

ALBERTA TRANSPORTATION
REQUEST FOR PROPOSALS

FOR THE
DESIGN, BUILD, FINANCE, OPERATE
OF

ANTHONY HENDAY DRIVE
SOUTHEAST LEG RING ROAD
EDMONTON, ALBERTA, CANADA

VOLUME 1 of 3

INSTRUCTIONS TO PROPONENTS (ITP)



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Introduction

Alberta Transportation (the Department) is pleased to invite the Short-listed Proponents to respond to this Request for Proposals (RFP) for the Anthony Henday Drive Southeast Leg Ring Road Project. This RFP consists of the following three volumes:

- 1) **Volume 1: Instructions To Proponents (ITP)**, which summarizes the Project's scope and objectives, presents information relating to the selection process, and lists the Submission Requirements including the required forms.
- 2) **Volume 2: Project Agreement**, which constitutes the draft version of the Project Agreement that Proponents may comment upon prior to re-issuance in final form. The final form of the Project Agreement will be executed by the Successful Proponent and Alberta Transportation.
- 3) **Volume 3: Technical Requirements**, which presents the technical requirements for the Project (the contents will form schedules to the final form of the Project Agreement).

The RFP and any supporting information from the electronic data room or otherwise provided by the Department are being made available only to Proponents who have been short-listed and have subsequently been invited to submit their Proposals for the Project. Such information is made available on the condition that it is to be used in connection with this Project 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.

Proponents should note that they remain subject to the conditions of the signed declaration from the Request for Qualifications. Proponents are accordingly bound by that declaration in respect of all communications between the Proponent and the Department.

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

Section 1

General

1.0 General

1.1 Background

On September 22, 2003, the Department issued a Request for Qualifications (RFQ) for the design, construction, financing, operation, and maintenance of the Anthony Henday Drive Southeast Leg Ring Road and the operation and maintenance of specified adjacent segments (the Project). Six submissions to the RFQ were received by the deadline of December 16, 2003. A short-list of three Proponents was determined and announced on March 3, 2004 by the Minister of Transportation. The three Short-listed Proponents are:

- Alberta Road Development Company;
- Alberta Structures and Highways Consortium; and
- Henday Transportation Group.

