

(As amended July 3, 2012 and as restated to incorporate Addenda Nos. 1 – 18)

ALBERTA INFRASTRUCTURE

REQUEST FOR PROPOSALS

FOR THE

DESIGN, BUILD, FINANCE, MAINTENANCE AND RENEWAL

OF

**TWELVE NEW SCHOOLS IN CENTRAL AND SOUTHERN
ALBERTA, CANADA**

VOLUME 1 of 2

INSTRUCTIONS TO PROPONENTS (ITP)

**Government
of Alberta ■
Infrastructure**

Table of Contents

Introduction 1

- 1.0 General..... 3**
 - 1.1 Background 3
 - 1.1A Post SR Package 2B Amendment Relating to a Single School..... 3
 - 1.2 Project and Maintenance and Renewal (M&R) Overview..... 4
 - 1.3 DBFM Overview..... 5
 - 1.4 Project Timing..... 6
 - 1.5 DBFM Objectives 6
 - 1.6 DBFM Scope..... 6
 - 1.7 Collaboration..... 8
 - 1.8 Safety Management..... 9
 - 1.9 Environmental Management 9
 - 1.10 Quality Management..... 9
 - 1.11 LEED™ Certification 10

- 2.0 Design and Construction 12**
 - 2.1 General 12
 - 2.2 Design 12
 - 2.3 Core School Designs 12
 - 2.4 Accommodation of Changing School Usage Over Time 14
 - 2.5 School Sites..... 14
 - 2.6 Development on School Sites 15
 - 2.7 Environmental and Historical Resources 15
 - 2.8 Permits and Municipal Contacts 16
 - 2.9 Utilities..... 18

- 3.0 Maintenance and Renewal (“M&R”)..... 21**
 - 3.1 General 21
 - 3.2 Maintenance and Renewal 21
 - 3.3 Compliance 22
 - 3.4 Handback 22

- 4.0 Business Arrangements 24**
 - 4.1 Business Model 24

4.2 Timing..... 24

4.3 Payments..... 24

4.4 Holdbacks and Other Performance Security..... 26

4.5 Access to the School Sites and Schools..... 26

4.6 Tax..... 26

4.7 Insurance Requirements..... 27

5.0 Proposal Submission and Selection Process..... 29

5.1 Process Overview and Schedule..... 29

5.2 Department Representative..... 31

5.3 Electronic Document Room..... 32

5.4 Investigations, Surveys and Studies by Proponents..... 32

5.5 Site Access (During RFP)..... 32

5.6 Clarifications, Questions and Addenda..... 33

5.7 Optional Innovation Submission..... 34

5.8 Comments on DBFM Agreement..... 36

5.9 Submission Procedure..... 37

5.10 Proposal Deposit and Preferred Proponent Deposit..... 39

5.11 Financing and Initial Performance Letter of Credit..... 41

5.12 Proposal Content and Evaluation..... 41

5.13 Honorarium..... 45

5.14 Fairness Auditor..... 45

5.15 Execution of DBFM Agreement..... 46

6.0 Other Matters..... 49

6.1 Eligibility..... 49

6.2 Contact Organization and Contact Individual..... 50

6.3 Changes to Proponents’ Team Structure..... 50

6.4 Conflict of Interest..... 50

6.5 Proponents’ Expenses..... 51

6.6 Ownership of Documents and Intellectual Property..... 51

6.7 No Collusion or Common Ownership Creating Competition Reduction..... 53

6.8 No Lobbying..... 54

6.9 No Publicity..... 54

6.10 Confidentiality of Submissions and the Collection of Personal Information..... 55

6.11 Amendments to or Cancellation of Process..... 55

6.12 Accuracy of Information..... 56

6.13 Debriefing..... 57

6.14 Limitation of Damages..... 57

6.15 Governing Law 57
 6.16 Time 58

Appendix 1 – Submission Requirements 2

SR 1.0 Submission Requirement Package 1 2
 Envelope A 3
 SR 2.0 Submission Requirement Package 2 6
 Envelope A 7
 Envelope B 23
 SR 2B.0 Submission Requirement Package 2B 25
 SR2B.1 General/Proponent Information 25
 Envelope A 26
 Envelope B 26
 Envelope C 27
 SR 3.0 Submission Requirement Package 3 1
 SR 3.1 General/Proponent Information 1
 Envelope A 2
 Envelope B 2

Appendix 2 – Required Forms 2

Form A1 – Declaration for SR Package 1 for the Proponent 2
 Form A2 – Declaration for SR Package 1 for Functional Lead Team Members and Project Lead ... 4
 Form A3 – Description of Proponent Team Members[^] 7
 Form B – Declaration for SR Package 2 8
 Form B1 – Declaration for SR Package 2B 9
 Form B2 – Declaration for SR Package 2B for Lead Team Members and Project Lead 10
 Form C1 – Declaration for SR Package 3 for the Proponent 12
 Form C2 – Declaration for SR Package 3 for Functional Lead Team Members and Project Lead .. 14
 Form D – Certificate of No Material Adverse Change 16
 Form E – Sample Insurance Broker’s Letter 18
 Form F1 – Sample Form of Letter of Credit for Proposal Deposit 20
 Form F2 – Sample Form of Letter of Credit for Preferred Proponent Deposit 22
 Form F3 – Sample Form of Letter of Credit for the Financing and Initial Performance Letter of
 Credit 24
 Form G1 – Financial Offer Form 26
 Form G2 – Capital Payment Price Adjustment Election Form 39
 Form H – The Province’s Legal Counsel’s Opinion 59

Appendix 3 – Definitions 2

3.1 Defined Terms..... 2

3.2 Interpretation..... 9

Introduction

Her Majesty the Queen in right of Alberta, as represented by the Ministers of Education and of Infrastructure (the “Province”) is pleased to invite the Proponents to respond to this Request for Proposals (“RFP”) for the design, build, finance, maintenance and renewal of twelve new schools in southern and central Alberta. This RFP consists of the following two volumes:

- 1) **Volume 1: Instructions to Proponents (“ITP”)**, which summarizes the ASAP III DBFM Project’s scope and objectives, presents information relating to the selection process, and lists the Submission Requirements including the required forms.
- 2) **Volume 2: DBFM Agreement (including Schedules 1-19 (Schedule 18 sets out the Technical Requirements for the ASAP III DBFM Project))**, which constitute the draft version of the DBFM Agreement that Proponents may comment upon prior to re-issuance in final form prior to the submission deadline for SR Package 3. The final form of the DBFM Agreement will be executed by the Successful Proponent and the Province. There shall be no post-selection negotiations on the final form of DBFM Agreement.

The RFP and any supporting information from the electronic document room or otherwise provided by the Province are being made available only to those Respondents who have been short-listed and have subsequently been invited to submit their Proposals for the ASAP III DBFM Project. Such information is made available on the condition that it is to be used in connection with this DBFM and for no other purpose whatsoever. Information contained herein or otherwise made available to Proponents must be treated as confidential. However, for greater certainty, such information may be shared with Proponents’ advisors, with potential lenders, and with potential lenders’ advisors, provided that Proponents ensure that these parties treat all such information as confidential as well.

PROPOSERS ARE REFERRED TO SECTION 6 OF THE ITP WHICH CONTAINS A COMPREHENSIVE EXCLUSION OF LIABILITY ON THE PART OF THE PROVINCE IN RESPECT OF THE RFP. EACH PROPONENT MUST MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE ASAP III DBFM PROJECT AND DETERMINE ITS INTEREST IN THE ASAP III DBFM PROJECT AND THE CONTENTS OF ITS PROPOSAL.

Section 1

General

1.0 General

1.1 Background

On October 14, 2011 the Province issued a Request for Qualifications (“**RFQ**”) for the design, build, finance, maintenance and renewal of thirteen new schools in central and southern Alberta (the “**ASAP III DBFM Project**”, as subsequently amended in this ITP to a total of twelve Schools as further described in Section 1.1A below). Five Responses to the RFQ were received by the deadline of November 16, 2011. A short-list of three Respondents was determined and announced on December 1, 2011 by the Province. The three Proponents, in alphabetical order, are:

- ABC Schools Group;
- Alberta Consortium for Education; and
- Build to Learn³

This RFP is being issued to invite detailed Proposals from these three Proponents. Details with respect to the process for the selection of the Preferred Proponent, including the schedule, Submission Requirements, and Proposal evaluation are provided in Section 5 of this ITP.

1.1A Post SR Package 2B Amendment Relating to a Single School

As noted in Section 1.1 above, the subject matter of the RFQ and the RFP (as the latter was issued December 1, 2011) was for the design, build, finance, maintenance and renewal of thirteen schools. The Province notified Proponents individually on June 25, 2012 that a K-12 school in Airdrie, Alberta for the The Regional authority of the Greater Southern Public Francophone Education Region No. 4 (“**Greater Southern Public**”, as was also defined in prior drafts of the RFP) would be deleted from the ASAP III DBFM Project by addendum. The changes required to effect the deletion of the Greater Southern Public school have been made in the July 3, 2012 amended and restated version of the RFP (comprised of this ITP (being Volume 1 to the RFP) and the draft DBFM Agreement (being Volume 2 to the RFP). All ASAP III DBFM Project documents now reflect a procurement for twelve Schools.

The Province is endeavouring to adhere to the original procurement schedule for the ASAP III DBFM Project set out in Section 5.1. Accordingly, rather than amending this ITP to require Proponents to resubmit previous Submissions to account for the deletion of the Greater Southern Public school, the Province has instead amended the Submission Requirements after-the-fact.

Proponents’ Submissions made prior to the July 3, 2012 – being those up to and including SR Package 2B – contain material that pertains to the deleted Greater Southern Public school. The Province acknowledges that material in the Proponents Submissions relating to the deleted Greater Southern Public school is not

considered to form part of Proponents' Submissions going forward. The Province will work with the Preferred Proponent to excise from its originally submitted SR Package 2B Submission material that specifically relates to the Greater Southern Public school as portions of the Preferred Proponent's SR Package 2B Submission are to be migrated into DBFM Agreement.

1.2 Project and Maintenance and Renewal (M&R) Overview

The ASAP III DBFM Project involves the design and build of twelve new schools in central and southern Alberta, Canada consisting of:

- Airdrie: two schools (one 6-8, and one 9-12 school);
- Beaumont: two schools (two K-9 schools);
- Brooks: one school (K-6 school);
- Chestermere: one school (K-9 school);
- Medicine Hat: one school (K-9 school);
- Penhold: one school (7-12 school);
- Cochrane: one school (K-9 school); and
- Red Deer: three schools (two K-5 schools, and one K-12 school).

that will serve the students, parents, teachers, and staffs of:

- The Board of Trustees of Black Gold Regional Division No. 18 (“**BGRD**”);
- The Board of Trustees of Chinook’s Edge School Division No. 73 (“**CESD**”);
- The Board of Trustees of Grasslands Regional Division No. 6 (“**GRD**”);
- The Board of Trustees of Medicine Hat School District No. 76 (“**MHSD**”);
- The Board of Trustees of Rocky View School Division No. 41 (“**RVS**”);
- The Board of Trustees of Red Deer Catholic Regional Division No. 39 (“**Red Deer Catholic**”);
- The Board of Trustees of Red Deer Public School District No. 104 (“**Red Deer Public**”);
- The Board of Trustees of St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38 (“**STAR**”);
- The Regional authority of the Greater North Central Francophone Education Region No. 2 (“**Greater North Central Francophone**”); and
- The Regional authority of the Greater Southern Separate Catholic Francophone Education Region No. 4 (“**Greater Southern Catholic**”),

(collectively the “**School Boards**”).

The Schools will be built to provincial standards and will use the Core School Designs. The permanent core building with the essential elements of a school will be complemented by Modular Classrooms that can be added or removed as required. Each School will be built to Leadership in Energy and

Environmental Design (“**LEED™**”) Silver Certification standards.

The Successful Proponent will be responsible for the Maintenance and Renewal (“**M&R**”) of the Schools.

The site locations of the Schools are specified in Schedule 12 (School Sites) of the DBFM Agreement.

More detailed descriptions of the Schools are provided in Schedule 13 (Schools), the Technical Requirements and the electronic document room.

The Province, the Contractor and each of the School Boards will enter into identical individual Tri-Party Agreements setting out their respective rights and obligations in relation to the Schools during the Project and throughout the Term of the DBFM Agreement.

1.3 DBFM Overview

It is the Province’s intention to enter into a DBFM Agreement with the Successful Proponent for the implementation of the ASAP III DBFM Project.

A summary of the key elements of the transaction include:

- Design, construction, and partial financing of the Schools;
- Maintenance and Renewal of the Schools;
- An approximately 22 month Construction Period for the Schools and approximately a thirty-year period during which the Successful Proponent will provide maintenance and renewal for the Schools (slightly longer in cases where Schools achieve School Availability before the Total Availability Target Date; shorter if Total Availability is not achieved prior to the Total Availability Target Date);
- Provincial Funding to be paid during the Construction Period as Progress Payments: INFRA anticipating providing partial funding for the ASAP III DBFM Project in an amount that is approximately 50% of the cost of building the Schools to be paid as Progress Payments during the Construction Period. The Province is currently considering the appropriate amount of partial funding and the appropriate timing for payment of such partial funding. Details regarding the payment of the Provincial Funding are set out in the draft DBFM Agreement forming part of this RFP. The final decisions on these points will be incorporated into the final draft of the DBFM Agreement issued to the Proponents prior to the RFP’s Submission Requirement (“**SR**”) Package 3 Submission deadline as set out in the Project Schedule in Section 5.1, below. The Successful Proponent will supply financing for the balance of the costs of the ASAP III DBFM Project;
- Payments to the Successful Proponent over the M&R Period consisting of:
 - Capital Payments: Fixed, equal monthly payments for the remaining costs of building the Schools over and above the amount of Provincial Funding; and,
 - M&R Payments: Payments toward the costs associated with the M&R of the Schools that will be indexed pursuant to Schedule 10 (Index Factor);

- If Total Availability is not achieved by the Total Availability Target Date, payments payable by the Province will be reduced as set out in the DBFM Agreement;
- Performance-based and other adjustments to the M&R Payments and Capital Payments; and
- Handback of the Schools at the end of the M&R Period in accordance with pre-determined conditions.

Further details are provided in the remainder of this ITP and the DBFM Agreement including the Technical Requirements.

1.4 Project Timing

The Schools must be available for use by the School Boards by June 30, 2014. The Schools may be turned over to the School Boards earlier (but not prior to April 1, 2014) provided that they have met the relevant requirements in the DBFM Agreement. **Only minor works, not affecting the intended use of the Schools, may remain outstanding on School Availability.**

1.5 DBFM Objectives

The Province has structured the ASAP III DBFM Project to meet the following specific objectives, which are listed in no particular order:

- To expeditiously complete the procurement process;
- To complete construction of the Project so that Total Availability is achieved by June 30, 2014;
- To achieve “value for money”, that is, optimal value both during the Construction Period and for the School M&R Period and the M&R Period of the DBFM Agreement;
- To ensure that the Schools are designed, built, maintained and renewed in a sustainable manner, in a manner that ensures the safety of student and other school users and in a manner that ensures the program and educational functions of the School Boards are met; and
- To ensure that the Schools meet specified quality requirements when they are “handed back” to the School Boards at the end of the Term.

1.6 DBFM Scope

The Successful Proponent will assume the responsibility for design, construction, financing, Maintenance and Renewal of the Schools. The following provides an overview of the Schools and the scope of work.

1.6.1 Design and Construction of Schools

More specifically the Schools include the following:

ASAP III School Boards	Municipality	Approximate Address	Grade Structure	Core (Permanent Structure) Area - m2	Total Number of Modulars Delivered at School Availability	Approximate Student Capacity of School with Modular Classrooms Delivered at School Availability
RVS	City of Airdrie	186 Sagewood Boulevard SW	6-8	6,462	16	900
RVS	City of Airdrie	2654 Chinook Winds Drive SW	9-12	10,547	0	1,000
BGRD	Town of Beaumont	Dansereau Meadows (Phase 9, SDA-11-01)	K-9	6,597	0	700
STAR	Town of Beaumont	Dansereau Meadows (Phase 9, SDA-11-01)	K-9	4,200	0	400
GRD	City of Brooks	Upland Boulevard	K-6	2,798	12	450
Red Deer Public	City of Red Deer	300 Timothy Drive.	K-5	3,609	8	500
Greater North Central Francophone	City of Red Deer	48th Avenue and 34 Street	K-12	2,999	2	250
Red Deer Catholic	City of Red Deer	60 Clearview Drive	K-5	3,088	2	300
RVS	Town of Chestermere	325 Kinniburgh Boulevard	K-9	5,964	0	500
MHSD	City of Medicine Hat	751 Strachan Road SE	K-9	6,244	4	600
CESD	Town of Penhold	1 Waskasoo Avenue	7-12	4,484	6	500
Greater Southern Catholic	Town of Cochrane	Quigley Drive and West Terrance Crescent	K-9	2,694	0	200
			Totals	59,686	50	6,300

Detailed descriptions of the Schools are provided in the Technical Requirements.

1.6.2 Maintenance and Renewal of Schools (the “M&R”)

The Contractor’s M&R activities will include, but not be limited to:

- Monitoring, inspecting and assessing the condition of the Schools to ensure compliance with the Technical Requirements throughout the School M&R Period and the M&R Period;
- The supply of all management, supervision, professional and technical services required for the provision of the M&R;
- Quality control and assurance processes;
- The supply of labour;
- Procuring all M&R materials and equipment;
- Energy reporting;

- Building exterior maintenance and renewal;
- Building interior maintenance and renewal;
- Building systems maintenance and renewal;
- Exterior grounds maintenance and renewal;
- Help Desk M&R services; and
- All other duties and obligations necessary to maintain and renew the Schools during the School M&R Period and the M&R Period.

1.6.3 Financing of Schools

The financing component of the ASAP III DBFM Project obligates the Successful Proponent to arrange all financing (other than the Provincial Funding) required for the ASAP III DBFM Project and to be responsible for the overall financial management of the ASAP III DBFM Project both during the Construction Period and for the Term of the DBFM Agreement.

Proponents will be required to provide evidence of an ability to arrange for financing with their Submissions although fully committed financing is not a Submission Requirement.

1.7 Collaboration

The Province has entered into various collaboration arrangements with its service suppliers in the private sector on major projects (including maintenance projects) for a number of years. These arrangements have been successful and beneficial through the use of a co-operative approach to deliver common objectives. The ASAP III DBFM Project provides an excellent opportunity for the Province to continue building strong relationships and taking advantage of the private sector's developed skills and invested knowledge.

Successful collaboration will require considerable efforts by the parties, especially in the initial period following achievement of Total Availability of the Schools when it may be necessary for the Successful Proponent to employ facilitators at various stages to assist in developing a positive and productive relationship.

Proponents are required to submit their detailed Collaboration Plan pursuant to the Submission Requirements (Appendix 1 to this ITP), on how collaboration with the Province, the School Boards and other parties will be successfully introduced, and the extent to which parties such as the various Team Members of the Successful Proponent and any specialist advisors, relevant authorities, and Municipalities are to be involved.

The Successful Proponent's Collaboration Plan will be incorporated as a component of Schedule 4 (Contractor's Management Systems and Plans) to the DBFM Agreement.

1.8 Safety Management

Safety is of the utmost importance to the Province. It will be the Successful Proponent's responsibility to design, build, maintain and renew the Schools such that they are safe for the School users, the general public, and for all personnel employed directly or indirectly by the Successful Proponent for the Project and during the provision of M&R.

Proponents are to provide a Safety Plan in their proposals as specified in the Submission Requirements. The Safety 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 during the Construction Period and to ensure the health and safety of all workers and School users during the M&R Period.

The Successful Proponent's Safety Plan will be incorporated as a component of Schedule 4 (Contractor's Management Systems and Plans) to the DBFM Agreement.

1.9 Environmental Management

It will be the Successful Proponent's responsibility to ensure compliance with all environmental requirements. As well, the DBFM Agreement requires the Successful Proponent to meet specific environmental mitigation obligations and indemnify the Province from any related environmental liability.

An environmental assessment study for each School Site is underway and once concluded a site investigation report for each School will be made available to Proponents. Should any of the Municipalities, in whose jurisdiction the Schools will be constructed, during the development or construction permit process require any further environmental assessment to be performed or any additional environmental approvals, authorizations or permits for any or all of the School Sites, the Successful Proponent will be responsible for obtaining and complying with all such required environmental assessments, approvals, authorizations, and permits.

1.10 Quality Management

The Successful Proponent will be responsible for carrying out all quality control and quality assurance functions on the Project and the M&R and will be required to implement a Quality Management System ("QMS") during the entire Term of the DBFM Agreement, in accordance with the Technical Requirements. Proposals are to include details relating to a QMS in accordance with the Submission Requirements. The Successful Proponent will be required to monitor, update, and manage the QMS on an ongoing basis.

The Province, at its discretion, may at any time review the conformance of any aspect of the Project and the M&R to the DBFM Agreement. The Successful Proponent shall be responsible for bringing any components found to be in non-conformance back into conformance with the DBFM Agreement.

The Successful Proponent's Quality Management System will be incorporated as a component of Schedule 4 (Contractor's Management Systems and Plans) to the DBFM Agreement.

1.11 LEED™ Certification

The Successful Proponent will be responsible for designing and building the Schools so as to ensure that each School shall be certified to a minimum Leadership in Energy and Environmental Design ("LEED™") Silver Certification as administered in Canada by the Canadian Green Building Council. Subject to any exceptions stated in the Technical Requirements, in the event one or more of the Schools fails to achieve LEED™ Silver Certification within the time frames specified in the Technical Requirements, the Successful Proponent will be required to pay to the Province liquidated damages as specified in the Technical Requirements.

The Successful Proponent will be responsible for obtaining LEED™ Silver Certification. In achieving the LEED™ Silver Certification, the Successful Proponent will be responsible for achieving the mandatory LEED™ requirements specified at section 4.8 of the Technical Requirements. Proponents are to provide a LEED™ Certification Plan in their Proposals as specified in the Submission Requirements. The LEED™ Certification Plan is to outline details with respect to the Successful Proponent's policies, procedures and strategies to ensure successful LEED™ Silver Certification.

The Successful Proponent's LEED™ Certification Plan will be incorporated as a component of Schedule 4 (Contractor's Management Systems and Plans) to the DBFM Agreement.

Section 2

Design and Construction

2.0 Design and Construction

2.1 General

The Successful Proponent must design and construct the Schools in accordance with the relevant requirements in the DBFM Agreement, including, but not limited to, the Technical Requirements.

The Province encourages innovation by Proponents in their design and construction of the Schools, subject to the requirements above. To assist Proponents, the Province has provided Proponents with design work already completed and other pertinent information in the electronic document room.

In any event the Proponent will be responsible for delivering its Project design and construction standards and specifications in accordance with the Technical Requirements.

Portions of the Preferred Proponent's Proposal will be incorporated as schedules to the DBFM Agreement and will form part of the DBFM 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 Schools. Proponents are directed to the DBFM Agreement and the Technical Requirements for the details.

2.2 Design

The Successful Proponent will 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 Province to confirm compliance with stated requirements.

2.3 Core School Designs

The Standard Core School Design Development Reports are as follows:

- Airdrie, Rocky View School School Division 6-8, Design Development Report. December, 1 2011 draft. Quinn Young Architects Ltd.;
- Airdrie, Rocky View School Division 9-12, Design Development Report. December 1, 2011 draft. Quinn Young Architects Ltd.;
- Beaumont Black Gold Regional Division K-9, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.;
- Brooks, Grassland Regional Division K-6, Design Development Report. December 1, 2011 draft. Quinn Young Architects Ltd.;

- Red Deer, Red Deer School District K-5, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.;
- Chestermere, Rocky View School Division K-9, Design Development Report. December 1, 2011 draft. Quinn Young Architects Ltd.;
- Beaumont, St. Thomas Aquinas Roman Catholic Separate Regional Division K-9, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.;
- Medicine Hat, Medicine Hat School District K-9, Design Development Report. December 1, 2011 draft. Quinn Young Architects Ltd.;
- Red Deer, Greater North Central Francophone Education Region K-12, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.;
- Red Deer, Red Deer Catholic Regional Division K-5, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.;
- Penhold, Chinook's Edge School Division 7-12, Design Development Report. December 1, 2011 draft. ACI Architecture Inc.; and
- Cochrane, Greater Southern Separate Catholic Francophone Education Region K-9, Design Development Report. December 1, 2011 draft. Quinn Young Architects Ltd.,

and were prepared for the Province by the architectural firms noted above and are in the electronic document room. Proponents should note that the above reports are in draft form. The Province will make the final reports available to Proponents as they are prepared.

The Standard Core School Design Development Reports are generic designs for the Schools presenting the design philosophy for the Schools to be taken into account along with the provisions of section 4 of the Technical Requirements and the Core School Designs. The Standard Core School Design Development Reports are a means to assist Proponents in achieving the School designs.

The Core School Designs upon which the Successful Proponent will base its designs for the Schools reflect program discussions with the School Boards. The floor plates and room layouts contained in the Core School Designs must be complied with, with the exception of only slight variations such as aligning or adjusting partitions to suit structural grids and minor modifications to meet code requirements. Any such minor floor plate variations must be submitted to the Province for review through the SR Submission process described in this ITP. The design criteria set out in the Technical Requirements will inform the completion of the designs of the Schools by the Successful Proponent.

