, the preparation and submission of their Proposals, for any meetings or interviews related to the Proposal, and for submitting any additional information requested by the City. The City shall not be liable to any Proponent or its Team Members or Key Individuals for any costs and expenses incurred in responding to this RFP.

6.8 Ownership of Documents and Intellectual Property

6.8.1 Documents

Subject to Section 6.8.2, all documents submitted by Proponents shall become the property of the City upon their being presented, submitted, or forwarded to the City. Should any documents be submitted electronically, notwithstanding the prohibition on same contained elsewhere in this RFP, then their content and the media in which they are contained shall also become the property of the City upon their being presented, submitted or forwarded to the City.

6.8.2 Use of Intellectual Property

The City's rights to any Intellectual Property submitted by a Proponent pursuant to this RFP shall be granted to the City as follows:

- (a) for unsuccessful Proponents, upon payment of the Honorarium; or
- (b) for the Successful Proponent, upon execution of the Agreement.

For good and valuable consideration, receipt of which is acknowledged, each of the Proponents agrees to provide the City with a non-exclusive, perpetual, irrevocable, world-wide, fully paid and royalty free license (fully assignable without the consent of the Proponent and with the right to sub-license without the consent of the Proponent) to use any Intellectual Property, including the right to modify the Intellectual Property, and, where applicable, to use it, or any modified form of it, anywhere in the world. Under no circumstances shall any Proponent, except the Successful Proponent in relation to this Project, be liable to the City or to any other Person or entity for any damages, losses, costs, expenses, claims or actions whatsoever arising directly or indirectly from the use of the Intellectual Property pursuant to this license.

Proponents shall not use or incorporate into their Proposals any concepts, products or processes which are subject to copyright, patents, trademarks or other intellectual property rights of third parties unless Proponents have, or will procure through licensing without cost to the City, the right to use and employ such concepts, products and processes in and for the Project.

All requirements, designs, documents plans and information supplied by the City to the Proponents in connection with this RFP are and shall remain the property of the City. Upon request of the City, all such designs, documents, plans and information (and any copies thereof in any format or medium created by or on behalf of the Proponent) must be returned to the City.

6.8.3 Indemnity for Infringement

Each Proponent agrees, by submitting a Proposal, that the Proponent indemnifies the City and the City Parties, together with their respective elected officials, officers, employees and agents, and agrees to hold them harmless against all claims, suits, proceedings, demands and actions arising out of or in any way connected with copyright, patent or other intellectual property infringement rights asserted by others against the City, including for all damages, judgments, costs, fees and expenses (including legal fees) as a result of the City owning, using or benefiting from the use of the Proposal or from designing, building, operating and maintaining the Infrastructure that is contained in the Proposal.

6.9 No Collusion or Common Ownership

Proponents must ensure that their participation in this RFP process is conducted without collusion or fraud on their part or on the part of any of their Team Members or Key Individuals. Proponents and their Team Members and Key Individuals shall not engage in discussions or other communications with any other Proponents or their Team Members and Key Individuals regarding the preparation or submission of their responses to this RFP. Breach of this provision may result in disqualification of the Proponent from the RFP process. Notwithstanding the foregoing, but subject to the other provisions of this RFP, Proponents may use the same firm or firms to obtain geotechnical, topographical, or other information about the site during the scheduled site access opportunities.

Common ownership between Team Members on different Proponents (“**Common Ownership**”) that may reduce, or be perceived to reduce, the competition between the applicable Proposals (“**Competition Reduction**”) may result in disqualification of the Proponent from the RFP process. If a Proponent considers that a particular Common Ownership should not be determined to be Competition Reduction, but is concerned that the City could arrive at a different conclusion, the Proponent should fully disclose the circumstances to the City at the earliest possible date, and request that the City provide an advance interpretation as to whether the particular Common Ownership would be determined to be Competition Reduction. If the City determines a particular Common Ownership to be Competition Reduction, then the City may disqualify all but one of the Proponents involved in the Common Ownership (the “**Commonly-Owned Proponents**”) from the RFP process.

The City may determine the Proponent involved in the Common Ownership that is not removed based upon the Proponent involved in the Common Ownership with the highest evaluation score

pursuant to section 7 (RFQ Evaluation) of the RFQ. If there is a tie among the highest evaluation scores among two or more Commonly-Owned Proponents, the City may determine the Proponent involved in the Common Ownership that is not removed based upon a random draw among the Commonly-Owned Proponents with the tied highest evaluation scores.

Whether the City determines that there is Competition Reduction is fact specific and depends upon a number of factors, including without limitation some of the following:

- the nature of the role the commonly-owned Team Members play with their respective Proponent, including without limitation whether the commonly-owned Team Members are Lead Team Members with their respective Proponent;
- the size of the role the commonly-owned Team Members play on the Project;
- the anticipated public perception should the non-commonly-owned Proponent drop out of the RFP process for whatever reason leaving only the two Commonly-Owned Proponents. In such case, would the nature and degree of Common Ownership be such that the public may perceive competition to be lessened;
- whether the nature of the Common Ownership is indirect such as a Team Member's pension plan holds units in a fund and that fund holds shares in a Team Member with another Proponent;
- given similar facts, what have other jurisdictions in Canada and around the world done. Have other jurisdictions allowed the Commonly-Owned Proponents to be proponents under a request for proposals;
- would the Commonly-Owned Proponents be considered related, associated, or at non-arm's length under the *Income Tax Act* (Canada) and case law;
- any measures the Commonly-Owned Proponents propose to implement to give the City comfort that there are no communications (express or implied) between the commonly-owned Team Members in respect of the RFP process;
- the number of Proponents participating in the RFP process; and
- whether the commonly-owned Team Members provide specialized services which can only commercially reasonably be provided by a very limited number of entities.

6.10 No Lobbying

Proponents and their Team Members and Key Individuals are strictly prohibited from engaging in any form of political or other lobbying whatsoever in relation to the Project or with a view to influencing the outcome of this RFP process. Failure to comply with this provision may result in disqualification of the Proponent from the RFP process. All correspondence or contact by Proponents with the City must be directly and only with the City Representative or as otherwise provided for in this RFP.

6.11 Parties Not to be Contacted

The following parties should not be contacted by Proponents with respect to their Proposals at any time prior to being named Preferred Proponent:

- Water Security Agency;
- Any authority with which the City arranges a facilitated SR2 review as described in Section 5.9;
- Spectra Energy Empress LLP;
- Current employees of the City of Regina other than the City Representative, including, for clarity, City employees at the WWTP;
- Union representing the Affected Employees;
- Western Potash Corp.; and
- Saskatchewan Superintendent of Pensions.
- Saskatchewan Power Corporation (SaskPower), Electrical Codes and Standards; and
- Saskatchewan Power Corporation (SaskPower), Gas Codes and Standards.

Similarly, Proponents should not respond to any contact initiated by the parties listed above, and should instead refer any such party initiating contact to the City Representative. Questions about the Electrical Code or Gas Code should be submitted to the City as RFIs. The City will post SaskPower's responses as RFI responses in the Data Room.

6.12 No Publicity

No press release shall be issued by any Proponents or their Team Members or Key Individuals, nor shall a Proponent allow a press release to be issued by any entity not at arm's length with a Proponent or its Team Members or Key Individuals, in relation to the Project without first obtaining the prior written consent of the City. Breach of this provision may result in disqualification of the Proponent from the RFP process.

6.13 Confidentiality of Submissions and the Collection of Personal Information

Submissions in response to this RFP will be considered to have been submitted in confidence and, subject to Section 6.8 of this ITP and subject to Section 22.6 of the Agreement, will not be disclosed by the City or its consultants except as required by *The Local Authority Freedom of Information and Protection of Privacy Act* (Saskatchewan) (“LAFOIP”) and *The Cities Act* (Saskatchewan) (the “**Cities Act**”) or any other Applicable Law. Proponents are strongly advised to consult their own legal advisors as to the appropriate way in which confidential or proprietary business information should be marked as such in a Proposal. Subject to the provisions of LAFOIP and the Cities Act, the City will use reasonable commercial efforts to safeguard the confidentiality of any information identified by the Proponent as confidential but shall not be liable in any way whatsoever to any Proponent or Team Member or Key Individual if such information is disclosed based on an order or decision.

The Proponent must advise, and must ensure Team Members advise, Key Individuals and other affected employees that all personal information (as defined in LAFOIP) provided to the City in conjunction with this RFP process is being collected for the purpose of evaluating the Proponent's Proposal. The Key Individuals and other affected employees must also be given the name and contact information of the City Representative who may answer any questions they may have regarding this collection. It is the Proponent's responsibility to obtain Key Individuals' and other affected employees' authorization to include such personal information in the Proposal and authorization for the City to do reference checks. Proponents must, if so requested by the City, supply evidence demonstrating that such authorizations have been properly obtained in accordance with this Section 6.13.

6.14 City's Retained Rights

6.14.1 Amendment of Process

The City may at any time before or after the SR Package 3 submission deadline, by addendum issued to Proponents, amend any aspect of this RFP. Each such addendum shall be issued by the City in writing and shall be expressly identified as an addendum to this RFP.

6.14.2 Review of Proposals and Changes to Project and Process

The City may, in its sole discretion:

- (i) accept any Proposal in whole or in part with or without negotiations;
- (ii) reject any or all of the Proposals;
- (iii) accept any Proposal;
- (iv) if only one Proposal is received, elect to accept or to reject it;
- (v) elect to discontinue this RFP process at any time before the end of the RFP process, including after the identification of a Preferred Proponent but before execution of the Agreement;
- (vi) change any of the dates set out in Section 5.1 of this ITP
- (vii) alter or suspend the RFP process or any other aspect of this RFP;
- (viii) change the limits, scope and details of the Project; and
- (ix) replace any Proponent with an RFQ Respondent not originally invited to participate in the RFP process.

If any Proposal contains a defect or irregularity such that it fails in some way to comply with any requirement of this RFP, which defect or irregularity, in the sole discretion of the City, can be remedied without providing an unfair advantage to one or more Proponents, the City may request clarification from the Proponent under Section 5.7.2 of this ITP. Upon receipt of appropriate clarification, the City may, in its sole discretion, waive the defect or irregularity and accept the

Proposal. Failure by a Proponent to provide, within the time specified in the request for clarification, a written response that properly clarifies its Proposal and rectifies the defect or irregularity, may result in disqualification from this RFP process.

6.14.3 Cancellation of Process

The City is not bound to accept any Proposal. Although it is the current intention of the City to select a Preferred Proponent and to enter into an Agreement, the City may, in its sole discretion, at any time prior to the execution of the Agreement, terminate the procurement process.

In the event that the City cancels this RFP but proceeds with the Project, the City may issue a new request for proposals for any or all parts of the Project. In that event, the City may proceed with any or all parts of the Project in such manner as the City in its discretion considers appropriate, including by using some or all of the Proponents' ideas and concepts if the Honorarium has been paid. The City shall be at liberty to contract directly with one or more Proponent Team Members or with any one or more of the contractors, sub-contractors, consultants, advisors and others engaged by or through any Proponent or any Proponent Team Member or with any other person or persons, for any matter related to all of any part of the Project.

6.15 Non-recourse

No course of action or inaction by the City that is permitted by this RFP shall create any obligation or liability to any Proponent or its Team Members or its Key Individuals or any other person or create a right of recourse against or entitlement to compensation from the City, other than payment of the Honorarium and each Proponent waives its right to make any claim against the City or any City Party in connection with this RFP or the Project.

6.16 Accuracy of Information

While the information in the RFP and the Data Room, including but not limited to CAD files, and any other information provided to the Proponents by the City or any City Party has been prepared in good faith, the City does not represent such information to be accurate, comprehensive or to have been independently verified. Neither the City nor any City Party or their respective elected officials, officers, employees, agents, or advisors accept any liability or responsibility for the adequacy, accuracy or completeness of, or makes any representation or warranty, express or implied, with respect to the information contained in the RFP or otherwise made available to Proponents. Any liability therefore is hereby expressly disclaimed.

Each Proponent shall be solely responsible for examining the complete RFP, including any addenda and any other information, and for independently informing and satisfying itself with respect to any and all information contained therein, and any and all conditions which may in any way affect its Proposal.

Each Proponent shall be deemed to have satisfied itself as to the nature and extent of the risks it will be assuming.

Each Proponent shall be deemed to have gathered all information necessary to perform its obligations under this RFP and any other obligations assumed or arising thereafter.

In connection with the foregoing, each Proponent shall review all of the RFP and shall promptly report or request clarification of any discrepancy, deficiency, ambiguity, error, inconsistency or omission contained therein. Any such report or request must be submitted to the City Representative immediately.

The Proponent shall not be entitled to claim against the City, any City Party, or any of their respective elected officials, officers, employees, agents or advisors on the grounds that any information, whether obtained from the City or otherwise, is incorrect or insufficient. Proponents shall be responsible for conducting their own due diligence on data and information upon which their Proposal is based.

6.17 Debriefing

If requested, the City will debrief Proponents, separately, after the execution of the Agreement.

During such debriefing, the evaluation, scoring, ranking and content of any Proposals will not be disclosed. Only the strengths and weaknesses of the Proponent's Proposal relative to the evaluation criteria will be disclosed and discussed.

6.18 Governing Law

This RFP shall be construed, and the relations between the City and the Proponents and their Team Members determined, in accordance with the laws in force in the Province of Saskatchewan and the courts of the Province of Saskatchewan shall have exclusive jurisdiction with respect to all matters relating to or arising out of the RFP.

6.19 City Permit Fee

The City Permit Fee Construction Value will be calculated as the sum of:

1. the net present value to the Substantial Completion Target Date of the Capital Payments set out in Table 2 of Form G1 using as a discount rate the Weighted Average Cost of Capital set out on Form G2; and
2. the City Funding

multiplied by 77.5%.

The City Permit Fee will be calculated as the City Permit Fee Construction Value divided by 1,000 and multiplied by \$8.00.

The City Permit Fee is due at the time of permit application. Should the Successful Proponent elect to make application to the City for permits in a staged fashion, the total City Permit Fee will be remitted to the City in corresponding stages, with each stage's payment being a prorated

portion of the City Permit Fee that reflects the construction value of the work that is the subject of each staged permit application.

APPENDIX 1 – SUBMISSION REQUIREMENTS

SR 1.0 Submission Requirement Package 1

The SR Package 1 consists of the following items to be provided by each Proponent:

Envelope A

- SR 1.1 – General/Proponent information (pass/fail evaluation)
 - Including Form A1 and Form A2
- SR 1.2 – Financial Capacity
 - Including Form D

Envelope B

- SR 1.3 – Management plan (pass/fail evaluation)
- SR 1.4 – Permitting strategies (feedback)
- SR 1.5 – Schedule strategies (feedback)
- SR 1.6 –Employee transition strategy (feedback)

The SR Package 1 is to be submitted in two sealed envelopes as described above.

Envelope A

SR 1.1 General/Proponent Information

Provide the following items:

- A description of changes, if any, to the composition of the Proponent since its response to the RFQ, together with the same information solicited in the RFQ with respect to any additions to the Proponent.
- Where the Proponent’s response to the RFQ included a plan for selecting Team Members in the description of the Proponent’s composition or identified entities “under consideration” as potential Team Members, a description of those Team Members selected in accordance with such plan provided in the Proponent’s submission in response to the RFQ or those entities whose status changed from “under consideration” to confirmed Team Members, together with the same information solicited in the RFQ with respect to any additions to the Proponent.
- A description of the intended business form of the Successful Proponent, including a description of all Team Members, and the anticipated legal relationship among the Successful Proponent and its Team Members with respect to the relevant elements of the Project. Material provisions of any agreements which will be entered into between the Successful Proponent and its Team Member with respect to the Project are to be described.
- A list of the individuals or companies who will or do hold a major or controlling interest in the Successful Proponent and in each Lead Team Member and Project Lead (if not otherwise a Lead Team Member).

- Letter of intent for the procurement of services and of future key management employees, future key partners, future key sub-contractors, and future key sub-consultants.
- The names, titles, and employers of the individuals on the Proponent’s team who are responsible for preparing the Proponent’s SR Package 1.
- Declaration letters in the form of Form A1 and Form A2 in Appendix 2 from the Contact Organization and each Lead Team Member and the Project Lead (if not otherwise a Lead Team Member).

SR 1.2 Financial Capacity

Confirmation of the financial capacity of the Proponent and its Team Members. To do so, the Proponent should provide a Certificate of No Material Adverse Change (Form D in Appendix 2) relative to the RFQ response for each of the Financial Disclosure Entities or other entities for which financial information was submitted in the Proponent’s RFQ response, signed by the Chief Financial Officer or other authorized officer for each respective entity. The City reserves the right to request further evidence of financial capacity at its sole discretion.

Envelope B

SR 1.3 Management Plan

Address the functions required to satisfy the Proponent’s obligations, duties, and responsibilities for the entire Project in a management plan. The management plan should include, but not be limited to, the following:

SR 1.3.1 Organization Structure

Provide a comprehensive description of the Successful Proponent’s organization structure for the Project in terms of organizational positions and the names of the designated individuals for those positions, identifying their roles, reporting relationships, responsibilities, and levels of authority. In so doing, provide an overall organization chart illustrating the key functions of the proposed Project organization, supplemented by additional organizational charts sufficient to present and describe all key functions through all phases of the Project, including:

- management group, including executive officers;
- design and construction group;
- operations, maintenance and renewal group(s); and
- financing group.