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

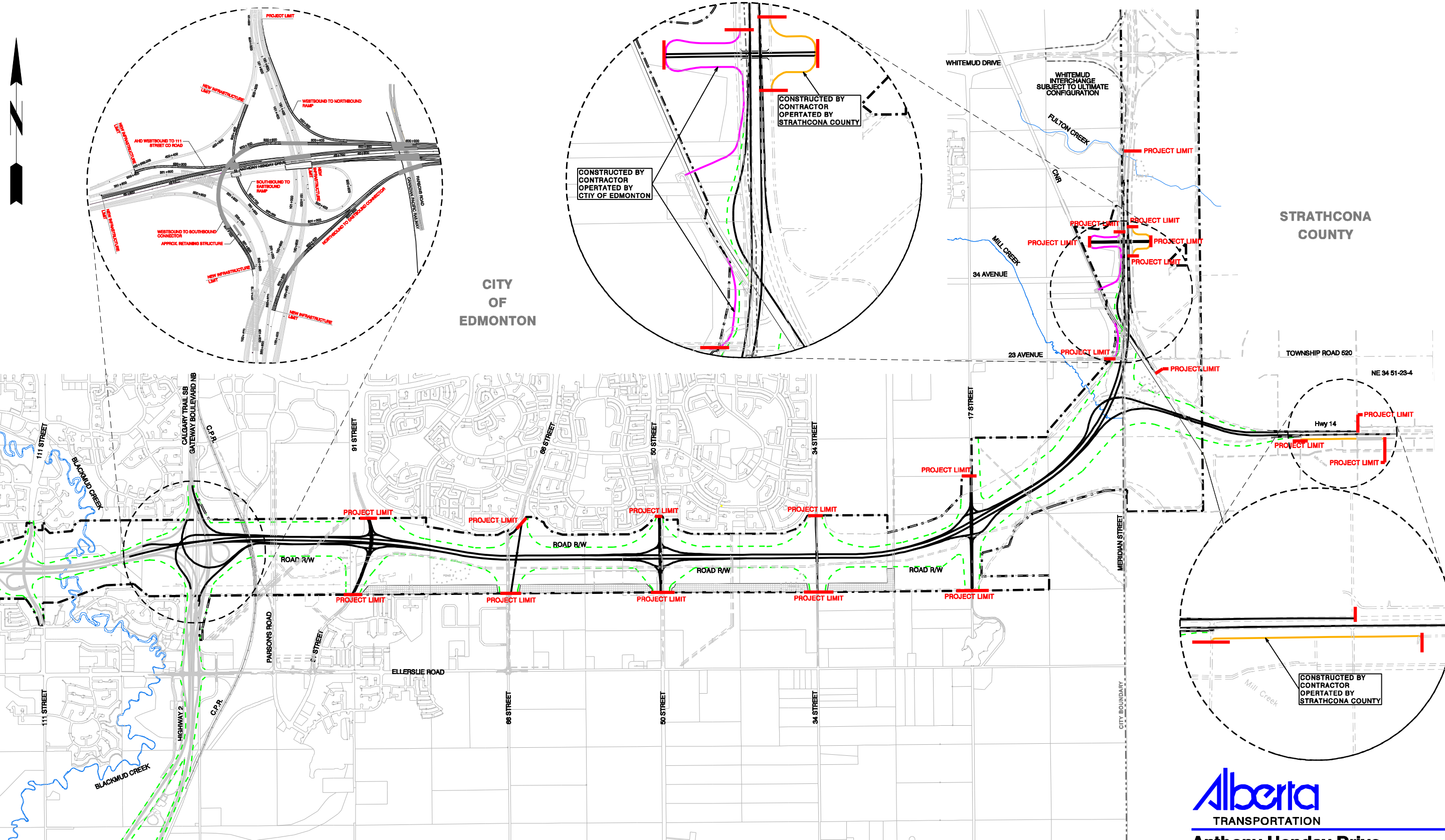
1.2 Project Overview

The Project involves the design, construction, financing, operation, and maintenance of the Anthony Henday Drive Southeast Leg Ring Road in the City of Edmonton, Alberta, Canada (New Infrastructure). The New Infrastructure consists of approximately 11 kilometres of 4- and 6-lane divided roadway with auxiliary lanes from Highway 216/14 to Highway 2, crossroads and property access roads, interchanges, and bridge structures.

In addition, the Successful Proponent will be responsible for the operation and maintenance of certain highway segments (Existing Infrastructure), which have been or will be constructed by the Department. The Existing Infrastructure includes specific segments of Highway 2, the Anthony Henday Drive Southwest and West Ring Road, and specific segments of Highway 16, all of which are adjacent or connected to the New Infrastructure.

The New and Existing Infrastructure are shown in **Figure 1** and **Figure 2a/2b**, respectively. More detailed descriptions of the New and Existing Infrastructure are provided in the Technical Requirements and the electronic data room.