Proponents may propose modifications to the solutions in the Technical Requirements. Departures from the Technical Requirements (other than those minor variations to the Core School Designs indicated above) are to be submitted pursuant to the Optional Innovation Submission and the Submission Requirements.

Proponents should provide sufficient information and details to explain how such proposed departures from the Technical Requirements would impact educational program requirements, School Board

requirements currently reflected in the Technical Requirements, School operating costs, School user health and safety, community access, other education planning considerations, LEED™ Silver certification and development permitting.

Additionally, the Proponent's proposed modifications to the solutions contained in the Technical Requirements should demonstrate that future expansion opportunities and potential future improvements described in the design requirements are not compromised. Regardless of whether or not Proponents choose to adopt the solutions as set out in the Technical Requirements, the design requirements specified therein must be met (except for those minor modifications to the Core School Designs indicated above).

2.4 Accommodation of Changing School Usage Over Time

The Technical Requirements identify facilities that are expected to meet projected School usage demand for the Term of the DBFM Agreement. It is recognized that the Schools may need to be supplemented by the addition of Modular Classrooms to accommodate unanticipated student population growth at the Schools or that Modular Classrooms may need to be removed from the Schools should student populations decline over the Term of the DBFM Agreement.

In general, the design capacity of the Schools for accommodating student enrolment as set out in Section 1.6.1 of this ITP is at the Province's risk. However, the M&R required for a School as set out in the Technical Requirements as a result of increased student populations, without any change to the designed capacity of that School, will be the responsibility of the Successful Proponent.

The Successful Proponent will be responsible for all M&R arising from Acceptable Third Party Use, Educational Support Activities or Community Use of the Schools. Proponents should contemplate use of the Schools for Community Use each evening during the week, on the weekends and during school holidays. Community use occurs primarily, but not exclusively, in the Schools' gymnasiums.

Additional Modular Classrooms required beyond those identified in the Technical Requirements and other expansions to a School required due to educational program changes will be the Province's responsibility.

2.5 School Sites

The School Sites are identified in Schedule 12 (School Sites) to the DBFM Agreement. These School Sites should be sufficient to construct the Schools as presented in the Technical Requirements. However, Proponents must satisfy themselves of the adequacy of the School Sites for their proposed designs.

In the unlikely event that additional lands are temporarily required for the Successful Proponent's construction of the Schools, the Successful Proponent will be responsible for obtaining any additional lands necessary for its construction activities. The Successful Proponent will assume scheduling and all other risks with respect to any additional lands.

The Province is currently reviewing the status of the RVS (9-12) School Site in Airdrie. At present another School Board has situated a series of modular classrooms on one corner of that site and is using them as functional school space. For Proponent's reference, attached as Appendix 4 to this ITP is a drawing showing the RVS (9-12) School's general site layout and current location of the modular classrooms. There is a possibility that the modular classrooms will continue to be used by that School Board into the Constuction Period. The Province does not think the modular classrooms will interfere with the Contractor's construction of the RVS (9-12) School, but it may impact the Contractor's ability to complete the RVS (9-12) School's parking lot by the Total Availability Target Date. The Province may seek to have the Contractor remove and relocate the modular classrooms to another site as part of the Project. The Province is currently tracking this issue and intends to discuss it further with Proponents.

The Province has relocated the Greater North Central Francophone (K-12) School in Red Deer because of zoning issues; see Section 1.6.1 for the new approximate location. Due to the relocation of the Greater North Central Francophone (K-12) School in Red Deer, Proponents will not be required to submit certain of the SR Package 2 requirements for this School at the SR Package 2 submission deadline set out in Section 5.1 (Process Overview and Schedule). Proponents are referred to SR 2.2.1 (Site Plan/Design), SR 2.2.2 (Architectural Drawings), SR 2.2.3 (Structural Drawings), SR 2.2.4 (Mechanical Drawings) and SR 2.2.5 (Electrical Drawings). The revised SR Package 2 submission deadlines for these elements are set out in Section 5.1.

The Province anticipates that it will be able to provide Proponents the geotechnical and site investigation report for the Greater North Central Francophone (K-12) School Site on or before April 30, 2012.

2.6 Development on School Sites

During the Construction Period, the Successful Proponent will be granted a non-exclusive licence to access the School Sites in order to complete the construction of the Schools. No commercial development or other uses whatsoever by the Successful Proponent are allowed upon the School Sites either during the Construction Period or during the School M&R Period or the M&R Period.

The Successful Proponent will be responsible for arranging its own maintenance office and shop, if any, and other support facilities outside the School Sites that may be required for its DBFM Agreement responsibilities.

2.7 Environmental and Historical Resources

The Successful Proponent will be responsible for conducting all work for the Project in accordance with all applicable federal and provincial legislation and regulations and municipal bylaws concerning environmental and historical resources protection.

As part of the School Site investigations currently being undertaken, the Province expects to obtain confirmation from Alberta Culture and Community Services that the School Sites do not require a Historical Resources Impact Assessment. The confirmation documents specifically referencing the School

Sites will be made available to Proponents in the electronic document room.

Phase 1 Environmental Site Assessments are in the process of being completed by the Province for all School Sites as part of the site investigation reports. The findings of these assessments will form part of the Development Permit application by the Province to the Municipalities, as required. The results of these environmental site assessments will be made available to Proponents in the electronic document room.

The Successful Proponent will be responsible for ensuring that all of the approvals referenced above remain valid, that conditions are adhered to, and that any other approvals required for the Schools are obtained and are adhered to.

2.8 Permits and Municipal Contacts

The Province is currently actively engaging the assistance of the Municipalities with a view toward completing the Development Permit application process prior to the Execution of the DBFM Agreement. Such development approval applications will be based upon the designs as set out in the Core School Designs as well as the standards for the Modular Classrooms as set out in the Technical Requirements. Development Permits not secured prior to the anticipated date of April 10, 2012 and any outstanding “prior to release” conditions for issued Development Permits will be the Successful Proponent’s responsibility. All other permits and approvals required to achieve Total Availability for the Schools will also be the Successful Proponent’s responsibility.

The Province is currently actively engaging the assistance of Municipalities with respect to their respective permitting processes. For permit information Proponents may wish to contact:

The City of Airdrie

Phone: 403-948-8800, Extension 8446

Development Permits:

Email: sean.makowecky@airdrie.ca

Main Contact: Cynthia Rowen

Phone: 403-948-8800, Extension 8795

Email: cynthia.rowen@airdrie.ca

Second Contact: Jamie Dugdale

Phone: 403-948-8800, Extension 8796

Email: jamie.dugdale@airdrie.ca

Building Permits:

Main Contact: Sean Makowecky

The City of Brooks

Development Permits:

Main Contact: Rebecca Taylor

Phone: 403-362-3333

Email: rtaylor@brooks.ca

Second Contact: Elly Martin

Phone: 403-362-3333

Email: emartin@brooks.ca

Building Permits:

Main Contact: Rebecca Taylor
Phone: 403-362-3333
Email: rtaylor@brooks.ca

The City of Medicine Hat**Development Permits:**

Main Contact: Doug Risk
Phone: 403-529-8207
Email: douris@medicinehat.ca

Building Permits:

Main Contact: Henry Epstein
Phone: 403-529-8169
Email: heneps@medicinehat.ca

The City of Red Deer**Development Permits:**

Main Contact: Vicki Swainson
Phone: 403-342-8190
Email: vicki.swainson@reddeer.ca

Second Contact: Angus Schaffenburg
Phone: 403-309-8545
Email: angus.schaffenburg@reddeer.ca

Building Permits:

Main Contact: Vicki Swainson
Phone: 403-342-8190
Email: vicki.swainson@reddeer.ca

The Town of Beaumont**Development Permits:**

Main Contact: Brenda Matthews
Phone: 780-929-1354
Email: brenda.matthews@town.beaumont.ab.ca

Second Contact: Corey Levasseur
Phone: 780-929-4302
Email: corey.levasseur@town.beaumont.ab.ca

Building Permits:

Main Contact: Brenda Matthews
Phone: 780-929-1354
Email: brenda.matthews@town.beaumont.ab.ca

The Town of Chestermere**Development Permits:**

Main Contact: Alan Boucher
Phone: 403-207-7030
Email: aboucher@chestermere.ca

Building Permits:

Main Contact: Bob Clarke
Phone: 403-207-7037

Email: rclarke@chestermere.ca

Email: guy.gravelly@cochrane.ca

The Town of Cochrane

Development Permits:

Main Contact: Guy Gravelly

Phone: 403-851-2574

Email: guy.gravelly@cochrane.ca

Second Contact: Jared Kassel

Phone: 403-851-2279

Email: jared.kassel@cochrane.ca

Building Permits:

Main Contact: Guy Gravelly

Phone: 403-851-2574

The Town of Penhold

Development Permits:

Main Contact: Trish Willis

Phone: 403-886-3291

Email: developments@townofpenhold.ca

Second Contact: Rick Binnendyk

Phone: 403-886-3280

Email: cao@townofpenhold.ca

Building Permits:

Main Contact: Trish Willis

Phone: 403-886-3291

Email: developments@townofpenhold.ca

The Successful Proponent, using a single contact person, will coordinate and interface its work with infrastructure owned and operated by local Municipalities. Proponents should clearly understand all requirements of the relevant Municipalities.

2.9 Utilities

The Province encourages very early attention on the part of the Successful Proponent to the negotiation and coordination of utility tie-ins.

The Successful Proponent will be responsible for costs associated with such utility tie-ins in accordance with the DBFM Agreement.

The Successful Proponent is responsible for all connections of utility services from the School Building to the utility service lines located in the streets and boulevards adjacent to the School Sites. This responsibility includes paying all associated costs and fees for coordination, construction and inspections with the Municipalities and the utility companies, whether the work is to be carried out by the Successful Proponent or the utility company.

Where the Successful Proponent is not required to provide the particular service (i.e. Supernet and cable television), the Successful Proponent need only ensure that suitably sized conduit is installed from the

School Building to the existing service and that such conduit is connected. If the service is not yet available in the area in which the School is located, then the conduit should be installed from the School Building to the edge of the School Site and stubbed off.

Section 3

Maintenance and Renewal

3.0 Maintenance and Renewal (“M&R”)

3.1 General

In this ITP, the M&R refers to the maintenance and renewal of the Schools. The M&R is to be carried out by the Successful Proponent in accordance with the relevant requirements in the DBFM Agreement, including, but not limited to, the Technical Requirements.

Proponents are required to submit details of their M&R plans in their Proposals pursuant to the Submission Requirements. Portions of the Preferred Proponent’s Proposal will be incorporated as schedules to the DBFM Agreement and will form part of the DBFM Agreement to be executed.

The information presented in this section is for guidance to Proponents only and provides an overview of key M&R facets of the Schools. Proponents are directed to the DBFM Agreement including the Technical Requirements for further details.

3.2 Maintenance and Renewal

The Successful Proponent will be responsible for the M&R.

3.2.1 M&R

The Contractor’s M&R activities will include, but not be limited to:

- Routine and emergency M&R inspections of the Schools;
- Building exterior M&R for all elements, including but not limited to roof systems, walls, doors and windows;
- Building interior M&R for all elements, including but not limited to the ceilings, walls, floors and floor coverings, fixtures and fittings, doors and windows and finishes;
- Building systems M&R for all elements, including but not limited to the plumbing system, heating and ventilation system, electrical system, security system, building management system, fire prevention system and elevators, if any;
- Exterior grounds M&R for all elements, including but not limited to all transportation and drop-off areas, refuse areas, parking lots, play areas, sidewalks, fencing, signage, retaining walls, bicycle racks, flag poles, railings and all landscaped areas, including grass, trees, shrubs and other decorative plants forming part of the School Site;
- Quality control and assurance processes;
- Help desk M&R services; and

- Energy reporting.

3.3 Compliance

The Successful Proponent will be required to have plans, systems, and processes that meet the M&R Requirements in order to measure, monitor, audit, and report its own performance. The Province will undertake inspections, checks, audits and reviews over the Term of the DBFM Agreement to ensure that the Successful Proponent is meeting its M&R obligations.

If the Successful Proponent fails to meet its M&R obligations, performance-based adjustments to payments as specified in the Technical Requirements and other remedies will apply.

3.4 Handback

On the expiry of the DBFM Agreement, the Schools must satisfy the Handback on Expiry Requirements as will be set forth in Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement and Handback Requirements which are specified in the Technical Requirements.

Handback inspections will be conducted over approximately the last five years of the M&R Period in accordance with the DBFM Agreement. The Successful Proponent is required to demonstrate to the Province that it has met the Handback on Expiry Requirements and Handback Requirements when the responsibilities for the M&R of the Schools revert back to the respective School Boards.

Section 4

Business Arrangements

4.0 Business Arrangements

4.1 Business Model

The Province has selected a business model in which the Successful Proponent will be responsible for the Project and will be responsible for the M&R of the Schools over the Term of the DBFM Agreement. In return, the Successful Proponent will receive pre-defined payments from the Province during the Construction Period and during the School M&R Period and the M&R Period, as applicable, in accordance with the terms of the DBFM Agreement.

Beyond the Provincial Funding to be paid by the Province, the raising of financing will be the sole responsibility of the Successful Proponent. The Province will not guarantee any debt incurred by the Successful Proponent.

It is the intention of the Province to enter into the DBFM Agreement with a legal entity to be proposed by the Preferred Proponent. Flexibility is given to Proponents to structure the legal entity in order to deliver the best value to the Province.

4.2 Timing

The Schools are scheduled to be available for use by the School Boards on June 30, 2014 (herein defined as the “**Total Availability Target Date**”). The Successful Proponent will be responsible for the M&R during the School M&R Period, for those Schools achieving School Availability prior to Total Availability and during the M&R Period. The M&R Period will begin on and include the day that Total Availability is achieved and will expire on June 29, 2044, even if Total Availability is achieved after the Total Availability Target Date (in which case the M&R Period will be shortened).

4.3 Payments

Payments by the Province to the Successful Proponent will consist of the following components:

- **Provincial Funding** totalling an amount that is approximately 50% of the Successful Proponent’s cost of the Schools payable to the Successful Proponent as Progress Payments by the Province on a monthly basis during the Construction Period after an initial payment milestone has been achieved by the Successful Proponent.
- **Capital Payments** for the remaining capital costs of the Schools during the M&R Period.
- Where Total Availability is not achieved by the Total Availability Target Date, **Adjusted School Capital Payments and School M&R Payments**, as specified in the DBFM Agreement, for Schools that achieve School Availability prior to Total Availability.

- **M&R Payments** for the M&R for the Schools during the M&R Period comprised of:
 - Maintenance Payments; and
 - Renewal Payments.

Payments by the Province to the Successful Proponent will be further detailed as follows:

Provincial Funding totalling an amount that is approximately 50% of the Successful Proponent's cost of the Schools, after an initial payment milestone has been achieved by the Successful Proponent payable to the Successful Proponent as Progress Payments by the Province on a monthly basis during the Construction Period. The amount of the Provincial Funding will be calculated by applying a multiplier determined by the Province to the Successful Proponent's monthly Capital Payment. The multiplier is stated at Table 1 of Form G1 in Appendix 2 to this RFP. The milestone for triggering the payment of the monthly Progress Payments is set out in the draft DBFM Agreement attached as part of this RFP.

Capital Payments for the remaining capital costs of the Schools will be made in fixed equal monthly amounts over the M&R Period. Late Project completion will shorten the M&R Period and reduce the corresponding number of payments. The monthly amount payable will be the amount stated in the Financial Offer of the Preferred Proponent, subject to and in accordance with the price adjustment formula and Capital Payment Price Adjustment Process specified in Form G2, as further described below, if so elected by the Preferred Proponent.

In order to provide a degree of protection to Proponents against changes in certain interest rates between the time of submission of the Financial Offer and the date two days after Execution of the DBFM Agreement, the Province is offering a price adjustment to the Capital Payments presented in the Proponent's Financial Offer, in accordance with the price adjustment formula and Capital Payment Price Adjustment Process specified in Form G2 attached in Appendix 2 of this RFP. 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 positively or negatively depending on the change in interest rates based on the process set out in Form G2 for incorporation into the DBFM Agreement. If a Proponent declines the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be incorporated into the DBFM 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.

M&R Payments will be made over the M&R Period. This monthly payment will be the amount indicated by the Preferred Proponent in its Financial Offer for each month of the M&R Period, multiplied by an Index Factor to assist in addressing inflation risk. Inflation during the M&R Period beyond that captured by the Index Factor is the Successful Proponent's risk. The Index Factor will be calculated once annually in advance and will incorporate the price changes of a basket of items including: Manpower; Consumer Goods; and Construction Costs. The specifics of the Index Factor to be applied to the M&R Payments are set out in Schedule 10 (Index Factor) to the DBFM Agreement.

Excepting the Provincial Funding Progress Payments, the above payments will be subject to performance-based payment adjustments. Examples of incidents leading to performance-based payment adjustments include, but are not limited to:

- Failure to meet Technical Requirements; and
- School Inaccessibility where all or portions of one or several Schools are not available for the permitted uses set out in the DBFM Agreement (other than for incidents outside the control of the Successful Proponent).

The DBFM Agreement, including the Technical Requirements, contains the triggers for and amounts of adjustments to the payments otherwise payable to the Successful Proponent. These Payment Adjustments, like the M&R Payments, will be subject to the same Index Factor in order that the Payment Adjustments remain proportionate throughout the Term of the DBFM Agreement. The specifics of the Index Factor to be applied to the Payment Adjustments and to the M&R Payments are set out in Schedule 10 (Index Factor) to the DBFM Agreement.

Proponents are encouraged to reference the DBFM Agreement and the Technical Requirements for details regarding payments and adjustments thereto.

4.4 Holdbacks and Other Performance Security

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

- Construction completion holdback and landscaping holdback following School Availability;
- Liquidated damages as specified in the Technical Requirements in the event one or more Schools fails to achieve specified LEED™ Silver Certification requirements within the time frames specified in the Technical Requirements; and
- Holdbacks or alternate security for work identified as required through the handback inspections.

Proponents are encouraged to reference the DBFM Agreement and Technical Requirements for details regarding the above.

4.5 Access to the School Sites and Schools

The Successful Proponent will not acquire any ownership interest in the School Sites or the Schools.

The Successful Proponent will be granted a non-exclusive right of access to the School Sites and the Schools in order to perform its obligations under the DBFM Agreement.

The details of and the restrictions to the Successful Proponent's right of access are included in the DBFM Agreement.

4.6 Tax

Each Proponent should satisfy itself as to the tax consequences of entering into the DBFM Agreement,

including but not limited to the goods and services tax under Part IX of the *Excise Tax Act* (Canada) and income tax under the *Income Tax Act* (Canada).

4.7 Insurance Requirements

The Successful Proponent is required to maintain certain mandatory insurance coverage. The insurance forms and amounts specified in Schedule 11 (Insurance Requirements) to the DBFM Agreement are minimum mandatory requirements that the Successful Proponent must provide, without limiting its obligation or liabilities. The insurances must comply with the *Insurance Act* (Alberta).

The insurance requirements, as detailed in the DBFM Agreement, specify the minimum insurance necessary. The Successful Proponent may wish to obtain insurance in addition to the specified requirements. Proponents are to provide certain details of insurance in accordance with the Submission Requirements.

Section 5

Proposal Submission and Selection Process

5.0 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 Submissions have 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 selected by the Preferred Proponent and as approved in advance and in writing by the Province acting reasonably shall be the Successful Proponent, and shall be required to deliver the Financing and Initial Performance Letter of Credit and execute the DBFM Agreement in its final form.

The selection process will consist of four mandatory Submissions (respectively, “**SR Packages 1, 2, 2B and 3**”) due in stages.

Proponents are also invited but not required to participate in an Optional Innovation Submission and feedback process.

Additionally, Proponents are invited to submit comments on the draft DBFM Agreement.

An overview of the various submissions and stages in the procurement process is provided below:

- **SR Package 1** requires general information as well as a management plan and preliminary designs.
- Proponents are invited but not required to submit an **Optional Innovation Submission**. The Optional Innovation Submission would include non-binding information on innovative solutions being considered and identify departures from the solutions presented in the Core School Designs as well as the standards for the Modular Classrooms as set out in the Technical Requirements. Proponents that choose to pursue innovative solutions proposed through the Optional Innovation Submission and feedback from the Province must integrate those solutions into their overall DBFM solution and reflect those solutions in their SR Package 2, SR Package 2B and SR Package 3 Submissions. Proposed innovations to the Core School Designs’ floor plans that could require amendments to existing Development Permit applications or could require altogether new Development Permit applications to be made in relation to the ASAP III DBFM Project schools, thus creating schedule risk are not acceptable to the Province. The final acceptability of the innovative solutions will be contingent on further details submitted in subsequent SR Packages. Proponents may choose to not pursue innovative solutions proposed through the Optional Innovation Submission and in that case Proponents are not required to include the innovative solutions in subsequent SR Packages.
- **SR Package 2** requires detailed management plans and detailed designs.
- Following SR Package 2 evaluation and clarification but prior to the SR Package 3 deadline, each Proponent will be required to submit a restated **SR Package 2B** incorporating all of the clarifications

provided by a Proponent in response to the Province's requests for clarification and an Indicative Financial Model and Indicative Financing Plan. Specific Submission Requirements for the SR Package 2B Submission are set out in Appendix 1 to the ITP.

- **SR Package 3** requires a Final Financial Model, a Final Financing Plan, a Financial Offer, a Proposal Deposit of \$1 million and the Preferred Proponent Deposit of \$10 million. Specified components from SR Package 1 are to be resubmitted as part of SR Package 3. Additionally each Proponent will be required to acknowledge that, notwithstanding the contents of its SR Package 2B, should the Proponent be identified as Preferred Proponent, its proposed Successful Proponent will design and construct the Schools in compliance with the Technical Requirements.
- Proponents are also invited to submit **comments on the draft DBFM Agreement**. The Province will provide for two rounds of comments and meetings regarding the DBFM Agreement. Upon consideration of these comments and meetings, the Province will issue the DBFM Agreement in final form in advance of the deadline for SR Package 3. There shall be no post-selection negotiations regarding the DBFM Agreement.
- Proponents are also invited to **attend two rounds of technical meetings** with the Province to discuss issues regarding designs and other technical matters.
- **Execution of the DBFM Agreement** by the Successful Proponent is expected to occur within the two month period following notification to the Preferred Proponent. Subject to the September 24, 2012 deadline stated below, the Preferred Proponent will determine the DBFM Agreement Execution date.

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

MILESTONES	DATE
Issue RFP	December 1, 2011
Deadline for 1 st Round Proponents' comments on the 1 st draft DBFM Agreement	January 3, 2012
First DBFM Agreement meetings with Proponents (individually)	January 11-13, 2012
SR Package 1 Submission deadline	January 16, 2012
Optional Innovation Submission deadline	January 16, 2012
Notification of SR1 Results and Provision of Feedback (if any) on SR Package 1	February 10, 2012
Notification of evaluation results of Optional Innovation Submissions	February 10, 2012
Issuance of 2 nd draft DBFM Agreement	February 13, 2012
First Technical meetings with Proponents (individually)	February 21-23, 2012
Deadline for 2 nd Round Proponents' comments on the 2 nd draft DBFM Agreement	March 1, 2012
Second Technical meetings with Proponents (individually)	March 22 and 23, 2012
Second DBFM Agreement meetings with Proponents (individually)	March 26-28, 2012
SR Package 2 Submission deadline	April 5, 2012

MILESTONES	DATE
Issue penultimate draft of DBFM Agreement	April 12, 2012
Extended SR Package 2 Submission deadline for elements of SR 2.2.2 (Architectural Drawings), SR 2.2.4 (Mechanical Drawings) and SR 2.2.5 (Electrical Drawings) re: Greater North Central Francophone (K-12) School in Red Deer	April 13, 2012
Deadline for comments on the penultimate draft of the DBFM Agreement	April 27, 2012
Extended SR Package 2 Submission deadline for elements of SR 2.2.1 (Site Plan/Design) and SR 2.2.3 (Structural Drawings) re: Greater North Central Francophone (K-12) School in Red Deer	May 11, 2012
Issue final form of DBFM Agreement	May 18, 2012
Notification of evaluation results of SR Package 2	May 25, 2012
SR Package 2B Submission deadline	June 1, 2012
Notification of evaluation results of SR Package 2B	June 11, 2012
Notification of Discount and Inflation Rates	July 9, 2012
SR Package 3 Submission deadline	July 11, 2012
Notification of Preferred Proponent	July 24, 2012
Execution of DBFM Agreement	No later than September 24, 2012

Timing relating to deadlines for questions from Proponents is presented in Section 5.6.1 of this ITP.

Subject to the September 24, 2012 deadline, the Preferred Proponent shall provide the Province with a minimum of two weeks written notice of the date that the Successful Proponent will be prepared to execute the DBFM Agreement.