SR 1.3.2 Proposed Key Personnel and Time Commitment

For each of the key personnel identified above, provide the information from the RFQ submission which lists his or her most relevant qualifications to support the nomination to the identified organizational positions.

SR 1.4 Permitting Strategies (Maximum 3 pages)

Proponents are required to submit permitting strategies for successfully securing all Permits and Approvals required for the Project. These strategies should map out how the Proponent intends to go about procuring all of the Permits and Approvals that are required to construct and commission the Infrastructure to meet the Project schedule. The strategies should also as a minimum outline the following:

- Identify the key parties in the Proponent’s team who will be responsible for performing the permitting work;
- Identify the main risks that the Proponent foresees in securing the Permits and Approvals in a timely manner and the mitigation strategies that will be adopted; and
- Define any area where the Proponent anticipates requesting the assistance of the City.

The submission should also include an explanation of the approach that will be taken to monitoring compliance with the Permits and Approvals throughout the Construction Period and the Operating Period.

SR 1.5 Schedule Strategies (Maximum 3 pages)

Provide an outline of the Proponent’s approach to the design and construction of the Infrastructure, and in particular describe how the Proponent will ensure that the Infrastructure will be constructed and commissioned to meet the City’s schedule requirements. The submission should include a high level Gantt chart outlining the design, permitting, construction, start-up, commissioning and testing for the whole of the Infrastructure.

SR 1.6 Employee Transition Strategy (Maximum 3 pages)

The Proponent’s approach to transitioning Affected Employees from the City’s employment to the Successful Proponent’s employment. This submission should as a minimum address the following aspects:

- Demonstrated understanding of the regulatory requirements;
- Description of the systems, plans, procedures, and resources that will used to transition the Affected Employees from employment by the City to employment by the Successful Proponent.

SR 2.0 Submission Requirement Package 2

SINCE PORTIONS OF THE PREFERRED PROPONENT’S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE AGREEMENT, WHEN PREPARING SR PACKAGE 2, PROPONENTS SHALL USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE AGREEMENT, INCLUDING SCHEDULE 18.

The SR Package 2 consists of the following components:

Envelope A

- SR 2.1 – General/Proponent information (pass/fail evaluation)
 - Including Form B

Envelope B (all pass/fail evaluation):

- SR 2.2 – Design Development Reports (includes drawings)
- SR 2.3 – Project Co’s Construction Schedule
- SR 2.4 – Quality Management System
- SR 2.5 – Environmental Management System
- SR 2.6 – Health and Safety Management Plan
- SR 2.7 – Permitting and Approval Plan
- SR 2.8 – Operations Interface Plan
- SR 2.9 – Wastewater Sampling and Analysis Plan
- SR 2.10 – Incident Logging Centre Plan
- SR 2.11 – Design Plan
- SR 2.12 – Construction Management Plan
- SR 2.13 – Construction Occupational Health and Safety Plan
- SR 2.14 – Commissioning and Startup Plan
- SR 2.15 – Construction Period Public Communication Plan
- SR 2.16 – Construction Period Interface Protocol
- SR 2.17 – Demolition and Decommissioning Plan
- SR 2.18 – Operation and Maintenance Plan
- SR 2.19 – Emergency Response Plan
- SR 2.20 – O&M Occupational Health and Safety Plan
- SR 2.21 – Odour Management Plan
- SR 2.22 – Noise Control Plan
- SR 2.23 – Staffing and Training Plan
- SR 2.24 – Residuals Management Plan
- SR 2.25 – Biosolids and Existing Lagoon Management Plan
- SR 2.26 – Security Plan

- SR 2.27 – Asset Management Plan
- SR 2.28 – Transition Out Expiry Plan
- SR 2.29 – Transition Plan for Existing Facilities O&M
- SR 2.30 – O&M Plan for Existing Facilities
- SR 2.31 – Existing Facilities Occupational Health and Safety Plan

Envelope C (pass/fail evaluation):

- SR 2.32 – Insurance
 - Including Form E

Envelope D (optional submission for WSA review):

- SR 2.33 Information for WSA Review

The SR Package 2 Submission is to be submitted in three (or four, should Envelope D be submitted) separate, sealed envelopes as described above.

All the components within Envelope B will be evaluated against the Technical Requirements. Proponents must demonstrate that their technical submissions meet the Technical Requirements.

The Preferred Proponent's response to SR 2.2 will form a component of Schedule 3 (Project Co's Designs) to the Agreement. The Preferred Proponent's response to SR 2.3 will form Schedule 2 (Project Co's Construction Schedule) to the Agreement. The Preferred Proponent's response to SR 2.4 to SR 2.31 (inclusive) will form components of Schedule 4 (Project Co's Management System and Plans) to the Agreement.

Envelope A

SR 2.1 General/Proponent Information

Provide the following items (most of which were provided as part of SR 1.1 and can be resubmitted unless there are changes since SR 1.1):

- A confirmation of the composition of the Proponent as provided in its response to the RFQ;
- A description of changes, if any, to the composition of the Proponent since its response to the RFQ, together with the same information solicited in the RFQ with respect to any additions to the Proponent;
- A description of the intended business form of the Successful Proponent, and the anticipated legal relationship among the Successful Proponent and the Team Members with respect to the relevant elements of Project. Material provisions of any agreements which will be entered into between the Successful Proponent and the Team Member with respect to the Project are to be described;
- A list of the individuals or companies who will or do hold a major or controlling interest

in the Successful Proponent and in each Lead Team Member and Project Lead (if not otherwise a Lead Team Member);

- Letter of intent for the procurement of services and of future key management employees, future key partners, future key sub-contractors, and future key sub-consultants;
- The names, titles, and employers of the individuals on the Proponent’s team who are responsible for preparing the Proponent’s SR Package 2; and
- Declaration in the form of Form B in Appendix 2 from the Contact Organization.

Envelope B

SR 2.2 Design Development Reports

Provide design development reports (the “**Design Development Reports**”) for the Infrastructure. All information, calculations, and drawings should be in Metric units of measure.

The Design Development Reports will demonstrate how the designs fulfill the Technical Requirements. The Design Development Reports will demonstrate the Proponent’s further development, clarification and expansion of the design requirements currently specified in the Technical Requirements and describe in detail:

- Site plan design
- Operational design including but not limited to:
 - Operating philosophy and manpower for operation and maintenance
 - Standby plant and redundancy
 - Energy management
- Process design including but not limited to:
 - Hydraulic design
 - Mass balance
 - Wastewater treatment process description
 - Sludge and biosolids process design description
 - Wet weather flow process design description
 - Preliminary odour treatment description, assumptions, and dispersion modelling. Odour dispersion modeling to include as a minimum a table of odour sources with their corresponding odour concentrations, air flow rates and odour emission rates, and a model output chart from a 2-dimensional or 3-dimensional model showing hourly average odour concentrations at 99.5% compliance level with input meteorological data for the period 2003/01/01 to 2007/12/31 to be found at <http://www.environment.gov.sk.ca/Default.aspx?DN=672a5477-ef93-4442-b54a-34ac96af0523>
 - Infrastructure Diversion Chamber

-
- Flow Diversion Chamber
 - Basic structural design
 - Basic geotechnical design
 - Mechanical design systems including but not limited to:
 - Area classification
 - Site services
 - Plumbing and drainage systems
 - Fire protection systems
 - Heating systems
 - Ventilation and exhaust systems
 - Cooling systems
 - Building management control systems
 - Energy conservation and sustainability features
 - Electrical design systems including but not limited to:
 - Main power feeds
 - Backup power and power redundancy
 - Site service and distribution
 - Lighting systems and controls
 - Fire alarm and security systems
 - Communication and data systems, including instrumentation and control, SCADA and telemetry
 - Energy conservation and sustainability features

In addition to the Design Development Reports, the Proponents must provide the following drawings. All drawings shall use Imperial D size sheets. Provide one hard copy set of the drawings on Imperial D sheets. All other hard copies (i.e., the number of copies as specified in Section 5.11 of this ITP) to be plotted at true half-scale on 11'' x 17'' sheets. The number of drawings submitted in each category should be determined by Proponents to efficiently and effectively convey the concepts and strategies proposed. Section 5.1 of this ITP provides separate deadlines for the Imperial D drawing set.

SR 2.2.1 Site Plans/Design

Provide plans that clearly specify the following elements:

- Site Plan showing the locations and dimensions of the Infrastructure;
- Indicate the general proposed materials (i.e. concrete vs. asphalt, paving stone vs. concrete sidewalk etc.); and

- Show the proposed locations of underground utilities and municipal service lines.

The Site Plans/Design must clearly show the approximate limits of anticipated construction, including cut lines for clearing and any additional lands requirements beyond that provided in the Lands. Provide justification for additional lands (if any).

Clearly identify specific measures that need to be implemented to permit the construction of the Infrastructure, including details of tie-ins with municipal and other infrastructure, present and planned in the future.

SR 2.2.2 *Architectural Drawings*

Provide architectural drawings that clearly specify architectural design plans for each building structure (new and existing structures to be retained or modified) including the following elements:

- Exterior plan and elevation drawing(s);
- Drawings showing cross sections for each of the main structures and building envelopes; and
- Drawings showing internal and external finishes for each main structure and building envelope.

SR 2.2.3 *Structural Drawings*

Provide structural designs that clearly specify through a structural drawing in sufficient detail to establish the basic structural system establishing the following elements:

- Foundation design; and slab on grade;
- Superstructure framing design, including roof deck;
- Drawings of any other water retaining structures (e.g. process tanks) illustrating the means by which the structure is made watertight, and including any critical joint details.

SR 2.2.4 *HVAC Mechanical Drawings*

Provide mechanical designs that clearly specify through mechanical drawings in sufficient detail the design criteria for the mechanical systems establishing the following elements:

- Floor plans showing schematic and zones for fire protection systems;
- Heating and cooling systems schematic(s);
- Ventilation systems schematic(s);
- Building management control system network schematic(s); and
- Plumbing and Drainage drawings.

SR 2.2.5 *Electrical Drawings*

Provide electrical designs that clearly specify through electrical drawings in sufficient detail the outline design for power, control systems, lighting, fire and security systems, establishing the

following elements:

- Site plan showing service locations, transformers, outside distribution boards, site lighting, and parking power outlets;
- Floor plan showing the location of the main motor control centres, distribution boards, the electrical power distribution system including main service, the location of power meters for energy consumption monitoring, proposed lighting design and the location of the main control panels and terminals; and
- Single line diagrams for power distribution for the main plant and equipment showing the number and size and type of the main drives and inverters, disconnects, UPS, power factor correction and harmonic filters.

SR 2.2.6 Process Mechanical Drawings

Provide process mechanical designs that clearly specify in sufficient detail the design criteria for the Process mechanical systems including the following elements:

- Process Flow Diagram(s)
- Process & Instrumentation diagrams
- Hydraulic Profiles Main Process Plant Layout including:
 - Average Day Flow, Full Treatment Flow and Maximum Day Flow at Wascana Creek elevation of 563.7 m; and
 - Average Day Flow and Full Treatment Flow at Wascana Creek 1:500 Year Flood Elevation.

SR 2.2.7 Civil Engineering Drawings

Provide civil engineering designs for the Infrastructure including the following elements:

- Roads and Site Grading
- Temporary access road, if used
- Site drainage
- Landscaping
- Buried pipework and utility services
- Laydown and construction trailer areas

SR 2.3 Project Co's Construction Schedule

Provide the overview and simplified schedule described in SR 2.3.1 below and the comprehensive information and detailed schedule described in SR 2.3.2 below.

SR 2.3.1 *General Approach to Implementing the Project*

Provide an overview, accompanied by a simplified time schedule, of the Proponent's proposed approach for implementing the Project from the date of execution of the Agreement through the Construction Period and the Operating Period. Describe in that overview the Proponent's plan to integrate its activities with consultant and subcontracted activities into scheduling and reporting systems for all phases of the Project. Include a description of how the Successful Proponent will approach re-scheduling if required to achieve recovery of the project schedule, including coordination (and, if necessary, enforcement) with consultants and subcontractors.

SR 2.3.2 *Detailed Schedule*

Provide a comprehensive description, accompanied by a detailed time schedule, of the Proponent's proposed approach for achieving Substantial Completion by the Substantial Completion Target Date. The comprehensive description should identify and concisely describe the major activities, key tasks and milestones to be undertaken in connection with the Project from the date of execution of the Agreement through the Construction Period and the Operating Period.

For the Construction Period, provide a preliminary design and plan submission schedule that identifies all key tasks and milestones related to the major design components, and address any related studies, investigations, surveys, consultation with key stakeholders, public communication tasks, and environmental and other approvals and permits to be obtained during the Construction Period. In anticipation that the City may have comments on the Successful Proponent's submissions, the preliminary design and plan submission schedule should reflect that more than one submission and review cycle will likely be required for each design package. The preliminary design and plan submission schedule should also illustrate that the design and plan submissions are reasonably spread over the entire design period and that the preliminary schedule is reasonable to achieve.

Show all key milestones related to the construction and staging of the Infrastructure, including separate descriptions for at least the following:

- The upgraded wastewater treatment plant;
- The new or upgraded Infrastructure Diversion Chamber;
- The Flow Diversion Chamber;
- Demolition and decommissioning of components of the Existing Facilities;
- Tie-in connections with End-Users;
- Utilities (e.g., relocation and protection);
- Major stormwater features, including major pipes and ponds; and
- Other significant structures.

Also identify timelines for design reviews by the City, utility companies, affected municipalities, and other stakeholders.

For the Operating Period, specifically address inspection, maintenance and renewal, and any anticipated environmental and public communication requirements.

SR 2.4 Through SR 2.31 – Systems and Plans

System or Plan		SR2 Submission Requirement
SR 2.4	Quality Management System	Provide as per the requirements of Section 2 of Schedule 18
SR 2.5	Environmental Management System	Provide as per the requirements of Section 2 of Schedule 18
SR 2.6	Health and Safety Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.7	Permitting and Approval Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.8	Operations Interface Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.9	Wastewater Sampling and Analysis Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.10	Incident Logging Centre Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.11	Design Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.12	Construction Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.13	Construction OH&S Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.14	Commissioning and Startup Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.15	Construction Period Public Communication Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.16	Construction Period Interface Protocol Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.17	Demolition and Decommissioning Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.18	Operation and Maintenance Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.19	Emergency Response Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.20	O&M Occupational Health and Safety Plan	Provide outline of Plan that describes the overall approach to meeting the requirements of Section 2 of Schedule 18
SR 2.21	Odour Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.22	Noise Control Plan	Provide outline of Plan that describes the overall approach to meeting the requirements of Section 2 of Schedule 18

System or Plan		SR2 Submission Requirement
SR 2.23	Staffing and Training Plan	Provide outline of Plan that describes the overall approach to meeting the requirements of Section 2 of Schedule 18
SR 2.24	Residuals Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.25	Biosolids and Existing Lagoons Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.26	Security Plan	Provide outline of Plan that describes the overall approach to meeting the requirements of Section 2 of Schedule 18
SR 2.27	Asset Management Plan	Provide as per the requirements of Section 2 of Schedule 18
SR 2.28	Transition Out Plan	Provide outline of Plan that describes the overall approach to meeting the requirements of Section 2 of Schedule 18
SR 2.29	Transition Plan for Existing Facilities O&M	Provide as per the requirements of Section 2 of Schedule 18
SR 2.30	O&M Plan for Existing Facilities	Provide as per the requirements of Section 2 of Schedule 18
SR 2.31	Existing Facilities OH&S Plan	Provide as per the requirements of Section 2 of Schedule 18

Envelope C

SR 2.32 Insurance

The Successful Proponent's insurance program shall meet or exceed the mandatory insurance requirements, as required under the Agreement.

Provide confirmation that if selected as Preferred Proponent, the Proponent will cause the Successful Proponent to put an insurance program in place which complies fully with each and every requirement specified in Section 13 and Schedule 11 (Insurance Requirements) to the Agreement.

If a Proponent proposes to have additional conditions, exclusions or endorsements apply to the insurance coverages or conditions specified in Section 13 or Schedule 11 (Insurance Requirements) to the Agreement then such conditions, exclusions or endorsements must be itemized, including proposed wording, should be provided as comments to the Agreement as outlined in Section 5.10 of this ITP. The City will review and advise whether such conditions, exclusions or endorsements if proposed in the Successful Proponent's insurance documentation are likely to be acceptable.

Provide a letter from the Proponent's insurance broker (or, from each insurance broker where there is more than one), in a form acceptable to the City similar to Form E in Appendix 2, confirming that the insurance requirements set out in the Agreement can be satisfied. Where a Proponent has appointed more than one insurance broker, with each broker to be responsible for

a portion of the Successful Proponent's insurance program, the letters should clearly identify which elements of the Construction Period and the Operating Period have been assigned to it. If more than one insurance broker has been appointed by the Proponent, with both brokers collaborating on the same portions of the Agreement, then both brokers should produce substantially the same letter.