FOR DETAILS SEE DWG 1B

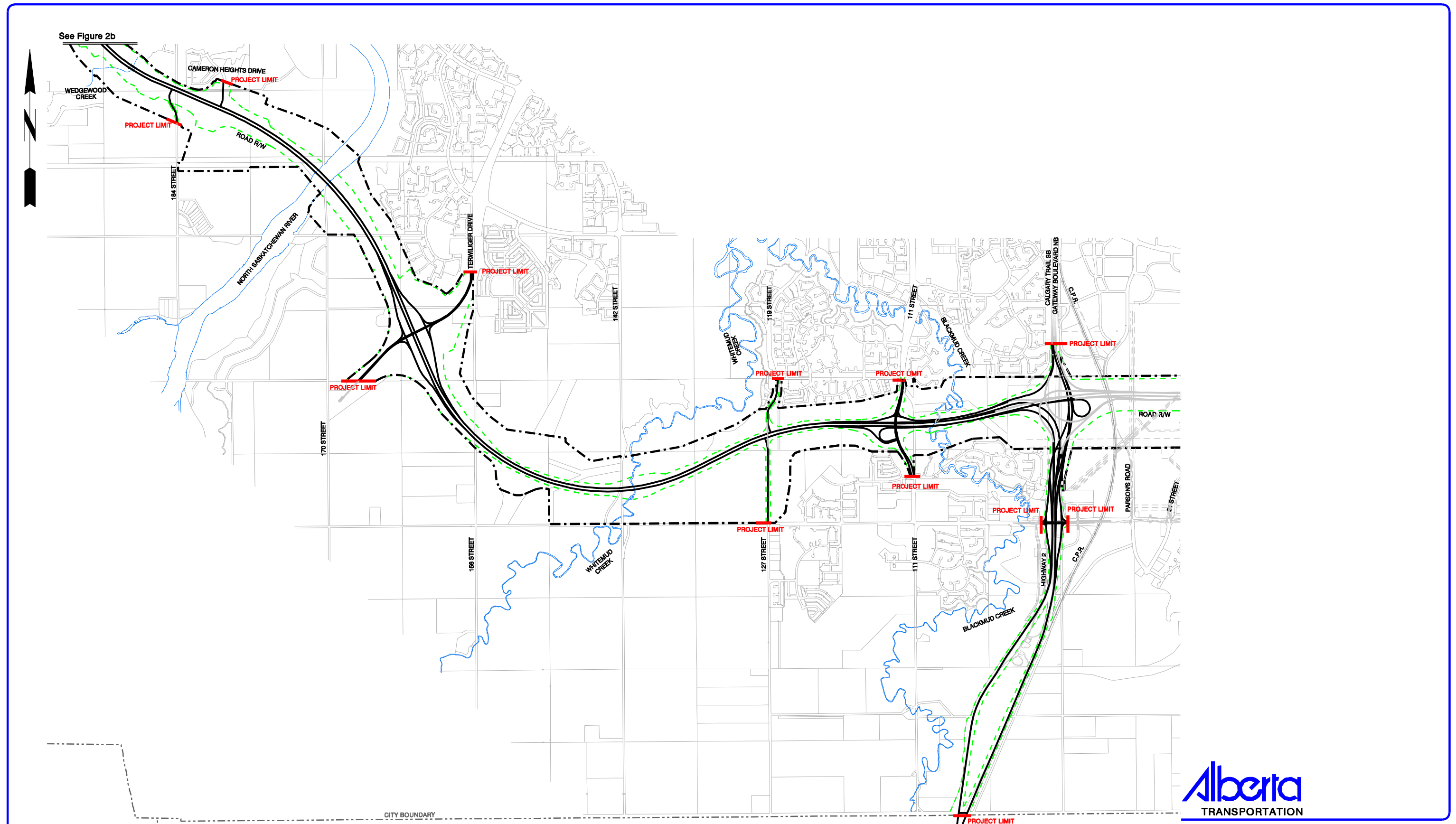


- ROADS - NEW INFRASTRUCTURE
- - - ROADS - EXISTING INFRASTRUCTURE
- PROJECT LIMIT
- - - T.U.C. BOUNDARY
- - - ROAD R/W
- - - CITY BOUNDARY
- ▨ AREA EXCLUDED FROM TUC FOR THE PROJECT
- SERVICE ROAD OPERATED BY STRATHCONA COUNTY
- SERVICE ROAD OPERATED BY CITY OF EDMONTON