5.2 Department Representative

The Department Representative for this RFP is:

Fred DeMott
 Project Director- ASAP III
 Alternative Procurement Office
 Alberta Infrastructure
 Main Floor, Infrastructure Building
 6950 – 113 Street
 Edmonton, Alberta, Canada
 T6H 5V7
 E-mail: fred.demott@gov.ab.ca
 Phone: (780) 644-8401
 Fax: (780) 644-8402

All correspondence or contact by Proponents with the Province in respect of this RFP **must be directly**

and only with the Department Representative. Failure to restrict correspondence and contact to the Department Representative may result in the rejection of the Proponent's SR Packages and the termination of the Proponent's right to continue in the process.

5.3 Electronic Document Room

DBFM-related information will be available to Proponents in an electronic document room and/or in hard copy, depending on the information.

The address of the electronic document room is

<https://extranet.infrastructure.alberta.ca/sites/asap/ASAP3/DBFM/default.aspx>

The electronic document room cannot be accessed without the user identifying himself/herself with a user ID and a password. Proponents are advised to contact Bouvana Sai, assistant to the Department Representative, by telephone at (780) 644-8400 or by e-mail (bouvana.sai@gov.ab.ca) to obtain a unique user ID and password for each of the Proponents' intended users to access the electronic document room. The user ID and password must not be divulged to anyone other than the registered user. A catalogue for the electronic document room as at the date of issuance of this RFP is provided in the electronic document room. Updates and additions to this catalogue will be provided in the electronic document room as they become available, and Proponents will be notified.

5.4 Investigations, Surveys and Studies by Proponents

Proponents are required to conduct their own due diligence in relation to all aspects of the ASAP III DBFM 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.

5.5 Site Access (During RFP)

During the RFP, Proponents may seek access to the School Sites to conduct site investigations. Prior to being granted access, Proponents shall contact the following entities regarding the School Site access during the RFP:

- The City of Airdrie (for Airdrie, RVS 6-8 School), Lorne Stevens 403-948-8800, extension 6420;
- RVS (for Airdrie, RVS 9-12 School), John Wheatley 403-945-4000;
- 2007 United Lands Corp. (for 2 Beaumont Schools), Peter Cavanagh 780-917-8456;
- GRD (for Brooks K-6 School), Susan Chomistek 403-793-6700;

- City of Red Deer (for 3 Red Deer Schools), Angus Schaffenburg 403-309-8545;
- Town of Chestermere (for RVS K-9 School), Alan Boucher 403-207-7030;
- MHSD (for K-9 School), Jerry Labossiere 403-528-6728;
- Town of Penhold (for CESD 7-12 School), Rick Binnendyk 403-886-3280; and
- Town of Cochrane (for Greater Southern Separate K-9 School), Jared Kassel 403-851-2279.

Prior to being granted access, Proponents may be required to enter into agreements with the School Boards, Municipalities or the land developers stated above. The Province anticipates that such agreements may include some or all of the following terms, but it will be the individual Proponent's responsibility to make any access arrangements that they determine to be necessary.

- Proponents will be responsible for any damage to any of the land caused by the Proponent's activities.
- Proponents will agree to indemnify and hold harmless the relevant landowner from and against any claims or actions arising out of the Proponent's access to the land or the School Boards' respective authorization of such access.
- Proponents will carry out their work in a reasonable and prudent manner and in such a way as to cause the least amount of disturbance to the land.
- Proponents will describe and follow in detail the timing, duration and the type of work that it intends to carry out on the land.
- Proponents will advise the relevant landowner and any affected utilities and seek their prior permission in each specific instance should it wish to drill or otherwise disturb soil.
- Proponents will provide for and maintain safe ingress to and egress from the individual sites at all times during site access, where necessary, in accordance with any terms or conditions of entry imposed upon the Proponents by either the School Boards, Municipalities or the land developers, as the case may be.

It is expected that insurance will be required prior to Proponents being granted access to the School Sites during the RFP period. Accordingly any Proponent seeking to access to the School Sites must satisfy all of the insurance requirements of the School Boards, Municipalities or the land developers, stated above, prior to entering upon the School Sites during the RFP period.

5.6 Clarifications, Questions and Addenda

5.6.1 Proponent Inquiries

Proponents who wish to ask the Province questions regarding this RFP must submit their questions in writing to the Department Representative.

Specific Proponent inquiries with respect to each of the Submissions (including SR Packages) must be received by the Department Representative before 2:00 pm Alberta Time on or before the tenth (10th) Business Day prior to the submission deadline to which they apply. The Province intends to respond on or before the fifth (5th) Business Day prior to the submission deadline to which the questions apply. The Province intends to issue all responses and their corresponding questions to all Proponents. However, the Province 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.

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 a question be kept confidential provided the Proponent sets out with such request an explanation as to why the Proponent believes the question to be confidential. If the Province considers that the question 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 Province considers that the question is not confidential, it will advise the Proponent of its view, and the Proponent can decide whether to withdraw the question, re-submit the question as non-confidential or revise the question to remove what the Proponent views as the confidential elements and resubmit the question as non-confidential. The Province reserves the right in its sole discretion to determine whether a question is confidential or not, and anticipates that only in exceptional circumstances will it determine a question to be confidential.

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

Verbal responses to inquiries are not binding on the Province.

5.6.2 Clarification and Additional Information

The Province may in its sole discretion request additional information or clarification from any Proponent after receiving any Submission from a Proponent. Proponents are to submit the additional information or clarification to the Department Representative within the time limit specified by the Province.

5.6.3 Proponent Meetings and Interviews

The Province may require Proponents to meet with representatives of the Province on one or more occasions to provide further explanation and clarification of their Submission or to provide feedback to Proponents. The Province is not required to have such meetings or interviews with any or all Proponents. No information provided or statement made in any meetings or interviews will be binding on the Province unless it is confirmed by a written addendum or clarified in writing by the Department Representative.

5.7 Optional Innovation Submission

In order to facilitate innovation, the Province invites but does not require Proponents to participate in an Optional Innovation Submission and feedback process (see Section 5.1 for the applicable dates). An innovation may be a solution not contemplated in the Technical Requirements and meets all of the

functionality requirements but does not meet (or the Proponent is not sure it meets) the Technical Requirements. Proponents may choose to submit an Optional Innovation Submission for consideration by the Province. In response to such Submissions, the Province will attempt to provide written feedback separately to each participating Proponent, within four weeks from the deadline for the Optional Innovation Submission. The Province will have technical meetings with each Proponent in which the Optional Innovation Submission may be discussed and explored prior to the Province providing written feedback on the Optional Innovation Submission.

A Proponent need not submit an Optional Innovation Submission in order to proceed to make its SR Package 2 Submission, although it is encouraged to get feedback early in the process and prior to the allocation of significant design effort.

In their Optional Innovation Submissions, Proponents are to provide non-binding information on the innovative solutions they are considering and to identify the departures of these innovative solutions from the permissible solutions that result from compliance with the Technical Requirements. Such innovative solutions are still required to meet the functionality requirements set out in the Technical Requirements.

Proponents are requested to expressly reference sections of those Technical Requirements from which the Proponents are considering to depart.

The information provided should be in sufficient detail to allow the Province to understand how the Proponent's innovative solutions depart from the permissible solutions that result from compliance with the Technical Requirements and how the Proponent's innovative solutions nevertheless satisfy the design requirements, functionality and educational program requirements upon which the Technical Requirements have been developed.

The Province will provide written feedback to Proponents with respect to the likely acceptability of their innovative solutions on the part of the Province based on whether the proposed innovative solutions meet the design requirements, functionality and educational program requirements described above and the Project's objectives. Proposed innovations that could require amendments to existing Development Permit applications or that could require altogether new Development Permit applications to be made in relation to the Schools, thus creating schedule risk, are not acceptable to the Province.

Proponents that choose to pursue innovative solutions proposed through the Optional Innovation Submission and feedback from the Province must integrate those solutions into their overall DBFM solution and reflect those solutions in their SR Package 2 and SR Package 2B. The final acceptability of the innovative solutions will be contingent on further details submitted in subsequent SR Packages. Proponents may choose to abandon pursuit of innovative solutions proposed through the Optional Innovation Submission and to which the Province provided feedback, and in that case Proponents are not required to include the innovative solutions in subsequent SR Packages.

Should the Province choose to hold the individual meetings with Proponents following the provision of the written feedback, the discussion will be limited to the contents of the Optional Innovation Submissions insofar as they relate to innovations, and to the content of the written feedback.

The Province will not share the contents of the Optional Innovation Submissions or of the corresponding feedback with any other Proponent. However, the Province reserves the right to issue an addendum or

otherwise amend any aspect of this RFP on the basis of information it receives through the Optional Innovation Submission process.

In instances where the Optional Innovation Submissions include solutions not contemplated by the Technical Requirements, Proponents are required to submit proposed specifications, published standards, and any other details that are relevant to the innovative solutions that are not included in the Technical Requirements.

Proponents are cautioned as to the potential need for School Board, community and Municipality consultation. Any such consultation will be at the sole cost and risk of the Proponent in the event that innovations requiring deviations from the solutions contained in the Technical Requirements are proposed.

5.8 Comments on DBFM Agreement

In order to achieve an optimal DBFM Agreement, the Province is inviting comments from Proponents on the draft DBFM Agreement. Proponents may also comment on the triggers for and amounts of performance-based adjustments specified in the Technical Requirements. The Province does not expect to make changes to the Technical Requirements and other performance standards, although the Province reserves the right to do so.

Proponents are invited to suggest modifications to the DBFM Agreement and Technical Requirements, by way of black lining and providing supplemental commentary sufficient to explain the reason for the suggested modifications, including how the requested modifications provide enhanced value for money to the Province. Proponents are invited to do so through a table as follows:

Item No.	Document Section Reference	Text with proposed revision	Commentary

The relevant documents to facilitate this have been provided in *Microsoft Word* format in the electronic document room.

Notwithstanding Section 5.9 of the ITP, Proponent comments regarding the draft DBFM Agreement may be submitted to the Department Representative via an email attachment and acknowledge that in choosing to do so the Province assumes no responsibility whatsoever for the timely delivery or receipt of Proponent comments submitted in this manner.

The Province reserves the right in its sole discretion to accept or reject such proposed revisions in whole or in part. The Province will request two rounds of comments from Proponents (and one final call for written comments prior to the issuance of the final form of the DBFM Agreement) and hold two sets of

one-on-one meetings with individual Proponents to discuss their comments.

Proponents should involve their financial advisors and their proposed lenders and equity investors in reviewing and commenting on the draft DBFM Agreement.

The schedule setting out deadlines to submit comments on the draft DBFM Agreement and the release dates for the various anticipated drafts of the DBFM Agreement is presented in Section 5.1 of this ITP. The Province intends and expects to issue the final form of the DBFM Agreement to Proponents prior to the submission deadline for SR Package 3.

5.9 Submission Procedure

The submission procedure set out herein applies to all of the following Submissions for this RFP:

- Optional Innovation Submission
- Optional Comments on draft DBFM Agreement
- SR Package 1
- SR Package 2
- SR Package 2B
- SR Package 3

Proponents shall submit the Submissions as follows:

- **For SR Package 1:**
Seven bound copies and one unbound copy.
- **For Optional Innovation Submission:**
Seven bound copies and one unbound copy.
- **For the Optional Comments regarding a draft of the DBFM Agreement**
Further to Section 5.8 of the ITP, an electronic PDF version submitted via e-mail to the Department Representative is permitted.
- **For SR Package 2:**
Seven bound copies and one unbound copy.
- **For SR Package 2B:**
 - For drawings: Three bound sets of drawings with “bubbles” being used by the Proponent to show only those changes requested by the Province during the clarification process for SR Package 2.
 - For all other documentation: Two “clean” bound copies of the Proponent’s SR Package 2B

Submission and three bound copies of the Proponent's black lined SR Package 2B Submission showing only those changes requested by the Province during the clarification process for SR Package 2.

- **For SR Package 3:**

- For SR 3.2 – Final Financial Model (for information only): One bound copy and one electronic copy.
- For all other documentation: Four bound copies and one unbound copy.

In its Optional Innovation Submission (if any), SR Package 2, SR Package 2B and SR Package 3, the Proponent shall also include an identical electronic version of the submitted written documents in PDF and Microsoft Word formats on a CD(s) or USB Flash Drive(s). The Proponent shall provide all drawings in AutoCAD DWG and Adobe Acrobat (PDF) versions. For SR Package 2B and SR Package 3 the Proponent shall include a working financial model in Microsoft Excel 2003, or later versions, on the same CD(s) or USB Flash Drive(s).

In addition to the foregoing, as part of its SR Package 3 the Proponent shall submit the Financial Offer Form (Form G1) 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 USB Flash Drive. This additional spreadsheet shall be independent of the Final Financial Model and shall be submitted as a separate Microsoft Excel 2003, or later versions, file with no external links to the Final Financial Model.

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.

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

Each Submission (including any amendment to a Submission) must be received before 2:00 pm Alberta Time on the applicable day specified in Section 5.1 of this ITP at:

Attention: Mr. Fred DeMott
Project Director
ASAP III DBFM Project

Location: The Office of the Tender Administrator,
Alberta Infrastructure
2nd Floor, 6950 - 113 Street
Edmonton, Alberta T6H 5V7

Proponents must clearly label each Submission package with their name and with **“RFP Submission Alberta Schools Alternative Procurement III DBFM Project”**. Proponents must also clearly label which Submission it is providing (i.e., Optional Innovation Submission, Comments on draft DBFM

Agreement, or any of the SR Packages). **Except as expressly noted otherwise above, submission via fax or electronic mail will not be accepted.**

SR Package 2B 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 Province's clarification questions.

SR Package 2B must include a clean and restated re-submission of portions of the Proponent's SR Package 1 and a clean and restated re-submission of SR Package 2 (incorporating the outcome of the Province's clarification questions, the Proponent's answers or changes resulting by addenda to the RFP but with **NO OTHER CHANGES**). In addition, SR Package 2B must include a blackline of all changes from the original submission of those SR Packages 1 and 2. Specific Submission Requirements for the SR Package 2B Submission are set out in Appendix 1 to the ITP.

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

5.10 Proposal Deposit and Preferred Proponent Deposit

Each Proponent must deliver to the Province with its SR Package 3 an irrevocable, unconditional, on sight letter of credit in the amount of **\$1 million** (or irrevocable, unconditional, on sight letters of credit totalling an amount of **\$1 million**) (in either case, 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 Province, 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 Province, 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 DBFM Agreement and provided the Financing and Initial Performance Letter of Credit; or
- the Province has notified Proponents that the Province has decided not to select and notify a Preferred Proponent,

and upon either of such events, the Province shall surrender the Proposal Deposit to the Proponent within

14 Business Days.

Notwithstanding the foregoing, the Province shall surrender the Proposal Deposit to the Preferred Proponent within 14 Business Days of that Proponent being notified it is the Preferred Proponent.

The Province 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.

Each Proponent must also deliver to the Province with its SR Package 3 an irrevocable, unconditional, on sight letter of credit in the amount of **\$10 million** (or irrevocable, unconditional, on sight letters of credit totalling an amount of **\$10 million**) (in either case, 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 Province, 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 Province, who may grant or decline such approval in its absolute discretion). Notwithstanding the foregoing sentence, a Proponent’s Preferred Proponent Deposit may have an expiry date no earlier than 21 days from the submission deadline for SR Package 3, provided that in the event that Proponent is notified it is the Preferred Proponent, the Province may present the Preferred Proponent Deposit for payment if that Proponent fails to deliver a renewal of the Preferred Proponent Deposit (expiring no earlier than 120 days from the submission deadline for SR Package 3) at least 7 days before the expiry date specified in the original Preferred Proponent Deposit.

The Province shall surrender the Preferred Proponent Deposit to each of the Proponents that were not notified that they were the Preferred Proponent within seven Business Days of Notification of Preferred Proponent.

The Preferred Proponent Deposit must be maintained in effect by the Preferred Proponent until the Successful Proponent has executed the DBFM Agreement and provided to the Province the Financing and Initial Performance Letter of Credit and upon such event, the Province shall surrender the Preferred Proponent Deposit to the Preferred Proponent within 14 Business Days of such event.

The Province may present the Preferred Proponent’s 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 21 days after being so requested by the Province.

The Province 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 DBFM Agreement in

accordance with this RFP or fails to provide to the Province the Financing and Initial Performance Letter of Credit in accordance with the DBFM Agreement.

Failure to provide or cause to be provided the Proposal Deposit or the Preferred Proponent Deposit in accordance with the RFP may result in disqualification of the Proponent from the RFP process.

5.11 Financing and Initial Performance Letter of Credit

In order to secure the financial and initial performance commitments of the Successful Proponent, the Province will require the Successful Proponent to provide in accordance with the DBFM Agreement an irrevocable, unconditional, on sight letter of credit in the amount of **\$10 million** (or irrevocable, unconditional, on sight letters of credit totalling an amount of **\$10 million**), (in either case, the “**Financing and Initial Performance 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 section 3.5 of the DBFM 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.

5.12 Proposal Content and Evaluation

This section outlines 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).

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; and
- 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 5.6.2).

The Province will set up technical and financial evaluation teams with the requisite expertise to evaluate the Submissions. The assessment of acceptability will include the achievability and the demonstrated ability of the Submission to meet the requirements in the RFP.

There are a number of components in SR Package 1 that will be further detailed by Proponents in SR Package 2 and/or SR Package 2B. For these components, rather than assessing them on a pass/fail basis, the Province 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.

In instances where the Technical Requirements are not applicable to the innovative solutions proposed by Proponents, Proponents are required to submit proposed specifications, published standards, and any other details that are relevant to the innovative solutions that are not included in the Technical Requirements.

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

SR Package 1

The SR Package 1 consists of the following required components:

- SR 1.1 – General/Proponent information (pass/fail evaluation)
- Envelope A
 - SR 1.2 – Management plan (pass/fail evaluation)
 - SR 1.3 – Preliminary design (The Province will provide feedback)
 - SR 1.4 – Preliminary public communications strategies (The Province will provide feedback)

Feedback on SR 1.3 and 1.4 will reflect how these components meet the Technical Requirements.

The contents of SR 1.3 and 1.4 will be superseded and/or incorporated into components of SR Package 2 Envelope A. The contents of SR 1.2, as clarified, will be required to be resubmitted in SR Package 2B.

SR Package 2

The SR Package 2 consists of the following required components:

- SR 2.1 – General/Proponent information (pass/fail evaluation)
- Envelope A (all pass/fail evaluation):
 - SR 2.2 – School Design Development Reports
 - SR 2.3 – Contractor’s Construction Schedule
 - SR 2.4 – Quality Management System (“QMS”)
 - SR 2.5 – Construction Management Plan
 - SR 2.6 – Commissioning and Startup Plan
 - SR 2.7 – LEED™ Certification Plan
 - SR 2.8 – Safety Plan
 - SR 2.9 – Security Clearance Process

SR 2.10 – Maintenance and Renewal Management Plan

SR 2.11 – Emergency Response Plan

SR 2.12 – Handback on Expiry Plan

SR 2.13 – Collaboration Plan

SR 2.14 – Public Communications Strategies

■ Envelope B (all pass/fail evaluation):

SR 2.15 – Financial capacity

SR 2.16 – Insurance

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

SR Package 2B

The SR Package 2B consists of the following required components:

■ SR 2B.1 – General/Proponent information (pass/fail evaluation)

■ Envelope A (all pass/fail evaluation)

SR 2B.2 – SR Package 1 – SR 1.2, as clarified

SR 2B.3 – SR Package 2 Envelope A – all components as clarified

■ Envelope B (pass /fail evaluation)

SR 2B.4 – Financial Capacity

■ Envelope C (required of Proponents but used for information only)

SR 2B.5 – Indicative Financing Plan

SR 2B.6 – Indicative Financial Model

SR Package 2B is intended as the consolidated and clarified technical Submission from Proponents.

Portions of SR Package 2B will be incorporated into the DBFM Agreement.

The Indicative Financing Plan (SR 2B.5) and Indicative Financial Model (SR 2B.6) is intended to provide the Province with an indication of the likely final form of the Proponent's financing plan and financial model in order to expedite the review of the Final Financing Plan and Final Financial Model in SR Package 3. The Indicative Financing Plan and Indicative Financial Model is for information only and will not be evaluated although the Province reserves the right to ask clarification questions of Proponents in relation to Envelope C Submissions.

SR Package 3

The SR Package 3 consists of the following required components:

- SR 3.1 – General/Proponent information (pass/fail evaluation)
- Envelope A (required of Proponents but used for information only)

SR 3.2 – Final Financial Model

SR 3.3 – Final Financing Plan

Envelope B

SR 3.4 – Financial Offer according to Form G1 and G2 in Appendix 2 of this ITP (ranking criterion)

SR 3.5 – Proposal Deposit of \$1 million and the Preferred Proponent Deposit of \$10 million (pass/fail evaluation)

SR Package 3 is intended as the consolidated financial Submission from Proponents.

Portions of SR Package 3 will be incorporated into the DBFM Agreement.

SINCE PORTIONS OF THE SUCCESSFUL PROPONENT'S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE DBFM AGREEMENT AS SCHEDULES, WHEN PREPARING SR PACKAGE 2, SR PACKAGE 2B AND SR PACKAGE 3, PROPONENTS MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFM AGREEMENT, INCLUDING THOSE IN THE TECHNICAL REQUIREMENTS.

Evaluation Process

The Province will use specific evaluation criteria for evaluation purposes. Subject to the requirements of law, no evaluation or rankings will be released to any party for any reason.

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

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 Province'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. The net present value will be calculated to the SR Package 3 Submission deadline (as set out in Section 5.1, above) by discounting the Financial Offer using a discount rate to be determined by the Province and based on the Province's borrowing costs as estimated by Alberta Finance two Business Days prior to the SR Package 3 Submission deadline based on Initial Yields of the Benchmark Bonds (as described in Appendix 2, Form G2) and capital market indications of Government of Alberta credit spreads for newly issued bonds. 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 Capital Payments set out in Table 2 of Form G1;
- b. the M&R Payments set out in Table 2 of Form G1 adjusted in accordance with Note 4 in Table 2 of Form G1; and
- c. the Provincial Funding, as determined by the Province in accordance with Table 1 of Form G1 (the Province shall determine prior to the SR Package 3 Submission deadline the Progress Payment amounts (in percentages of the Provincial Funding) and timing of the progress payments of the Provincial Funding and shall apply such determination equally to each Proponent's Financial Offer).

5.13 Honorarium

The Province will pay an honorarium in the amount of **\$750,000** (the “**Honorarium**”) to each Proponent that submitted a compliant SR Package 3 and was not selected as the Preferred Proponent. The Preferred Proponent shall not be entitled to the Honorarium. The payment of the Honorarium will be made 21 Business Days after the Execution of the DBFM Agreement and delivery to the Province of the Financing and Initial Performance Letter of Credit by the Successful Proponent. If the Province elects not to select a Preferred Proponent, the Province will pay the Honorarium to each Proponent that submitted a compliant SR Package 3 and in such event payment of the honoraria will be made 21 Business Days after the Province advises the Proponents that the Province has elected not to select and notify a Preferred Proponent. The Honorarium shall be paid to the order of the Contact Organization unless otherwise directed by the Contact Organization.

5.14 Fairness Auditor

The Province has retained a Fairness Auditor to oversee and report upon the RFP process.

Proponents may seek a fairness opinion from the Fairness Auditor on matters relating to RFP process by sending to the Department Representative a package labelled with the Proponent's name and with “Request for Fairness Opinion”, which package will include a letter of request for a fairness opinion addressed to the Fairness Auditor Mr. R. B. (Dick) Innes, CA.

The Province intends that the Fairness Auditor will respond, by providing to the Department Representative the requested fairness opinion, to requests for fairness opinions on or before the fifth (5th) Business Day after receipt of the request by the Department Representative. The Province intends to issue fairness opinions and their corresponding requests to all Proponents. However, the Province reserves the right to issue particular fairness opinions only to a particular Proponent depending on whether the request is confidential, or not to issue a fairness opinion at all.

Should a Proponent wish to seek a fairness opinion on a matter that it considers to be confidential (i.e., the fairness opinion is to be directed only to the Proponent that submits the request), the Proponent may

request such a question be kept confidential provided the Proponent sets out with such request an explanation as to why the Proponent believes the request ought to be confidential. If the Province considers that the request is in fact confidential, it will direct the fairness opinion only to the Proponent that has made the request, and not to the other Proponents. If the Province considers that the request is not confidential, it will advise the Proponent of its view, and the Proponent can decide whether to withdraw the request for a fairness opinion. The Province reserves the right in its sole discretion to determine whether a request is confidential or not, and anticipates that only in exceptional circumstances will it determine a request to be confidential.

5.15 Execution of DBFM Agreement

Concurrently with executing the DBFM Agreement, the Successful Proponent's legal counsel shall provide the legal opinion or opinions that confirm the accuracy of the Contractor's representations in clauses (a) through (c) of section 14.1 of the DBFM Agreement and the shareholdings (or other applicable ownership interests) in the Contractor and in the Contractor's ultimate parent disclosed to the Province under clause (d) of that section, which legal opinion or opinions may be subject only to such qualifications and limitations as are reasonably appropriate and customarily accepted in third party legal opinions in commercial transactions.