Proponents should note that insurance costs should be identifiable in the Indicative Financial Model to be provided at SR 2B.6 – Indicative Financial Model.

Envelope D (Optional)

SR 2.33 Information for WSA Review

Provide information for consideration by WSA as described in Section 5.8 as follows:

1. Treatment process description
2. Summary of design criteria for each unit process, including: sizing, flows, loads, and loading rates, as applicable
3. Hydraulic profile
4. Liquids and solids process flow diagrams
5. Liquids and solids P&IDs
6. Biosolids disposal plan, if different than currently allowed in the Permit to Operate
7. Site layout
8. Information on odour control facilities, if applicable
9. Comparison of design with requirements of EPB-203. Where there are deviations, provide justification
10. Statement that the treatment system will be able to meet the effluent limits, as set out in the Permit to Operate
11. Preliminary schedule of staged permits to construct
12. Preliminary construction and commissioning schedule

SR 2B Submission Requirement Package 2B

SINCE PORTIONS OF THE PREFERRED PROPONENT’S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE AGREEMENT, WHEN PREPARING SR PACKAGE 2B, PROPONENTS SHALL USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE AGREEMENT, INCLUDING SCHEDULE 18.

The SR Package 2B consists of the following items:

Envelope A

- SR 2B.1 – Form C1 and Form C2

Envelope B (all pass/fail evaluation)

- SR 2B.2 – SR Package 1 – SR 1.3 as clarified
- SR 2B.3 – SR Package 2 Envelope B – all components as clarified
- SR 2B.4 – SR Package 2 Envelope C – all components as clarified

Envelope C (pass/fail evaluation)

- SR 2B.5 – Financial Capacity
 - Including Form D

Envelope D (no pass/fail or feedback; for information only)

- SR 2B.6 – Indicative Financing Plan
- SR 2B.7 – Indicative Financial Model

Envelope E (Optional and required only if Proponent wishes to enter into the Early Works Agreement)

- SR2B.8 - Early Works Proposal

Envelope A**SR 2B.1 Forms C1 and C2**

Declaration letters in the form of Form C1 and Form C2 in Appendix 2 from the Contact Organization and each Lead Team Member and the Project Lead (if not otherwise a Lead Team Member).

Envelope B

SR 2B.2 SR Package 1 as Clarified

Re-submit SR 1.3 (Management Plan) in SR Package 1 with clarifications and updates, if applicable, incorporated. Proponents are required to submit a clean restated version and a separate version identifying changes made to the original SR 1.3 (Management Plan) in SR Package 1 via blacklining.

SR 2B.3 SR Package 2 Envelope B as Clarified

Re-submit all components in SR Package 2 Envelope B (i.e., SR 2.2 to SR 2.31) with changes resulting from the City's clarification questions or required by addenda to the RFP but with **NO OTHER MATERIAL CHANGES** incorporated. Proponents are required to submit a clean restated version and a separate version identifying changes made to the original SR Package 2 Envelope B via blacklining.

SR 2B.4 SR Package 2 Envelope C as Clarified

Re-submit all components in SR Package 2 Envelope C (i.e. SR 2.32 - Insurance) with changes resulting from the City's clarification questions or required by addenda to the RFP but with **NO OTHER MATERIAL CHANGES** incorporated. Proponents are required to submit a clean restated version and a separate version identifying changes made to the original SR Package 2 Envelope C via blacklining.

Envelope C

SR 2B.5 Financial Capacity

Confirmation of the financial capacity of the Proponent and its Team Members. To do so, the Proponent should provide a Certificate of No Material Adverse Change (Form D in Appendix 2) relative to the RFQ response for each of the Financial Disclosure Entities or other entities for which financial information was submitted in the Proponent's RFQ response, signed by the Chief Financial Officer or other authorized officer for each respective entity. The City reserves the right to request further evidence of financial capacity at its sole discretion.

Envelope D

SR 2B.6 Indicative Financing Plan (for information only)

Provide the Proponent's Indicative Financing Plan for the Project which reflects the financing plan the Proponent currently (i.e. at the time of SR 2B submission) intends to implement. The Indicative Financing Plan is expected to be subject only to relatively minor changes reflecting final details of pricing and final arrangements with lenders. The Proponent should show that it has planned sufficient financing for the Construction Period and the Operating Period, including all design, construction, operation, maintenance, and renewal, showing the timing of required funds for requirements such as operation, maintenance and renewal.

Include details of the financial structure and instruments proposed. The sources of financing should match the applications of funds throughout the Construction Period and the Operating Period. Proponents are encouraged to include in their Indicative Financing Plan the following:

- A monthly or quarterly capital cost and financing plan schedule;
- Details on the ownership and financing of the Project through the Construction Period including the terms of each source of financing identified in the Indicative Financing Plan:
 - With respect to funding provided by the Proponent's Team Members:
 - Identity and credit status of each investor;
 - Amounts to be provided by each investor;
 - The status of the commitment of each investor;
 - The timing of injection;
 - The terms and conditions of subscription, including returns or yields;
 - Dividend rights;
 - Voting rights; and
 - The conditions if any on which funds would be committed.
 - With respect to each class of debt or other funding sources (including leases), for each arranger or underwriter, in the form of a term sheet:
 - The identity of the arranger or underwriter;
 - The amount of financing proposed or committed;
 - The status of the commitment of the financing;
 - The drawdown schedule;
 - Details of grace periods, including duration and contingency;
 - Amortization, repayment or redemption schedules, maturity dates and prepayment terms (including make-whole clauses);
 - Security, insurance, bonding or guarantee requirements and costs (from either parents or third parties);
 - Arrangement/underwriting, commitment, agency and all other fees;
 - Interest rates and margins including any ratchet mechanism;
 - Derivative or other hedging strategies;
 - Terms and conditions including material covenants, undertakings and other restrictions/requirements;
 - Governance provisions;
 - Requirements for reserve accounts;
 - Events of default and other similar arrangements;

- Step-in arrangements;
 - Indication of likely conditions precedent;
 - Indication of likely due diligence requirements; and
 - Indication of any other restrictions, requirements or conditions that may materially impact the Proponent’s ability to raise financing or draw down on committed financing after closing.
- To the extent that risk is to be managed or mitigated through subcontracting the Proponent’s responsibilities to its Team Members or others in the Construction Period or the Operating Period, additional financial measures that may be required from those subcontractors should be provided. Proponents should set out their subcontracting strategy for the Project that includes the structure of any subcontracting arrangements and summary details of the mechanisms and/or standby arrangements that would be put in place to give comfort to the City and lenders.

SR 2B.7 Indicative Financial Model (for information only)

Submit an Indicative Financial Model in an electronic format. The Indicative Financial Model should be supported by:

- An assumptions book; and
- An instruction manual to assist the City in changing inputs and running sensitivities.

SR 2B.7.1 Structure of the Indicative Financial Model

The Indicative Financial Model should be consistent with the assumptions and be structured as follows:

- It should be well constructed and professional in appearance;
- It should be produced in Microsoft Excel 2003 or later versions;
- It should extend for the Construction Period and the Operating Period;
- It should be presented in millions of Canadian dollars with three (3) decimal places, or in thousands of Canadian dollars with no decimal places;
- No sheets or cells should be hidden or password protected;
- Calculations should flow down and to the right;
- Calculations should be sufficiently disaggregated so that they can be followed logically on screen (without examining the contents of cells) or on paper;
- Use of nested “if” statements should be limited;
- Cells containing hard-coded entry should be coloured blue;
- All sheets should be set up to print clearly and legibly on either 8½” x 11” or 11” x 17” paper;
- If the calculation is circular, circularities should be solved. If circularities are included, a

description of where and why these occur should be included.

- The model start date (i.e. the start date of the first period of cash flow simulation in the model) should be May 1, 2014

SR 2B.7.2 Required Inputs and Outputs

The Indicative Financial Model should, at a minimum, have the following input and output sheets:

Inputs:

- Time-based assumptions (those that change over time);
- Static assumptions (those that do not change over time);
- Capital and operating costs assumptions, including insurance costs;
- Taxation assumptions;
- Payment mechanism assumptions clearly identifying the Milestone Payment, the Substantial Completion Payment, Existing Facilities O&M Payment, Capital Payments, Infrastructure Operation and Maintenance Fixed Payments, Infrastructure Operations and Maintenance Variable Unit Payments and corresponding Infrastructure Operation and Maintenance Variable Payments, and Renewal Payments; and
- A scenario control sheet.

Outputs:

- Summary outputs;
- Sources and uses of funding in the Construction Period;
- Sources and uses of funding in the Operating Period;
- Financial statements (income statement, cash flow statement, and balance sheet) presented in accordance with Canadian generally accepted accounting principles;
- A cash flow statement that reflects the priority of access to cash based on the investor covenants and requirements set out in the Indicative Financing Plan;
- Financial ratios as required by investors as appropriate to the capital structure set out in the Indicative Financing Plan;
- Calculation of the Weighted Average Cost of Capital clearly showing the cashflows used in the calculation;
- A worksheet entitled “PPP Canada Eligible” which breaks out the following cost components in nominal (as-spent) dollars:
 - Costs of construction identifying separately the following:
 - Design costs
 - Site works and preparations (i.e. grading, clearing, etc.)
 - Environmental mitigation, remedial works (if applicable)

- Permits
- Remainder of construction costs (i.e. all base construction costs other than the four above)
- Costs of furniture, fixtures and equipment;
- Bid preparation costs, including the fees paid to non-legal professionals, including project managers, technical personnel, consultants and contractors specifically engaged to undertake surveying, design, engineering, manufacturing or construction of infrastructure assets for the Project, and related facilities and structures;
- Costs associated with the special purpose vehicle;
- Construction financing costs identifying separately the following:
 - Interest during construction
 - Fees
 - Funding of debt service and other reserve accounts

Sensitivities:

The Indicative Financial Model should allow sensitivities to be run in the following areas by changing the contents of input cells:

- Changes in inflation rates;
- Changes to interest rates;
- Changes to capital and operating costs;
- Delays in completion;
- Level of private financing; and
- Relative weight of debt and equity.

SR 2B.7.3 Assumptions Book

Provide sufficient detail in an assumptions book for a duplicate Indicative Financial Model to be constructed. The assumptions book should cover the following areas:

- A summary of the Indicative Financing Plan, including a breakdown of all fees and costs of the financing;
- Capital and operating cost schedules;
- Macro-economic assumptions;
- Taxation assumptions;
- Accounting policies and depreciation rates;
- Proposal development costs; and

- All other assumptions required to construct the Indicative Financial Model.

The assumptions book should reconcile with the Indicative Financial Model. If the assumptions detailed in the assumptions book are not consistent with the assumptions in the Indicative Financial Model, the City may require the Proponent to change the Indicative Financial Model to reflect the assumptions book.

SR 2B.7.4 Instruction Manual

The instruction manual should explain the functionality of the Indicative Financial Model and how it is structured. It should provide sufficient details to allow the City to change inputs and run sensitivities in the areas set out in Section SR 2B.7.2 above. If macros are used in the model, the purpose of each should be clearly explained, and instructions for the use of each should be provided.

Envelope E (Optional and required only if Proponent wishes to enter into the Early Works Agreement)

SR2B.8.1 Description of Early Works

Submit a description of the early works suitable for binding into the Early Works Agreement as Appendix A to that agreement. The description shall include:

- A general description of the works planned;
- Drawings (such as site plans/designs, civil engineering drawings) indicating the early works;
- The Early Works Contract Price, supported by an estimate of quantities and unit costs for the early works, such Early Works Contract Price not to exceed the maximum dollar amount stated in the Early Works Agreement, and in any event, shall not exceed \$2,000,000.00.

SR2B.8.2 Early Works Schedule

Submit a construction schedule for the early works planned suitable for binding into the Early Works Agreement as Appendix B to that agreement. The schedule shall indicate the planned start date and durations for the activities that correspond to the description of the early works.

SR 3.0 Submission Requirement Package 3

SINCE PORTIONS OF THE PREFERRED PROPONENT’S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE AGREEMENT, WHEN PREPARING SR PACKAGE 3, PROPONENTS SHALL USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE AGREEMENT, INCLUDING SCHEDULE 18.

The SR Package 3 consists of the following items:

Envelope A

- SR 3.1 – Final Financial Model (for information only)
- SR 3.2 – Final Financing Plan (for information only)
- SR 3.5 – Form G5 in Appendix 2 of this ITP (for information only)

Envelope B

- SR 3.3 – Financial Offer (Forms G1, G2, G3, G4), Form C3, Form C4, and Form C5 (if Proponent wishes to enter into the Early Works Agreement), in Appendix 2 of this ITP
- SR 3.4 – Proposal Deposit and Preferred Proponent Deposit (pass/fail evaluation)

The SR Package 3 is submitted in two separate, sealed envelopes as described above.

Envelope A

SR 3.1 Final Financial Model (for information only)

The Submission Requirements in respect of the Final Financial Model for SR Package 3 are identical to those for the Indicative Financial Model for SR Package 2B except that:

- The Final Financial Model and its assumption book should reflect the Final Financing Plan;
- All elements of the Final Financial Model should now reflect the firm and binding Financial Offer to the City;
- The Final Financial Model should be substantially consistent with the Financial Offer, such that the cash inflows in the model reconcile with the City Funding, Existing Facilities O&M Payments, Capital Payments, Infrastructure Operation and Maintenance Fixed Payments, Infrastructure Operations and Maintenance Variable Unit Payments and corresponding Infrastructure Operation and Maintenance Variable Payments based on the Assumed Monthly Influent Flow set out on Form G1, and Renewal Payments on Form G1; and
- If the Final Financial Model contains scenarios, it should present the scenario that is consistent with the Financial Offer by default when the model is opened.

SR 3.2 Final Financing Plan (for information only)

The Submission Requirements in respect of the Final Financing Plan for SR Package 3 are identical to those for the Indicative Financing Plan for SR Package 2B except that:

- All elements of the Final Financing Plan should now reflect the firm and binding Financial Offer to the City;
- A comprehensive reconciliation between the indicative and the final versions of the Financing Plan should be provided with an explanation for each change made; and
- The Final Financing Plan should be substantially consistent with the Financial Offer.

SR 3.5 Form G5 (for information only)

Provide Form G5.

Envelope B**SR 3.3 Financial Offer**

Provide a firm and binding Financial Offer. The Proponent is to submit a Financial Offer in the form of Form G1 (Financial Offer), Form G3 (Commodity Consumption Rate), and Form G4 (Inflation Index Weightings Form) in Appendix 2. Provide Form G2 (Capital Payment Price Adjustment Election Form) in Appendix 2.

The Financial Offer must respect the following guidelines:

- All payments are to be stated in Canadian Dollars to the cent;
- Capital Payments are to be identical throughout the Operating Period expressed in nominal dollars; and
- Existing Infrastructure O&M Payments, Infrastructure Operation and Maintenance Fixed Payments, Infrastructure Operations and Maintenance Variable Unit Payments and corresponding Infrastructure Operation and Maintenance Variable Payments based on the Assumed Monthly Influent Flow set out on Form G1, and Renewal Payments) are to be stated in constant 2014 dollars.

Proponents must ensure that their proposed City Funding, Capital Payments, Renewal Payments, and operation and maintenance payments (comprising Existing Facilities O&M Payments, Infrastructure Operation and Maintenance Fixed Payments, Infrastructure Operation and Maintenance Variable Unit Payments) are consistent with their estimated costs for the corresponding underlying activities.

The Financial Offer shall be consistent with SR Package 2B as clarified, and shall not contain any qualifications or conditions to SR Package 2B as clarified.

SR 3.4 Proposal Deposit and Preferred Proponent Deposit (pass/fail evaluation)

Provide a Proposal Deposit and a Preferred Proponent Deposit.

APPENDIX 2 – REQUIRED FORMS

Form A1 – Declaration for SR Package 1 for the Proponent

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

We as Contact Organization, hereby confirm that the Proponent has read and understands the RFP and agrees to be bound by all requirements of the RFP (including those relating to ownership of documents and intellectual property, conflict of interest, collusion/common ownership, lobbying, publicity, confidentiality/collection of personal information and accuracy of information as set out in Section 6 of the ITP) and that the SR Package 1 provided with this declaration is made on behalf of the Proponent, including all Team Members.

Yours truly,
[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

Form A2 – Declaration for SR Package 1 for Lead Team Members and Project Lead

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue|
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project

[name of Proponent] (the “Proponent”)
[name of Contact Organization] (the “Contact Organization”)
[name of Lead Team Member or Project Lead (if not otherwise a Lead Team Member)] (the “Lead”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

I, **[name of authorized representative]**, am an authorized representative of the Lead, and confirm that the Lead has authorized the Contact Organization to make all submissions on behalf of the Proponent, including the Lead.

I confirm that the Lead is aware of and agrees to its inclusion in this submission, has read and understands the RFP, agrees to be bound by all requirements of the RFP (including those relating to ownership of documents and intellectual property, conflict of interest, collusion/common ownership, lobbying, publicity, confidentiality/collection of personal information and accuracy of information as set out in Section 6 of the ITP).

