

Appendix A

Chronology for the Wastewater Treatment Plant Upgrade

The following information provides an overview of the approvals and documents that have resulted in the Project that is currently underway.

Alternative Delivery Investigation

The City began work on the Project in June 2011, with the initiation of a conceptual design. The concept report was the basis for beginning the delivery model evaluations through an initial Project screening assessment. In June 2012, City Council authorized the investigation of alternative delivery options, including exploring potential funding from PPP Canada Ltd. (CR12-82). The City subsequently submitted an expression of interest application to PPP Canada Ltd. This investigation work was the foundation of the delivery model assessment information presented to City Council in February 2013 (CR13-26).

WWTP Pre-Design and Cost Update

From June 2012 to December 2012, the City completed a 30% pre-design for the WWTP. The Administration presented a report to City Council on December 17, 2012 (CR12-167) providing information on the need for the upgrade and a revised DBB cost range of \$176 to \$238 million. The 30% pre-design work was the basis for the public sector DBB comparator in the delivery model investigation and analysis.

DBFOM Delivery Model Selection

City Council approved the DBFOM delivery model for the procurement of the WWTP Upgrade Project at the February 25, 2013 meeting (CR13-26). A report entitled *City of Regina Wastewater Treatment Plant Expansion & Upgrade Project – Summary of Delivery Model Assessment* was provided to Council at this time and provided details on the delivery models, the evaluation process and results of the analysis. The background work that was the basis for the *City of Regina Wastewater Treatment Plant Expansion & Upgrade Project – Summary of Delivery Model Assessment* report included a screening assessment, a strategic analysis, and a VFM analysis. The VFM included in the 2013 report is the basis for comparison for the post-award analysis.

Business Case Submission to the P3 Canada Fund

On February 25, 2013, City Council approved submitting the *City of Regina Wastewater Treatment Plant Upgrade Business Case Submission to PPP Canada* (CR13-26). The City submitted the business case to PPP Canada Ltd. on March 6, 2013.

Issuing the RFQ and Subsequent Referendum

On May 14, 2013 the City issued the Project RFQ (No. 2153). On September 25, 2013, the City held a referendum regarding the procurement model for the Project, namely DBFOM versus DBB. The referendum results supported the February 25, 2013 decision of Council in selecting a DBFOM procurement model.

The RFQ process was originally scheduled to conclude in July 2013, but was halted during the referendum period. The RFQ process concluded on October 16, 2013 with the announcement of the proponent shortlist. The following three proponents, in alphabetical order, were shortlisted in the RFQ process:

- EPCOR Saskatchewan Water Partners (now incorporated as EPCOR Water Prairies Inc.);
- Prairie Water Partners; and
- Wascana Environmental Partners.

Reassignment of Delegated Authorities

On October 15, 2013, City Council reassigned the authorities granted to the Deputy City Manager of City Operations to the City Manager or his or her delegate (CM13-12). On October 16, 2013 the City Manager delegated this authority to the Deputy City Manager and Chief Financial Officer, Corporate Services. As a result of organizational change, the delegated authority moved with the Deputy City Manager and Chief Financial Officer when this individual assumed the role of Deputy City Manager and Chief Operating Officer on January 1, 2014.

RFP Process

On October 16, 2013 the City issued the RFP for the Project to the three shortlisted proponents. The RFP submission deadline was May 22, 2014. The RFP evaluation team included representatives from the City, as well as a number of external technical and business advisors. The team evaluated each proponent's design, construction schedule, financial offer, and 28 required management plans, including plans for construction, operation, asset management, permitting, and safety. The selection process for the RFP was based on the evaluation of the submissions and the ranking of the financial offers. The proponent whose technical submission met all the technical and financial requirements and provided the financial offer with the lowest total cost on an NPV basis was selected as the preferred proponent.

All three proponents met the technical requirements for the Project and all financial offers were within the authority granted by City Council (CR13-26). The lowest NPV financial offer was provided by EPCOR and as a result, on May 29, 2014 the City announced that EPCOR was selected as the preferred proponent to deliver the Project.

PPP Canada Ltd. Funding for the Project

On June 21, 2013, PPP Canada Ltd. announced that the Project had been approved for funding under the P3 Canada Fund. The Project was eligible for the lesser of 25% of the eligible capital costs of the WWTP upgrade, as determined by PPP Canada Ltd. or \$58.5 million. On October 16, 2013, the City and PPP Canada Ltd. entered into the Conditional Financial Agreement and on May 26, 2014 the City and PPP Canada Ltd. entered into the Final Financial Agreement. As the Project costs (CM14-11) are significantly less than previously estimated in February 2013 (CR13-26), the City will now be eligible for the lesser of 25% of the eligible capital costs of the WWTP upgrade, as determined by PPP Canada Ltd. or \$48.2 million.

Borrowing Bylaw 2014

On June 23, 2014, City Council approved CR14-70 instructing the City Solicitor to prepare a borrowing bylaw that, in accordance with *The Cities Act* and public sector accounting standards established by the Chartered Professional Accountants of Canada, classified the construction cost of the upgraded WWTP as debt. As a result, on June 23, 2014 City Council passed *The Regina Wastewater Treatment Plant Borrowing Bylaw, 2014*, Bylaw No. 2014-48 in the amount of \$158,464,000.

Preferred Proponent

Following the close of the RFP process, on May 29, 2014, the City announced that it had selected EPCOR as the preferred proponent to proceed with the Project. On June 23, 2014, City Council received a report providing information on the preferred proponent selection and next steps toward financial close of the Project (IR14-10).

Early Works Agreement

The WWTP procurement process included an option for the preferred proponent's design-build subcontractor to enter into an early works agreement with the City. EPCOR's design-build subcontractor and the City entered into this agreement on June 17, 2014. This allowed site preparation to commence in advance of financial close. The early works agreement allowed EPCOR to proceed during the summer construction season, reducing construction timeline risk and associated costs.

Financial Close

On July 3, 2014, the City entered into the DBFOM Project Agreement with EPCOR for the Project. The City now has a fixed price 30-year agreement for the design, build, finance, operate and maintain the WWTP with EPCOR. On July 28, 2014, City Council received details (CM14-11) on the WWTP award of request for proposals (RFP #2245).