The Province's legal counsel shall provide the legal opinion in support of the Province's representations in section 15.1(a) and (b) of the DBFM Agreement in the form attached as Form H in Appendix 2 to this RFP. This opinion will be delivered when the DBFM Agreement becomes unconditional in accordance with section 3.3 of the DBFM Agreement.

In addition, and as part of the legal opinion described above, the Province's legal counsel will provide a legal opinion based on a review of a certificate of an officer of each School Board, but without any independent investigation or verification, that the School Boards have the power, capacity and authority to execute and perform the Tri-Party Agreement and that all approvals and other actions required for the execution and performance of the Tri-Party Agreement by the School Boards have been obtained.

Once issued in final form, the DBFM Agreement is to be executed by the Successful Proponent no later than 5:00 p.m. Alberta 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. The Preferred Proponent cannot qualify the acceptance of the final form of the DBFM Agreement. If the Preferred Proponent does not execute the DBFM Agreement in its final form no later than 5:00 p.m. Alberta Time on the deadline date set out in Section 5.1, in addition to any other remedy available to the Province, the Province may retain the Preferred Proponent Deposit of **\$10 million**, and, in the sole discretion of the Province, designate the Proponent with the Financial Offer with the next lowest total cost (on a net present value basis) as the Preferred Proponent.

The Preferred Proponent may, within seven Business Days of being notified that it is the Preferred Proponent, elect in lieu of the sections 18.7 and 18.8 as set out in the final form DBFM Agreement the replacement sections numbered for identification as 18.7A and 18.8A that follow sections 18.7 and 18.8 in the final form DBFM Agreement; failing which election within such seven Business Day period,

sections 18.7 and 18.8 shall apply.

Section 6

Other Matters

6.0 Other Matters

6.1 Eligibility

As a result of their involvement with the Province on the ASAP III DBFM Project, the following individuals, companies and their affiliates are not eligible to be a Proponent, participate as Team Members of a Proponent, or act as advisors to a Proponent or its Team Members in the development and preparation of Proposals for the ASAP III DBFM Project or otherwise participate in the development and preparation of Proposals:

School Boards

- any of the involved School Boards (all as defined in Section 1.1) or any former or current employee or representative of any of those School Boards who through his/her employment or association (past or present) has had involvement with the ASAP III DBFM Project or projects related to the ASAP III DBFM Project;

Consultants

- ACI Architecture Inc.;
- Al-Terra Engineering Ltd.;
- BEI Engineering (2000) Inc.;
- BPTEC-DNW Engineering Ltd.;
- Douglas Walters Landscape Architect Ltd.;
- Eclipse Geomatics & Engineering Ltd.;
- Hukalo Oberg Engineering Ltd.;
- KPMG LLP;
- K.S.J. Engineering Ltd.;
- Matrix Landscape Architecture Ltd.;
- PricewaterhouseCoopers LLP;
- Quinn Young Architects Ltd.;
- Robertson & Associates Engineering Ltd.;
- Tech-Cost Consultants Ltd.; and
- TYZ Engineering Ltd.;

- any former or current employee or representative of any of the consultants identified above who through his/her employment or association (past or present) has had involvement with the ASAP III DBFM Project or projects related to the ASAP III DBFM Project;

Fairness Auditor

- Mr. R.B. (Dick) Innes, CA, the Fairness Auditor for the ASAP III DBFM Project;

A Proponent may be disqualified if any of the above-noted ineligible persons participate in the development and preparation of the Proponent's Proposal for the ASAP III DBFM Project.

6.2 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 Province regarding this RFP, and the Contact Individual will be responsible for all such communications on behalf of that organization. The Province 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 written notice from the previous Contact Organization. The Contact Organization may substitute a new Contact Individual only by a written notice to the Province 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 Province.

6.3 Changes to Proponents' Team Structure

It is recognized that Proponents may seek to 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. If any such change is sought, Proponents shall forthwith inform the Department Representative of the proposed change and submit the applicable RFQ information, if not already submitted. The Province will re-evaluate the change in accordance with the RFQ criteria and determine if the proposed change is acceptable. The Province 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.

6.4 Conflict of Interest

Proponents must not include among their Team Members or Key Individuals any business entity or individual who is, or is associated with or is in any way likely to create a conflict of interest or a perception of conflict of interest with any of the following:

- Any School Board;
- Any consultant retained by the Province in relation to the ASAP III DBFM Project, including but not limited to consultants providing technical, engineering, process, finance or financial capacity advice (see also Section 6.1), including any former employee or contractor of such consultant who worked on the ASAP III DBFM Project for such consultant;
- Mr. R.B. (Dick) Innes, CA, the Fairness Auditor for the ASAP III DBFM Project (see also Section 6.1);

- Any former or current employee of the Province of Alberta, who through his/her employment (past or present) has had involvement with the ASAP III DBFM Project or projects related to the ASAP III DBFM Project; or
- Any member of the Legislative Assembly of Alberta or any associated person as set out in the *Conflicts of Interest Act* (Alberta).

If a Proponent considers that a particular relationship or association does not create a conflict of interest and will not create a conflict of interest, but is concerned that the Province could arrive at a different conclusion, the Proponent should fully disclose the circumstances to the Province at the earliest possible date, and request that the Province 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.

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

6.5 Proponents' Expenses

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

6.6 Ownership of Documents and Intellectual Property

6.6.1 Documents

All documents submitted by Proponents shall become the property of the Province upon their being presented, submitted, or forwarded to the Province. 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 Province upon their being presented, submitted or forwarded to the Province.

6.6.2 Use of Documents, Drawings and Ideas

Notwithstanding anything contained in this RFP as to the purpose for the submission of Proposals, the Province or the School Boards, with the Province's consent, may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in the Proposals and in any communication surrounding the Proposals provided by the Proponents or their agents, for any purpose whatsoever including but not limited to use of portions of the Proposals or of ideas, information, enhancements and designs contained therein in other of the Province's or School Boards' projects and in the development and negotiation of future DBFM relationships. For

clarity, the confidentiality obligations set out at Section 6.10 which apply to the Province's use of information herein or its consent to the School Boards' use of information herein shall not interfere with the Province's rights to use concepts, ideas, suggestions and directions as herein described.

6.6.3 Assignment of Copyrights

The Proponents and their Functional Lead Team Members and Project Lead (if not otherwise a Functional Lead Team Member) must, via Forms A1 and A2 (Attachment to Declaration for SR Package 1), state as follows (or as modified in Forms A1 and A2):

“By submitting the Proposal or otherwise communicating to the Province matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, this Proponent transfers and assigns unto the Province any and all Copyrights. This Proponent ensures the Province that it has become the owner of Copyrights as they have arisen from time to time and accordingly it has become qualified to make this Copyright assignment(s) in favour of the Province. This Proponent has also ensured that the first owners of Copyrights have waived their copyright moral rights in written documents. Copies of assignments of copyrights from first authors and waivers shall be provided to the Province at no cost and the originals shall be available for inspection by the Province and its agents on reasonable terms. The Proponent agrees to assist the Province in understanding, documenting and in applying for registration for copyright(s) for any works; including executing such documentation as is reasonable and proper and within a reasonable time thereafter.”

6.6.4 Assignment of New Technology

The Proponents and their Functional Lead Team Members and Project Lead (if not otherwise a Functional Lead Team Member) must, via Forms A1 and A2 (Attachment to Declaration for SR Package 1), state as follows (or as modified in Forms A1 and A2):

“Unless otherwise agreed to in writing, all New Technology shall be owned by the Province. For good and valuable consideration, receipt of which is acknowledged, all New Technology is hereby transferred to the Province. For greater certainty the rights of the Province hereunder include, but are not limited to, providing the Province with the right to design, construct, operate and maintain the Schools using New Technology without obtaining the further consent of the Proponent. The Proponent agrees to assist the Province in understanding, documenting, and in applying for registration for patent(s) for any New Technology; including executing such documentation as is reasonable and proper and within a reasonable time thereafter.”

6.6.5 Royalty Free License Back

The Province shall agree, upon request, to provide a royalty-free, perpetual license back to the Proponent, which has created Copyrights and New Technology, for its unfettered use in incorporating same into future or other projects and in licensing to its clients as required in other projects. This license does not carry any obligations on the Province whatsoever and does not require it to register or enforce registered

rights in regard to Copyrights and New Technology.

6.6.6 Indemnity for Infringement

The Proponents agree, by submitting a Proposal, that the Proponent indemnifies the Province and its related parties including but not limited to its 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 Province, including for all damages, judgments, costs, fees and expenses (including legal fees on a solicitor and his own client basis) as a result of the Province owning, using or benefiting from the use of the Proposal and the New Technology or from designing, building, operating and maintaining the Project and the M&R that is contained in the Proposal.

6.7 No Collusion or Common Ownership Creating Competition Reduction

Proponents must ensure that their participation in this RFP is conducted without collusion or fraud on their part or 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 Proponent or any other Proponent's 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, Proponents may use the same firm or firms to obtain geotechnical, topographical, or other information about the site.

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 one or more than one 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 Province could arrive at a different conclusion, the Proponent should fully disclose the circumstances to the Province at the earliest possible date, and request that the Province provide an advance interpretation as to whether the particular Common Ownership would be determined to be Competition Reduction. If the Province determines a particular Common Ownership to be Competition Reduction, then the Province may disqualify all but one of the Proponents involved in the Common Ownership (the “**Commonly-Owned Proponents**”) from the RFP process.

The Province 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 article 8 (RFQ Evaluation) of the RFQ. If there is a tie among the highest evaluation scores among two or more Commonly-Owned Proponents, the Province 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 Province 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 Functional Lead Team Members with their respective Proponent;
- the size of the role the commonly-owned Team Members play in terms of the Project or the M&R;
- 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 Province 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.

6.8 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 ASAP III DBFM 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 Province must be directly and only with the Department Representative or as otherwise provided for in this RFP.

6.9 No Publicity

No media release shall be issued by any Proponents or their Team Members or Key Individuals nor allowed 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 ASAP III DBFM Project, without first obtaining the prior written consent of

the Province. Breach of this provision may result in disqualification of the Proponent from the RFP process.

6.10 Confidentiality of Submissions and the Collection of Personal Information

All records submitted in response to this RFP may be subject to disclosure under the *Freedom of Information and Protection of Privacy Act* (Alberta) ("**FOIP**"). Except as otherwise expressly indicated by Proponents, Proposals submitted in response to this RFP will be considered to have been submitted in confidence and, subject to Section 6.6 of this RFP and subject to section 19.6 of the DBFM Agreement, will not be disclosed by the Province or its consultants except as required by FOIP or any other law.

The Proponent must advise, and must ensure Team Members advise, Key Individuals and other affected employees that all personal information (as defined in FOIP) provided to the Province in conjunction with the RFP process is being collected for the purpose of evaluating the Proponent's Proposal, pursuant to the *Government Organization Act* (Alberta) and the terms of this RFP. The Key Individuals and other affected employees must also be given the name and contact information of the Designated Representative who may answer any questions they may have. 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 Province to do reference checks. Proponents must, if so requested by the Province, supply evidence demonstrating that such authorizations have been properly obtained in accordance with this Section.

Notwithstanding the foregoing, the Province may release the identity of the Proponents, their Team Members and Key Individuals in relation to the ASAP III DBFM Project and following Execution of the DBFM Agreement, the total cost of the Preferred Proponent's Financial Offer (on a net present value basis), as the Province determines to be necessary.

6.11 Amendments to or Cancellation of Process

Amendment of Process:

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

Rejection of Proposal:

The Province may in its discretion reject any Proposal that does not meet all of the requirements set out in this RFP. If any Submission 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 opinion of the Province, can be remedied without providing an unfair advantage to one or more Proponents, the Province may request clarification from the Proponent under Section 5.6.2 of this RFP. Upon receipt of appropriate clarification, the Province may waive the defect or irregularity and accept the Submission. Failure by a

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

Cancellation of Process:

The Province is not bound to accept any Proposal. Although it is the current intention of the Province to select a Preferred Proponent and to enter into a DBFM Agreement, the Province may in its sole discretion, at any time prior to the Execution of the DBFM Agreement, terminate the selection process. The Province may in that event either cancel the Project and the M&R or proceed with the Project and the M&R on different terms or proceed with the Project as a traditional design-bid build, design-build or using another procurement model.

In the event that the Province cancels this RFP but proceeds with the Project, the Province may issue a new request for proposals for any or all parts of the ASAP III DBFM Project. In that event, the Province may proceed with any or all parts of the ASAP III DBFM Project in such manner as the Province in its discretion considers appropriate, including by using some or all of the Proponents' ideas and concepts. Further in that event, the Province 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 or any part of the ASAP III DBFM Project.

Non-recourse:

No course of action or inaction by the Province that is permitted by this Section 6.11 shall create any obligation or liability to any Proponent or any other person or create a right of recourse against or entitlement to compensation from the Province, other than the Honorarium detailed elsewhere in this RFP.

6.12 Accuracy of Information

While the information in the RFP and any other information have been prepared in good faith, the Province does not represent such information to be accurate, comprehensive or to have been independently verified. Neither the Province nor any of its 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 therefor 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 Department Representative immediately.

The Proponent shall not be entitled to claim against the Province or its elected officials, officers, employees, agents or advisors on the grounds that the information or any information, whether obtained from the Province or otherwise (including information gained from any other department of the Province or their elected officials, officers, employees, agents or advisors regardless of the manner or forum in which the information is provided) is incorrect or insufficient. Proponents shall be responsible for conducting their own due diligence on the data and information and any other data or information upon which their Submissions in response to the RFP are based.

6.13 Debriefing

If requested, the Province will debrief Proponents, separately, after the Execution of the DBFM Agreement.

During such debriefing, the evaluation, scoring and content of any Proposals will not be disclosed. The strengths and weaknesses of the Proponent's Proposal relative to the evaluation criteria will be disclosed and discussed. In addition, the Province may provide Proponents an indication of how components of its Financial Offer ranked.

6.14 Limitation of Damages

The Proponent and its Team Members, by submitting any or all of a Proposal including any or all of the Optional Innovation Submission and the SR Packages, agrees that it will not claim damages, for whatever reason, in respect of the procurement of the design, build, finance, maintenance or renewal of the ASAP III DBFM Project, in excess of an amount equivalent to the reasonable costs incurred by the Proponent and its Team Members in preparing its Proposal minus the Honorarium (as defined in Section 5.13) if applicable.

6.15 Governing Law

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

6.16Time

Time is of the essence.

Appendix 1

Submission Requirements

Appendix 1 – Submission Requirements

SR 1.0 Submission Requirement Package 1

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

- SR 1.1 – General/Proponent information (including Forms A1 and A2)
- Envelope A
 - SR 1.2 – Management plan
 - SR 1.3 – Preliminary design
 - SR 1.4 – Preliminary communication strategies

The SR Package 1, as described above, is to be submitted in a single sealed envelope plus General/Proponent information.

SR 1.1 General/Proponent Information

Provide the following items:

- Where the Proponent’s response to the RFQ included specific references to its Team Members in the description of the Proponent’s composition, confirmation of the composition of the Proponent as provided in its submission in response to the RFQ.
- Where the Proponent’s response to the RFQ included specific references to its Team Members in the description of the Proponent’s composition, a description of changes, if any, to the composition of the Proponent since its submission in 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 ASAP III DBFM Project. Material provisions of any agreements which will be entered into between the Successful Proponent and its Team Member with respect to the ASAP III DBFM 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 Functional Lead Team Member and Project Lead (if not otherwise a Functional 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 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 Functional Lead Team Member and the Project Lead (if not otherwise a Functional Lead Team Member).
- A description of the Team Members who constitute the Proponent and their respective roles in the form of Form A3 in Appendix 2.

Envelope A

SR 1.2 Management Plan

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

SR 1.2.1 *Organization Structure*

Provide a comprehensive description of the Successful Proponent's organization structure for the ASAP III DBFM 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 DBFM organization, supplemented by additional organizational charts sufficient to present and describe all key functions through all phases of the ASAP III DBFM Project, including:

- management group, including executive officers;
- design and construction group;
- public/media/stakeholder communications group;
- quality management group;
- maintenance and renewal group(s); and
- financing group.

SR 1.2.2 Proposed Key Personnel and Time Commitment

For each of the key personnel identified above, provide a brief and concise summary in a resume of no more than two pages listing his or her most relevant qualifications to support the nomination to the identified organizational positions. Confirm the availability of these individuals to take part in the ASAP III DBFM Project and the span of time of that availability by providing letters of commitment signed by these individuals including the level of effort they will provide to the ASAP III DBFM Project.

SR 1.2.3 Relationship between the Successful Proponent, the Province and the School Boards

Subject to the Collaboration Plan Requirements as set out in the Technical Requirements and the terms of the Tri-Party Agreement, describe the nature and extent of the interfacing and interaction envisaged between the Successful Proponent, the Province and the School Boards over the course of the ASAP III DBFM Project, and the measures proposed to ensure a high level of communications and cooperation.

SR 1.3 Preliminary Design

Proponents are required to submit 12 preliminary design reports, one for each School, which generally describe the School's architectural design and building systems. Identify all significant variations from Technical Requirements. Provide proposed specifications that are relevant to all of the Proponent's proposed variations or innovations to solutions but not included in the Technical Requirements. Changes in the Technical Requirements shall indicate impacts on design elements, including, but not limited to:

- Design philosophy;
- Schools' layouts;
- Modular Classrooms;
- Ingress and egress with municipal roadways;
- Educational program requirements;
- Wall sections;
- Building life safety systems;
- Parking (parking furnishings lights; plug ins);
- Bus drop off locations and parent drop off locations;
- User functionality and user safety;
- LEED™ Status Checklist; and
- Others elements, as required.

SR 1.4 Preliminary Communications Strategies

Provide an outline of the preliminary communications strategies over the Term of the DBFM Agreement for:

- Public and media communications; and
- Interaction with the Province, the School Boards, Municipalities, the neighbouring communities, utility companies, affected municipalities, and other stakeholders.

SR 2.0 Submission Requirement Package 2

SINCE PORTIONS OF THE SUCCESSFUL PROPONENT’S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE DBFM AGREEMENT AS SCHEDULES, WHEN PREPARING SR PACKAGE 2, PROponents MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFM AGREEMENT, INCLUDING THOSE USED IN THE TECHNICAL REQUIREMENTS.

The SR Package 2 consists of the following items that must be provided by each Proponent:

- SR 2.1 – General/Proponent information (including Form A3 and Form B in Appendix 2)
- Envelope A:
 - SR 2.2 – School Design Development Reports
 - SR 2.3 – Contractor’s Construction Schedule
 - SR 2.4 – Quality Management System (“QMS”)
 - SR 2.5 – Construction Management Plan
 - SR 2.6 – Commissioning and Startup Plan
 - SR 2.7 – LEED™ Certification Plan
 - SR 2.8 – Safety Plan
 - SR 2.9 – Security Clearance Process
 - SR 2.10 – Maintenance and Renewal Plan
 - SR 2.11 – Emergency Response Plan
 - SR 2.12 – Handback on Expiry Plan
 - SR 2.13 – Collaboration Plan
 - SR 2.14 – Public Communications Strategies

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

- Envelope B:
 - SR 2.15 – Financial capacity (Form D in Appendix 2)
 - SR 2.16 – Insurance (including Form E in Appendix 2)

The SR Package 2 Submission is to be submitted in two separate, sealed envelopes as described above plus General/Proponent information.

SR 2.1 General/Proponent Information

Provide the following items:

- The names, titles, and employers of the Proponent’s team who are responsible for preparing the Proponent’s SR Package 2.
- A description of the Team Members who constitute the Proponent and their respective roles in the form of Form A3 in Appendix 2.
- Declaration in the form of Form B in Appendix 2 from the Contact Organization.

Envelope A

SR 2.2 Proponent School Design Development Reports

Provide 12 “**Proponent School Design Development Reports**” (one for each School) that advance and supplement the Core School Designs including, but not limited to, Modular Classrooms. The Proponent School Design Development Reports will demonstrate how such designs relate to the Technical Requirements. The 12 Proponent School 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 design
- Architectural design
- Basic Structural design
- Mechanical design systems including but not limited to:
 - Site services
 - Plumbing and drainage systems
 - Fire protection systems
 - Heating systems
 - Ventilation and Exhaust systems
 - Cooling systems
 - Water treatment systems
 - Humidification systems
 - Building Management Control Systems (BMCS)
 - Energy conservation and sustainability features

- Electrical design systems including but not limited to:
 - Site service and distribution
 - Lighting systems and controls
 - Fire alarm and security systems
 - Communication and data systems
 - Clock system
 - Energy conservation and sustainability features
- Modular classroom design including but not limited to:
 - Tie-in of the Core Structure to the Modular Classrooms
 - Roof and wall closures between Modular Classroom units
 - Crawl space enclosure/skirting
 - Crawl space drainage
- Proposed colour schedule including but not limited to:
 - Interior finishes, colour palettes, and proposed generic materials for all exposed surfaces
 - Exterior finishes, colour palettes, and proposed generic materials for all exposed surfaces

In addition to the Proponent School Design Development Reports, the Proponents must provide the following drawings in size A1 using the given drawing numbers, suitably scaled. If, in the Proponents' opinion they need to segment or tile the drawings for clarity of information, thus creating more drawings than listed, this is permissible. All documents must be prepared in accordance with the requirements of the *Standards for Consultant Deliverables, February 2009*, and shall utilize the project title blocks which can be found in the electronic document room.

SR 2.2.1 Site Plan/Design

Each of the Proponent's 12 Site Plans shall clearly specify through a single site drawing for each School the following elements:

- C501: The location and dimensions of all parking lots, bus drop offs, parent drop offs and the School Site access points including:
- The schematic design of the School Site's drainage including curbs, gutters and catch basins for each School Site;
- Indicate the general proposed materials (i.e. concrete vs. asphalt, paving stone vs. concrete sidewalk etc.) for each School Site; and
- Proposed locations of underground utilities and municipal service lines to the School Building.

Further to Section 2.5 (School Sites), Proponents shall submit the above Site Plans in respect of the Greater North Central Francophone (K-12) School in Red Deer on or before the date specified in Section 5.1.

SR 2.2.2 Architectural Drawings

Each of the Proponent's 12 architectural drawings shall clearly specify architectural design plans for each of the Schools with the following elements:

- A101a: Main Floor Plan, A101b: Second Floor Plan (2 storey school only) showing wall locations, doorways and millwork locations;
- A102: Exterior elevation drawing;
- A103: Drawing showing, wall sections for each wall type and large scale building envelope details; and
- A104: Drawing showing room finish schedule of proposed wall, ceiling, and floor finishes, including those for Modular Classrooms.

Further to Section 2.5 (School Sites), Proponents shall submit the above architectural drawings in respect of the Greater North Central Francophone (K-12) School in Red Deer on or before the date specified in Section 5.1.

SR 2.2.3 Structural Drawings

Each of the Proponent's 12 structural designs shall clearly specify through a structural drawing in sufficient detail to establish the Schools' basic structural system establishing the following elements:

- S201: Foundation design, including for Modular Classrooms; and slab on grade; and
- S202: Superstructure framing design, including roof deck.

Further to Section 2.5 (School Sites), Proponents shall submit the above structural designs in respect of the Greater North Central Francophone (K-12) School in Red Deer on or before the date specified in Section 5.1.

SR 2.2.4 Mechanical Drawings

Each of the 12 Proponent School Mechanical designs shall clearly specify through mechanical drawings in sufficient detail the design criteria for each School's mechanical systems establishing the following elements:

- M301: Floor plans showing schematic and zones for fire protection systems;
- M302: Heating systems schematic;
- M303: Ventilation systems schematic;

- M304: Exhaust systems schematic;
- M305: Cooling systems schematic; and
- M306: BMCS network schematic showing:
 - the type and protocol of each network;
 - the location and basic controller information for each panel;
 - the location of the central control station showing the computer, report printer and alarm printer; and
 - UPS present and zone control that shows how many zone controllers (“ZCUs”) are connected to which main controllers (“RCUs”).

Further to Section 2.5 (School Sites), Proponents shall submit the above mechanical drawings in respect of the Greater North Central Francophone (K-12) School in Red Deer on or before the date specified in Section 5.1.

SR 2.2.5 Electrical Drawings

Each of the 12 electrical designs shall clearly specify through electrical drawings in sufficient detail the design criteria for each School’s lighting, power and security systems, establishing the following elements:

- E401: Site plan showing service locations, transformers, site lighting poles, and parking power outlets;
- E402: Floor plan showing electrical power distribution system including main service, distribution panels, feeder locations, proposed lighting fixture locations and a schedule illustrating fixture details; type, size, and lamp wattage;
- E403: Plan with single line diagram for power distribution showing sizes and capacity of proposed components and a riser diagram for the low tension systems; and
- E404: Plan with low tension systems showing cable tray layout and server room locations.

Further to Section 2.5 (School Sites), Proponents shall submit the above electrical drawings in respect of the Greater North Central Francophone (K-12) School in Red Deer on or before the date specified in Section 5.1.

SR 2.3 Contractor’s Construction Schedule

Provide a preliminary construction schedule that is sufficiently detailed to give the Province an understanding of the overall significant construction activities and the timing of such activities. Use a scheduling program that is readable by or compatible with Microsoft Project.