I confirm that the Lead has no financial or other interest that would cause or appear to cause a conflict of interest in carrying out the Project.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form B – Declaration for SR Package 2

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

We hereby confirm that the SR Package 2 provided with this declaration is made on behalf of the Proponent, including all Team Members.

Yours truly,

[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

Form C1 – Declaration for SR Package 2B for the Proponent

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

We hereby confirm that the SR Package 2B, provided with this declaration is made on behalf of the Proponent, including all Team Members.

We confirm that the Successful Proponent will execute the Agreement in its final form with the elements of SR Package 2B provided with this declaration incorporated in accordance with the RFP.

Yours truly,

[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

Form C2 – Declaration for SR Package 2B for Lead Team Members and Project Lead

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue|
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project

[name of Proponent] (the “**Proponent**”)
[name of Contact Organization] (the “**Contact Organization**”)
[name of Lead Team Member or Project Lead (if not otherwise a Lead Team Member)] (the “**Lead**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

I, **[name of authorized representative]**, am an authorized representative of the Lead, and confirm that the SR Package 2B, provided with this declaration is made on behalf of the Proponent, including the Lead.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form C3 – Declaration for SR Package 3 for the Proponent

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

We hereby confirm that the SR Package 3, including the Financial Offer, provided with this declaration is made on behalf of the Proponent, including all Team Members. We confirm that the Financial Offer is consistent with SR Package 2B as clarified.

We confirm that the Successful Proponent will execute the Agreement in its final form as provided without negotiation or amendment (other than as contemplated in Section 5.18 of the ITP), and at a fixed price as outlined in the Financial Offer, subject only to price adjustments and other provisions detailed in the RFP that affect the total compensation payable over the term of the Agreement.

We confirm that we have authorized our insurers and insurance brokers to cooperate with the City’s insurance advisors between the date of our notification of being named Preferred Proponent, if at all, and the date when all of the insurance requirements of the Agreement have been met. We acknowledge that this cooperation is beneficial in order to allow the City to clarify and confirm the required insurance coverages prior to the execution of the Agreement.

Yours truly,

[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Company: _____

Position: _____

Telephone: _____

Form C4 – Declaration for SR Package 3 for Lead Team Members and Project Lead

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue|
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project

[name of Proponent] (the “Proponent”)
[name of Contact Organization] (the “Contact Organization”)
[name of Lead Team Member or Project Lead (if not otherwise a Lead Team Member)] (the “Lead”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

I, **[name of authorized representative]**, am an authorized representative of the Lead, and confirm that the SR Package 3, including the Financial Offer, provided with this declaration is made on behalf of the Proponent, including the Lead.

Yours truly,

(Authorized Representative)

Name: _____

Company: _____

Position: _____

Telephone: _____

**Form C5 – Declaration for SR Package 3 for Design and Construction
Subcontractor (if Proponent wishes to enter into the Early Works Agreement)**

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue|
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance
of the City of Regina Wastewater Treatment Plant Upgrade Project
**[name of Design & Construction Subcontractor] (the “Design & Construction
Subcontractor”)**
[name of Proponent] (the “Proponent”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless
expressly stated otherwise.

I, **[name of authorized representative]**, am an authorized representative of the Design &
Construction Contractor, and confirm that should the Proponent be named Preferred Proponent
and should the Design and Construction Subcontractor elect to do so, the Design and
Construction Subcontractor will enter into the Early Works Agreement as issued by the City
without further negotiation or amendment, except for limited customization to incorporate the
Proponent’s Early Works Proposal and to reflect the identity of the Design and Construction
Subcontractor.

Yours truly,

(Authorized Representative)

Name: _____

Company: _____

Position: _____

Telephone: _____

Form D – Certificate of No Material Adverse Change**Note: For use in SR Package 1 and SR Package 2B**

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

Capitalized terms used in this form have the same meanings as set out in the RFP, unless expressly stated otherwise.

To the best of our knowledge, information and belief, we certify that from the date of our most recent financial statements disclosed to you in our response to the RFQ to _____ **[insert date which is no more than five Business Days before the deadline for SR Package 1 or SR Package 2B, the case dictates], [except as set forth below,]** no events have occurred which have had a material adverse effect on our financial position and which should be disclosed to keep those statements from being misleading.

With respect to our financial statements disclosed to you, we certify to the best of our knowledge, information and belief that:

- a) the preparation of our most recent financial statements disclosed to you have been prepared in accordance with generally accepted accounting principles and practices **[, except as set forth below];**
- b) such financial statements present fairly the information purported to be shown thereby;
- c) no material adjustment of such financial statements is required and no adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein; and
- d) no events have occurred which have a material adverse effect on our financial statements disclosed to you which should be disclosed in order to keep those statements from being misleading.

Should we, subsequent to this date, become aware of any events having a material adverse effect on our most recent financial statements disclosed to you that should be disclosed to you in order

to keep those statements from being misleading, we will immediately disclose these events to the City.

Yours truly,

Name: _____

Position: _____

(Contact Individual or Authorized
Representative)

Company: _____

Telephone: _____

Form E – Sample Insurance Broker’s Letter

Note: For use in SR Package 2 and 2B

City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

Attention: Gloria Bechtold, CPPB

Dear Madam:

Re: Request for Proposals No. 2245 for the design, build, finance, operation and maintenance of the City of Regina Wastewater Treatment Plant Upgrade Project – **[name of Proponent]** (the “**Proponent**”)

[Insurance Broker(s)] confirms that it has been appointed by the Proponent as its insurance broker(s) with respect to the insurances required under the RFP.

[Insurance Broker(s)] has examined the RFP documents, including the Agreement and the insurance requirements stipulated in section 11 of the Agreement and Schedule 11 (Insurance Requirements) to the Agreement, and confirms that the relevant requirements have been included in the insurance program to be arranged on behalf of the Proponent if its Proposal is accepted **[, except the following items,]**.

In the opinion of **[Insurance Broker(s)]**, if the Proposal submitted by the Proponent is accepted, we are highly confident that we have arranged or can arrange insurances on behalf of the Proponent that meet the insurance requirements established by the RFP, including section 11 of the Agreement and Schedule 11 to the Agreement, and we know of no impediment as of the date of this letter to our producing evidence of insurance in compliance with section 11 of the Agreement meeting all of the insurance requirements stipulated in the RFP documents, including the Agreement, except for those exceptions identified above, with coverage to take effect not later than the date of execution of the Agreement (or later, as provided for therein), and to continue throughout **[the Construction Period / Operating Period]**.

I have signed this Insurance Broker’s Letter in my capacity as an authorized representative of **[Insurance Broker(s)]**.

(Authorized Signature)

Form F1 – Sample Form of Letter of Credit for Proposal Deposit

Note: For use in SR Package 3

Beneficiary:

The City of Regina
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

[Name of bank or other financial institution meeting requirements of Section 5.12 of the ITP]

Applicant: [(name of Proponent) or (name of Applicant “on behalf of” name of Proponent)]

1. We hereby authorize you to draw on **[name of bank or other financial institution meeting requirements of Section 5.12.1 of the ITP, as above, and branch address]** for the account of **[(name of Proponent) or (name of Applicant “on behalf of” name of Proponent)] (“our customer”)** up to an aggregate amount **[\$1,000,000 (One Million)]** Canadian dollars.
2. Pursuant to the request of our customer, we hereby establish and give you an Irrevocable Letter of Credit in your favour in the total amount **[\$1,000,000 (One Million)]** Canadian dollars in accordance with the Request for Proposals No. 2245 issued by The City of Regina (the “City”) for the City of Regina Wastewater Treatment Plant Upgrade Project (the “**Project**”), as same may be amended and supplemented from time to time (the “**RFP**”) which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without inquiring further whether you have a right as between yourself and our customer to make such demand, and without recognizing any claim of our customer and, subject to paragraph 3 hereof, upon delivery of a written certificate of the City Manager or his designate certifying that the City is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.
3. This Irrevocable Letter of Credit will continue until **[insert a date that is no earlier than 120 days from the submission deadline for SR Package 3]** and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

This Irrevocable Letter of Credit is subject to Uniform Customs and Practices for Documentary Credits (2007 revision) International Chamber of Commerce Publication No. 600.

[Name of bank or other financial institution meeting requirements of Section 5.12.15.12 of the ITP]

(Authorized Signature)

(Authorized Signature)

Form F2 – Sample Form of Letter of Credit for Preferred Proponent Deposit**Beneficiary:**

The City of Regina
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

[Name bank or other financial institution meeting requirements of Section 5.12 of the ITP]

Applicant: [(name of Proponent) or (name of Applicant “on behalf of” name of Proponent)]

1. We hereby authorize you to draw on **[name of bank or other financial institution meeting requirements of Section 5.12.2 of the ITP, as above, and branch address]** for the account of **[(name of Proponent) or (name of Applicant “on behalf of” name of Proponent)] (“our customer”)** up to an aggregate amount **[\$10,000,000 (Ten Million)]** Canadian dollars.
2. Pursuant to the request of our customer, we hereby establish and give you an Irrevocable Letter of Credit in your favour in the total amount **[\$10,000,000 (Ten Million)]** Canadian dollars in accordance with the Request for Proposals No. 2245 issued by The City of Regina (the “City”) for the City of Regina Wastewater Treatment Plant Upgrade Project (the “**Project**”), as same may be amended and supplemented from time to time (the “**RFP**”) which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without inquiring further whether you have a right as between yourself and our customer to make such demand, and without recognizing any claim of our customer and, subject to paragraph 3 hereof, upon delivery of a written certificate of the City Manager or his designate certifying that the City is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.
3. This Irrevocable Letter of Credit will continue until **[subject to the second sentence of the fourth paragraph of Section 5.10 (Proposal Deposit and Preferred Proponent Deposit) of the ITP insert a date that is no earlier than 120 days from the submission deadline for SR Package 3]** and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

This Irrevocable Letter of Credit is subject to Uniform Customs and Practices for Documentary Credits (2007 revision) International Chamber of Commerce Publication No. 600.

[Name of bank or other financial institution meeting requirements of Section 5.12.2 of the ITP]

(Authorized Signature)

(Authorized Signature)

Form F3 – Sample Form of Letter of Credit for the Financing and Initial Performance Letter of Credit**Beneficiary:**

The City of Regina
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790
Regina, SK S4P 3C8

[Date]

[Name of bank or other financial institution meeting requirements of the Agreement]

Applicant: [Name of Project Co]

1. We hereby authorize you to draw on [name of bank or other financial institution meeting requirements of the Agreement, as above, and branch address] for the account of [name of and address of Project Co] (“our customer”) up to an aggregate amount [\$10,000,000 (Ten Million)] Canadian dollars.
2. Pursuant to the request of our customer, we hereby establish and give you an Irrevocable Letter of Credit in your favour in the total amount [\$10,000,000 (Ten Million)] Canadian dollars in accordance with the Agreement to Design, Build, Finance, Operate, and Maintain the City of Regina Wastewater Treatment Plant Upgrade Project dated [●, 2014] entered into by The City of Regina (the “City”) and [name of Project Co], as same may be amended and supplemented from time to time (the “Agreement”), which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without inquiring further whether you have a right as between yourself and our customer to make such demand, and without recognizing any claim of our customer and, subject to paragraph 4 hereof, upon delivery of a written certificate of the City Manager or his designate certifying that the City is entitled to draw upon this Irrevocable Letter of Credit pursuant to the Agreement.
3. This Irrevocable Letter of Credit will continue until [insert a date that is no earlier than one year from the date of this Irrevocable Letter of Credit] and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

This Irrevocable Letter of Credit is subject to Uniform Customs and Practices for Documentary Credits (2007 revision) International Chamber of Commerce Publication No. 600.

[Name of bank or other financial institution meeting requirements of the Agreement]

(Authorized Signature)

(Authorized Signature)

Form G1 – Financial Offer Form

Note: For use in SR Package 3

Please complete the following Financial Offer Form.

Table 1 – City Funding Calculation

The City Funding will be calculated by the City by taking the amount of one full month's Capital Payment from Column C of Table 2 and multiplying such amount by: 159. The Substantial Completion Payment shall be the City Funding minus the amount of the Milestone Payment. The City Funding will be calculated on the Submission Date and will not be adjusted if the Preferred Proponent elects to accept the Capital Payment Price Adjustment on Form G2.

Table 2 – Capital and O&M Payments

In completing the Financial Offer, Proponents must demonstrate that their proposed Capital Payments, O&M Payments (including Renewal Payments) are consistent with their estimated costs for the corresponding underlying activities. For example, Proponents should not plan for using Capital Payments to fund O&M activities and vice versa. Nor should Proponents plan for using variable O&M payments to fund fixed O&M costs, and vice versa.

Please note the following regarding the Form of Table 2:

- 1 Capital Payments in Column C are to be identical throughout the Operating Period expressed in nominal dollars.
- 2 Renewal Payments in Column I and operations and maintenance related payments and unit payments in Columns B, D, E, F, and H are to be stated in constant 2014 dollars.
- 3 Infrastructure O&M Payments in Column D are to be the sum of the Infrastructure Operation and Maintenance Fixed Payments (Column E), the Infrastructure Operation and Maintenance Variable Payments (Column H), and the Renewal Payments (Column I) for the corresponding month periods in Column A.
- 4 For the financial evaluation of the Financial Offers, the Existing Facilities O&M Payments and the Infrastructure O&M Payments in constant 2014 dollars shall be converted to nominal dollars by multiplying the figures in Columns B and D by a fixed estimated inflation rate from 2014. The estimated inflation rate will be calculated using the yields of the Government of Canada 4.00% June 1, 2041 bond and the Government of Canada 2.00% December 1, 2041 real return bond determined two Business Days prior to the deadline of SR Package 3 as per the following formula:

$$\text{Inflation Estimate} = \left[\frac{1+Y}{1+R} \right] - 1$$

where: Y = the yield to maturity of the Government of Canada 4.00% June 1, 2041 bond

R = the yield to maturity of the Government of Canada 2.00% December 1, 2041 real return bond

For greater clarity and illustration, the actual O&M payments in nominal dollars to be made to the Successful Proponent in each month period will be calculated actual index factors applicable for that particular month, which is determined annually for each Index Year according to the Agreement.

- 5 The use of the Infrastructure Operation and Maintenance Variable Unit Payments is at the Proponent's option. The variable payment should only be used to fund costs that vary with influent flow.
 - 6 Any cell in Table 2 left blank shall be interpreted for purposes of Financial Offer evaluation and purposes of payment as having a value of zero.
 - 7 The Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption in Column G and the Infrastructure Operation and Maintenance Variable Payments in Column H will be used for Financial Offer evaluation purposes only. In the Operating Period, Actual Monthly Influent Flow will be used to calculate the payments made to the Successful Proponent and to determine the annual commodity consumption adjustment.
 - 8 Existing Facilities O&M Payments for the period August 1, 2014 to December 31, 2014 shall not include labour costs for the Affected Employees as such costs will be borne directly by the City.
 - 9 Existing Facilities O&M Payments for the period January 1, 2015 to December 31, 2015, shall include labour costs for all 24 Affected Employees, including, for greater certainty, positions vacant on the Transfer Date.
- * indicates the first Existing Facilities O&M Payment
- ** indicates the first Monthly Payment

Payments amounts and timing shall be adjusted pursuant to Section 11.6, 11.7, and 11.8 of the Agreement.