**Anthony Henday Drive
South - East Leg Ring Road
New Infrastructure**

Figure 1

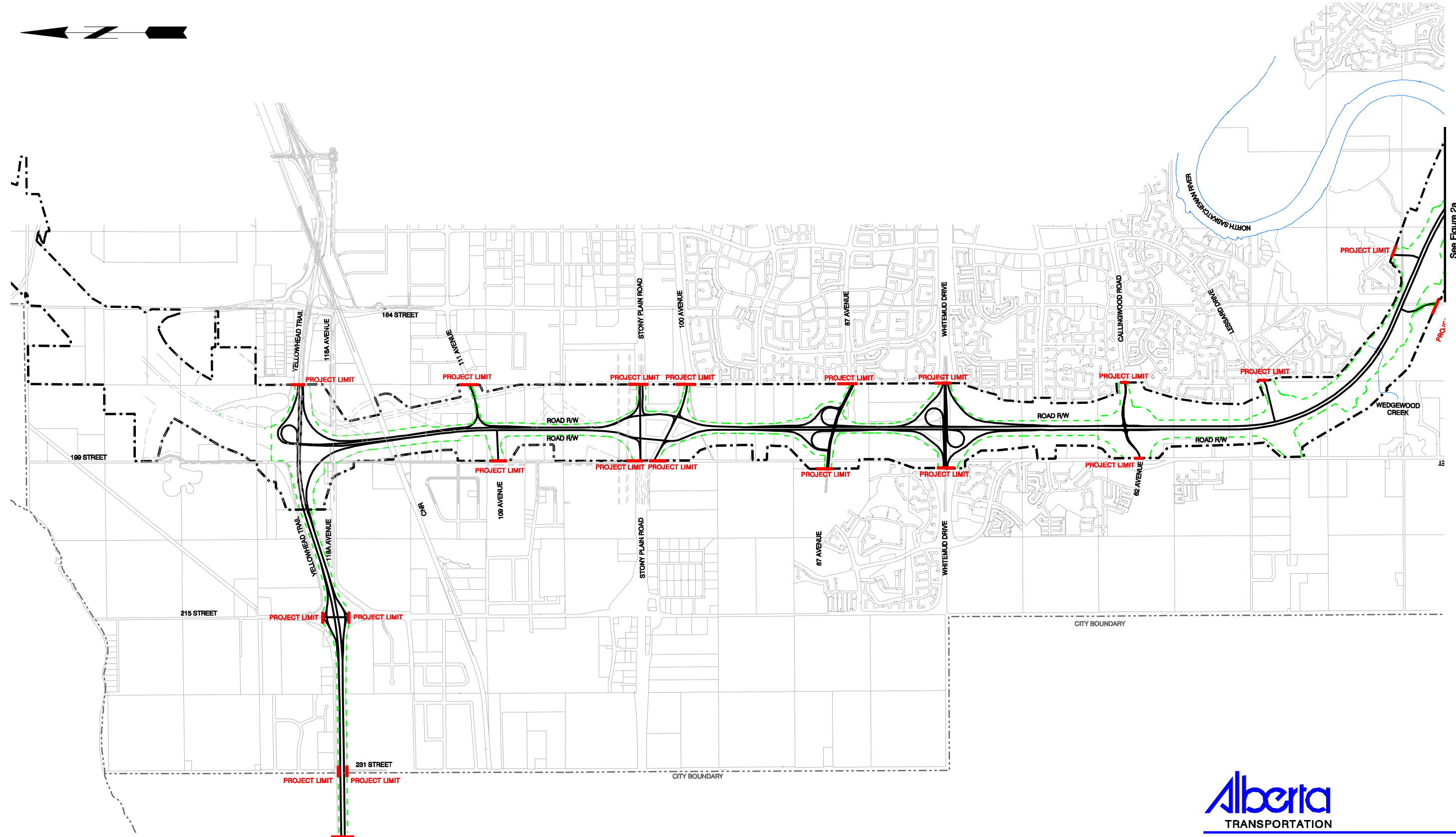


- ROADS - NEW INFRASTRUCTURE
- ROADS - EXISTING INFRASTRUCTURE
- PROJECT LIMIT
- T.U.C. BOUNDARY
- ROAD R/W
- CITY BOUNDARY



**Anthony Henday Drive
South - East Leg Ring Road
2005 Existing Infrastructure**

Figure 2a



See Figure 2a



- ROADS - NEW INFRASTRUCTURE
- ROADS - EXISTING INFRASTRUCTURE
- PROJECT LIMIT
- T.U.C. BOUNDARY
- ROAD R/W
- CITY BOUNDARY



**Anthony Henday Drive
South - East Leg Ring Road
2005 Existing Infrastructure**

Figure 2b

1.3 Transaction Overview

It is the Department's intention to enter into a Project Agreement with the Successful Proponent for the implementation of the Project.

Key elements of the transaction include:

- Design, construction, and financing of the New Infrastructure
- Operation and maintenance (including rehabilitation) of the New Infrastructure
- Operation and maintenance of the Existing Infrastructure
- An approximately three-year Construction Period for the New Infrastructure and a thirty-year Operating Period for both the New and Existing Infrastructure
- \$75 million in Progress Payments payable to the Successful Proponent during the Construction Period for a portion of the capital costs of the New Infrastructure, subject to the finalization of funding discussions with the Federal government
- Payments to the Successful Proponent over the Operating Period consisting of:
 - Fixed payments for the remaining capital costs of the New Infrastructure not covered by Progress Payments
 - Indexed payments for the costs associated with the operation, maintenance, and rehabilitation of the New Infrastructure
 - Indexed payments for the costs associated with the operation and maintenance of the Existing Infrastructure
- Performance-related and other adjustments to the above payments
- Handback of the New Infrastructure at the end of the Operating Period in accordance with pre-determined conditions

Further details are provided in the remainder of this ITP, the Project Agreement, and the Technical Requirements.