Provide an overview accompanying the schedule which outlines the Proponent’s proposed approach for

implementing the Project from the date of Execution of the DBFM Agreement through the Construction Period to the M&R 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.

The preliminary construction schedule shall outline the design and construction activities for each School and a corresponding integrated overall construction schedule for all Schools that breaks down activities to provide a level of detail to enable the Province to readily interpret the schedule and facilitate monitoring of the construction progress of each School including, but not limited to, the following:

- Design and permits;
- Site mobilization;
- Site work and excavation;
- Foundation and substructure;
- Superstructure;
- Building envelope;
- Interior and exterior finishes;
- Commissioning and startup; and
- Availability of School.

The Preferred Proponent's response to this SR will form the Contractor's Construction Schedule in the DBFM Agreement which shall be amended or supplemented by the Contractor as required in accordance with Schedule 18 (Technical Requirements) and Schedule 5 (Design and Plan Certification Process and Review Procedure) of the DBFM Agreement to include, but not be limited to, the following:

- A breakdown of long duration activities and sub-activities, which are continuous, repetitive or sequential in nature, which represent the construction activities planned for each School and in this regard, the Contractor shall submit separate sub-network diagrams;
- An identification and a concise description of the major activities, key tasks and milestones to be undertaken in connection with the ASAP III DBFM Project from the date of Execution of the DBFM Agreement through the Construction Period to achieve Total Availability by the Total Availability Target Date;
- For the Construction Period, a listing of all key tasks and milestones related to the major design component that addresses any related studies, investigations, surveys, consultation with key stakeholders, public communication tasks, and approvals and permits to be obtained during the Construction Period;
- Milestone goals for LEED™ documentation and submissions; and

- All the information evidencing the Contractor's construction plan, which clearly shows the inter-relationships of all activities related to the ASAP III DBFM Project and each School.

SR 2.4 Quality Management System ("QMS")

Provide a QMS that describes the quality policies and procedures for all stages of the Project and the M&R, specifically for:

- Design;
- Construction;
- Commissioning and start-up; and
- Maintenance and Renewal.

The QMS must:

- Include, but not be limited to, policies and procedures for implementing and assessing the effectiveness of its quality control system.
- Be satisfactory to the Province with the Contractor using the ISO 9001:2000 standard as a guideline for the development of the Contractor's QMS and shall cover all activities, products and services related to the Project and the M&R, prior to the execution of these activities, products and services.
- Stipulate how compliance with the Technical Requirements and the Contractor's Management Systems and Plans is ensured.
- Include, but not be limited to, QMS record management for design, construction, maintenance and renewal, including all audits, shall be maintained and retained by the Contractor until the end of the Term.
- Include, but not be limited to, staff and individuals responsible for carrying out quality control and quality assurance.

The QMS shall include, but not be limited to:

2.4.1 Design

The QMS shall require that all designs and professional documents, including plans, engineering drawings, detailed drawings, maps, specifications, reports or other documents or a reproduction of any of them, that describe engineering, geological or geophysical work as contemplated in the *Engineering, Geological and Geophysical Professions Act of (Alberta)* and regulations, be authenticated by a professional member, in accordance with the *APEGGA Practice Standard for Authenticating Professional Documents V2.0*.

The QMS shall also require that the Contractor's design reports, architectural drawings, specifications and

related documents that describe architectural work as contemplated by the *Architects Act* (Alberta) and regulations and the *Safety Codes Act* (Alberta) and regulations be stamped and signed by an architect registered with the *Alberta Association of Architects*.

The QMS shall also require that all design work be reviewed, checked and verified by an Internal Reviewer. The Internal Reviewer shall be a qualified professional engineer or architect, as the design drawing so requires, who may be employed by the same legal entity doing the design work.

The Internal Reviewer shall provide independent design check notes and shall report that the design checks have been completed based on the information provided by the Contractor's design engineer or architect of record and is satisfied that the designs meet the Technical Requirements. The Internal Reviewer will then sign the Contractor's design reports, Detailed Designs and related documents.

Changes made to the design during Construction Period must follow the same review process.

2.4.2 Construction

The QMS shall provide for ensuring that the Schools are in conformance with the requirements of the Contractor's design reports, Detailed Designs, Project Requirements and related documents developed for the Schools.

The Contractor shall implement a methodology to verify compliance of the construction with the design requirements. Changes made to the design during construction shall be stamped and signed by the professional engineer or architect of record from the design team and any such changes to be reviewed by the Internal Reviewer. At the end of construction, the professional engineer or architect of record from the design team shall be required to stamp and sign a declaration that the Schools has been constructed in accordance with the Contractor's design reports, the Detailed Designs and the Project Requirements.

The QMS shall detail the pre-commissioning requirements, testing and acceptance program for all construction materials, products, equipment, systems and the Modular Classrooms, including, but not limited to, the following:

- Importance of construction quality, including material and equipment testing and inspections, testing and inspections frequencies, quality reference standards, product acceptance and rejection criteria;
- Procedures for corrective action when quality control and/or acceptance criteria are not met;
- Procedures for inspections and where required, receipt of the relevant permits;
- If required by applicable laws, any boilers installed in a School must comply with and be inspected by the *Alberta Boiler Safety Association*. The Contractor must have a QMS program for such equipment registered and acceptable to the *Alberta Boiler Safety Association*;
- Feedback to designers for improvement of construction material or equipment quality;
- Recruitment, training and assignment of its skilled workforce;
- Measures to ensure that subcontractors are qualified, and/or licensed as required; and

- Roles and responsibilities of the Contractor's staff in the quality assurance process.

The QMS shall require that complete testing/inspection reports be prepared for the Project and the M&R.

The Contractor shall make all QMS records available to the Province for inspection and review. The Contractor shall provide the Province with a copy of those quality records when so requested.

2.4.3 Commissioning and Startup

The QMS shall ensure that the Commissioning and Startup Plan and activities meet all applicable laws, relevant Standards and Guidelines, that all equipment and building systems conform with and perform as required by the Technical Requirements.

The QMS for Commissioning and Startup shall provide details for the following, including without limitation:

- QMS requirements for the Commissioning and Startup program that will break the required work into areas, with a matrix identifying the person responsible for such work. In addition, the plan should provide for a schedule of the interactive testing of all School systems;
- Required QMS processes for testing, diagnosis and correction of problems, repeat testing;
- QMS requirement for reporting of results of tests and a commissioning and start-up report; and
- QMS plan for training, demonstrations and testing education.

2.4.4 Maintenance and Renewal

The QMS shall ensure that the M&R conforms to the M&R Requirements.

Annually during the School M&R Period and the M&R Period, the Contractor shall update the plans detailing the inspection, monitoring, and M&R for the Schools that will be conducted during the upcoming year to ensure that all requirements in the DBFM Agreement are met.

The QMS shall detail the following, including without limitation:

- Importance of overall quality in the M&R for the Schools, including monitoring, inspections and regulatory compliance, testing and inspections frequency, quality reference standards, product acceptance and rejection criteria;
- Procedures, quality control and quality assurance criteria that include clearly stated deliverables, benchmarks/baselines to facilitate the measurement, reporting, analysis and the continual improvement of M&R and related business processes;
- Procedures, related business processes and accountabilities for inspections, monitoring, the Help Desk, failure rectification and the M&R;
- Procedures for recruitment, training and assignment of its skilled workforce;

- Measures to ensure that subcontractors are qualified, and licensed as required; and
- Procedures for a formal document and record management defining the control of Help Desk and M&R quality documents and records.

2.4.5 Audits

The Contractor shall undertake QMS audits to validate that the required levels of QMS performance during the Construction Period, the School M&R Period and the M&R Period are being or have been achieved as required by the DBFM Agreement.

The QMS audits shall involve:

- Document reviews or system audits to ensure that the Contractor has plans and procedures in place to cover all the required aspects of the QMS; and
- Compliance or procedural audits to ensure that the specified plans and procedures are being effectively implemented.

The Contractor shall make all QMS records available to the Province at all times for inspection, review and further instructions.

2.4.5.1 Internal Audits

The Contractor shall undertake annual internal QMS audits to validate that the required levels of QMS performance prior to School Availability and during the School M&R Period and the M&R Period are being or have been achieved as required by the Technical Requirements. All elements shall be audited at least once per year throughout the Term.

All QMS deficiencies identified by the internal QMS auditor during the audit must be addressed and corrective measures implemented by the Contractor. The Contractor shall communicate the results of all audits to the Province.

SR 2.5 Construction Management Plan

Provide a Construction Management Plan that includes, but is not limited to:

- Integration of design and construction processes;
- Scope verification and scope controls;
- Resource planning and management;
- Monitoring and controlling progress;
- Material and equipment procurement;
- Modular Classroom procurement; and
- Pre-commissioning and testing plan.

The Construction Management Plan for the Schools shall account for any major procurement activities and the construction of the Schools including that for Modular Classrooms.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.6 Commissioning and Startup Plan

Provide a Commissioning and Startup Plan prepared for each School that provides, but is not limited to:

- A general description of how the Contractor intends to comply with its obligation to ensure that each School complies with the Project Requirements;
- A general plan indicating how the Contractor intends to ensure that all required permits and approvals are received for each School;
- A general plan to ensure that each School will be and will remain at all times, in compliance with the Technical Requirements during the Term;
- A general description of the Contractor's planned systematic testing and start-up procedures for each system and area within a School that will be undertaken to ensure that all systems in a School perform interactively and at the performance levels required in the Technical Requirements;
- A general description of testing requirements to meet all applicable laws and the relevant Standards and Guidelines, as defined in the Technical Requirements;
- A general plan for diagnosis of problems, correction of deficiencies and repeating of testing;
- A plan for providing testing results and reports to the Province;
- A plan for delivery of the orientation seminars for each School to familiarize the School staff and any other School Board staff with the School layout, general equipment and system operation and Help Desk procedures; and
- A general plan for receipt of and delivery to the Province of all required permits, including but not limited to an occupancy permit, for each School.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.7 LEED™ Certification Plan

Provide a LEED™ Certification Plan to ensure at least a LEED™ Silver Certification for each School and the mandatory requirements specified at section 4.8.2 of the Technical Requirements are achieved. The LEED™ Certification Plan must address general compliance requirements and identify procedures for compliance with the Canada Green Building Council (CaGBC) LEED™ Certification Program.

The LEED™ Certification Plan shall incorporate, but not be limited to the following:

- A completed LEED™ project checklist of estimated points to demonstrate how the Proponent intends

to achieve the LEED™ Silver Certification for each School;

- Estimates for points in the required, preferred (Y), possible (?) and not-preferred categories (N);
- Sustainable design and construction processes by identifying processes to be used in the areas of design, construction and M&R to achieve high performance “green” Schools;
- Records and documentation processes, which shall include an overall documentation process to support sustainable design and construction to attain the required LEED certification;
- Confirmation that the Proponent will retain a LEED™ accredited professional as its LEED™ coordinator for the Project who will shall be responsible for the development and tracking of the necessary LEED™ documentation for each credit and final submission thereof;
- A documentation component for documenting LEED™ credits in the plans, specifications and design analyses, where applicable; and
- Sustainability audits and assessment processes, which shall include evaluation processes and tools to provide information and analyses needed to support sustainability goals of the Schools. These audits and processes include, but are not limited to:
 - Energy modeling: utilizing the latest software tools to predict the energy consumption of a School and identify and evaluate energy-saving strategies;
 - Lighting design: designing end-user space to make the most use of natural lightning as well as energy efficient lighting systems; and
 - Commissioning: developing process for new construction which optimize building performance and incorporate sustainability goals; and
- Waste management plan and implementation process, which shall include plans for reducing waste, recycling and salvaging of materials for the Project. The School Boards will be responsible for waste management after School Availability for each School.

The Preferred Proponent’s response to this SR will form a component of Schedule 4 (Contractor’s Management Systems and Plans) of the DBFM Agreement.

SR 2.8 Safety Plan

Provide a Safety Plan that shall include the following, without limitation:

- Safety training program;
- Incident reporting system;
- Accidents prevention program;
- Compliance with regulatory requirements;
- Roles and responsibilities of safety personnel; and

- Program for integrating safety plans with the School Boards' safety plans and policies.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.9 Security Clearance Process

In compliance with section 5.4 of the Technical Requirements, provide processes for the following:

- Responding to School Board security concerns regarding Contractor's and subcontractor's employees;
- Responding to the Province's security concerns regarding Contractor's and subcontractor's employees; and
- Obtaining regular updates of employees or subcontractor staff criminal record searches and *Child Intervention Record Checks* for the duration of the M&R Period.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

2.10 Maintenance Plan

Provide a Maintenance Plan that will demonstrate the approach and methodologies that will be used to satisfy the Proponent's obligations, duties and responsibilities covering the School M&R Period and the M&R Period and reflect and achieve compliance with the M&R Requirements.

SR 2.10.1 Inspections

Include a schedule and basic definitions and scope for the inspections. The plan is to include, but not be limited to:

- When and how the inspections and monitoring will be performed;
- What basic information will be provided; and
- How and when this inspection information will be reported for the purpose of advising on issues relating to the general safety of the ASAP III DBFM Project.

SR 2.10.2 Schools' Maintenance Plan

Address, at a minimum, each of the following issues relevant to the overall maintenance and renewal of the Schools:

2.10.2.1 Overall Maintenance and Renewal Strategy

Address the following items:

- The key activities of the overall Maintenance and Renewal strategy and how these activities will be delivered;
- The Successful Proponent's plan for monitoring the Schools for hazards and physical condition in general;
- Core staffing and subcontractor plan envisioned for Maintenance and Renewal;
- A structured approach for the labelling and numbering of each School's building components, equipment and systems (including information about the cycle schedule, location, equipment number, a description of the maintenance that the Successful Proponent will be performing, and necessary equipment specifications (i.e. part #, model #, serial # etc.)); and
- Communications systems to be employed by the Successful Proponent to call in staff and co-ordinate operations between the supervisor and contractors and operators.

2.10.2.2 Scheduled or Periodic Maintenance

Provide a description of the scheduled or periodic maintenance work to be carried out by the Successful Proponent including:

- A process to identify, schedule, and undertake periodic maintenance activities that, to the greatest extent possible, will ensure efficiency, life cycle enhancement and minimal disruption to School operations;
- A process to identify, schedule, and undertake periodic maintenance activities that are in accordance with manufacturers' recommended maintenance schedules or good industry practice;
- A list of periodic maintenance activities planned to be undertaken during the ASAP III DBFM Project;
- A process for communication of the periodic maintenance activity schedule with the Province and the School Boards; and
- A process to be used for the development of the detailed preventative maintenance plan to ensure that the Schools function in such a manner so as to meet the Technical Requirements.

2.10.3 Renewal Management Plan

Submit a plan for renewal activities to be performed for the M&R Period that outlines what actions are to be completed and when and identifies the major equipment and building components requiring cyclical maintenance that have predictable life spans throughout the School M&R Period and the M&R Period. The Renewal Management Plan must include expected life of major systems and equipment having regard to the Handback Requirements.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.11 Emergency Response Plan

Present a complete emergency response plan that details the manner and timing of reaction to emergencies to ensure public safety and the protection of property. The following items should be addressed:

- An activation process for mobilizing crews on short notice in the event of emergencies;
- A contingency plan in the event that primary staff cannot be reached;
- Training to be given staff (both Contractor's staff and School Boards' staff) with respect to the Contractor's and the School Boards' emergency responses and procedures;
- Communication strategies with the Province, the School Boards, the public, the media, local authorities, utility companies, police, and fire department;
- An administrative process for collection of costs from accidents from the responsible party;
- A strategy in regard to practices and procedures for prompt repair of Schools due to accidents;
- A strategy with respect to administration of fire calls from local fire departments; and
- A strategy with respect to the practice and administration of debris removal and recycling.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.12 Handback on Expiry Plan

Provide a Handback on Expiry Plan with detailed information on the plan to hand over the responsibilities for the M&R of the Schools to the respective School Boards at the expiry of the Term. The Handback on Expiry Plan must include plans for the following requirements:

- Training sessions for the relevant School Board staff or contractor of the School Board that includes, but is not limited to, a description of:
 - Systems;
 - Design parameters, constraints and operational requirements;
 - System operation strategies;
 - Troubleshooting procedures;
 - Detailed information on all major equipment;
 - How the equipment operates and recommended preventative maintenance;
 - Demonstrations on the operation of all systems and major equipment, including; start-up, operation and shut down; and
 - Preventive maintenance, performance testing and balancing and troubleshooting.

- On a School by School basis, delivery of records and information pertaining each School to the Province, including, but not limited to, a description of :
 - The physical characteristics of each School and area;
 - A list of all systems and equipment;
 - Up-to date CAD “as built” drawings showing the current “as built” condition for each School;
 - Current inspection and test certificates and related documentation confirming compliance to regulated aspects of building maintenance and renewal, occupational health and safety;
 - A detailed listing of all subcontracts in place, four months prior to the expiration of the DBFM Agreement;
 - Complete documentation of all preventive maintenance, including a list of all inventory, checklists and records of preventive maintenance inspections and maintenance work for a period of ten years prior to the expiration of the DBFM Agreement;
 - Project files for all M&R completed ten years prior to the expiration of the DBFM Agreement; and
 - Current information for all systems and major equipment and building components, including systems and controls descriptions and schematics, operating manuals and instructions, maintenance tasks and schedules, spare parts list, suppliers and contractors used, shop drawings, and any current warranties and bonds relating to the equipment.

The Preferred Proponent’s response to this SR will form a component of Schedule 4 (Contractor’s Management Systems and Plans) of the DBFM Agreement.

SR 2.13 Collaboration Plan

Provide a Collaboration Plan that includes a plan and framework for the Contractor to participate with the Province, the relevant Municipalities and the School Boards, and any other interested stakeholder the Contractor identifies, in meetings to collaborate on Project requirements, access issues, coordination issues and any other issues arising during the Construction Period, the intent being that the involvement of these stakeholders with respect to any issues arising during the construction of the School is to lead to a quicker and more satisfactory resolution.

For the M&R Period, the Collaboration Plan shall include a plan and framework for the Contractor to participate with the Province and the School Boards to discuss M&R performance issues, custodial services, general communication of the stakeholders, and any other matters arising in connection with the cleaning, maintenance, repairs and renewal of the Schools, the intent being that the involvement of all stakeholders with respect to these issues, is to result in greater cooperation and better services provided by

all during the M&R Period. Recognizing that the Schools will have to adapt over time to changes in the School Boards' programming requirements (including by Change Order where applicable) the Collaboration Plan shall include details concerning how the Contractor would collaborate with the Province and School Boards to respond to and implement such changes in a timely fashion.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

SR 2.14 Public Communications Strategies

Provide a comprehensive communications plan that details communications strategies spanning the time from the identification of the Preferred Proponent to the end of the M&R Period. The Proponent's communications strategies are to address at a minimum the following:

- A plan to provide public relations that indicates the Proponent's methodology for a) utilizing the Province's key messages to respond to the general public's inquiries about the ASAP III DBFM Project specifically and the P3 approach generally, the Province's policies generally regarding school building funding or school design and design standards; b) directing such questions identified in a), received from interested stakeholders, to the appropriate branch or employee of the Province for further action; c) responding to public inquiries regarding construction matters including, but not, limited to materials, innovations and construction issues such as site safety, noise and site specific crisis management; d) for directing public inquiries about the School sites selection and School operation to the appropriate School Board and/or the Province;
- Management and staffing: names of key persons, their qualifications, and time committed to the public communications function;
- The type of information (including but not limited to construction schedule and materials, innovations, construction issues, environmental issues, traffic accommodation, and maintenance and renewal information) and level of detail in information to be exchanged between the Successful Proponent and the public, media, local authorities, emergency agencies, adjacent landowners, local community, interest groups, and other interested stakeholder agencies and environmental stakeholder groups during all phases of the ASAP III DBFM Project, and the identified communications tools (examples include 1-800 information line, website, newsletters, construction update open houses, site signs) that will be used to achieve this including the identification of personnel who will be involved;
- Expectations or targets for timely responses to public inquiries for the Proponent's various proposed communication tools (1-800 number, email, website, etc.);
- Involvement with stakeholder groups with particular reference to environmental, local community, and general construction impact issues;
- Maintenance of a high level of communication by the Successful Proponent among the School Boards, the Province, media, local authorities, emergency agencies, adjacent landowners, interest groups, and other interested stakeholder agencies;
- Public relations guidelines for the staff of the Successful Proponent and agents for communication

with the public;

- Maintenance of communication records for submission to the Province;
- Assistance and support for responding to questions from the public to the Ministers of Education and of Infrastructure;
- A mechanism for establishing efficient and effective communication among the Proponent, the Province and the School Boards;
- A plan to provide media/public relations that indicates the Proponent's methodology for responding to media inquiries regarding construction matters including, but not, limited to materials, innovations and construction issues such as site safety, noise and site specific crisis management;
- A crisis communication strategy; and
- Other methods of dispensing information to and interacting with the public.

The Preferred Proponent's response to this SR will form a component of Schedule 4 (Contractor's Management Systems and Plans) of the DBFM Agreement.

Envelope B

SR 2.15 Financial Capacity

Confirm the financial capacity of the Proponents and their 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 Functional Lead Team Members, as well as for any Team Member who is part of the Project Lead but is not otherwise a Functional Lead Team Member, and/or for any proposed guarantors and equity providers for which financial information was submitted in the Proponent's RFQ response, signed by the chief financial officer or other authorized officer of each respective entity. In the event there is a material adverse change the Proponent shall identify such a change, describe it and provide an explanation of the impact that the material adverse change is anticipated to have on the Proponent's continued participation in the RFP process and if selected as Preferred Proponent, the Execution of the DBFM Agreement and the performance of the DBFM Agreement. The Province reserves the right to request further evidence of financial capacity in its sole discretion.

SR 2.16 Insurance

The Successful Proponent's insurance program must meet or exceed the mandatory insurance requirements, as required under the DBFM 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 11 of the DBFM Agreement and Schedule 11 (Insurance Requirements) of the DBFM Agreement.

If a Proponent proposes to have additional conditions, exclusions or endorsements apply to the insurance coverages or conditions specified in section 11 or Schedule 11 (Insurance Requirements) of the DBFM Agreement then such conditions, exclusions or endorsements must be itemized, including proposed wording, in the Proponent's response to this SR 2.16. The Province 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 Province similar to Form E in Appendix 2, confirming that the insurance requirements set out in the DBFM 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 M&R 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 DBFM 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.

SR 2B.o Submission Requirement Package 2B

SINCE PORTIONS OF THE SUCCESSFUL PROPONENT’S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE DBFM AGREEMENT AS SCHEDULES, WHEN PREPARING SR PACKAGE 2B, PROponents MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFM AGREEMENT, INCLUDING THOSE USED IN THE TECHNICAL REQUIREMENTS.

The SR Package 2B consists of the following items that must be provided by each Proponent:

- SR 2B.1 – General/Proponent information (including Forms A3, B1 and B2 in Appendix 2)
- Envelope A
 - SR 2B.2 – Certain components of SR Package 1, as clarified through the SR Package 2 evaluation and clarification process, or required by addenda to the RFP.
 - SR 2B.3 – SR Package 2 Envelope A, as clarified through the SR Package 2 evaluation and clarification process, or required by addenda to the RFP.
- Envelope B
 - SR 2B.4 – Financial Capacity (Form D in Appendix 2)
- Envelope C
 - SR 2B.5 – Indicative Financing Plan
 - SR 2B.6 – Indicative Financial Model

The Indicative Financing Plan (SR 2B.5) and Indicative Financial Model (SR 2B.6) are intended to provide the Province with an early indication of the Proponent’s Final Financing Plan and Final Financial Model for the ASAP III DBFM Project in order to expedite the review of the Final Financing Plan and Final Financial Model submitted as part of the Proponent’s SR Package 3. The Indicative Financing Plan and Indicative Financial Model are for information only although the Province reserves the right to ask clarification questions of Proponents.

The SR Package 2B is submitted in three separate, sealed envelopes as described above plus General/Proponent information.

SR2B.1 General/Proponent Information

Provide the following items:

- The names, titles, and employers of the Proponent’s team who are responsible for preparing the Proponent’s SR Package 2B.

- A description of the Team Members who constitute the Proponent and their respective roles in the form of Form A3 in Appendix 2.
- Declaration letters in the form of Form B1 and B2 in Appendix 2 from the Contact Organization and each Lead Team Member and the Project Lead (if not otherwise a Lead Team Member).

Envelope A

SR 2B.2 Portions of SR Package 1 as Clarified

Re-submit SR 1.2 (Management Plan) in SR Package 1 incorporating the outcome of the Province's clarification questions and the Proponent's answers, if any, and making no other changes. Proponents are required to submit a clean restated version and a separate version showing the outcomes of the Province's clarification questions and the Proponent's answers made to the original SR 1.2 (Management Plan) in SR Package 1 Submission via black lining and making no other changes.

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

Re-submit all components in SR Package 2 Envelope A (i.e., SR 2.2 to SR 2.14) with clarifications resulting from the Province's clarification questions or required by addenda to the RFP but with **NO OTHER CHANGES**. Proponents are required to submit a clean restated version and a separate version showing the outcomes of the Province's clarification questions and the Proponent's answers made to the original SR Package 2 Envelope A via black lining and making no other changes.