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
*Aug 1 - 31, 2014		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sep 1 - 30, 2014		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Oct 1 - 31, 2014		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nov 1 - 30, 2014		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dec 1 - 31, 2014		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jan 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Feb 1 - 28, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mar 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Apr 1 - 30, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
May 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jun 1 - 30, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jul 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aug 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sep 1 - 30, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Oct 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nov 1 - 30, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dec 1 - 31, 2015		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jan 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Feb 1 - 29, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mar 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Apr 1 - 30, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
May 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jun 1 - 30, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jul 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aug 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sep 1 - 30, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Oct 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nov 1 - 30, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dec 1 - 31, 2016		n/a	n/a	n/a	n/a	n/a	n/a	n/a
**Jan 1 - 31, 2017	n/a					2,350		
Feb 1 - 28, 2017	n/a					2,350		
Mar 1 - 31, 2017	n/a					2,350		
Apr 1 - 30, 2017	n/a					2,350		
May 1 - 31, 2017	n/a					2,350		
Jun 1 - 30, 2017	n/a					2,350		
Jul 1 - 31, 2017	n/a					2,350		
Aug 1 - 31, 2017	n/a					2,350		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2017	n/a					2,350		
Oct 1 - 31, 2017	n/a					2,350		
Nov 1 - 30, 2017	n/a					2,350		
Dec 1 - 31, 2017	n/a					2,350		
Jan 1 - 31, 2018	n/a					2,380		
Feb 1 - 28, 2018	n/a					2,380		
Mar 1 - 31, 2018	n/a					2,380		
Apr 1 - 30, 2018	n/a					2,380		
May 1 - 31, 2018	n/a					2,380		
Jun 1 - 30, 2018	n/a					2,380		
Jul 1 - 31, 2018	n/a					2,380		
Aug 1 - 31, 2018	n/a					2,380		
Sep 1 - 30, 2018	n/a					2,380		
Oct 1 - 31, 2018	n/a					2,380		
Nov 1 - 30, 2018	n/a					2,380		
Dec 1 - 31, 2018	n/a					2,380		
Jan 1 - 31, 2019	n/a					2,410		
Feb 1 - 28, 2019	n/a					2,410		
Mar 1 - 31, 2019	n/a					2,410		
Apr 1 - 30, 2019	n/a					2,410		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2019	n/a					2,410		
Jun 1 - 30, 2019	n/a					2,410		
Jul 1 - 31, 2019	n/a					2,410		
Aug 1 - 31, 2019	n/a					2,410		
Sep 1 - 30, 2019	n/a					2,410		
Oct 1 - 31, 2019	n/a					2,410		
Nov 1 - 30, 2019	n/a					2,410		
Dec 1 - 31, 2019	n/a					2,410		
Jan 1 - 31, 2020	n/a					2,440		
Feb 1 - 29, 2020	n/a					2,440		
Mar 1 - 31, 2020	n/a					2,440		
Apr 1 - 30, 2020	n/a					2,440		
May 1 - 31, 2020	n/a					2,440		
Jun 1 - 30, 2020	n/a					2,440		
Jul 1 - 31, 2020	n/a					2,440		
Aug 1 - 31, 2020	n/a					2,440		
Sep 1 - 30, 2020	n/a					2,440		
Oct 1 - 31, 2020	n/a					2,440		
Nov 1 - 30, 2020	n/a					2,440		
Dec 1 - 31, 2020	n/a					2,440		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Jan 1 - 31, 2021	n/a					2,460		
Feb 1 - 28, 2021	n/a					2,460		
Mar 1 - 31, 2021	n/a					2,460		
Apr 1 - 30, 2021	n/a					2,460		
May 1 - 31, 2021	n/a					2,460		
Jun 1 - 30, 2021	n/a					2,460		
Jul 1 - 31, 2021	n/a					2,460		
Aug 1 - 31, 2021	n/a					2,460		
Sep 1 - 30, 2021	n/a					2,460		
Oct 1 - 31, 2021	n/a					2,460		
Nov 1 - 30, 2021	n/a					2,460		
Dec 1 - 31, 2021	n/a					2,460		
Jan 1 - 31, 2022	n/a					2,490		
Feb 1 - 28, 2022	n/a					2,490		
Mar 1 - 31, 2022	n/a					2,490		
Apr 1 - 30, 2022	n/a					2,490		
May 1 - 31, 2022	n/a					2,490		
Jun 1 - 30, 2022	n/a					2,490		
Jul 1 - 31, 2022	n/a					2,490		
Aug 1 - 31, 2022	n/a					2,490		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2022	n/a					2,490		
Oct 1 - 31, 2022	n/a					2,490		
Nov 1 - 30, 2022	n/a					2,490		
Dec 1 - 31, 2022	n/a					2,490		
Jan 1 - 31, 2023	n/a					2,510		
Feb 1 - 28, 2023	n/a					2,510		
Mar 1 - 31, 2023	n/a					2,510		
Apr 1 - 30, 2023	n/a					2,510		
May 1 - 31, 2023	n/a					2,510		
Jun 1 - 30, 2023	n/a					2,510		
Jul 1 - 31, 2023	n/a					2,510		
Aug 1 - 31, 2023	n/a					2,510		
Sep 1 - 30, 2023	n/a					2,510		
Oct 1 - 31, 2023	n/a					2,510		
Nov 1 - 30, 2023	n/a					2,510		
Dec 1 - 31, 2023	n/a					2,510		
Jan 1 - 31, 2024	n/a					2,540		
Feb 1 - 29, 2024	n/a					2,540		
Mar 1 - 31, 2024	n/a					2,540		
Apr 1 - 30, 2024	n/a					2,540		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2024	n/a					2,540		
Jun 1 - 30, 2024	n/a					2,540		
Jul 1 - 31, 2024	n/a					2,540		
Aug 1 - 31, 2024						2,540		
Sep 1 - 30, 2024						2,540		
Oct 1 - 31, 2024						2,540		
Nov 1 - 30, 2024						2,540		
Dec 1 - 31, 2024						2,540		
Jan 1 - 31, 2025						2,560		
Feb 1 - 28, 2025						2,560		
Mar 1 - 31, 2025						2,560		
Apr 1 - 30, 2025						2,560		
May 1 - 31, 2025						2,560		
Jun 1 - 30, 2025						2,560		
Jul 1 - 31, 2025						2,560		
Aug 1 - 31, 2025						2,560		
Sep 1 - 30, 2025						2,560		
Oct 1 - 31, 2025						2,560		
Nov 1 - 30, 2025						2,560		
Dec 1 - 31, 2025						2,560		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Jan 1 - 31, 2026						2,580		
Feb 1 - 28, 2026						2,580		
Mar 1 - 31, 2026						2,580		
Apr 1 - 30, 2026						2,580		
May 1 - 31, 2026						2,580		
Jun 1 - 30, 2026						2,580		
Jul 1 - 31, 2026						2,580		
Aug 1 - 31, 2026						2,580		
Sep 1 - 30, 2026						2,580		
Oct 1 - 31, 2026						2,580		
Nov 1 - 30, 2026						2,580		
Dec 1 - 31, 2026						2,580		
Jan 1 - 31, 2027						2,610		
Feb 1 - 28, 2027						2,610		
Mar 1 - 31, 2027						2,610		
Apr 1 - 30, 2027						2,610		
May 1 - 31, 2027						2,610		
Jun 1 - 30, 2027						2,610		
Jul 1 - 31, 2027						2,610		
Aug 1 - 31, 2027						2,610		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2027						2,610		
Oct 1 - 31, 2027						2,610		
Nov 1 - 30, 2027						2,610		
Dec 1 - 31, 2027						2,610		
Jan 1 - 31, 2028						2,630		
Feb 1 - 29, 2028						2,630		
Mar 1 - 31, 2028						2,630		
Apr 1 - 30, 2028						2,630		
May 1 - 31, 2028						2,630		
Jun 1 - 30, 2028						2,630		
Jul 1 - 31, 2028						2,630		
Aug 1 - 31, 2028						2,630		
Sep 1 - 30, 2028						2,630		
Oct 1 - 31, 2028						2,630		
Nov 1 - 30, 2028						2,630		
Dec 1 - 31, 2028						2,630		
Jan 1 - 31, 2029						2,650		
Feb 1 - 28, 2029						2,650		
Mar 1 - 31, 2029						2,650		
Apr 1 - 30, 2029						2,650		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2029						2,650		
Jun 1 - 30, 2029						2,650		
Jul 1 - 31, 2029						2,650		
Aug 1 - 31, 2029						2,650		
Sep 1 - 30, 2029						2,650		
Oct 1 - 31, 2029						2,650		
Nov 1 - 30, 2029						2,650		
Dec 1 - 31, 2029						2,650		
Jan 1 - 31, 2030						2,680		
Feb 1 - 28, 2030						2,680		
Mar 1 - 31, 2030						2,680		
Apr 1 - 30, 2030						2,680		
May 1 - 31, 2030						2,680		
Jun 1 - 30, 2030						2,680		
Jul 1 - 31, 2030						2,680		
Aug 1 - 31, 2030						2,680		
Sep 1 - 30, 2030						2,680		
Oct 1 - 31, 2030						2,680		
Nov 1 - 30, 2030						2,680		
Dec 1 - 31, 2030						2,680		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Jan 1 - 31, 2031						2,700		
Feb 1 - 28, 2031						2,700		
Mar 1 - 31, 2031						2,700		
Apr 1 - 30, 2031						2,700		
May 1 - 31, 2031						2,700		
Jun 1 - 30, 2031						2,700		
Jul 1 - 31, 2031						2,700		
Aug 1 - 31, 2031						2,700		
Sep 1 - 30, 2031						2,700		
Oct 1 - 31, 2031						2,700		
Nov 1 - 30, 2031						2,700		
Dec 1 - 31, 2031						2,700		
Jan 1 - 31, 2032						2,720		
Feb 1 - 29, 2032						2,720		
Mar 1 - 31, 2032						2,720		
Apr 1 - 30, 2032						2,720		
May 1 - 31, 2032						2,720		
Jun 1 - 30, 2032						2,720		
Jul 1 - 31, 2032						2,720		
Aug 1 - 31, 2032						2,720		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2032						2,720		
Oct 1 - 31, 2032						2,720		
Nov 1 - 30, 2032						2,720		
Dec 1 - 31, 2032						2,720		
Jan 1 - 31, 2033						2,740		
Feb 1 - 28, 2033						2,740		
Mar 1 - 31, 2033						2,740		
Apr 1 - 30, 2033						2,740		
May 1 - 31, 2033						2,740		
Jun 1 - 30, 2033						2,740		
Jul 1 - 31, 2033						2,740		
Aug 1 - 31, 2033						2,740		
Sep 1 - 30, 2033						2,740		
Oct 1 - 31, 2033						2,740		
Nov 1 - 30, 2033						2,740		
Dec 1 - 31, 2033						2,740		
Jan 1 - 31, 2034						2,760		
Feb 1 - 28, 2034						2,760		
Mar 1 - 31, 2034						2,760		
Apr 1 - 30, 2034						2,760		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2034						2,760		
Jun 1 - 30, 2034						2,760		
Jul 1 - 31, 2034						2,760		
Aug 1 - 31, 2034						2,760		
Sep 1 - 30, 2034						2,760		
Oct 1 - 31, 2034						2,760		
Nov 1 - 30, 2034						2,760		
Dec 1 - 31, 2034						2,760		
Jan 1 - 31, 2035						2,790		
Feb 1 - 28, 2035						2,790		
Mar 1 - 31, 2035						2,790		
Apr 1 - 30, 2035						2,790		
May 1 - 31, 2035						2,790		
Jun 1 - 30, 2035						2,790		
Jul 1 - 31, 2035						2,790		
Aug 1 - 31, 2035						2,790		
Sep 1 - 30, 2035						2,790		
Oct 1 - 31, 2035						2,790		
Nov 1 - 30, 2035						2,790		
Dec 1 - 31, 2035						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Jan 1 - 31, 2036						2,790		
Feb 1 - 29, 2036						2,790		
Mar 1 - 31, 2036						2,790		
Apr 1 - 30, 2036						2,790		
May 1 - 31, 2036						2,790		
Jun 1 - 30, 2036						2,790		
Jul 1 - 31, 2036						2,790		
Aug 1 - 31, 2036						2,790		
Sep 1 - 30, 2036						2,790		
Oct 1 - 31, 2036						2,790		
Nov 1 - 30, 2036						2,790		
Dec 1 - 31, 2036						2,790		
Jan 1 - 31, 2037						2,790		
Feb 1 - 28, 2037						2,790		
Mar 1 - 31, 2037						2,790		
Apr 1 - 30, 2037						2,790		
May 1 - 31, 2037						2,790		
Jun 1 - 30, 2037						2,790		
Jul 1 - 31, 2037						2,790		
Aug 1 - 31, 2037						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2037						2,790		
Oct 1 - 31, 2037						2,790		
Nov 1 - 30, 2037						2,790		
Dec 1 - 31, 2037						2,790		
Jan 1 - 31, 2038						2,790		
Feb 1 - 28, 2038						2,790		
Mar 1 - 31, 2038						2,790		
Apr 1 - 30, 2038						2,790		
May 1 - 31, 2038						2,790		
Jun 1 - 30, 2038						2,790		
Jul 1 - 31, 2038						2,790		
Aug 1 - 31, 2038						2,790		
Sep 1 - 30, 2038						2,790		
Oct 1 - 31, 2038						2,790		
Nov 1 - 30, 2038						2,790		
Dec 1 - 31, 2038						2,790		
Jan 1 - 31, 2039						2,790		
Feb 1 - 28, 2039						2,790		
Mar 1 - 31, 2039						2,790		
Apr 1 - 30, 2039						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2039						2,790		
Jun 1 - 30, 2039						2,790		
Jul 1 - 31, 2039						2,790		
Aug 1 - 31, 2039						2,790		
Sep 1 - 30, 2039						2,790		
Oct 1 - 31, 2039						2,790		
Nov 1 - 30, 2039						2,790		
Dec 1 - 31, 2039						2,790		
Jan 1 - 31, 2040						2,790		
Feb 1 - 29, 2040						2,790		
Mar 1 - 31, 2040						2,790		
Apr 1 - 30, 2040						2,790		
May 1 - 31, 2040						2,790		
Jun 1 - 30, 2040						2,790		
Jul 1 - 31, 2040						2,790		
Aug 1 - 31, 2040						2,790		
Sep 1 - 30, 2040						2,790		
Oct 1 - 31, 2040						2,790		
Nov 1 - 30, 2040						2,790		
Dec 1 - 31, 2040						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Jan 1 - 31, 2041						2,790		
Feb 1 - 28, 2041						2,790		
Mar 1 - 31, 2041						2,790		
Apr 1 - 30, 2041						2,790		
May 1 - 31, 2041						2,790		
Jun 1 - 30, 2041						2,790		
Jul 1 - 31, 2041						2,790		
Aug 1 - 31, 2041						2,790		
Sep 1 - 30, 2041						2,790		
Oct 1 - 31, 2041						2,790		
Nov 1 - 30, 2041						2,790		
Dec 1 - 31, 2041						2,790		
Jan 1 - 31, 2042						2,790		
Feb 1 - 28, 2042						2,790		
Mar 1 - 31, 2042						2,790		
Apr 1 - 30, 2042						2,790		
May 1 - 31, 2042						2,790		
Jun 1 - 30, 2042						2,790		
Jul 1 - 31, 2042						2,790		
Aug 1 - 31, 2042						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
Sep 1 - 30, 2042						2,790		
Oct 1 - 31, 2042						2,790		
Nov 1 - 30, 2042						2,790		
Dec 1 - 31, 2042						2,790		
Jan 1 - 31, 2043						2,790		
Feb 1 - 28, 2043						2,790		
Mar 1 - 31, 2043						2,790		
Apr 1 - 30, 2043						2,790		
May 1 - 31, 2043						2,790		
Jun 1 - 30, 2043						2,790		
Jul 1 - 31, 2043						2,790		
Aug 1 - 31, 2043						2,790		
Sep 1 - 30, 2043						2,790		
Oct 1 - 31, 2043						2,790		
Nov 1 - 30, 2043						2,790		
Dec 1 - 31, 2043						2,790		
Jan 1 - 31, 2044						2,790		
Feb 1 - 29, 2044						2,790		
Mar 1 - 31, 2044						2,790		
Apr 1 - 30, 2044						2,790		

Column A	Column B	Column C	Column D (=E+H+I)	Column E	Column F	Column G	Column H (= F*G)	Column I
Month	Existing Facilities O&M Payments ²	Capital Payments (nominal dollars) ¹	Infrastructure O&M Payments (\$) ^{2,3,4}	Infrastructure Operation and Maintenance Fixed Payments (\$) ²	Infrastructure Operation and Maintenance Variable Unit Payments (\$/ML) ^{2,5}	Assumed Monthly Influent Flow for Calculating Variable Payments and Commodity Consumption (ML)	Infrastructure Operation and Maintenance Variable Payments (\$) ²	Renewal Payments (\$) ²
May 1 - 31, 2044						2,790		
Jun 1 - 30, 2044						2,790		

Form G2 – Capital Payment Price Adjustment Election Form

THE FOLLOWING EXPLAINS THE CAPITAL PAYMENT PRICE ADJUSTMENT ELECTION FORM (FORM G2) AND ENDS WITH THE ACTUAL FORM G2 TO BE COMPLETED AND SUBMITTED WITH SR PACKAGE 3.

In order to provide a degree of protection to Proponents against changes in the general level of interest rates, the City is offering a price adjustment to the Capital Payment component of the Proponent’s Financial Offer, details of which are described below. As a general overview, the Capital Payment Price Adjustment Process allows Proponents to identify exposures of the Capital Payment portion of their bid to a basket of Government of Canada bonds and/or a basket of Benchmark Swaps. Changes in interest rates on the Benchmark Bonds and the Benchmark Swaps and the exposures to these bonds and swaps identified by the Proponents will be used to calculate the economic impact of the changes in interest rates and, ultimately, the amount of the adjustment to the proposed Capital Payment.

If a Proponent accepts the price adjustment, the Capital Payment as stated in the Proponent’s Financial Offer will be adjusted, negatively or positively depending on the change in interest rates, based on this process for incorporation into the Agreement. If a Proponent declines the price adjustment, the Capital Payment as stated in the Proponent’s Financial Offer will be incorporated into the Agreement without adjustment.