1.4 Project Timing

The New Infrastructure must be opened to traffic as a paved multi-lane, divided roadway by October 26, 2007. The New Infrastructure may be opened to traffic earlier provided that it has met the relevant requirements in the Project Agreement. Only minor works, not affecting the safe use of the roadway, may remain outstanding on Traffic Availability.

The Department expects to complete the Existing Infrastructure by the fall of 2006. Responsibilities for the operation and maintenance of the Existing Infrastructure will be transferred to the Successful Proponent upon Traffic Availability of the New Infrastructure.

1.5 Project Objectives

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

- Provide effective and efficient highway infrastructure
- Ensure safety of the travelling public
- Ensure the highway is designed, constructed, operated, maintained and rehabilitated in an environmentally responsible manner that meets or exceeds all specified Provincial and Federal standards
- Allocate risks between the public and private sectors to the party best able to manage and mitigate them
- Obtain value for money through optimizing life-cycle costs

1.6 Project Scope – New Infrastructure

The Successful Proponent will assume the responsibility of design, construction, financing, operation, maintenance, and rehabilitation of the New Infrastructure. The following provides an overview of the New Infrastructure and the scope of work related to it.

1.6.1 Design and Construction of New Infrastructure

This work includes the design and construction of approximately 6 kilometres of a new 4-lane divided roadway and 5 kilometres of a new 6-lane divided roadway, between Highway 2 and Highway 216/14. Other components of the New Infrastructure include:

Interchanges:

- Anthony Henday Drive and Highway 2 (partial)
- Anthony Henday Drive and 91 Street
- Anthony Henday Drive and 50 Street
- Anthony Henday Drive and 17 Street
- Anthony Henday Drive and Highway 216/14

Fly-over Structures:

- 34 Street
- 66 Street
- 34 Avenue

Water Crossings:

- Mill Creek
- Fulton Creek

Railway Crossings:

- 2 CNR grade separated crossings at the Highway 14 interchange
- 1 CPR grade separated crossing at Parsons Road

There are unique requirements relating to embankments at the Highway 2/Anthony Henday Drive Interchange, which are already in place. These are described in the Project Specifics section of the Technical Requirements. Such works are to be included as part of the New Infrastructure.

A detailed description of the New Infrastructure is provided in the Technical Requirements.

1.6.2 Operation, Maintenance, and Rehabilitation of New Infrastructure (New O&M)

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

- Inspection
- Routine and emergency maintenance
- Pavement surface maintenance
- Pavement rehabilitation
- Bridge structure maintenance and rehabilitation (including, bridge structural and operational repairs)
- Snow clearing and ice control
- Sign and landscape maintenance
- Drainage maintenance
- Lighting and signal control maintenance

1.6.3 Financing of New Infrastructure

The financing component of the Project includes the provision of the financing required for the development of the New Infrastructure and the overall financial management of the Project for the term of the Project Agreement.

Proponents will be required to provide evidence of available financing with their submissions. The Preferred Proponent will be required to post a significant deposit and execute the Project Agreement within a specified time after the notification of its preferred status.

1.7 Project Scope – Existing Infrastructure

The Successful Proponent will assume the responsibility of operation and maintenance of the Existing Infrastructure. The following provides an overview of the Existing Infrastructure and the scope of work relating to it.

1.7.1 Overview of Existing Infrastructure

The Existing Infrastructure includes both infrastructure already completed and to be completed by the Department

Existing Infrastructure Already Completed as of January 2004:

- Highway 16 from the maintenance turnaround west of the west City of Edmonton Limits to the east edge of the TUC
- Anthony Henday Drive from Highway 16 to 45 Avenue, including crossroads within the TUC at 111 Avenue/109 Avenue, Stony Plain Road and Collingwood Road
- Highway 2 northbound and parts of Highway 2 southbound from the maintenance turnaround south of the south Edmonton City Limits to north of Anthony Henday Drive

Existing Infrastructure Still To Be Completed:

- Anthony Henday Drive from 45 Avenue to Highway 2, including crossroads within the Transportation/Utility Corridor (TUC) at Lessard Road, 184 Street, Cameron Heights Road, and 127 Street, which is expected to be completed by October 2006
- 87 Avenue and Anthony Henday Drive Interchange, which is expected to be completed by Summer 2005
- Whitemud Drive and Anthony Henday Drive Interchange, which is expected to be completed by October 2005
- Wedgewood Ravine Bridges, which are expected to be completed by October 2005
- North Saskatchewan River Bridges, which are expected to be completed by October 2005

- Blackmud Creek Bridges, which are expected to be completed by October 2005
- Whitemud Creek Bridge Culverts, which are expected to be completed by October 2005
- Terwilleger and Anthony Henday Drive Interchange, which is expected to be completed by October 2005
- 111 Street and Anthony Henday Drive Interchange, which is expected to be completed by October 2005
- Parts of the Highway 2/Anthony Henday Drive Interchange, which are expected to be completed by October 2005

Crossroads associated with intersections and interchanges on Anthony Henday Drive are included to the boundaries of the TUC.