Envelope B

SR 2B.4 Financial Capacity

Confirm the financial capacity of the Proponents and their 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 Functional Lead Team Members, as well as for any Team Member who is part of the Project Lead but is not otherwise a Functional Lead Team Member, and/or for any proposed guarantors and equity providers for which financial information was submitted in the Proponent's RFQ response, signed by the chief financial officer or other authorized officer of each respective entity. In the event there is a material adverse change the Proponent shall identify such a change, describe it and provide an explanation of the impact that the material adverse change is anticipated having upon the Proponent's continued participation in the RFP process and if selected as Preferred Proponent, the Execution of the DBFM Agreement and the performance of the DBFM Agreement. The Province reserves the right to request further evidence of financial capacity in its sole discretion.

Envelope C

SR 2B.5 Indicative Financing Plan (for information only)

Provide the Proponent's indicative financing plan for the ASAP III DBFM Project which reflects the financing plan the Proponent currently (i.e. at the time of SR Package 2B submission) intends to implement for the ASAP III DBFM Project. The Proponent should show that it has planned sufficient financing for the ASAP III DBFM Project for the term of the DBFM Agreement, including all design, construction, Maintenance and Renewal, showing the timing of required funds for requirements such as Maintenance and Renewal.

Include full details of the financial structure and instruments proposed. The sources of financing should match the applications of funds throughout the Construction Period and the M&R Period. The Indicative Financing Plan should include:

- A breakdown of capital costs;
- A quarterly schedule showing the calculations of net interest during construction based on the Proponent's financing plan and the magnitude and phasing of capital costs for the ASAP III DBFM Project;
- A quarterly capital cost and financing plan schedule;
- Details on the ownership and financing of the ASAP III DBFM Project through the M&R 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; and
 - 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;
- Evidence that the Indicative Financing Plan is robust when tested against reasonable downside scenarios, including those referenced under the subheading “Sensitivities” within SR 2B.6.2-Required Inputs and Outputs; and
 - To the extent that risk is to be managed or mitigated through subcontracting the Proponent’s responsibilities to its members or others, additional financial measures and forms of security that may be required from those subcontractors should be provided. This is particularly important during the Construction Period in relation to the supply of civil construction services, equipment and integration services, but may also apply during the M&R Period. Proponents should set out their subcontracting strategy for the ASAP III DBFM Project that includes the structure of any subcontracting arrangements and summary details of the mechanisms and/or standby that would be put in place to give comfort to the Province and lenders.

SR 2B.6 Indicative Financial Model (for information only)

Submit an Indicative Financial Model in both electronic and hard copy. The Indicative Financial Model should be supported by:

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

SR 2B.6.1 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, the School M&R Period and the M&R Period;
- It should be presented in either thousands or millions of Canadian dollars to two (2) 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 (if any);
- Cells containing hard-coded entry should be coloured blue;
- All sheets should be set up to print clearly and legibly on 8½” x 11” 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 Financial Model should be in monthly periods during the Construction Period and either monthly or quarterly periods during the Term;
- The Financial Model start date should be January 1, 2012; and
- Project Start Date should be assumed to be September 1, 2012.

SR 2B.6.2 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 maintenance and renewal costs assumptions with all insurance costs specifically identified;
- Taxation assumptions;
- Payment mechanism assumptions clearly identifying Provincial Funding, Capital Payments, M&R Payments (including specific reference to Renewal Payments); and

- A scenario control sheet.

Outputs:

- Summary outputs;
- Sources and uses of funding;
- 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 Financing Plan;
- Financial ratios as required by investors as appropriate to the capital structure set out in the Financing Plan; and
- Calculation of the Weighted Average Cost of Capital clearly showing the cashflows used to calculate it. The WACC should result in a net present value of zero for the sum of the present values for all capital (debt and equity) inflows and outflows.

Sensitivities:

The Indicative Financial Model should allow sensitivities to be run on key input parameters, including at a minimum in the following areas by changing the contents of input cells:

- Changes in inflation rates;
- Changes to interest rates;
- Amounts of debt and equity;
- Changes to capital and M&R costs; and
- Delays in completion.

SR 2B.6.3 Assumptions Book

Provide sufficient detail in an assumptions book for a duplicate 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 maintenance and renewal cost schedules with all insurance costs specifically identified;
- 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 Province may require the Proponent to resolve differences between the Indicative Financial Model and the assumptions book.

SR 2B.6.4 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 Province to change inputs and run sensitivities in the areas set out in SR 2B.6.2 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.

SR 3.0 Submission Requirement Package 3

SINCE PORTIONS OF THE SUCCESSFUL PROPONENT'S SR PACKAGE SUBMISSIONS WILL BE INCORPORATED INTO THE DBFM AGREEMENT AS SCHEDULES, WHEN PREPARING SR PACKAGE 3, PROponents MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFM AGREEMENT, INCLUDING THOSE USED IN THE TECHNICAL REQUIREMENTS.

The SR Package 3 consists of the following items that must be provided by each Proponent:

- SR 3.1 – General/Proponent information (including Form A3 and Forms C1 and C2 in Appendix 2)
- Envelope A
 - SR 3.2 – Final Financial Model
 - SR 3.3 – Final Financing Plan
- Envelope B
 - SR 3.4 – Financial Offer (Forms G1 and G2 in Appendix 2)
 - SR 3.5 – Proposal Deposit of \$1 million and the Preferred Proponent Deposit of \$10 million (pass/fail evaluation) (Sample Forms of Letters of Credit in Forms F1 and F2 in Appendix 2)

The Final Financial Model (SR3.2) and the Final Financing Plan (SR 3.3) are for information only although the Province reserves the right to ask clarification questions of Proponents.

The SR Package 3 is submitted in three separate, sealed envelopes as described above plus General/Proponent information.

SR 3.1 General/Proponent Information

- Proponent identification
- A description of the Team Members who constitute the Proponent and their respective roles in the form of Form A3 in Appendix 2.
- Declaration letters in the form of Form C1 and Form C2 in Appendix 2 from the Contact Organization and each Functional Lead Team Member and the Project Lead (if not otherwise a Functional Lead Team Member).

Envelope A

SR 3.2 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 2 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 Province;
- The Final Financial Model should be substantially consistent with the Financial Offer, such that the cash inflows in the model reconcile with the Capital Payments, M&R Payments and Provincial Funding 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 3.3 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 Province;
- A comprehensive reconciliation between the indicative and the final versions of the Financing Plan should be provided with an explanation for each change made to the assumptions and structure of the model; and
- The Final Financing Plan should be substantially consistent with the Financial Offer.

Envelope B

SR 3.4 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) and 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 M&R Period expressed in nominal dollars; and
- M&R Payments, Maintenance Payments and Renewal Payments are to be stated in constant 2012 dollars.

Proponents must ensure that their proposed Capital Payments and M&R Payments (including Maintenance Payments and Renewal Payments) are consistent with their estimated costs and timing for the corresponding underlying activities.

SR 3.5 Proposal Deposit and Preferred Proponent Deposit

Provide a Proposal Deposit and a Preferred Proponent Deposit (Forms of Letters of Credit in Forms F1 and F2 in Appendix 2).

Appendix 2

Required Forms

Appendix 2 – Required Forms

Form A1 – Declaration for SR Package 1 for the Proponent

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: ASAP III DBFM Project – Request for Proposals (“RFP”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011 **[NTD: Insert 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, 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.

We confirm that the Proponent is aware of and agrees to the Assignment of Intellectual Property outlined in the Attachment to this Declaration.

Yours truly,
[NTD: Insert name of Contact Organization]

Per: _____
[NTD: Insert name of Contact Individual]

Name: _____

Position: _____

Telephone: _____

Attachment to Declaration (Form A1) for SR Package 1 – Assignment of Intellectual Property

By submitting the Proposal or otherwise communicating to the Province on matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, this Proponent transfers and assigns unto the Province any and all Copyrights. This Proponent ensures the Province that it has become the owner of Copyrights as they have arisen from time to time and accordingly it has become qualified to make this Copyright assignment(s) in favour of the Province. This Proponent has also ensured that the first owners of Copyrights have waived their copyright moral rights in written documents. Copies of assignments of copyrights from first authors and waivers shall be provided to the Province at no cost and the original shall be available for inspection by the Province and its agents on reasonable terms. The Proponent agrees to assist the Province in understanding, documenting, and in applying for registration for copyright(s) for any works, including executing such documentation as is reasonable and proper and within a reasonable time thereafter.

Unless otherwise agreed to in writing, all New Technology shall be owned by the Province. For good and valuable consideration receipt of which is acknowledged, all New Technology is hereby transferred to the Province. For greater certainty the rights of the Province hereunder include, but are not limited to, providing the Province with the right to design, construct, operate and maintain the Schools using New Technology without obtaining the further consent of this Proponent.

The Proponent agrees to assist the Province in understanding, documenting and applying for registration for patent(s) for any New Technology, including executing such documentation as is reasonable and proper and within reasonable time thereafter.

Notwithstanding anything contained in the RFP as to the purpose for the submission of Proposals, the Province may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in the Proposal and in any communication surrounding the Proposal provided by the Proponent or its agents, for any purpose whatsoever including but not limited to use of portions of ideas, information, enhancements to the evaluation criteria and designs contained therein in other of the Province’s and School Boards’ projects and in the development and negotiation of future contractual relationships. For clarity, the Province has the rights to use concepts, ideas, suggestions and directions contained in any and all Proposals submitted.

The Province agrees to, upon request, to provide a royalty-free, perpetual license back to the Proponent, which has created Copyrights and New Technology, for its unfettered use in incorporating same into future or other projects and in licensing to its clients as required in other projects. This license does not carry any obligations on the Province whatsoever and does not require it to register or enforce registered rights in regard to Copyrights and New Technology.

This Proponent hereby indemnifies the Province and its related parties including but not limited to its elected officials, officers, employees, agents and advisors, and hereby agrees to hold them harmless against all claims, suits, proceedings, demands and actions arising out of or in any way connected with copyrights, patent or other intellectual property infringement rights asserted by others against the Province, including for all damages, judgements, costs, fees and expenses (including legal fees on a solicitor and his own client basis) as a result of the Province owning, using or benefiting from the use of the Proposal or from designing, building, operating and maintaining the Schools that is contained in the Proposal.

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

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott, Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“RFP”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011
[NTD: Insert name of Proponent] (the “Proponent”) [NTD: Insert name of Contact Organization] (the “Contact Organization”) [NTD: Insert name of Functional Lead Team Member or Project Lead (if not otherwise a Functional 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, [NTD: Insert 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, 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 is aware of and agrees to the Assignment of Intellectual Property outlined in the Attachment to this Declaration.

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 ASAP III DBFM Project.

Yours truly,

[NTD: Insert name of Authorized Representative]

Name: _____

Position: _____

Company: _____

Telephone: _____

Attachment to Declaration (Form A2) for SR Package 1 – Assignment of Intellectual Property

By submitting the Proposal or otherwise communicating to the Province on matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, the Proponent is authorized to transfer and assign unto the Province any and all Copyrights. The Proponent is able to ensure the Province that it has become the owner of Copyrights as they have arisen from time to time and accordingly it has become qualified to make this Copyright assignment(s) in favour of the Province. The Proponent has also ensured that the first owners of Copyrights have waived their copyright moral rights in written documents. Copies of assignments of copyrights from first authors and waivers shall be provided to the Province at no cost and the original shall be available for inspection by the Province and its agents on reasonable terms. The Proponent is authorized to agree to assist the Province in understanding, documenting, and in applying for registration for copyright(s) for any works, including executing such documentation as is reasonable and proper and within a reasonable time thereafter.

Unless otherwise agreed to in writing, all New Technology shall be owned by the Province. For good and valuable consideration, receipt of which is acknowledged, all New Technology is hereby transferred to the Province. For greater certainty the rights of the Province hereunder include, but are not limited to, providing the Province with the right to design, construct, operate and maintain the Schools using New Technology without obtaining the further consent of the Proponent.

The Proponent is authorized to agree to assist the Province in understanding, documenting and applying for registration for patent(s) for any New Technology, including executing such documentation as is reasonable and proper and within reasonable time thereafter.

Notwithstanding anything contained in the RFP as to the purpose for the submission of Proposals, the Province may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in the Proposal and in any communication surrounding the Proposal provided by the Proponent or its agents, for any purpose whatsoever including but not limited to use of portions of ideas, information, enhancements to the evaluation criteria and designs contained therein in other of the Province's and School Boards' projects and in the development and negotiation of future contractual relationships. For clarity, the Province has the rights to use concepts, ideas, suggestions and directions contained in any and all Proposals submitted.

The Province agrees to, upon request, to provide a royalty-free, perpetual license back to the Proponent, which has created Copyrights and New Technology, for its unfettered use in incorporating same into future or other projects and in licensing to its clients as required in other projects. This license does not carry any obligations on the Province whatsoever and does not require it to register or enforce registered rights in regard to Copyrights and New Technology.

The Lead hereby indemnifies the Province and its related parties including but not limited to its elected officials, officers, employees, agents and advisors, and hereby agrees to hold them harmless against all claims, suits, proceedings, demands and actions arising out of or in any way connected with copyrights, patent or other intellectual property infringement rights asserted by others against the Province, including for all damages, judgements, costs, fees and expenses (including legal fees on a solicitor and his own client basis) as a result of the Province owning, using or benefiting from the use of the Proposal or from designing, building, operating and maintaining the Schools that is contained in the Proposal.

Form A3 – Description of Proponent Team Members[^]

Team Member Category	Team Member (Company/Firm Name)	Indicate if Functional Lead	Primary Role and Responsibility	Lead Key Individuals (Name and Title)
Project Lead		N/A		
•		N/A		
•		N/A		
Design-Construction				
•				
•				
M&R				
Financing				

[^]Refer to the Proponent’s obligations regarding changing Team Members as set out in Section 6.3 of this RFP.

Form B – Declaration for SR Package 2

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“**RFP**”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011 **[NTD: Insert 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,

[NTD: Insert name of Contact Organization]

Per: _____

[NTD: Insert name of Contact Individual]

Name: _____

Position: _____

Telephone: _____

Form B1 – Declaration for SR Package 2B

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“**RFP**”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011 **[NTD: Insert 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 DBFM Agreement in its final form with the elements of SR Package 2B provided with this declaration incorporated in accordance with the RFP.

Yours truly,

[NTD: Insert name of Contact Organization]

Per: _____

[NTD: Insert name of Contact Individual]

Name: _____

Position: _____

Telephone: _____

Form B2 – Declaration for SR Package 2B for Lead Team Members and Project Lead

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[Date]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“RFP”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011 **[NTD: Insert name of Proponent]** (the “Proponent”)

[name of Proponent] (the “Proponent”)
[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 C1 – Declaration for SR Package 3 for the Proponent

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“RFP”) for the design, build, finance, maintain of twelve schools in central and southern Alberta dated December 1, 2011 **[NTD: Insert 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 Successful Proponent will execute the DBFM Agreement in its final form as provided without negotiation or amendment, 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 pursuant to the DBFM Agreement.

Notwithstanding the above, we acknowledge that if named Preferred Proponent, the Successful Proponent will comply with the Technical Requirements in the design, construction, Maintenance and Renewal of the ASAP III DBFM Project.

We confirm that we have authorized our insurers and insurance brokers to cooperate with the Province’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 DBFM Agreement have been met. We acknowledge that this cooperation is beneficial in order to allow the Province to clarify and confirm the required insurance coverages prior to the execution of the DBFM Agreement.

Yours truly,

[NTD: Insert name of Contact Organization]

Per: _____
[NTD: Insert name of Contact Individual]

Name: _____

Form C2 – Declaration for SR Package 3 for Functional Lead Team Members and Project Lead

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“RFP”) for the design, build, finance, maintain of twelve schools in central and southern Alberta dated December 1, 2011_ **[NTD: Insert name of Proponent]** (the “Proponent”) **[NTD: Insert name of Functional Lead Team Member or Project Lead (if not otherwise a Functional 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, **[NTD: Insert 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,

[NTD: Insert name of Authorized Representative]

Name: _____

Position: _____

Company: _____

Telephone: _____

Form D – Certificate of No Material Adverse Change

Note: For use in SR Package 2 and SR Package 2B

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: **ASAP III DBFM Project** – Request for Proposals (“RFP”) for the design, build, finance, maintain of thirteen schools in central and southern Alberta dated December 1, 2011

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 submission to the RFQ to _____ **[NTD: Insert date which is no more than five Business Days before the deadline for SR Package 2 and 2B as 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 in order to keep those statements from being misleading,

we will immediately disclose these events to the Province.

Yours truly,

**[NTD: Insert name of Contact Individual or
Authorized Representative]**

Name: _____

Position: _____

Company: _____

Telephone: _____

Form E – Sample Insurance Broker’s Letter

Note: For use in SR Package 2

Alberta Infrastructure
ASAP III DBFM Project

Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[DATE:]

Attention: Mr. Fred DeMott
Project Director

Dear Mr. DeMott:

Re: Insurances – ASAP III DBFM Project – [NTD: Insert name of Proponent] (the “Proponent”)

[NTD: Insert Name of 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 Request for Proposals for the ASAP III DBFM Project.

[NTD: Insert Name of Insurance Broker(s)] has examined the Request for Proposals documents, including the DBFM Agreement and the insurance requirements stipulated in section 11 of the DBFM Agreement and Schedule 11 (Insurance Requirements) to the DBFM 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 **[NTD: Insert name 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 Request for Proposals, including section 11 of the DBFM Agreement and Schedule 11 to the DBFM Agreement, and we know of no impediment as of the date of this letter to our producing evidence of insurance meeting all of the insurance requirements stipulated in the Request for Proposals documents, including the DBFM Agreement, except for those exceptions identified above, with coverage to take effect not later than the date of execution of the DBFM Agreement (or later, as provided for therein), and to continue until throughout **[the Construction Period/M&R Period]**.

I have signed this Insurance Brokers’ Letter in my capacity as an authorized representative of **[NTD: Insert name 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: Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[NTD: Insert date]

[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP] **Applicant:** *[NTD: Insert (name of Proponent) or (name of applicant “on behalf of” name of Proponent)]*

1. We hereby authorize you to draw on *[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP and branch address]* for the account of *[NTD: Insert (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 dated December 1, 2011 issued by Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure (“**INFRA**”) for the design, build, finance, maintenance, and renewal of twelve new schools in central and southern Alberta (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 Deputy Minister of Alberta Infrastructure, certifying that the Province is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue until *[NTD: 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.

[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP]

(Authorized Signature)

(Authorized Signature)

Form F2 – Sample Form of Letter of Credit for Preferred Proponent Deposit

Beneficiary: Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure

Alberta Infrastructure
 ASAP III DBFM Project
 Main Floor, Infrastructure Building
 6950 – 113 Street
 Edmonton, AB, Canada
 T6H 5V7

[NTD: Insert date]

[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP] **Applicant:** *[NTD: Insert (name of Proponent) or (name of applicant “on behalf of” name of Proponent)]*

1. We hereby authorize you to draw on *[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP and branch address]* for the account of *[NTD: Insert (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 dated December 1, 2011 issued by Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure (“**INFRA**”) for the design, build, finance, maintenance, and renewal of twelve new schools in central and southern Alberta (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 Deputy Minister of Alberta Infrastructure certifying that the Province is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue until *[NTD: Subject to the last sentence of the fourth paragraph of Section 5.10 (Proposal Deposit and Preferred Proponent Deposit), 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.

[NTD: Insert name of bank or other financial institution meeting requirements of Section 5.10 of ITP]

(Authorized Signature)

(Authorized Signature)

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

Beneficiary: Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure

Alberta Infrastructure
ASAP III DBFM Project
Main Floor, Infrastructure Building
6950 – 113 Street
Edmonton, AB, Canada
T6H 5V7

[NTD: Insert date]

[NTD: Insert name of bank or other financial institution meeting requirements of the DBFM Agreement] **Applicant:** *[NTD: Insert (name of Proponent) or (name of applicant “on behalf of” name of DBFM Contractor)]*

1. We hereby authorize you to draw on *[NTD: Insert name of bank or other financial institution meeting requirements of the DBFM Agreement and branch address]* for the account of *[NTD: Insert name of and address of DBFM Contractor or (name of applicant “on behalf of” name of DBFM Contractor)]* (“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 and Maintain Twelve New Schools in Central and Southern Alberta dated ●, 2012 entered into by Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure and the Minister of Education and *[NTD: Insert name of DBFM Contractor]*, as same may be amended and supplemented from time to time (the “**DBFM 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 3 hereof, upon delivery of a written certificate of the Deputy Minister of Alberta Infrastructure certifying that the Province is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue until *[NTD: 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.

[NTD: Insert name of bank or other financial institution meeting requirements of the DBFM Agreement]

(Authorized Signature)

(Authorized Signature)

Form G1 – Financial Offer Form

Note: For use in SR Package 3

Please complete the following Financial Offer Form.

Note: For use in SR Package 3

Please complete the following Financial Offer Form.

Table 1 – Provincial Funding

The Province will be calculating the Provincial Funding by taking the amount of one full month's Capital Payments from Column B of Table 2, below, and multiplying such amount by: **187**.

Table 2 – Capital and M&R Payments

In completing the Financial Offer, Proponents must demonstrate that their proposed Capital Payments, M&R Payments (including Renewal Payments,) are consistent with their estimated costs and their estimated timing for the corresponding underlying activities. For example, Proponents should not plan for using Capital Payments to fund M&R activities and vice versa.

Please note the following regarding the Form of Table 2:

¹Capital Payments in Column B are to be identical throughout the M&R Period expressed in nominal dollars.

²Renewal Payments in Column D and Maintenance Payments in Column E are to be stated in constant 2012 dollars.

³M&R Payments in Column C are to be the sum of Renewal Payments (Column D) and Maintenance Payments (Column E) for the corresponding month periods in Column A.

⁴The M&R Payments stated in constant 2012 dollars will be converted to nominal dollars for the purpose of comparison of Financial Offers. For the financial evaluation of the Financial Offers, the M&R Payments in constant 2012 dollars shall be converted to nominal dollars by multiplying the figures in Column C by an estimated inflation rate from 2012 as 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:

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

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 M&R Payment in nominal dollars to be made to the Successful Proponent in each month period will be calculated by multiplying the figure in constant 2012 dollars in Column C by the plus the actual Index Factor applicable for that particular month, which is determined annually for each calendar year according to the DBFM Agreement.