The following capitalized terms used in this Form G2 have the following meanings:

Definitions for Payment Adjustment Calculation

“**Adjusted Weighted Average Cost of Capital**” means the Weighted Average Cost of Capital adjusted for changes in interest rates from the Start Date to the End Date as calculated by the

$$\text{Adjusted Weighted Average Cost of Capital} = W + \frac{\sum_{i=1}^{15} (FY_i - IY_i) \times |HA_i| \times \frac{IP_i}{100} + \sum_{i=1}^{15} (FR_i - IR_i) \times |SH_i|}{\sum_{i=1}^{15} |HA_i| \times \frac{IP_i}{100} + \sum_{i=1}^{15} |SH_i|}$$

following formula:

- where: W = Weighted Average Cost of Capital
- FY_i = Final Bond Yield for Benchmark Bond *i*
- IY_i = Initial Bond Yield for Benchmark Bond *i*
- HA_i = Bond Hedge Amount for Benchmark Bond *i*
- IP_i = Initial Bond Price for Benchmark Bond *i*
- FR_i = Final Annualized Swap Rate for Benchmark Swap *i*
- IR_i = Initial Annualized Swap Rate for Benchmark Swap *i*
- SH_i = Swap Hedge Amount for Benchmark Swap *i*

“**Benchmark Bonds**” refer to the Government of Canada bonds used as benchmark bonds to measure changes in interest rates and to provide interest rate risk protection. The Benchmark Bonds are:

Government of Canada 1.50% August 1, 2015
 Government of Canada 1.00% August 1, 2016
 Government of Canada 1.50% September 1, 2017
 Government of Canada 4.25% June 1, 2018
 Government of Canada 3.75% June 1, 2019
 Government of Canada 3.50% June 1, 2020
 Government of Canada 3.25% June 1, 2021
 Government of Canada 2.75% June 1, 2022
 Government of Canada 1.50% June 1, 2023
 Government of Canada 9.00% June 1, 2025
 Government of Canada 8.00% June 1, 2027
 Government of Canada 5.75% June 1, 2029
 Government of Canada 5.75% June 1, 2033
 Government of Canada 5.00% June 1, 2037
 Government of Canada 4.00% June 1, 2041

“**Benchmark Swaps**” refer to the notional interest rate swaps used to measure changes in swap interest rates and to provide interest rate protection against movements in Canadian dollar swap rates. Benchmark Swap maturities and the terms of the Benchmark Swaps used in the calculation of Initial Swap Rates and Final Swap Rates are listed below.

Maturity dates	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20, 25 and 30 years after the effective date, respectively
Payment frequency	Annual for the one-year swap; semi-annual for all other swaps
Floating leg basis	3 Month Bankers’ Acceptance Rates (CDOR)
Floating rate spread	Flat
Floating rate reset frequency	Quarterly, compounded at CDOR flat
Notional structure	Constant notional
Day count convention	Actual/365
Business day convention	Modified following Toronto Business Day

“**Bond Hedge Amount**” means the par value amounts identified by the Proponent for each of the respective Benchmark Bonds.

“**Capital Payment Offer**” means the fixed monthly Capital Payment as stated in the Financial Offer (Form G1) submitted by the Proponent in SR Package 3.

“**End Date**” means the earlier of (i) the date the Agreement has been signed by both parties to it and (ii) the Target End Date or such later date as the City signs and delivers the Agreement for signature by Project Co.

“**Final Annualized Swap Rate**” equals the Final Swap Rate converted to an effective annual interest rate.

“**Final Bond Price**” means the bid side spot price per \$100 of par value for each of the respective Benchmark Bonds on the End Date. Final Bond Prices will be the average of bid side spot prices received from a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 9:00 a.m. Regina Time on the End Date and will be delivered via email to the Successful Proponent immediately thereafter. *(Note: spot prices are based on two settlement days for Government of Canada bonds with maturities of less than three years and three settlement days for Government of Canada bonds with maturities greater than or equal to three years.)*

“**Final Bond Settlement Date**” means the later of: (i) the Initial Bond Settlement Date; and (ii) the second Toronto Business Day after the End Date for Benchmark Bonds with less than three years to maturity and the third Toronto Business Day after the End Date for all other Benchmark Bonds.

“**Final Bond Yield**” means the effective annual yield for each of the respective Benchmark Bonds corresponding to each bond’s Final Bond Price. *(Note: Canadian bond yields are typically quoted on a semi-annual basis. Final Bond Yields will be calculated as an effective annual yield for this process.)*

“**Final Bonds Market Value**” means the sum of the respective Final Bond Prices divided by 100 multiplied by the respective Bond Hedge Amounts.

$$\text{Final Bonds Market Value} = \sum_{i=1}^{15} HA_i \times FP_i \div 100$$

where: HA_i = Bond Hedge Amount for Benchmark Bond i
 FP_i = Final Bond Price for Benchmark Bond i

“**Final Capital Payment**” means the Capital Payment to be incorporated into the Agreement as the Capital Payment component of the monthly payment payable by the City. The Final Capital Payment equals the Capital Payment Offer plus the Payment Adjustment Amount.

“**Final Swap Effective Date**” means the later of the Target End Date and the End Date.

“**Final Swap Rate**” means the interest rate on the fixed leg for each of the respective Benchmark Swaps on the End Date. Final Swap Rates will be the average of mid rates received from a survey of three independent financial institutions active in Canadian dollar swap markets. The effective date for calculation of Final Swap Rates will be the Final Swap Effective Date. This survey will be taken at 9:00 a.m. Regina Time on the End Date and will be delivered via email to the Successful Proponent immediately thereafter. *(Note: Swap rates in Canada are typically quoted on a semi-annual payment basis, except for one-year swaps which are quoted on an annual payment basis.)*

“**Final Swap Value**” means the market value per \$1 of notional amount calculated using the Bloomberg SWPM function calculated on the End Date, calculated to six decimal places, for

each respective Benchmark Swap. The change in the market value of the swaps caused by movements in swap rates will be calculated using the following process.

1. The swap curve (found in the “**Curves**” tab of the function) will be populated using the Final Swap Rates for all terms of two years and greater. Interest rates for terms of one year and shorter will be taken from the mid rates of Bloomberg Canadian dollar swap curve (swap curve #4). The interpolation method used for curve calculation purposes will be set to “Piecewise Linear (Simple)”.
2. For each swap term, the following terms will be entered:

Fixed pay or receive	Pay fixed
Fixed coupon	Initial Swap Rate for each Benchmark Swap, respectively
Currency	CAD
Calculation basis	Money market
Effective date	Final Swap Effective Date
Maturity	Final Swap Effective Date plus the swap term for each Benchmark Swap, respectively
Fixed payment frequency	Annual for the one-year swap; semi-annual for all other swaps
Fixed day count	Actual/365
Fixed discount curve	4 / Mid
Index	CDOR03
Floating payment frequency	Annual for the one-year swap; semi-annual for all other swaps
Floating reset frequency	Quarterly
Floating day count	Actual/365
Floating discount curve	Curve #4 / Mid
Floating forward curve	Curve #4 / Mid
Curve date	End Date
Valuation date	End Date
Calculate	Premium

3. The Final Swap Value is calculated using the formula below where the Bloomberg SWPM function is used to determine the value of the fixed leg of each respective Benchmark Swap, assuming for this purpose that the notional amount of the swap is \$1,000,000. (*Note: The market value of the fixed leg of the swap will be a negative number as it represents the pay leg of the swap.*)

$$\text{Final Swap Value}_i = \frac{1,000,000 + \text{FL}_i}{1,000,000}$$

where: FL_i = Market value of the fixed leg for Benchmark Swap i calculated assuming a notional amount of \$1,000,000 in the SWPM calculator

“**Final Swaps Market Value**” means the sum of the Final Swap Value multiplied by the Swap Hedge Amount for each of the respective Benchmark Swaps.

$$\text{Final Swaps Market Value} = \sum_{i=1}^{15} HA_i \times FP_i$$

where: HA_i = Swap Hedge Amount for Benchmark Swap i
 FP_i = Final Swap Value for Benchmark Swap i

“**Hedge Gain/Loss**” means the Initial Bonds Market Value less the Final Bonds Market Value plus the Final Swaps Market Value. (*Note: if the Hedge Gain/Loss is positive, the Payment Adjustment Amount will be positive; if the Hedge Gain/Loss is negative, the Payment Adjustment Amount will be negative.*)

“**Initial Annualized Swap Rate**” equals the Initial Swap Rate converted to an effective annual interest rate.

“**Initial Bond Price**” means the bid side price per \$100 of par value for each of the respective Benchmark Bonds on the Start Date for settlement on the Initial Bond Settlement Date. Initial Bond Prices will be the average of bid side prices received from a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 9:00 a.m. Regina Time on the Start Date and will be delivered via email to each Proponent immediately thereafter.

“**Initial Bond Settlement Date**” means the Target End Date plus two business days for Benchmark Bonds with less than three years to maturity (measured from the Target End Date) and the Target End Date plus three business days for all other Benchmark Bonds.

“**Initial Bond Yield**” means the effective annual yield for each of the respective Benchmark Bonds corresponding to such bond’s respective Initial Bond Price. (*Note: Canadian bond yields are typically quoted on a semi-annual basis. Initial Bond Yields will be calculated as an effective annual yield for this process.*)

“**Initial Bonds Market Value**” means the sum of the Initial Bond Price for each of the respective Benchmark Bonds divided by 100 multiplied by the respective Bond Hedge Amounts.

$$\text{Initial Bonds Market Value} = \sum_{i=1}^{15} HA_i \times IP_i \div 100$$

where: HA_i = Bond Hedge Amount for Benchmark Bond i
 IP_i = Initial Bond Price for Benchmark Bond i

“**Initial Swap Rate**” means the interest rate on the fixed leg for each of the respective Benchmark Swaps on the Start Date. Initial Swap Rates will be the average of mid rates received from a survey of three independent financial institutions active in Canadian dollar swap markets. The effective date for the Benchmark Swaps for calculating Initial Swap Rates will be the Target End Date. This survey will be taken at 9:00 a.m. Regina Time on the Start Date and

will be delivered via email to each Proponent immediately thereafter. (*Note: Swap rates in Canada are typically quoted on a semi-annual payment basis, except for one-year swaps which are quoted on an annual payment basis.*)

“**Payment Adjustment Amount**” means the dollar amount that the Capital Payment Offer will be adjusted by as a result of interest rate and swap rate changes to determine the Final Capital Payment. The Payment Adjustment Amount will be determined by the formula below.

$$\text{Payment Adjustment Amount} = \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{330}}}$$

$$I = (1 + A)^{1/12} - 1$$

where: H = Hedge Gain/Loss

T = The number of years between the Substantial Completion Target Date and the End Date, calculated as the number of days between the Substantial Completion Target Date and the End Date divided by 365

A = Adjusted Weighted Average Cost of Capital

I = Effective monthly Adjusted Weighted Average Cost of Capital

“**Present Value of Capital Payment Offer**” means the present value of the stream of fixed monthly Capital Payments as stated in the Financial Offer (Form G1) discounted at the Weighted Average Cost of Capital to the Substantial Completion Target Date.

“**Start Date**” means May 20, 2014 (*two Business Days prior to the submission of Submission Requirement Package 3*).

“**Swap Hedge Amount**” means the swap notional amounts identified by the Proponent for each of the respective Benchmark Swaps.

“**Target End Date**” means July 30, 2014 (*the expected date for execution of the Agreement*).

“**Toronto Business Day**” means a day other than a Saturday, Sunday, or statutory holiday in the province of Ontario.

“**Weighted Average Cost of Capital**” means the Proponent’s effective annual weighted average cost of capital, as disclosed in Form G2 and accepted by the City acting reasonably, and having regard to the weighted average cost of capital, as shown in the Final Financial Model submitted in Submission Requirement Package 3.

Payment Adjustment Amount Calculation Example

Note that all dates, rates and amounts shown in this example are intended for illustration purposes only.

1. Initial Bond Prices, Initial Bond Yields and Initial Swap Rates

To determine the Initial Bond Prices, Initial Bond Yields, and Initial Swap Rates, the City will conduct a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 9:00 a.m. Regina Time on the Start Date and will be delivered via email to each Proponent as soon as practicable thereafter.

Benchmark Bond	Initial Bond Price *	Semi-Annual Yield	Initial Bond Yield **
Canada 1.75% March 1, 2013	100.048	1.687%	1.694%
Canada 2.00% March 1, 2014	99.962	2.021%	2.031%
Canada 2.50% June 1, 2015	100.885	2.196%	2.208%
Canada 2.00% June 1, 2016	100.660	2.532%	2.548%
Canada 4.00% June 1, 2017	106.005	2.714%	2.732%
Canada 4.25% June 1, 2018	107.697	2.851%	2.871%
Canada 3.75% June 1, 2019	104.765	2.993%	3.015%
Canada 3.50% June 1, 2020	102.679	3.120%	3.144%
Canada 3.25% June 1, 2021	100.272	3.215%	3.241%
Canada 8.00% June 1, 2023	143.034	3.310%	3.337%
Canada 8.00% June 1, 2027	153.961	3.388%	3.417%
Canada 5.75% June 1, 2029	155.090	3.577%	3.609%
Canada 5.75% June 1, 2033	130.834	3.639%	3.672%
Canada 5.00% June 1, 2037	121.859	3.659%	3.692%
Canada 4.00% June 1, 2041	106.922	3.613%	3.646%

**Bond prices reflect forward settlement: two business days after the Target End Date for bonds with maturities less than three years (May 18, 2012) and three business days after the Target End Date for all other bonds (May 22, 2012).*

***The semi-annual yield is converted to an effective annual rate to arrive at the Initial Bond Yield for each Benchmark Bond*

Benchmark Swap	Initial Swap Rate*	Initial Annualized Swap Rate**
1 Year	1.556%	1.556%
2 Year	1.839%	1.902%
3 Year	2.189%	2.201%
4 Year	2.443%	2.458%
5 Year	2.664%	2.682%
6 Year	2.865%	2.886%
7 Year	3.044%	3.067%
8 Year	3.204%	3.230%
9 Year	3.348%	3.376%
10 Year	3.480%	3.510%
12 Year	3.7115	3.745%
15 Year	3.947%	3.986%
20 Year	4.091%	4.133%
25 Year	4.047%	4.088%
30 Year	4.007%	4.047%

*Based on the swap terms listed in the definitions, including an effective date equal to the Target End Date (May 16, 2012).

**Calculated by converting the swap rates from the survey from a semi-annual rate to an effective annual rate, except for the one year swap which is stated on an effective annual basis by market convention.

2. Bond Hedge Amounts, Swap Hedge Amounts and Weighted Average Cost of Capital

Benchmark Bond	Bond Hedge Amount
Canada 1.75% March 1, 2013	(5,000,000)
Canada 2.00% March 1, 2014	(5,000,000)
Canada 2.50% June 1, 2015	(5,000,000)
Canada 2.00% June 1, 2016	12,500,000
Canada 4.00% June 1, 2017	12,500,000
Canada 4.25% June 1, 2018	12,500,000
Canada 3.75% June 1, 2019	12,500,000
Canada 3.50% June 1, 2020	12,500,000
Canada 3.25% June 1, 2021	12,500,000
Canada 8.00% June 1, 2023	12,500,000
Canada 8.00% June 1, 2027	12,500,000
Canada 5.75% June 1, 2029	12,500,000
Canada 5.75% June 1, 2033	12,500,000
Canada 5.00% June 1, 2037	12,500,000
Canada 4.00% June 1, 2041	12,500,000

Benchmark Swap	Swap Hedge Amount
1 Year	(5,000,000)
2 Year	(5,000,000)
3 Year	(5,000,000)
4 Year	12,500,000
5 Year	12,500,000

6 Year	12,500,000
7 Year	12,500,000
8 Year	12,500,000
9 Year	12,500,000
10 Year	12,500,000
12 Year	12,500,000
15 Year	12,500,000
20 Year	12,500,000
25 Year	12,500,000
30 Year	12,500,000
<hr/>	
Weighted Average Cost of Capital	6.500%

3. Calculation of Initial Bonds Market Value

Benchmark Bond	Initial Bond Price	Hedge Amounts	Initial Market Value
Canada 1.75% March 1, 2013	100.048	(5,000,000)	(5,002,400)
Canada 2.00% March 1, 2014	99.962	(5,000,000)	(4,998,100)
Canada 2.50% June 1, 2015	100.885	(5,000,000)	(5,044,250)
Canada 2.00% June 1, 2016	100.660	12,500,000	12,582,500
Canada 4.00% June 1, 2017	106.005	12,500,000	13,250,625
Canada 4.25% June 1, 2018	107.697	12,500,000	13,462,125
Canada 3.75% June 1, 2019	104.765	12,500,000	13,095,625
Canada 3.50% June 1, 2020	102.679	12,500,000	12,834,875
Canada 3.25% June 1, 2021	100.272	12,500,000	12,534,000
Canada 8.00% June 1, 2023	143.034	12,500,000	17,879,250
Canada 8.00% June 1, 2027	153.961	12,500,000	19,245,125
Canada 5.75% June 1, 2029	155.090	12,500,000	19,386,250
Canada 5.75% June 1, 2033	130.834	12,500,000	16,354,250
Canada 5.00% June 1, 2037	121.859	12,500,000	15,232,375
Canada 4.00% June 1, 2041	106.922	12,500,000	13,365,250
Initial Bonds Market Value			164,177,500

4. Final Bond Prices, Final Bond Yields and Final Swap Rates

Final Bond Prices, Final bond Yields, and Final Swap Rates will be determined through a survey of three financial institutions on the End Date (assumed to be May 16, 2012 for this example) and emailed to the Preferred Proponent as soon as practicable thereafter.