A detailed description of the Existing Infrastructure is provided in the electronic data room.

1.7.2 Operation and Maintenance of Existing Infrastructure (Existing O&M)

The Existing O&M activities will include but not be limited to the following (The Successful Proponent will not be responsible for the rehabilitation of the Existing Infrastructure):

- Inspection
- Routine and emergency maintenance
- Pavement surface maintenance
- Bridge structure maintenance
- Snow clearing and ice control
- Sign and landscape maintenance
- Drainage maintenance
- Lighting and signal control maintenance

1.8 Partnering

The Department has entered into various partnering 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. This Project provides an excellent opportunity for the Department to continue building strong partnerships and taking advantage of the private sector's developed skills and invested knowledge.

It is a requirement of the Project that the Department and the Successful Proponent shall deal fairly, in good faith and in mutual co-operation with each other and with other parties.

Successful partnering will require considerable efforts by the parties, especially in the initial stages 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 partnering strategy pursuant to the Submission Requirements (Appendix 1 to this ITP), on how partnering with the Department 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.

1.9 Safety Management

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

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 Proponents' policies, safety plans, training programs and work site control plans to ensure the health and safety of all workers during the Construction and Operating Period.

In addition, Proponents are to devise a Traffic Management Plan in accordance with the Submission Requirements. The Traffic Management Plan is to include details of the traffic accommodation strategies.

1.10 Environmental Management

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

The Department will obtain the *Canadian Environmental Assessment Act* (CEAA) approval. During the term of the Project Agreement, the Successful Proponent must comply with the terms and conditions of the CEAA approval. The Successful Proponent will be responsible for obtaining all other approvals, authorizations, and permits.

The Successful Proponent will be required to implement an Environmental Management System (EMS) during the entire term of the Project Agreement, in accordance with the Technical Requirements. Proposals are to include details relating to an EMS in accordance with the Submission Requirements.

The EMS shall be consistent with all of the requirements of the ISO 14000:1996 Standard (and subsequent revisions).

1.11 Quality Management

The Successful Proponent will be responsible for carrying out all Quality Control and Quality Assurance functions on the Project and will be required to implement a Quality Management System (QMS) during the entire term of the Project 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 Department, at its discretion, may at any time review the conformance of any aspect of the Project to the Project Agreement. The Successful Proponent shall be responsible for bringing any components found to be in non-conformance back into conformance with the Project Agreement.

1.12 Risk Allocation

The Department has developed a risk allocation for the Project which in its view is likely to meet the Department's objectives.

Some of the certain key features of the risk allocation for the Project are highlighted below:

- The Successful Proponent will be responsible for all elements of design, construction, financing, and New O&M for the New Infrastructure and for meeting the performance and handback requirements, except otherwise explicitly specified.
- The Successful Proponent will be responsible for the Existing O&M. The Department will retain certain risks relating to asset condition of the Existing Infrastructure on handover to the Successful Proponent and on handback to the Department.
- The Department will assume the risk of actual traffic exceeding the capacity of the New Infrastructure. Future expansion and the related operating expenses will be the responsibility of the Department. Within the New Infrastructure, the Successful Proponent will be responsible for operational improvements (e.g., signalization) to accommodate increased traffic at ramps and at-grade intersections.
- The Department will share in the risk of incremental operating expenses if traffic volume exceeds volume thresholds specified in the Technical Requirements.
- The Department will assume inflation risk (based on the Index Factor) on the payments associated with the New O&M and the Existing O&M.
- The Successful Proponent will be responsible for the financing of the New Infrastructure. With respect to financing costs, the Department will share the risk of changes in market interest rates between the time of Financial Offer submission and notification of the Preferred Proponent.

- The risk of changes in published engineering standards relating to the design and construction of the New Infrastructure and safety or environmental requirements after the deadline of the technical submission (SR Package 2) will be assumed by the Department. Changes in the Province of Alberta’s highway-related standards will also be assumed by the Department.