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars)¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments^{2,3}
Jul 1-31, 2014				
Aug 1-31, 2014				
Sep 1- 30, 2014				
Oct 1-31, 2014				
Nov 1-30, 2014				
Dec 1-31, 2014				
Jan 1-31, 2015				
Feb 1-28, 2015				
Mar 1-31, 2015				
Apr 1-30, 2015				
May 1-31, 2015				
Jun 1-30, 2015				
Jul 1-31, 2015				
Aug 1-31, 2015				
Sep 1-30, 2015				
Oct 1-31, 2015				
Nov 1-30, 2015				
Dec 1-31, 2015				
Jan 1-31, 2016				
Feb 1-29, 2016				
Mar 1-31, 2016				
Apr 1-30, 2016				
May 1-31, 2016				
Jun 1-30, 2016				
Jul 1-31, 2016				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Aug 1-31, 2016				
Sep 1-30, 2016				
Oct 1-31, 2016				
Nov 1-30, 2016				
Dec 1-31, 2016				
Jan 1-31, 2017				
Feb 1-28, 2017				
Mar 1-31, 2017				
Apr 1-30, 2017				
May 1-31, 2017				
Jun 1-30, 2017				
Jul 1-31, 2017				
Aug 1-31, 2017				
Sep 1-30, 2017				
Oct 1-31, 2017				
Nov 1-30, 2017				
Dec 1-31, 2017				
Jan 1-31, 2018				
Feb 1-28, 2018				
Mar 1-31, 2018				
Apr 1-30, 2018				
May 1-31, 2018				
Jun 1-30, 2018				
Jul 1-31, 2018				
Aug 1-31, 2018				
Sep 1-30, 2018				
Oct 1-31, 2018				
Nov 1-30, 2018				
Dec 1-31, 2018				
Jan 1-31, 2019				
Feb 1-28, 2019				
Mar 1-31, 2019				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Apr 1-30, 2019				
May 1-31, 2019				
Jun 1-30, 2019				
Jul 1-31, 2019				
Aug 1-31, 2019				
Sep 1-30, 2019				
Oct 1-31, 2019				
Nov 1-30, 2019				
Dec 1-31, 2019				
Jan 1-31, 2020				
Feb 1-29, 2020				
Mar 1-31, 2020				
Apr 1-30, 2020				
May 1-31, 2020				
Jun 1-30, 2020				
Jul 1-31, 2020				
Aug 1-31, 2020				
Sep 1-30, 2020				
Oct 1-31, 2020				
Nov 1-30, 2020				
Dec 1-31, 2020				
Jan 1-31, 2021				
Feb 1-28, 2021				
Mar 1-31, 2021				
Apr 1-30, 2021				
May 1-31, 2021				
Jun 1-30, 2021				
Jul 1-31, 2021				
Aug 1-31, 2021				
Sep 1-30, 2021				
Oct 1-31, 2021				
Nov 1-30, 2021				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Dec 1-31, 2021				
Jan 1-31, 2022				
Feb 1-28, 2022				
Mar 1-31, 2022				
Apr 1-30, 2022				
May 1-31, 2022				
Jun 1-30, 2022				
Jul 1-31, 2022				
Aug 1-31, 2022				
Sep 1-30, 2022				
Oct 1-31, 2022				
Nov 1-30, 2022				
Dec 1-31, 2022				
Jan 1-31, 2023				
Feb 1-28, 2023				
Mar 1-31, 2023				
Apr 1-30, 2023				
May 1-31, 2023				
Jun 1-30, 2023				
Jul 1-31, 2023				
Aug 1-31, 2023				
Sep 1-30, 2023				
Oct 1-31, 2023				
Nov 1-30, 2023				
Dec 1-31, 2023				
Jan 1-31, 2024				
Feb 1-29, 2024				
Mar 1-31, 2024				
Apr 1-30, 2024				
May 1-31, 2024				
Jun 1-30, 2024				
Jul 1-31, 2024				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Aug 1-31, 2024				
Sep 1-30, 2024				
Oct 1-31, 2024				
Nov 1-30, 2024				
Dec 1-31, 2024				
Jan 1-31, 2025				
Feb 1-28, 2025				
Mar 1-31, 2025				
Apr 1-30, 2025				
May 1-31, 2025				
Jun 1-30, 2025				
Jul 1-31, 2025				
Aug 1-31, 2025				
Sep 1-30, 2025				
Oct 1-31, 2025				
Nov 1-30, 2025				
Dec 1-31, 2025				
Jan 1-31, 2026				
Feb 1-28, 2026				
Mar 1-31, 2026				
Apr 1-30, 2026				
May 1-31, 2026				
Jun 1-30, 2026				
Jul 1-31, 2026				
Aug 1-31, 2026				
Sep 1-30, 2026				
Oct 1-31, 2026				
Nov 1-30, 2026				
Dec 1-31, 2026				
Jan 1-31, 2027				
Feb 1-28, 2027				
Mar 1-31, 2027				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Apr 1-30, 2027				
May 1-31, 2027				
Jun 1-30, 2027				
Jul 1-31, 2027				
Aug 1-31, 2027				
Sep 1-30, 2027				
Oct 1-31, 2027				
Nov 1-30, 2027				
Dec 1-31, 2027				
Jan 1-31, 2028				
Feb 1-29, 2028				
Mar 1-31, 2028				
Apr 1-30, 2028				
May 1-31, 2028				
Jun 1-30, 2028				
Jul 1-31, 2028				
Aug 1-31, 2028				
Sep 1-30, 2028				
Oct 1-31, 2028				
Nov 1-30, 2028				
Dec 1-31, 2028				
Jan 1-31, 2029				
Feb 1-28, 2029				
Mar 1-31, 2029				
Apr 1-30, 2029				
May 1-31, 2029				
Jun 1-30, 2029				
Jul 1-31, 2029				
Aug 1-31, 2029				
Sep 1-30, 2029				
Oct 1-31, 2029				
Nov 1-30, 2029				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Dec 1-31, 2029				
Jan 1-31, 2030				
Feb 1-28, 2030				
Mar 1-31, 2030				
Apr 1-30, 2030				
May 1-31, 2030				
Jun 1-30, 2030				
Jul 1-31, 2030				
Aug 1-31, 2030				
Sep 1-30, 2030				
Oct 1-31, 2030				
Nov 1-30, 2030				
Dec 1-31, 2030				
Jan 1-31, 2031				
Feb 1-28, 2031				
Mar 1-31, 2031				
Apr 1-30, 2031				
May 1-31, 2031				
Jun 1-30, 2031				
Jul 1-31, 2031				
Aug 1-31, 2031				
Sep 1-30, 2031				
Oct 1-31, 2031				
Nov 1-30, 2031				
Dec 1-31, 2031				
Jan 1-31, 2032				
Feb 1-29, 2032				
Mar 1-31, 2032				
Apr 1-30, 2032				
May 1-31, 2032				
Jun 1-30, 2032				
Jul 1-31, 2032				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Aug 1-31, 2032				
Sep 1-30, 2032				
Oct 1-31, 2032				
Nov 1-30, 2032				
Dec 1-31, 2032				
Jan 1-31, 2033				
Feb 1-28, 2033				
Mar 1-31, 2033				
Apr 1-30, 2033				
May 1-31, 2033				
Jun 1-30, 2033				
Jul 1-31, 2033				
Aug 1-31, 2033				
Sep 1-30, 2033				
Oct 1-31, 2033				
Nov 1-30, 2033				
Dec 1-31, 2033				
Jan 1-31, 2034				
Feb 1-28, 2034				
Mar 1-31, 2034				
Apr 1-30, 2034				
May 1-31, 2034				
Jun 1-30, 2034				
Jul 1-31, 2034				
Aug 1-31, 2034				
Sep 1-30, 2034				
Oct 1-31, 2034				
Nov 1-30, 2034				
Dec 1-31, 2034				
Jan 1-31, 2035				
Feb 1-28, 2035				
Mar 1-31, 2035				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Apr 1-30, 2035				
May 1-31, 2035				
Jun 1-30, 2035				
Jul 1-31, 2035				
Aug 1-31, 2035				
Sep 1-30, 2035				
Oct 1-31, 2035				
Nov 1-30, 2035				
Dec 1-31, 2035				
Jan 1-31, 2036				
Feb 1-29, 2036				
Mar 1-31, 2036				
Apr 1-30, 2036				
May 1-31, 2036				
Jun 1-30, 2036				
Jul 1-31, 2036				
Aug 1-31, 2036				
Sep 1-30, 2036				
Oct 1-31, 2036				
Nov 1-30, 2036				
Dec 1-31, 2036				
Jan 1-31, 2037				
Feb 1-28, 2037				
Mar 1-31, 2037				
Apr 1-30, 2037				
May 1-31, 2037				
Jun 1-30, 2037				
Jul 1-31, 2037				
Aug 1-31, 2037				
Sep 1-30, 2037				
Oct 1-31, 2037				
Nov 1-30, 2037				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Dec 1-31, 2037				
Jan 1-31, 2038				
Feb 1-28, 2038				
Mar 1-31, 2038				
Apr 1-30, 2038				
May 1-31, 2038				
Jun 1-30, 2038				
Jul 1-31, 2038				
Aug 1-31, 2038				
Sep 1-30, 2038				
Oct 1-31, 2038				
Nov 1-30, 2038				
Dec 1-31, 2038				
Jan 1-31, 2039				
Feb 1-28, 2039				
Mar 1-31, 2039				
Apr 1-30, 2039				
May 1-31, 2039				
Jun 1-30, 2039				
Jul 1-31, 2039				
Aug 1-31, 2039				
Sep 1-30, 2039				
Oct 1-31, 2039				
Nov 1-30, 2039				
Dec 1-31, 2039				
Jan 1-31, 2040				
Feb 1-29, 2040				
Mar 1-31, 2040				
Apr 1-30, 2040				
May 1-31, 2040				
Jun 1-30, 2040				
Jul 1-31, 2040				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments ^{2,3,4}	Renewal Payments ^{2,3}	Maintenance Payments ^{2,3}
Aug 1-31, 2040				
Sep 1-30, 2040				
Oct 1-31, 2040				
Nov 1-30, 2040				
Dec 1-31, 2040				
Jan 1-31, 2041				
Feb 1-28, 2041				
Mar 1-31, 2041				
Apr 1-30, 2041				
May 1-31, 2041				
Jun 1-30, 2041				
Jul 1-31, 2041				
Aug 1-31, 2041				
Sep 1-30, 2041				
Oct 1-31, 2041				
Nov 1-30, 2041				
Dec 1-31, 2041				
Jan 1-31, 2042				
Feb 1-28, 2042				
Mar 1-31, 2042				
Apr 1-30, 2042				
May 1-31, 2042				
Jun 1-30, 2042				
Jul 1-31, 2042				
Aug 1-31, 2042				
Sep 1-30, 2042				
Oct 1-31, 2042				
Nov 1-30, 2042				
Dec 1-31, 2042				
Jan 1-31, 2043				
Feb 1-28, 2043				
Mar 1-31, 2043				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	M&R Payments _{2,3,4}	Renewal Payments _{2,3}	Maintenance Payments _{2,3}
Apr 1-30, 2043				
May 1-31, 2043				
Jun 1-30, 2043				
Jul 1-31, 2043				
Aug 1-31, 2043				
Sep 1-30, 2043				
Oct 1-31, 2043				
Nov 1-30, 2043				
Dec 1-31, 2043				
Jan 1-31, 2044				
Feb 1-28, 2044				
Mar 1-31, 2044				
Apr 1-30, 2044				
May 1-31, 2044				
Jun 1-30, 2044				

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 Province 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 DBFM Agreement. If a Proponent declines the price adjustment, the Capital Payment as stated in the Proponent’s Financial Offer will be incorporated into the DBFM Agreement without adjustment.

Capitalized terms used in this Form G2 that are the same as the capitalized terms used in Appendix 3 to this ITP, have the definitions as set out in Appendix 3 to this ITP. 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 following formula:

$$\text{Adjusted Weighted Average Cost of Capital} = W + \frac{\sum_{i=1}^{16} (FY_i - IY_i) \times |HA_i| \times \frac{IP_i}{100} + \sum_{i=1}^{15} (FR_i - IR_i) \times |SH_i|}{\sum_{i=1}^{16} |HA_i| \times \frac{IP_i}{100} + \sum_{i=1}^{15} |SH_i|}$$

- 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% November 1, 2013
 Government of Canada 0.75% May 1, 2014
 Government of Canada 1.00% February 1, 2015
 Government of Canada 2.00% June 1, 2016
 Government of Canada 1.50% March 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 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
 Government of Canada 3.50% December 1, 2045

“**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 Submission Requirement Package 3.

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

“**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 am Alberta 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.

$$\text{Final Bonds' Market Value} = \sum_{i=1}^{16} HA_i \times FP_i \div 100$$

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 DBFM Agreement as the Capital Payment component of the monthly payment payable by the Province. 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 am Alberta 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 less than two years 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.

$$\text{Final Swaps' Market Value} = \sum_{i=1}^{15} \text{HA}_i \times \text{FP}_i$$

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 am Alberta 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.

$$\text{Initial Bonds' Market Value} = \sum_{i=1}^{16} HA_i \times IP_i \div 100$$

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 am Alberta 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.

$$\text{Payment Adjustment Amount} = \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{360}}}$$

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

where: H = Hedge Gain/Loss

T = The number of years between the Total Availability Target Date (June 30, 2014) and the End Date, calculated as the number of days between the Total Availability 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 Total Availability Target Date, June 30, 2014.

“**Start Date**” means July 9, 2012 (*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 September 24, 2012 (*the expected date for Execution of the DBFM Agreement*).

“**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 Department 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 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 Province will conduct a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 9:00 am Alberta 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 1.50% November 1, 2013	100.256	1.264%	1.268%
Canada 0.75% May 1, 2014	99.172	1.275%	1.279%
Canada 1.00% February 1, 2015	99.205	1.345%	1.350%

Canada 2.00% June 1, 2016	102.023	1.433%	1.438%
Canada 1.50% March 1, 2017	100.175	1.459%	1.464%
Canada 4.25% June 1, 2018	114.513	1.568%	1.574%
Canada 3.75% June 1, 2019	113.286	1.641%	1.648%
Canada 3.50% June 1, 2020	112.680	1.729%	1.736%
Canada 3.25% June 1, 2021	111.370	1.827%	1.835%
Canada 2.75% June 1, 2022	107.242	1.926%	1.935%
Canada 8.00% June 1, 2027	172.482	2.196%	2.208%
Canada 5.75% June 1, 2029	147.507	2.303%	2.316%
Canada 5.75% June 1, 2033	153.665	2.432%	2.447%
Canada 5.00% June 1, 2037	146.230	2.483%	2.498%
Canada 4.00% June 1, 2041	131.720	2.453%	2.468%
Canada 3.50% December 1, 2045	123.515	2.459%	2.474%

*Bond prices reflect forward settlement: two business days after the Target End Date for bonds with maturities less than three years (September 26, 2012) and three business days after the Target End Date for all other bonds (September 27, 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	1.300%	1.300%
2 Year	1.510%	1.516%
3 Year	1.608%	1.615%
4 Year	1.694%	1.701%
5 Year	1.783%	1.791%
6 Year	1.886%	1.895%
7 Year	1.997%	2.007%
8 Year	2.097%	2.108%
9 Year	2.193%	2.205%
10 Year	2.286%	2.299%
12 Year	2.469%	2.485%
15 Year	2.662%	2.679%
20 Year	2.772%	2.791%
25 Year	2.710%	2.728%
30 Year	2.630%	2.647%

*Based on the swap terms listed in the definitions, including an effective date equal to the Target End Date (September 24, 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 1.50% November 1, 2013	(5,000,000)
Canada 0.75% May 1, 2014	(5,000,000)

Canada 1.00% February 1, 2015	12,500,000
Canada 2.00% June 1, 2016	12,500,000
Canada 1.50% March 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 2.75% June 1, 2022	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
Canada 3.50% December 1, 2045	12,500,000

Benchmark Swap	Swap Hedge Amount
1 Year	(5,000,000)
2 Year	(5,000,000)
3 Year	12,500,000
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
Weighted Average Cost of Capital	6.500%

3. Calculation of Initial Bonds' Market Value

Benchmark Bond	Initial Bond Price	Bond Hedge Amounts	Initial Bond Market Value
Canada 1.50% November 1, 2013	100.256	(5,000,000)	(5,012,800)
Canada 0.75% May 1, 2014	99.172	(5,000,000)	(4,958,600)
Canada 1.00% February 1, 2015	99.205	12,500,000	12,400,625
Canada 2.00% June 1, 2016	102.023	12,500,000	12,752,875
Canada 1.50% March 1, 2017	100.175	12,500,000	12,521,875
Canada 4.25% June 1, 2018	114.513	12,500,000	14,314,125
Canada 3.75% June 1, 2019	113.286	12,500,000	14,160,750
Canada 3.50% June 1, 2020	112.680	12,500,000	14,085,000
Canada 3.25% June 1, 2021	111.370	12,500,000	13,921,250

Canada 2.75% June 1, 2022	107.242	12,500,000	13,405,250
Canada 8.00% June 1, 2027	172.482	12,500,000	21,560,250
Canada 5.75% June 1, 2029	147.507	12,500,000	18,438,375
Canada 5.75% June 1, 2033	153.665	12,500,000	19,208,125
Canada 5.00% June 1, 2037	146.230	12,500,000	18,278,750
Canada 4.00% June 1, 2041	131.720	12,500,000	16,465,000
Canada 3.50% December 1, 2045	123.515	12,500,000	15,439,375
Initial Bonds' Market Value			206,980,225

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 September 24, 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 1.50% November 1, 2013	99.984	1.514%	1.520%
Canada 0.75% May 1, 2014	98.781	1.525%	1.531%
Canada 1.00% February 1, 2015	98.634	1.595%	1.601%
Canada 2.00% June 1, 2016	101.125	1.683%	1.690%
Canada 1.50% March 1, 2017	99.112	1.709%	1.716%
Canada 4.25% June 1, 2018	113.061	1.818%	1.826%
Canada 3.75% June 1, 2019	111.608	1.891%	1.900%
Canada 3.50% June 1, 2020	110.782	1.979%	1.989%
Canada 3.25% June 1, 2021	109.268	2.077%	2.088%
Canada 2.75% June 1, 2022	104.983	2.176%	2.188%
Canada 8.00% June 1, 2027	168.139	2.446%	2.461%
Canada 5.75% June 1, 2029	143.196	2.553%	2.569%
Canada 5.75% June 1, 2033	148.448	2.682%	2.700%
Canada 5.00% June 1, 2037	140.494	2.733%	2.752%
Canada 4.00% June 1, 2041	125.763	2.703%	2.721%
Canada 3.50% December 1, 2045	117.238	2.709%	2.727%

*The End Date is assumed to be September 24, 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 (September 26, 2012) and three days for all other bonds (September 27, 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	1.450%	1.450%
2 Year	1.660%	1.667%
3 Year	1.758%	1.766%
4 Year	1.844%	1.853%
5 Year	1.933%	1.942%
6 Year	2.036%	2.046%

7 Year	2.147%	2.158%
8 Year	2.247%	2.260%
9 Year	2.343%	2.357%
10 Year	2.436%	2.451%
12 Year	2.619%	2.637%
15 Year	2.812%	2.831%
20 Year	2.922%	2.943%
25 Year	2.860%	2.880%
30 Year	2.780%	2.799%

*Based on the swap terms listed in the definitions. The Final Swap Effective Date is assumed to be September 24, 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.

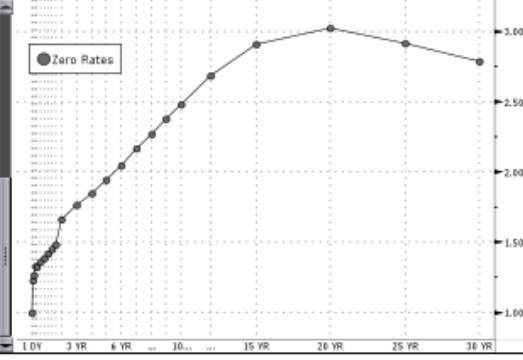
5. Calculation of Final Swap Values

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 Products		93 Data & Settings		94 Help		Swap Manager	
3 Main		4 Curves		5 Cashflow		7 Details		10 Resets	
11 Risk		13 Scenario		15 CVA		17 Matrix			

Fixed Float Swap		Cpty ASAP3		CCP OTC		Ticker / TMD		Series 0001		Deal ID SL1S2XL8		20 Properties	
Market Data		Curve # 4		Mid Canadian Dollar		Swap Contract Reset Fixing		CDOR03		1.32643 %			
Cash Rates		ACT/365		Swap Rates		ACT/365 (S)		Rate Source		Custom Curve		Curve Date 05/16/2012	
Interpolation		Piecewise Linear (Simple)		Shift		0.00 bp						DV01 Calc Method Constant	
OIS Dual Curve Stripping		No										90 Refresh	
												99 Export to Excel	

Term	Market Rate	Shift	Shifted Rate	Zero Rate	Discount
4 YR	1.70300	+14.10	1.84400	1.84954	0.928958
5 YR	1.78900	+14.40	1.93300	1.94124	0.907877
6 YR	1.90085	+13.51	2.03600	2.04875	0.884834
7 YR	2.00940	+13.76	2.14700	2.16613	0.859957
8 YR	2.10630	+14.07	2.24700	2.27295	0.834335
9 YR	2.20210	+14.09	2.34300	2.37695	0.808271
10 YR	2.29850	+13.75	2.43600	2.47914	0.781512
12 YR	2.48440	+13.46	2.61900	2.68522	0.725930
15 YR	2.67700	+13.50	2.81200	2.90827	0.648291
20 YR	2.78600	+13.60	2.92200	3.02787	0.547973
25 YR	2.72695	+13.30	2.86000	2.91894	0.484240
30 YR	2.66000	+12.00	2.78000	2.79011	0.435274



Valuation									
Par Cpn	2.976593	Calculate	Premium						
Principal	31,232.41	Unwind Annuity	-1.298000	PV01				1,526.56	
Accrued	0.00	Unwind PV	198,147.72	DV01				-1,549.54	
Market Value	31,232.41	Premium	3.12324	Gamma (1bp)				-2.94	

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

25 Year	2.710%	-0.978312	0.021688
30 Year	2.630%	-0.962175	0.037825

**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 1.50% November 1, 2013	99.984	(5,000,000)	(4,999,200)
Canada 0.75% May 1, 2014	98.781	(5,000,000)	(4,939,050)
Canada 1.00% February 1, 2015	98.634	12,500,000	12,329,250
Canada 2.00% June 1, 2016	101.125	12,500,000	12,640,625
Canada 1.50% March 1, 2017	99.112	12,500,000	12,389,000
Canada 4.25% June 1, 2018	113.061	12,500,000	14,132,625
Canada 3.75% June 1, 2019	111.608	12,500,000	13,951,000
Canada 3.50% June 1, 2020	110.782	12,500,000	13,847,750
Canada 3.25% June 1, 2021	109.268	12,500,000	13,658,500
Canada 2.75% June 1, 2022	104.983	12,500,000	13,122,875
Canada 8.00% June 1, 2027	168.139	12,500,000	21,017,375
Canada 5.75% June 1, 2029	143.196	12,500,000	17,899,500
Canada 5.75% June 1, 2033	148.448	12,500,000	18,556,000
Canada 5.00% June 1, 2037	140.494	12,500,000	17,561,750
Canada 4.00% June 1, 2041	125.763	12,500,000	15,720,375
Canada 3.50% December 1, 2045	117.238	12,500,000	14,654,750
Final Bonds' Market Value			201,543,125

Benchmark Swap	Swap Hedge Amount	Final Swap Value	Final Swap Market Value
1 Year	(5,000,000)	0.002004	(10,020)
2 Year	(5,000,000)	0.005090	(25,450)
3 Year	12,500,000	0.007141	89,262
4 Year	12,500,000	0.009339	116,738
5 Year	12,500,000	0.011688	146,100
6 Year	12,500,000	0.014020	175,250
7 Year	12,500,000	0.015920	199,000
8 Year	12,500,000	0.017887	223,588
9 Year	12,500,000	0.019862	248,275
10 Year	12,500,000	0.021992	274,900
12 Year	12,500,000	0.024783	309,788
15 Year	12,500,000	0.027615	345,187
20 Year	12,500,000	0.031232	390,400
25 Year	12,500,000	0.021688	271,100
30 Year	12,500,000	0.037825	472,813
Final Swaps' Market Value			3,226,930

7. Calculation of Hedge Gain/Loss

Initial Bonds' Market Value	206,980,225
Less: Final Bonds' Market Value	201,543,125
Plus: Final Swaps' Market Value	3,226,930
Hedge Gain/Loss	8,664,030

8. Calculation of Adjusted Weighted Average Cost of Capital

Benchmark Bond	Final Bond Yield	Initial Bond Yield	Change in Yield
Canada 1.50% November 1, 2013	1.520%	1.268%	0.252%
Canada 0.75% May 1, 2014	1.531%	1.279%	0.252%
Canada 1.00% February 1, 2015	1.601%	1.350%	0.251%
Canada 2.00% June 1, 2016	1.690%	1.438%	0.252%
Canada 1.50% March 1, 2017	1.716%	1.464%	0.252%
Canada 4.25% June 1, 2018	1.826%	1.574%	0.252%
Canada 3.75% June 1, 2019	1.900%	1.648%	0.252%
Canada 3.50% June 1, 2020	1.989%	1.736%	0.253%
Canada 3.25% June 1, 2021	2.088%	1.835%	0.253%
Canada 2.75% June 1, 2022	2.188%	1.935%	0.253%
Canada 8.00% June 1, 2027	2.461%	2.208%	0.253%
Canada 5.75% June 1, 2029	2.569%	2.316%	0.253%
Canada 5.75% June 1, 2033	2.700%	2.447%	0.253%
Canada 5.00% June 1, 2037	2.752%	2.498%	0.254%
Canada 4.00% June 1, 2041	2.721%	2.468%	0.253%
Canada 3.50% December 1, 2045	2.727%	2.474%	0.253%

Benchmark Bond	Bond Hedge Amount	Initial Bond Price	Absolute Initial Bond Market Value	Calculation*
Canada 1.50% November 1, 2013	(5,000,000)	100.256	5,012,800	12,632
Canada 0.75% May 1, 2014	(5,000,000)	99.172	4,958,600	12,496
Canada 1.00% February 1, 2015	12,500,000	99.205	12,400,625	31,126
Canada 2.00% June 1, 2016	12,500,000	102.023	12,752,875	32,137
Canada 4.00% June 1, 2017	12,500,000	100.175	12,521,875	31,555
Canada 4.25% June 1, 2018	12,500,000	114.513	14,314,125	36,072
Canada 3.75% June 1, 2019	12,500,000	113.286	14,160,750	35,685
Canada 3.50% June 1, 2020	12,500,000	112.680	14,085,000	35,635
Canada 3.25% June 1, 2021	12,500,000	111.370	13,921,250	35,221
Canada 2.75% June 1, 2022	12,500,000	107.242	13,405,250	33,915
Canada 8.00% June 1, 2027	12,500,000	172.482	21,560,250	54,547
Canada 5.75% June 1, 2029	12,500,000	147.507	18,438,375	46,649
Canada 5.75% June 1, 2033	12,500,000	153.665	19,208,125	48,597
Canada 5.00% June 1, 2037	12,500,000	146.230	18,278,750	46,428
Canada 4.00% June 1, 2041	12,500,000	131.720	16,465,000	41,656
Canada 3.50% December 1, 2045	12,500,000	123.515	15,439,375	39,062
Totals			226,923,025	573,413
			(B)	(Y)

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

Benchmark Swap	Final Annualized Swap Rate	Initial Annualized Swap Rate	Change in Rate
1 Year	1.450%	1.300%	0.150%
2 Year	1.667%	1.516%	0.151%
3 Year	1.766%	1.615%	0.151%
4 Year	1.853%	1.701%	0.152%
5 Year	1.942%	1.791%	0.151%
6 Year	2.046%	1.895%	0.151%
7 Year	2.158%	2.007%	0.151%
8 Year	2.260%	2.108%	0.152%
9 Year	2.357%	2.205%	0.152%
10 Year	2.451%	2.299%	0.152%
12 Year	2.637%	2.485%	0.152%
15 Year	2.831%	2.679%	0.152%
20 Year	2.943%	2.791%	0.152%
25 Year	2.880%	2.728%	0.152%
30 Year	2.799%	2.647%	0.152%

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	12,500,000	12,500,000	18,875
4 Year	12,500,000	12,500,000	19,000
5 Year	12,500,000	12,500,000	18,875
6 Year	12,500,000	12,500,000	18,875
7 Year	12,500,000	12,500,000	18,875
8 Year	12,500,000	12,500,000	19,000
9 Year	12,500,000	12,500,000	19,000
10 Year	12,500,000	12,500,000	19,000
12 Year	12,500,000	12,500,000	19,000
15 Year	12,500,000	12,500,000	19,000
20 Year	12,500,000	12,500,000	19,000
25 Year	12,500,000	12,500,000	19,000
30 Year	12,500,000	12,500,000	19,125
Totals		172,500,000	261,550
		(S)	(R)

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

$$\begin{aligned}
 T &= (\text{Total Availability Target Date} - \text{End Date}) \div 365 \\
 &= (\text{June 30, 2014} - \text{September 24, 2012}) \div 365 \\
 &= 1.7644
 \end{aligned}$$

$$\begin{aligned}
 \text{Payment Adjustment Amount} &= \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{360}}} \\
 &= \frac{8,664,030 \times (1 + 0.06709)^{1.7644} \times 0.0054260}{1 - \frac{1}{(1 + 0.0054260)^{360}}} \\
 &= 61,481.75
 \end{aligned}$$

Payment Adjustment Amount	61,481.75
----------------------------------	------------------

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 Province in accordance with this Form G2 and as the process may be further detailed and clarified by the Province, acting reasonably (the “**Overall Process**”). The Overall Process shall be completed no later than 3:00 pm Alberta 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 Department 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 Province 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 pm Alberta 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 Province and the Preferred Proponent by 5:00 pm Alberta 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 pm Alberta Time on the End Date, the Overall Process shall be carried out by the Province.