Benchmark Bond	Final Bond Price*	Semi-Annual Yield	Final Bond Yield**
Canada 1.75% March 1, 2013	99.853	1.937%	1.946%
Canada 2.00% March 1, 2014	99.526	2.271%	2.284%
Canada 2.50% June 1, 2015	100.156	2.446%	2.461%
Canada 2.00% June 1, 2016	97.040	2.782%	2.801%
Canada 4.00% June 1, 2017	104.805	2.964%	2.986%
Canada 4.25% June 1, 2018	106.272	3.101%	3.125%
Canada 3.75% June 1, 2019	103.162	3.243%	3.269%
Canada 3.50% June 1, 2020	100.907	3.370%	3.398%

Canada 3.25% June 1, 2021	98.345	3.465%	3.495%
Canada 8.00% June 1, 2023	140.201	3.560%	3.592%
Canada 8.00% June 1, 2027	150.151	3.638%	3.671%
Canada 5.75% June 1, 2029	123.896	3.827%	3.864%
Canada 5.75% June 1, 2033	126.562	3.889%	3.927%
Canada 5.00% June 1, 2037	117.317	3.909%	3.947%
Canada 4.00% June 1, 2041	102.377	3.863%	3.900%

**The End Date is assumed to be May 16, 2012 for this example. Bond prices reflect settlement data as per the Final Bond Settlement Date definition: two days after the End Date for bonds with maturities less than three years (May 18, 2012) and three days for all other bonds (May 22, 2012).*

***The semi-annual yield is converted to an effective annual rate to arrive at the Final Bond Yield for each Benchmark Bond.*

Benchmark Swap	Final Swap Rate *	Final Annualized Swap Rate **
1 Year	1.706%	1.706%
2 Year	2.043%	2.053%
3 Year	2.339%	2.353%
4 Year	2.593%	2.609%
5 Year	2.814%	2.834%
6 Year	3.015%	3.038%
7 Year	3.194%	3.219%
8 Year	3.354%	3.382%
9 Year	3.498%	3.529%
10 Year	3.630%	3.663%
12 Year	3.861%	3.898%
15 Year	4.097%	4.139%
20 Year	4.241%	4.286%
25 Year	4.197%	4.241%
30 Year	4.157%	4.200%

**Based on the swap terms listed in the definitions. The Final Swap Effective Date is assumed to be May 16, 2012.*

***Calculated by converting the swap rates from the survey from a semi-annual rate to an effective annual rate, except for the one year swap which is stated on an effective annual basis by market convention.*

5. Calculation of Final Swap Values

Calculation of Final Swap Values is made using the SWPM function in Bloomberg. The first step is to construct the swap curve using the Final Swap Rates for terms of two years and greater and from Bloomberg Curve #4 for terms of less than two years as shown in the diagram.

90) Actions		91) Swaps & Options		92) Str. Notes		93) Mkt Data		94) Help		Swap Manager	
Fixed Float Swap		Cpty NEAHD		CCP OTC		Ticker / TMD		Series 0001		Deal ID SL4F2ILJ	
Market Data		Curve # 4		Mid Canadian Dollar		Swap Contract		Reset Fixing		CD0R03 1.29857 %	
Cash Rates		ACT/365		Swap Rates		ACT/365 (S)		Rate Source		Custom Curve	
Interpolation		Piecewise Linear (Simple)		Shift		0.00bp		98) Refresh		99) Export to Excel	

Term	Market Rate	Shift	Shifted Rate	Zero Rate	Discount
2 YR	1.91360	+12.94	2.04300	2.04978	0.959926
3 YR	2.20930	+12.97	2.33900	2.35157	0.932208
4 YR	2.46550	+12.75	2.59300	2.61391	0.901270
5 YR	2.68230	+13.17	2.81400	2.84542	0.868122
6 YR	2.87435	+14.07	3.01500	3.05950	0.833313
7 YR	3.06345	+13.06	3.19400	3.25333	0.797515
8 YR	3.22350	+13.05	3.35400	3.42980	0.761597
9 YR	3.36550	+13.25	3.49800	3.59159	0.725664
10 YR	3.49650	+13.35	3.63000	3.74299	0.689945
12 YR	3.73000	+13.10	3.86100	4.01636	0.620323
15 YR	3.97075	+12.63	4.09700	4.30553	0.527586
20 YR	4.11375	+12.73	4.24100	4.46807	0.412969

Valuation

Par Cpn	4.436686	Calculate	Premium	
Principal	46,513.51	Unwind Annuity	0.021000	
Accrued	0.00	Unwind PV	-2,825.64	DV01
Market Value	46,513.51	Premium	4.65135	Gamma (1bp)
				-1,355.12
				-2.45

3) Main 4) Curves 5) Cashflow 7) Leg Detail 10) Reset Rates 11) Risk 13) Scenario 14) Charts 15) CVA

The second step is to value each of the Benchmark Swaps via the Main SWPM screen using the Initial Swap Rate as the fixed rate for the fixed leg of each respective Benchmark Swap. Each Benchmark Swap is set up with the same basic features as described in the definitions and shown in the diagram that follows, which displays the example calculation for the 20-year swap.

In the diagram, the Final Swap Value is calculated as the sum of the notional amount (1,000,000) and the value of the fixed leg as calculated by SWPM (-953,486); this sum (46,514) is divided by the notional amount (1,000,000) to determine the Final Swap Value (0.046514).

90) Actions		91) Swaps & Options		92) Str. Notes		93) Mkt Data		94) Help		Swap Manager	
Fixed Float Swap		Cpty	NEAHD	CCP	OTC	Ticker / TMD	Series 0001	Deal ID	SL4F2ILJ	21) Detail	
31) Load		32) Save		34) Send		35) VCON		36) Ticketing		37) Add to Portfolio	
Leg 1		Pay Fixed		Leg 2		Receive Float					
Notional	1MM	Leg ID	SL4F2ILK	Notional	1MM	Leg ID	SL4F2ILL				
Currency	CAD	Coupon	4.091000 %	Currency	CAD	Index	CDOR03				
Effective	05/16/2012	Calc Basis	Money Mkt	Effective	05/16/2012	Latest Index	2.04701				
Maturity	05/16/2032	Day Count	ACT/365	Maturity	05/16/2032	Tenor	3 Month				
Pay Freq	SemiAnnual	Unwind Cpn	4.070000 %	Reset Freq	Quarterly	Leverage	1.00000				
				Pay Freq	SemiAnnual	Spread	0.00 bp				
						Day Count	ACT/365				
MV	-953,486.49	Accrued	0.00	MV	1,000,000.00	Accrued	0.00				
Premium	-95.35	DV01	-1,355.12	Premium	100.00	DV01	0.00				
Market											
Dscnt Curve	4 Mid	Canadian Dollar		Dscnt Curve	4 Mid	Canadian Dollar					
				Fwd Curve	4 Mid	Canadian Dollar					
Curve Date	05/16/2012	Valuation	05/16/2012								
Valuation											
Par Cpn	4.436686	Calculate	Premium								
Principal	46,513.51	Unwind Annuity	0.021000								
Accrued	0.00	Unwind PV	-2,825.64	DV01							
Market Value	46,513.51	Premium	4.65135	Gamma (1bp)							

Using the SWPM calculator, the Final Swap Value for each of the respective Benchmark Swaps is listed below.

Benchmark Swap	Swap Fixed Rate	Value of Fixed Leg*	Final Swap Value
1 Year	1.556%	-0.989999	0.010001
2 Year	1.893%	-0.983212	0.016788
3 Year	2.189%	-0.977592	0.022408
4 Year	2.443%	-0.973067	0.026933
5 Year	2.664%	-0.981358	0.018642
6 Year	2.865%	-0.965318	0.034682
7 Year	3.044%	-0.962263	0.037737
8 Year	3.204%	-0.959447	0.040553
9 Year	3.348%	-0.957010	0.042990
10 Year	3.480%	-0.954691	0.045309
12 Year	3.711%	-0.952486	0.047514
15 Year	3.947%	-0.952453	0.047547
20 Year	4.091%	-0.953486	0.046514
25 Year	4.047%	-0.951298	0.048702
30 Year	4.007%	-0.953329	0.046671

*The value of the fixed leg is taken from SWPM and stated per \$1 of notional amount

6. Calculation of Final Bonds Market Value and Final Swaps Market Value

Benchmark Bond	Final Bond Price	Bond Hedge Amount	Final Market Value
Canada 1.75% March 1, 2013	99.853	(5,000,000)	(4,992,650)
Canada 2.00% March 1, 2014	99.526	(5,000,000)	(4,976,300)
Canada 2.50% June 1, 2015	100.156	(5,000,000)	(5,007,800)
Canada 2.00% June 1, 2016	97.040	12,500,000	12,130,000
Canada 4.00% June 1, 2017	104.805	12,500,000	13,100,625
Canada 4.25% June 1, 2018	106.272	12,500,000	13,284,000
Canada 3.75% June 1, 2019	103.162	12,500,000	12,895,250
Canada 3.50% June 1, 2020	100.907	12,500,000	12,613,375
Canada 3.25% June 1, 2021	98.345	12,500,000	12,293,125
Canada 8.00% June 1, 2023	140.201	12,500,000	17,525,125
Canada 8.00% June 1, 2027	150.151	12,500,000	18,768,875
Canada 5.75% June 1, 2029	123.896	12,500,000	15,487,000
Canada 5.75% June 1, 2033	126.562	12,500,000	15,820,250
Canada 5.00% June 1, 2037	117.317	12,500,000	14,664,625
Canada 4.00% June 1, 2041	102.377	12,500,000	12,797,125
Final Bonds Market Value			156,402,625

Benchmark Swap	Swap Hedge Amount	Final Swap Value	Final Swap Market Value
1 Year	(5,000,000)	0.010001	(50,003)
2 Year	(5,000,000)	0.016788	(83,939)
3 Year	(5,000,000)	0.022408	(112,039)
4 Year	12,500,000	0.026933	336,659
5 Year	12,500,000	0.018642	233,019
6 Year	12,500,000	0.034682	433,521
7 Year	12,500,000	0.037737	471,711
8 Year	12,500,000	0.040553	506,911
9 Year	12,500,000	0.042990	537,377
10 Year	12,500,000	0.045309	566,360
12 Year	12,500,000	0.047514	593,923
15 Year	12,500,000	0.047547	594,335
20 Year	12,500,000	0.046514	581,419
25 Year	12,500,000	0.048702	608,777
30 Year	12,500,000	0.046671	583,385
Final Swaps Market Value			5,801,414

7. Calculation of Hedge Gain/Loss

Initial Bonds Market Value	164,177,500
Less: Final Bonds Market Value	156,402,625
Plus: Final Swaps Market Value	5,801,414
Hedge Gain/Loss	13,576,289

8. Calculation of Adjusted Weighted Average Cost of Capital

Benchmark Bond	Final Bond Yield	Initial Bond Yield	Change in Yield
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Canada 1.75% March 1, 2013	1.946%	1.694%	0.252%
Canada 2.00% March 1, 2014	2.284%	2.031%	0.253%
Canada 2.50% June 1, 2015	2.461%	2.208%	0.253%
Canada 2.00% June 1, 2016	2.801%	2.548%	0.253%
Canada 4.00% June 1, 2017	2.986%	2.732%	0.254%
Canada 4.25% June 1, 2018	3.125%	2.871%	0.254%
Canada 3.75% June 1, 2019	3.269%	3.015%	0.254%
Canada 3.50% June 1, 2020	3.398%	3.144%	0.254%
Canada 3.25% June 1, 2021	3.495%	3.241%	0.254%
Canada 8.00% June 1, 2023	3.592%	3.337%	0.255%
Canada 8.00% June 1, 2027	3.671%	3.417%	0.254%
Canada 5.75% June 1, 2029	3.864%	3.609%	0.255%
Canada 5.75% June 1, 2033	3.927%	3.672%	0.255%
Canada 5.00% June 1, 2037	3.947%	3.692%	0.255%
Canada 4.00% June 1, 2041	3.900%	3.646%	0.254%

Benchmark Bond	Bond Hedge Amount	Initial Bond Price	Initial Absolute Market Value	Calculation *
Canada 1.75% March 1, 2013	(5,000,000)	100.048	5,002,400	12,606
Canada 2.00% March 1, 2014	(5,000,000)	99.962	4,998,100	12,645
Canada 2.50% June 1, 2015	(5,000,000)	100.885	5,044,250	12,762
Canada 2.00% June 1, 2016	12,500,000	100.660	12,582,500	31,834
Canada 4.00% June 1, 2017	12,500,000	106.005	13,250,625	33,657
Canada 4.25% June 1, 2018	12,500,000	107.697	13,462,125	34,194
Canada 3.75% June 1, 2019	12,500,000	104.765	13,095,625	33,263
Canada 3.50% June 1, 2020	12,500,000	102.679	12,834,875	32,601
Canada 3.25% June 1, 2021	12,500,000	100.272	12,534,000	31,836
Canada 8.00% June 1, 2023	12,500,000	143.034	17,879,250	45,592
Canada 8.00% June 1, 2027	12,500,000	153.961	19,245,125	48,883
Canada 5.75% June 1, 2029	12,500,000	155.090	19,386,250	49,435
Canada 5.75% June 1, 2033	12,500,000	130.834	16,354,250	41,703
Canada 5.00% June 1, 2037	12,500,000	121.859	15,232,375	38,843
Canada 4.00% June 1, 2041	12,500,000	106.922	13,365,250	33,948
Totals			194,267,000	493,800
			(B)	(Y)

* Change in Yield multiplied by the Absolute Initial Bonds Market Value for each respective Benchmark Bond

Benchmark Swap	Final Annualized Swap Rate	Initial Annualized Swap Rate	Change in Rate
1 Year	1.706%	1.556%	0.150%
2 Year	2.053%	1.902%	0.151%
3 Year	2.353%	2.201%	0.152%
4 Year	2.609%	2.458%	0.151%

5 Year	2.834%	2.682%	0.152%
6 Year	3.038%	2.886%	0.152%
7 Year	3.219%	3.067%	0.152%
8 Year	3.382%	3.230%	0.152%
9 Year	3.529%	3.376%	0.153%
10 Year	3.663%	3.510%	0.153%
12 Year	3.898%	3.745%	0.153%
15 Year	4.139%	3.986%	0.153%
20 Year	4.286%	4.133%	0.153%
25 Year	4.241%	4.088%	0.153%
30 Year	4.200%	4.047%	0.153%

Benchmark Swap	Swap Hedge Amount	Absolute Swap Hedge Amount	Calculation *
1 Year	(5,000,000)	5,000,000	7,500
2 Year	(5,000,000)	5,000,000	7,550
3 Year	(5,000,000)	5,000,000	7,600
4 Year	12,500,000	12,500,000	18,875
5 Year	12,500,000	12,500,000	19,000
6 Year	12,500,000	12,500,000	19,000
7 Year	12,500,000	12,500,000	19,000
8 Year	12,500,000	12,500,000	19,000
9 Year	12,500,000	12,500,000	19,125
10 Year	12,500,000	12,500,000	19,125
12 Year	12,500,000	12,500,000	19,125
15 Year	12,500,000	12,500,000	19,125
20 Year	12,500,000	12,500,000	19,125
25 Year	12,500,000	12,500,000	19,125
30 Year	12,500,000	12,500,000	19,125
Totals		165,000,000	251,400
		(S)	(R)

* Change in Rate multiplied by the Absolute Swap Hedge Amount for each respective Benchmark Swap

W = Weighted Average Cost of Capital
= 6.50%

Y = Sum of Weighted Bond Yield Changes

$$= \sum_{i=1}^{15} (FY_i - IY_i) \times |HA_i| \times \frac{IP_i}{100}$$

where: FY_i = Final Bond Yield for each Benchmark Bond i
 IY_i = Initial Bond Yield for each Benchmark Bond i
 HA_i = Bond Hedge Amount for each Benchmark Bond i
 IP_i = Initial Bond Price for each Benchmark Bond i

= 493,800

R = Sum of Weighted Swap Rate Changes

$$= \sum_{i=1}^{15} (FR_i - IR_i) \times |SH_i|$$

where: FR_i = Final Annualized Swap Rate for each Benchmark Swap i
 IR_i = Initial Annualized Swap Rate for each Benchmark Swap i
 SH_i = Swap Hedge Amount for each Benchmark Swap i

= 251,400

B = Sum of Absolute Initial Bond Market Values

$$= \sum_{i=1}^{15} |HA_i| \times \frac{IP_i}{100}$$
*where: HA_i = Bond Hedge Amount for each Benchmark Bond i
 IP_i = Initial Bond Price for each Benchmark Bond i*
 = 194,267,00

S = Sum of Absolute Swap Hedge Amounts

$$= \sum_{i=1}^{15} |SH_i|$$
where: SH_i = Swap Hedge Amount for each Benchmark Swap i
 = 165,000,000

$$Adjusted\ Weighted\ Average\ Cost\ of\ Capital = W + \frac{Y + R}{B + S}$$

$$= 6.50\% + \frac{493,800 + 251,400}{194,267,000 + 165,000,000}$$

$$= 6.707\%$$

Adjusted Weighted Average Cost of Capital 6.707%

9. Calculation of Payment Adjustment Amount

H = Hedge Gain/Loss
 = 13,576,289

A = Adjusted Weighted Average Cost of Capital
 = 6.707%

I = Effective Monthly Adjusted Weighted Average Cost of Capital

$$= (1 + A)^{1/12} - 1$$

$$= (1 + 0.06707)^{1/12} - 1$$
 = 0.54247%

T = (Substantial Completion Target Date – End Date) ÷ 365
 = (November 1, 2016 – May 16, 2012) ÷ 365
 = 4.4658

$$Payment\ Adjustment\ Amount = \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{330}}}$$

$$= \frac{13,576,289 \times (1 + 0.06707)^{4.4658} \times 0.0054247}{1 - \frac{1}{(1 + 0.0054247)^{330}}}$$

$$= 118,250.79$$

Payment Adjustment Amount 118,250.79

Payment Adjustment Amount Calculation Process

The administrative process for actually calculating the Payment Adjustment Amount and the replacement of Appendix 1 to Schedule 14 with a revised Table 2 of Form G1 shall be carried out by the City in accordance with this Form G2 and as the process may be further detailed and clarified by the City, acting reasonably (the “**Overall Process**”). The Overall Process shall be completed no later than 3:00 p.m. Regina Time on the End Date. The Overall Process shall include:

- (a) the preparation of a revised Table 2 of Form G1 from SR3 to the RFP which would entail taking Table 2 of Form G1 from the Preferred Proponent’s SR Package 3 and applying the Payment Adjustment Amount to the Capital Payments;
- (b) circulating the revised Table 2 of Form G1 to the Contact Individual and the City Representative for review and approval, with both parties acting reasonably; and
- (c) the replacement of Appendix 1 to Schedule 14 with the revised Table 2 of Form G1 as approved.