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 <u>only one</u> of the following:	
The capital payment adjustment process is accepted	<input type="checkbox"/>
The capital payment adjustment process is declined	<input type="checkbox"/>

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

Benchmark Bonds	Bond Hedge Amounts (Par Value)	Initial Bonds' Market Value
Canada 1.50% November 1, 2013		
Canada 0.75% May 1, 2014		
Canada 1.00% February 1, 2015		
Canada 2.00% June 1, 2016		
Canada 1.50% March 1, 2017		
Canada 4.25% June 1, 2018		
Canada 3.75% June 1, 2019		
Canada 3.50% June 1, 2020		
Canada 3.25% June 1, 2021		
Canada 2.75% June 1, 2022		
Canada 8.00% June 1, 2027		
Canada 5.75% June 1, 2029		
Canada 5.75% June 1, 2033		
Canada 5.00% June 1, 2037		
Canada 4.00% June 1, 2041		
Canada 3.50% December 1, 2045		

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 Schools 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 H – The Province’s Legal Counsel’s Opinion

[on Alberta Justice Letterhead]

[*NTD: Insert Date*]

[ADDRESSES OF THE CONTRACTOR, ITS LENDER (as defined in Schedule 6 to the DBFM Agreement) AND THEIR SOLICITORS]

[PLEASE NOTE THAT REQUESTS TO ADD ADDRESSEES TO THIS OPINION OTHER THAN THE ADDRESSEES NOTED ABOVE WILL BE CONSIDERED BY ALBERTA JUSTICE AT ITS DISCRETION AND REQUESTS TO ADD ADDRESSEES THAT ARE NOT EXACTLY IDENTIFIABLE AS AT THE DATE OF THE OPINION WILL MOST LIKELY BE DENIED BY ALBERTA JUSTICE.]

Dear Sirs:

Re: Agreement to Design, Build, Finance and Maintain Twelve New Schools in Central and Southern Alberta dated [*NTD: Insert date of DBFM Agreement*] (the "DBFM Agreement"), Direct Lender Agreement dated [*NTD: Insert date of DBFM Agreement*] (the "Direct Lender Agreement"), and Tri-party Agreements dated [*Insert date of Tri-Party Agreements*] (the "Tri-Party Agreements")

We have acted as legal advisors for Her Majesty the Queen in right of Alberta, as represented by the Minister of [*NTD: Insert name of Departments signing the ASAP III DBFM Project DBFM Agreement, i.e. Infrastructure and Education*] (the "Province") in connection with the DBFM Agreement between the Province and [*NTD: Insert name of contractor*] (the "Contractor"), Direct Lender Agreement between the Province, the Contractor, [*NTD: Insert name of lender(s), trustee, or other representative*] and in connection with the Tri-Party Agreements among the Province, the Contractor and each of The Board of Trustees of Black Gold Regional Division No. 18, The Board of Trustees of Chinook’s Edge School Division No. 73, The Board of Trustees of Grasslands Regional Division No. 6, The Board of Trustees of Medicine Hat School District No. 76, The Board of Trustees of Rocky View School Division No. 41, The Board of Trustees of Red Deer Catholic Regional Division No.

39, The Board of Trustees of Red Deer Public School District No. 104, The Board of Trustees of St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38, The Regional authority of the Greater North Central Francophone Education Region No. 2 and The Regional authority of the Greater Southern Separate Catholic Francophone Education Region No. 4, (collectively, the “**School Boards**” and individually, a “**School Board**”), all in respect of the twelve new schools in central and southern Alberta (the “**Project**”).

Except as otherwise set out herein, all capitalized terms have the respective meanings given to them in the DBFM Agreement.

For the purposes of this opinion, we have examined the following:

- (a) an executed copy of the DBFM Agreement;
- (b) an executed copy of the Direct Lender Agreement;
- (c) an executed copy of each Tri-Party Agreement; and
- (d) such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion including a certificate of an officer of each School Board (the “**School Board Certificates**”). We have no knowledge of any material misstatement or inaccuracy in the School Board Certificates. Copies of the School Board Certificates are delivered to you contemporaneously with the delivery of this opinion.

Other than with respect to the execution of the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement by the Province, we have assumed the genuineness of all signatures and the conformity with originals of all documents submitted to us as photocopies, by facsimile transmission or by Portable Document Format (“**PDF**”). In addition, but without derogation to our opinion in respect of each School Board expressed below, we have assumed that the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement are within the capacity and powers of, have been validly authorized, executed and delivered by, and constitute legal, valid and binding obligations of, the other parties thereto enforceable against the other parties thereto in accordance with their terms.

This opinion is rendered solely with respect to the laws of Alberta and the federal laws of Canada applicable in Alberta in effect on the date of this opinion.

Based upon and subject to the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that:

1. The execution and delivery by the Province of the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement and the performance by the Province of its obligations thereunder have been duly authorized by all necessary legislative, administrative, executive and other governmental action. The Province had full power, capacity and authority to execute and deliver the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement and to perform and observe its obligations thereunder.
2. All authorizations, approvals and other actions by, and all notices to and filings, registrations or recordings with, any governmental authority or regulatory body of the Province of Alberta

required for the due execution, delivery or performance by the Province of the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement (in each case, where applicable, including the making of payments thereunder) or to ensure the legality, validity and binding nature of the DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement (in each case, where applicable, including the making of payments thereunder) have been obtained.

3. The DBFM Agreement, the Direct Lender Agreement and each Tri-Party Agreement have been duly executed and delivered by the Province and constitute legal, valid and binding obligations of the Province enforceable against the Province in accordance with their terms.
4. Subject to Section 21.4 of the DBFM Agreement, Section 4.6 of the Direct Lender Agreement and Section 9 of each Tri-Party Agreement in each case regarding the Dispute Resolution Procedure, neither the federal laws of Canada nor the laws of Alberta require the consent of any public official or authority to the commencement or prosecution of any action, suit or proceeding against the Province arising out of or relating to its obligations under the DBFM Agreement, the Direct Lender Agreement or each Tri-Party Agreement. Neither immunity from jurisdiction nor any defence based on the status of the Province is available to the Province in any such action, suit or proceeding in the Courts of Alberta under the federal laws of Canada or the laws of Alberta up to final judgment, except as provided in this opinion.
5. Based on the School Board Certificates, but without regard for the fact that each School Board Certificate pre-dates this opinion, each School Board:
 - a. has the full power, capacity and authority to execute and deliver the Tri-Party Agreement that it is a party to;
 - b. has obtained all authorizations, approvals and other actions required for the execution and performance of its Tri-Party Agreement; and
 - c. has duly executed and delivered its Tri-Party Agreement.

This opinion is subject to the following qualifications:

- i) general equitable principles may limit the enforceability of the DBFM Agreement, the Direct Lender Agreement or each Tri-Party Agreement against the Province, whether such enforcement is considered in a proceeding in equity or at law;
- ii) the remedies of injunction and specific performance are not available against the Province;
- iii) judgments obtained against the Province may not, by virtue of the *Proceedings Against the Crown Act* (Alberta), be enforced by execution, attachment or process of that nature, but the *Proceedings Against the Crown Act* (Alberta) does provide that upon the receipt of a certificate of the proper officer of the court, in the event of a money judgment or an order for costs, or both, against the Province, the Minister of Finance shall pay out of the General Revenue Fund to the person entitled, or to the person's order, the amount

- appearing by the certificate to be due, together with the interest, if any, lawfully due; and
- iv) we have relied exclusively, and without any independent investigation or enquiry, on the School Board Certificates with respect to certain factual matters and express no opinion with respect to the School Boards or their respective Tri-Pary Agreements other than as expressly set out herein.

This opinion is solely for the benefit of those persons to whom it is addressed and in connection with the transaction to which it relates and may not be used or relied upon by any other person or for any other purpose, or quoted or made public in any other way without our prior written consent. We expressly disclaim any undertaking or obligation to modify this opinion to reflect changes in facts or developments in the law which may occur after the date hereof.

Yours very truly,

DEPARTMENT OF JUSTICE, PROVINCE OF ALBERTA

Per: _____

[NTD: Insert Name]
Barrister and Solicitor

Per: _____

[NTD: Insert Name]
Barrister and Solicitor

Appendix 3

Definitions

Appendix 3 – Definitions

3.1 Defined Terms

In this RFP (including, except where a contrary meaning is clearly intended, in the Appendices), the following expressions have the following meanings (and where applicable their plurals have corresponding meanings):

“**Adjusted School Capital Payment**” has the meaning indicated in section 9.5 of the DBFM Agreement.

“**Alberta Time**” means the time in the Province of Alberta in accordance with the Daylight Saving Time Act (Alberta).”

“**ASAP III DBFM Project**” has the meaning indicated in Section 1.1 of this RFP.

“**Availability Criteria**” means all of the criteria set out in Schedule 8 (Availability Criteria) of the DBFM Agreement.

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Alberta.

“**Capital Payment**” means the component of the monthly payment to be made by the Province to the Contractor under section 9.2 of the DBFM Agreement that is described as the Capital Payment in Schedule 14 (Payment Schedule) of the DBFM Agreement.

“**Capital Payment Price Adjustment Process**” means the process as set out in Form G2-Capital Payment Price Adjustment Election Form attached in Appendix 2 of this RFP.

“**Collaboration Plan**” has the meaning as set out in section 3.12 of the Technical Requirements.

“**Commissioning and Startup Plan**” has the meaning as set out in section 3.4 of the Technical Requirements.

“**Community Use**” means any arrangements for the non-commercial use of a School for community based programs, including those contemplated by the Joint Use Agreements, and including but not limited to community sports, arts and crafts, meetings, club activities, church services, election activities and any other community based function.

“**Construction Management Plan**” has the meaning as set out in section 3.3 of the Technical Requirements.

“**Construction Period**” means the time between Execution of the DBFM Agreement and Total Availability (but excluding the day when Total Availability is achieved).

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

“**Consultants**” means Alberta Infrastructure’s consultants who assist in the preparation of the RFQ and RFP and in the evaluation of submissions to the RFQ and Proposals, the closing of the DBFM Agreement and who may or may not assist throughout the Construction Period and Term of the DBFM Agreement.

“**Contact Individual**” has the meaning as set out in Section 6.2 of this RFP.

“**Contact Organization**” has the meaning as set out in Section 6.2 of this RFP.

“**Contractor**” means the legal entity that has entered into the DBFM Agreement with the Province.

“**Contractor’s Construction Schedule**” means the Contractor’s schedule for construction of the Project, set out in Schedule 2 (Contractor’s Construction Schedule) of the DBFM Agreement, and including any amendments made from time to time in accordance with section 5.5 of the DBFM Agreement.

“**Copyrights**” means all copyright rights 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.

“**Core School Designs**” means the designs and the electrical power and data plans for the Core Structure and the Modular Classrooms as set out in Appendix “B” of Schedule 18 (Technical Requirements) of the DBFM Agreement.

“**Core Structure**” means the permanent and fixed core structure shown in the Core School Designs, which excludes the Modular Classrooms.

“**DBFM Agreement**” means the agreement into which the Province and the Contractor will enter with respect to the ASAP III DBFM Project, which is (in draft form) Volume 2 of this RFP.

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

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

“**Development Permit**” means the permit from the relevant Municipality granting permission to develop a School Site in accordance with the Core School Designs and the Technical Requirements and upon the conditions prescribed by the Municipalities, as the case dictates.

“**Educational Support Activities**” means all parent and administrative support functions carried out in support of the Educational Activities, including but not limited to, parent-teacher interviews, professional development activities of teaching staff, staff meetings, curriculum development activities, before and after school care activities and those support activities contemplated by the *School Act*, RSA 2000, c. S-3, as may be amended or replaced from time to time, that support Educational Activities.

“**Execution**” of the DBFM Agreement means the signing and delivery of the DBFM Agreement by both the Province and the Contractor.

“**Exterior Improvements**” has the meaning indicated in Schedule 18 (Technical Requirements) of the DBFM Agreement.

“**Fairness Auditor**” means that person identified by the Province as responsible for the performing those duties and tasks specified in Section 5.14 of this RFP.

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

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

“**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 and Initial Performance Letter of Credit**” means the letter of credit, or the letters of credit as the case may be, to be delivered by the Contractor to the Province under section 3.3 of the DBFM Agreement, the amount of which may vary as applicable if the second paragraph of section 3.5 of the DBFM Agreement is invoked;

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

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

“**Government of Alberta**” means Her Majesty the Queen in right of Alberta.

“**Handback Requirements**” means the Contractor’s obligations to hand back the Schools at the end of the Term in the condition required by Schedule 18 (Technical Requirements) of the DBFM Agreement.

“**Handback on Expiry Requirements**” means the Contractor’s obligations to perform the requirements of the Contractor’s Handback on Expiry Plan set forth in Schedule 4 (Contractor’s Management Systems and Plans) of the DBFM Agreement as required by Schedule 18 (Technical Requirements) of the DBFM Agreement.

“**Honorarium**” means the honorarium discussed in Section 5.15 of this RFP.

“**Index Factor**” means the basis for adjusting the M&R Payments for inflation as set out in Schedule 10 (Index Factor) to the DBFM Agreement.

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

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

“**Internal Reviewer**” has the meaning set out in section 3.2.1 of the Technical Requirements.

“**ITP**” means the Instructions to Proponents (including the Submission Requirements, and Appendices 2 and 3 as attached), which constitute Volume 1 of this RFP.

“**Joint Use Agreement**” means any of the Facilities Joint Use Agreement dated July 4, 1997 between The Board of Trustees of Black Gold Regional Division No. 18 and the Town of Beaumont as may be

amended or replaced from time to time, the Agreement dated September 3, 1979 between the Town of Brooks and The Board of Trustees of Brooks School District No. 2092 as may be amended or replaced from time to time, the Reciprocal Use of Facilities Agreement dated June 25, 2009 between The Board of Trustees of Rocky View School Division No. 41 and the Chestermere Regional Community Association as may be amended or replaced from time to time, the Reciprocal Use of Facilities Agreement dated June 13, 2008 between The Board of Trustees of Rocky View School Division No. 41 and the City of Airdrie as may be amended or replaced from time to time, the Agreement dated October 21, 2003 Providing for Reciprocal Use of City Recreation and School Facilities between the City of Red Deer, The Red Deer Catholic Regional Division No. 39, The Red Deer Public School District No. 104 and Greater North Central Education Region No. 2 as may be amended or replaced from time to time, and the Ownership and Operating Agreement for South Ridge Recreational Facility dated June 3, 2003 between The Southridge Community Association, The Medicine Hat Catholic Separate Regional Division No. 20, the City of Medicine Hat, the Medicine Hat Family Young Mens' Christian Association and The Medicine Hat Public School District No. 76 as may be amended or replaced from time to time, as applicable based upon the School in issue.

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

“**LEED™ Certification Plan**” has the meaning as set out in section 3.5 of the Technical Requirements.

“**LEED Silver Certification**” means the award of LEED Silver certification from the CaGBC.

“**Lenders**” means the entities that provide financing to the Contractor for the ASAP III DBFM Project.

“**Maintenance and Renewal**” or “**M&R**” means the maintenance and renewal of the Schools, as contemplated by the M&R Requirements.

“**Maintenance Payment**” means the component of the M&R Payment that is described as the Maintenance Payment in Form G1.

“**Maintenance Plan**” has the meaning as set out in section 3.8 of the Technical Requirements.

“**M&R Payment**” means the component of the Payment that is other than the Capital Payment.

“**M&R Period**” means the time from Total Availability (including the day that Total Availability is achieved) until the end of the Term.

“**M&R Requirements**” means the Province’s requirements and technical specifications for:

- (a) all aspects of the maintenance of the Schools; and
- (b) renewal of the Schools;

all as set out in Schedule 18 (Technical Requirements) of the DBFM Agreement, and including any amendments made from time to time pursuant to section 7.2 of the DBFM Agreement.

“**Maintenance & Renewal Team**” or “**M&R Team**” means the Proponent’s Team Members who are responsible for the maintenance and renewal.

“**Modular Classrooms**” has the meaning indicated in Schedule 18 (Technical Requirements) of the DBFM Agreement.

“**Municipality**” means any of the City of Brooks (“**Brooks**”), the City of Medicine Hat (“**Medicine Hat**”), the City of Red Deer (“**Red Deer**”), the City of Airdrie (“**Airdrie**”), the Town of Beaumont (“**Beaumont**”), the Town of Chestermere (“**Chestermere**”), the Town of Cochrane (“**Cochrane**”) and the Town of Penhold (“**Penhold**”), as the context requires;

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

“**Optional Innovation Submission**” means the optional submission set out in Section 5.7 of this RFP.

“**Payment**” means the total monthly payment to be paid by the Province to the Contractor under section 9.2 of the DBFM Agreement.

“**Preferred Proponent**” means the Proponent that receives notification from the Province that it has submitted a compliant Proposal with the payment stream having the lowest net present value.

“**Preferred Proponent Deposit**” has the meaning as set out in Section 5.10 of this RFP.

“**Progress Payments**” means the payments that become due to the Contractor under section 9.1 of the DBFM Agreement in relation to the Provincial Funding;

“**Project**” means the design and build of the Schools in accordance with the Project Requirements.

“**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 the Proponent.

“**Project Requirements**” means the Province’s specifications and requirements for the Project, as set out in Schedule 18 (Technical Requirements) of the DBFM Agreement, and including any amendments made or deemed to be made from time to time pursuant to any provision of the DBFM Agreement.

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

“**Proponent School Design Development Reports**” has the meaning set out in Appendix 1 of this RFP.

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

“**Proposal Deposit**” has the meaning as set out in Section 5.10 of this RFP.

“**Province**” means Her Majesty the Queen in right of Alberta as represented by the Ministers of Education and Infrastructure.

“**Provincial Funding**” means funding for the Project in the amount equal to the product of 187 x one month’s Capital Payment as stated in Column B of Table 2 of the Proponent’s Form G1 prior to the application of the Capital Payment Price Adjustment Process that will be provided by the Province in the form of Progress Payments as contemplated by section 9.1 and Schedule 19 (Provincial Funding Progress Payments) of the DBFM Agreement;

“**Renewal Management Plan**” has the meaning ascribed thereto in section 3.9 of the Technical Requirements.

“**Renewal Payment**” means the component of the M&R Payment that is designated in Schedule 14 (Payment Schedule) as the Renewal Payment.

“**Respondent**” means any team of private sector participants that has submitted a Response, as defined in the RFQ, to the RFQ.

“**RFP**” means the Request for Proposals for the ASAP III DBFM Project, and includes the ITP, the DBFM Agreement, and the Technical Requirements.

“**RFQ**” means the Request for Qualifications for the ASAP III DBFM Project issued October 14, 2011.

“**School**” means a School listed in Schedule 13 (Schools), as applicable, with each School being comprised of the Core Structure, the Modular Classrooms and the associated Exterior Improvements.

“**Schools**” means collectively the Schools set out in Schedule 13 (Schools) and subject to the foregoing generally means twelve new schools in central and southern Alberta.

“**School Availability**” means, in respect of a School, the date when the School has met all Availability Criteria, which occurs on the date of the certificate delivered under section 5.14 of the DBFM Agreement.

“**School Board**” means either The Board of Trustees of Black Gold Regional Division No. 18 (“**BGRD**”), The Board of Trustees of Chinook’s Edge School Division No. 73 (“**CESD**”), The Board of Trustees of Grasslands Regional Division No. 6 (“**GRD**”), The Board of Trustees of Medicine Hat School District No. 76 (“**MHSD**”), The Board of Trustees of Rocky View School Division No. 41 (“**RVS**”), The Board of Trustees of Red Deer Catholic Regional Division No. 39 (“**Red Deer Catholic**”), The Board of Trustees of Red Deer Public School District No. 104 (“**Red Deer Public**”), The Board of Trustees of St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38 (“**STAR**”), The Regional authority of the Greater North Central Francophone Education Region No. 2 (“**Greater North Central Francophone**”) or The Regional authority of the Greater Southern Separate Catholic Francophone Education Region No. 4 (“**Greater Southern Catholic**”), as applicable based upon the School in issue.

“**School Day**” means the period between 07:00 hours and 16:30 hours, Monday to Friday, excluding School Holidays, during the School Year.

“**School Design Development Reports**” has the meaning as set out in Appendix 1 of this RFP.

“**School Holidays**” means professional development days, teacher’s convention, Saturdays, Sundays, statutory holidays, and generally the Christmas break, spring or Easter break, the summer break, which may be amended annually by the School Board for Schools, and including any other holiday declared by a

School Board for its Schools.

“**School M&R Payment**” means, in respect of a School, the portion of the M&R Payment attributable to that School based on the Gross Floor Area of the School Building as a proportion of the Gross Floor Area of all of the School Buildings combined (assuming that all Schools contemplated by this Agreement are constructed), where the Gross Floor Area of each School Building is calculated as of October 31 of each year by the applicable School Board;

“**School M&R Period**” means in respect of a School the time from School Availability to Total Availability, including the day that School Availability is achieved and excluding the day that Total Availability is achieved

“**School Sites**” means the sites on which the Schools are required to be constructed as described in Schedule 12 (School Sites).

“**School Year**” means the period between September 1 and August 31 of each year during the School M&R Period and the M&R Period;

“**SR**” means Submission Requirement.

“**Standard Core School Design Development Reports**” mean those Standard Core School Design Development Reports as referenced in Section 2.3 of this RFP.

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

“**Submission Requirements**” means Appendix 1 to the ITP (Volume 1 of this RFP).

“**Successful Proponent**” means the legal entity, as selected by the Preferred Proponent and as approved in advance and in writing by the Province acting reasonably, that will enter into the DBFM Agreement.

“**Team Member**” means the key business entities forming a particular Proponent.

“**Technical Requirements**” means all requirements set out in Schedule 18 (Technical Requirements) of the DBFM Agreement, including but not limited to the Project Requirements, the M&R Requirements, the Handback Requirements and the Handback on Expiry Requirements, and including any amendments made pursuant to section 7.1 or section 7.2 of the DBFM Agreement.

“**Term**” means the period from and including the day that Total Availability is achieved to and including the day immediately preceding the day that is 30 years from the Total Availability Target Date.

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

“**Toronto Time**” means the time in the city of Toronto, Ontario in accordance with the *Time Act* (Ontario).”

“**Total Availability**” means the day when all the Schools have achieved School Availability.

“**Total Availability Target Date**” means June 30, 2014.

“**Tri-Party Agreement**” means an agreement contemplated by section 2.6 of the DBFM Agreement and the form of which is set out as Schedule 9 of the DBFM Agreement, to be entered into by the Province and the Contractor with each School Board.

“**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.

3.2 Interpretation

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

References to the RFP or the DBFM Agreement, or to the documents which make up the appendices or schedules to the RFP or the DBFM 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 Province 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 work “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.

Appendix 4

RVS (9-12) School General Site Layout (Section 2.5 of the ITP)

[NOTE TO PROPONENTS: REFER TO ADDENDUM NO. 3 ISSUED JANUARY 18, 2012 FOR THE MOST CURRENT DRAWING]