The City may approve an alternative process for determining Final Bond Prices and Final Swap Rates at a mutually acceptable time on the End Date in order to facilitate a more efficient process for the Preferred Proponent (the “**Alternate Final Bond Prices and Final Swap Rates Determination Process**”). Any Alternate Final Bond Prices and Final Swap Rates Determination Process will need to include pricing that accurately reflects current market prices and rates and is received from independent parties. All other calculations in determining the Payment Adjustment Amount will not be changed. Any Alternate Final Bond Prices and Final Swap Rates Determination Process shall:

1. ensure the Overall Process (as amended) is completed no later than 3:00 p.m. Regina Time on the End Date; and
2. have a procedure for resolving any disagreements over the execution of the Alternate Final Bond Prices and Final Swap Rates Determination Process.

If the Alternate Final Bond Prices and Final Swap Rates Determination Process has not been agreed to by the City and the Preferred Proponent by 5:00 p.m. Regina Time the day before the End Date or the Alternate Final Bond Prices and Final Swap Rates Determination Process has not been completed by 1:00 p.m. Regina Time on the End Date, the Overall Process shall be carried out by the City.

CAPITAL PAYMENT PRICE ADJUSTMENT ELECTION FORM
– FORM G2 (Actual form to be completed and submitted with SR
Package 3)

Complete this table whether or not the election to use Benchmark Bonds and/or Benchmark Swaps has been made

Weighted Average Cost of Capital	
----------------------------------	--

The Weighted Average Cost of Capital must be expressed as an effective annual rate.

Capital Payment Price Adjustment Process

Proponents must select **only one** of the following:

The capital adjustment process is accepted

The capital adjustment process is declined

Complete the table below if the election to use the capital payment adjustment process has been made.

Benchmark Bonds	Hedge Amounts (Par Value)	Initial Market Value
Government of Canada 1.50% August 1, 2015		
Government of Canada 1.00% August 1, 2016		
Government of Canada 1.50% September 1, 2017		
Government of Canada 4.25% June 1, 2018		
Government of Canada 3.75% June 1, 2019		
Government of Canada 3.50% June 1, 2020		
Government of Canada 3.25% June 1, 2021		
Government of Canada 2.75% June 1, 2022		
Government of Canada 1.50% June 1, 2023		

Government of Canada 9.00% June 1, 2025		
Government of Canada 8.00% June 1, 2027		
Government of Canada 5.75% June 1, 2029		
Government of Canada 5.75% June 1, 2033		
Government of Canada 5.00% June 1, 2037		
Government of Canada 4.00% June 1, 2041		

Benchmark Swap	Swap Hedge Amount (Notional Amounts)
1 Year	
2 Year	
3 Year	
4 Year	
5 Year	
6 Year	
7 Year	
8 Year	
9 Year	
10 Year	
12 Year	
15 Year	
20 Year	
25 Year	
30 Year	

Constraints:

- 1. The Bond Hedge Amounts and Swap Hedge Amounts must be consistent with the Proponent’s financing for the Project as shown in the Proponent’s Final Financial Model.*
- 2. Bond Hedge Amounts and Swap Hedge Amounts must only be for hedging purposes and not for speculative purposes.*

Form G3 – Commodity Consumption Rate Form

Note: For use in SR Package 3

Please complete Tables 1 and 2 of the following Commodity Consumption Rate Form.

The consumption rates in Tables 1 and 2 will be used to calculate the Annual Commodity Consumption Adjustment as defined in Appendix E of Schedule 14 of the Agreement.

Please note the following regarding Tables 1 and 2:

1. Should the consumption rates be completed with other than the specified number of decimal places, the City will round the consumption rates to the specified number of decimal places prior to incorporating this Form G3 into the Preferred Proponent’s Proposal.
2. Any cell left blank in Table 1 or 2 shall be interpreted for purposes of Financial Offer evaluation and purposes of payment as having a value of zero.

Table 1 – O&M Commodity Consumption – Water and Gas

Commodity	Consumption Rates ^{1,2}	Unit
City Water		(L per ML of influent)
Natural Gas		(GJ/ML of influent)
¹ The City Water Consumption Rate should be specified in whole numbers (i.e. with no decimal places). ² The Natural Gas Consumption Rate should be specified to two decimal places.		

Table 2 – O&M Commodity Consumption – Electricity

Annual Influent Flow (ML) ⁴			Electricity Consumption Rate ³
Band No.	Greater than	Less than and equal to	(kWh per ML of influent)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

³ The Electricity Consumption Rate should be specified in whole numbers (i.e. with no decimal places).

⁴ Please note the following regarding the bands in Table 2:

- a) A minimum of one band should be completed
- b) Bands should be listed in ascending order, i.e., the lowest band as Band 1, the next-lowest band as Band 2, etc.
- c) Band limits should be specified in whole numbers (no decimal places)
- d) Bands should be consecutive with no gaps between bands
- e) Each band’s Electricity Consumption Rate must be less than or equal to the preceding band’s consumption rate
- f) The highest band’s Electricity Consumption Rate will be applied in calculating the Annual Commodity Consumption Adjustment in the event that actual Annual Influent Flow exceeds the upper limit of that band
- g) The lowest band’s Electricity Consumption Rate will be applied in calculating the Annual Commodity Consumption Adjustment in the event that actual Annual Influent Flow is less than the lower limit of that band

Example Table 2

The following is provided as an *example only* of how Table 2 above should be completed, noting the following:

- Bands are presented in ascending order
- Band limits are specified in whole numbers (no decimal places)
- Bands are consecutive with no gaps
- Each band’s consumption rate is less than or equal to the preceding band’s consumption rate

Annual Influent Flow (ML)			Electricity Consumption Rate
Band No.	Greater than	Less than and equal to	(kWh per ML of influent)
1	15,000 ¹	20,000	800
2	20,000	30,000	710
3	30,000	40,000	680
4	40,000	55,000	600
5	55,000	72,000	525
6	72,000	90,000 ²	500
7			
8			
9			
10			

¹ Should the actual Annual Influent Flow be less than 15,000 ML then the Electricity Consumption Rate of Band No. 1 would be used
² should the actual Annual Influent Flow be greater than 90,000 ML then the Electricity Consumption Rate of Band No. 6 would be used

Form G4 – Inflation Index Weightings Form

Please complete the following index weighting form. No weighting may exceed the maximum shown. Weightings for each index must sum to 100%.

Weightings for Existing Facilities O&M Index

Inflation Area	Maximum Weighting	Weighting (%)
Labour	50%	
Consumer Goods	50%	
Chemicals	20%	
Machinery & Equipment	20%	
Total:		

(must sum to 100%)

Weightings for Infrastructure O&M Index

Inflation Area	Maximum Weighting	Weighting (%)
Labour	50%	
Consumer Goods	50%	
Chemicals	20%	
Machinery & Equipment	20%	
Total:		

(must sum to 100%)

Weightings for Renewal Index

Inflation Area	Maximum Weighting	Weighting (%)
Labour	50%	
Consumer Goods	20%	
Construction	50%	
Machinery & Equipment	50%	
Total:		

(must sum to 100%)

Form G5 – Capital Cost Breakouts

Please indicate the percentage of one monthly capital payment (as provided on Form G1) that may reasonably be attributed to each of the following components of the Infrastructure as described in Schedule 18 of the Agreement.

Infrastructure component	Percentage of Capital Payment
Flow Diversion Chamber	

This information may be used by the City in future with respect to cost-sharing agreements with third parties. This information will not be used in the evaluation of Financial Offers.

**APPENDIX 3 – DATA ROOM
REGISTRATION FORM AND
ACKNOWLEDGEMENT OF TERMS OF
RFP AND CONFIDENTIALITY**

Data Room Registration Form and Acknowledgement of Terms of RFP and Confidentiality

To receive access to the Data Room
please execute and email all five (5) pages of this Appendix 3 as soon as possible to:

Gloria Bechtold, Coordinator Purchasing
Email: reginapurchasing@regina.ca

NOTE: A Proponent’s Contact Organization and Contact Individual must be the same below as was submitted for the RFQ. Refer to Section 6.5 of the ITP for further information.

Proponent’s Contact Information

Name of Proponent: _____

Street Address: _____

City: _____ Postal/Zip Code: _____

Province/State: _____ Country: _____

Mailing Address, if different: _____

Email Address: _____ Telephone: _____

Contact Individual: _____

Contact Individual Email Address: _____

Contact Individual Telephone: _____

The Contact Individual will be provided with Data Room access details as soon as possible via the Contact Person Email Address provided.

ACKNOWLEDGEMENT

OF TERMS OF RFP AND CONFIDENTIALITY

The undersigned is a duly authorized representative of the Proponent and has the power and authority to sign this Acknowledgement of Terms of RFP and Confidentiality on behalf of such interested party.

The Proponent hereby acknowledges receipt and review of this RFP and all of the terms and conditions contained therein, including, without limitation, all appendices attached thereto and agrees to comply with all of the terms and conditions set out in this RFP.

For greater certainty, the Proponent in executing this Acknowledgement of Terms of RFP and Confidentiality agrees to comply with the Confidentiality Agreement provisions set out on the subsequent three pages.

Proponent:

Authorized Signature

Name of the Authorized Signatory

Title

Date

CONFIDENTIALITY AGREEMENT**1. Interpretation**

In this Confidentiality Agreement each capitalized term not otherwise defined in this Confidentiality Agreement has the meaning given to it in Section 1.5 of this RFP:

- (a) “Confidentiality Agreement” means the preceding Acknowledgement of Terms of RFP and Confidentiality page, this page, and the following two pages, which are subject to the RFP.
- (b) “Permitted Purposes” means evaluating the Project, preparing an RFP submission in response to this RFP, and any other use permitted by this Confidentiality Agreement.
- (c) “Recipient” means a Proponent who completes a Data Room Registration Form in Appendix 3 of this RFP;
- (d) “Representative” means a director, officer, employee, agent, accountant, lawyer, consultant, financial advisor, subcontractor, financial sponsor, Key Individual, or other member of a Proponent or any other person contributing to or involved with the preparation of RFP submissions submitted in response to this RFP, as the case may be, or otherwise retained by the Recipient in connection with the Project.

2. Confidentiality

The Recipient will keep all Confidential Information strictly confidential and will not without the prior written consent of the City (which may provide such consent in its sole discretion), disclose, or allow any of its Team Members to disclose, in any manner whatsoever, in whole or in part, or use, or allow any of its Team Members to use, directly or indirectly, the Confidential Information for any purpose other than the Permitted Purposes. The Recipient will make all reasonable, necessary and appropriate efforts to safeguard the Confidential Information from disclosure to any other person except as permitted in this Confidentiality Agreement, and will ensure that each of its Team Members agrees to keep such information confidential and to be bound by the terms contained herein.

3. Ownership of Confidential Information

The City owns all right, title and interest in the Confidential Information and, subject to any disclosure requirements under Applicable Law, and except as permitted by this Confidentiality Agreement, the Recipient will keep all Confidential Information that the Recipient receives, has access to, or otherwise obtains strictly confidential for a period of three years after the date of this Confidentiality Agreement, and will not, without the prior express written consent of an authorized representative of the City, which may be unreasonably withheld, use, divulge, give, release or permit or suffer to be used, divulged, given or released, any portion of the Confidential Information to any other person for any purpose whatsoever.

4. Limited Disclosure

The Recipient may disclose Confidential Information only to those of its Team Members who need to know the Confidential Information for the purpose of evaluating the Project and preparing its proposal to this RFP and on the condition that all such Confidential Information be retained by each of those Team Members as strictly confidential. The Recipient will notify the City, on request, of the identity of each Team Member to whom any Confidential Information has been delivered or disclosed.

5. Destruction on Demand

On written request, the Recipient will promptly deliver to the City or destroy all documents and copies thereof in its possession or control constituting or based on the Confidential Information and the Recipient will confirm that delivery or destruction to the City in writing, all in accordance with the instructions of the City; provided, however, that the Recipient may retain one copy of any Confidential Information that it may be required to retain or furnish to a court or regulatory authority pursuant to Applicable Law.

6. Acknowledgement of Irreparable Harm

The Recipient acknowledges and agrees that the Confidential Information is proprietary and confidential and that the City may be irreparably harmed if any provision of this Confidentiality Agreement were not performed by the Recipient or any party to whom the Recipient provides Confidential Information in accordance with its terms, and that any such harm could not be compensated reasonably or adequately in damages. The Recipient further acknowledges and agrees that the City will be entitled to injunctive and other equitable relief to prevent or restrain breaches of any of the provisions of this Confidentiality Agreement by the Recipient or any of its Team Members, or to enforce the terms and provisions hereof, by an action instituted in a court of competent jurisdiction, which remedy or remedies are in addition to any other remedy to which the City may be entitled at law or in equity.

7. No Prior Agreements

The Recipient or any of its Team Members represents that their performance of all the terms of this Confidentiality Agreement do not and shall not breach any fiduciary or other duty or any covenant, agreement or understanding (including any agreement relating to any proprietary information, knowledge or data acquired by the Third Party in confidence, trust or otherwise) to which the Recipient is a party or by the terms of which the Recipient or any of its Team Members may be bound. The Recipient or any of its Team Members further covenants and agrees not to enter into any agreement or understanding, either written or oral, in conflict with the provisions of this Confidentiality Agreement.

8. Waiver

No failure to exercise, and no delay in exercising, any right or remedy under this Confidentiality Agreement by the City will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Confidentiality Agreement will be deemed to be a waiver of any subsequent breach of that provision or of any similar provision.

9. Severability

If any portion of this Confidentiality Agreement is found to be invalid or unenforceable by law by a court of competent jurisdiction then that portion will be severed and the remaining portion will remain in full force and effect.

10. Enurement

This Confidentiality Agreement enures to the benefit of the City and binds the Recipient and its successors.

APPENDIX 4 – RFI SUBMISSION FORM

RFI SUBMISSION FORM – RFP No. 2245

Proponent Name:		
Proponent's Question Number ¹ :		
Date:		
Contact Person (for receipt of response)	Name:	
	Email:	
	Phone:	
<input type="checkbox"/> Non-Confidential Question or <input type="checkbox"/> Confidential Question (see Section 5.7.1 of ITP) Explanation as to why Respondent/Registered Party believes question to be confidential:		
Question (1 per submitted form)		
Is there any supporting information appended to this form? <input type="checkbox"/> Yes <input type="checkbox"/> No		

To submit, please upload this form and any appended supporting information as a SINGLE PDF FILE to the Data Room. Name the PDF file as follows: #.PDF, where # is the question number indicated above

¹ Please number questions sequentially in the order that they are submitted to the City to facilitate tracking.

APPENDIX 5 – SR PACKAGE SUBMISSION LABEL

To be used with SR Packages 1, 2, 2B, and 3.



RFP SUBMISSION LABEL

RFP NO: 2245

PROJECT NAME: CITY OF REGINA WASTEWATER TREATMENT PLANT UPGRADE

SR Number: [Proponent to insert the Submission Requirement Number]

FROM:

PROPONENT NAME: [Proponent to insert the name]

TO:

Gloria Bechtold, CPPB
City of Regina Purchasing Branch
City Hall, 5th Floor
2476 Victoria Avenue
P.O. Box 1790, Regina, SK S4P 3C8
Email: reginapurchasing@regina.ca

CLOSING DATE: [Respondent to insert the date]

DATE/TIME RECEIVED: _____

CLOSING TIME: [Respondent to insert the time]

RECEIVED BY: _____

APPENDIX 6 – EARLY WORKS AGREEMENT

[posted in the Data Room in the RFP folder]