The table below contains a general summary of the allocation of risks of the Project. Proponents are advised that the details of the Project risks and the responsibility of the parties for such risks are contained in the Project Agreement. The discussion and the table presented in this ITP serve only as a summary and are not intended to be a comprehensive description or allocation of Project risks. Certain risks within this table apply only to the New Infrastructure.

	Department	Successful Proponent
DESIGN AND CONSTRUCTION RISKS		
Concept approvals – environmental – Federal CEEA	●	
Design & construction approvals – environmental		●
Design deviation from concept approval		●
Design error		●
Patent infringement		●
Weather		●
Historical resources and environmental (known and disclosed)		●
Historical resources and environmental (unknown)	●	
Water/air/soil pollution – unknown pre-existing	●	
Water/air/soil pollution – known pre-existing or arising from work		●
Land acquisition by the Department for Right-of-Way within the TUC	●	
Obtaining Ministerial consent to use additional TUC land (permanent additional Right-of-Way)		●
Obtaining Ministerial consent to use additional TUC land (temporary use of land for construction purposes)	●	
Land acquisition outside TUC (if proposed)		●
Cost of utility permits		●
Delays by agencies other than the Department (e.g., utilities)		●
Delays by the Department	●	
Construction cost and time overrun		●
Latent defects (Existing Infrastructure)	●	
Latent defects (New Infrastructure)		●
Adequacy of insurance		●
Sub-contractor insolvency		●
Changes in design and construction standards during the Construction Period	●	
Geotechnical and soil conditions		●
Labour disputes		●
Damage to works, however caused		●
Traffic accidents during Construction Period		●
Damage/injury to third parties		●
Damage/loss to utilities		●
Utility re-location and protection		●
Defective materials		●
Quality assurance and quality control		●
Achieving Construction Standards and Specifications		●
Injunctions against construction (not caused by the Successful Proponent)	●	
Labour and material availability		●
Workplace Health and Safety		●
Change in law (general – Successful Proponent; discriminatory – Department)	●	●
Force majeure	●	●

	Department	Successful Proponent
FACILITY EXPANSION RISKS		
Operational improvements at ramps, terminals, and at-grade intersections, due to traffic growth		●
Future interchanges or additional lanes and ramp or expansion	●	
OPERATION RISKS		
Changes in standards, depending on nature of change	●	●
Weather		●
Labour disputes		●
Actual maintenance costs higher than anticipated		●
Damage/injury to third parties		●
Damage to works, however caused		●
Water/air/soil pollution		●
Third party claims and accidents		●
Increased usage of authorized overload vehicles		●
Increased legal load limits	●	
Increased maintenance due to traffic volume or facility expansion	●	●
Traffic accidents during Operating Period due to the performance of the Successful Proponent		●
Meeting Handback standards		●
Meeting Performance requirements		●
Labour and material availability		●
Workplace Health and Safety		●
Change in law (general – Successful Proponent; discriminatory – Department)	●	●
Force majeure	●	●
OTHER RISKS		
Discriminatory acts and discriminatory change in law	●	
FINANCIAL RISKS		
Market interest rates changes between the time of the Financial Offer and the identification of the Preferred Proponent (depending on the Proponent's election of options)	●	●
Interest spread risk		●
All other financing risks		●
Inflation on Construction Costs		●
Inflation on New O&M Payments and Existing O&M Payments (based on Index Factor)	●	

Section 2

Design and Construction

2.0 Design and Construction

2.1 General

The Successful Proponent must design and construct the New Infrastructure that must meet the relevant requirements in:

- The Project Agreement
- The Technical Requirements
- The Functional Plan

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

In particular, the electronic data room contains Illustrative Design and Construction Specifications and Standards, which contain design and construction standards, specifications, and related material that in the Department's view may satisfy the Technical Requirements when appropriately applied. Proponents are required to submit their proposed project construction standards and specifications in accordance with the Submission Requirements.

Portions of the Successful Proponent's Proposal will be incorporated as schedules to the Project Agreement and will form part of the Project 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 New Infrastructure. Proponents are directed to the Project 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 Department to confirm compliance with stated requirements.

2.3 Functional Planning Study – Final Report

The Functional Planning Study – Final Report (Functional Plan) for the New Infrastructure was prepared by Infrastructure Systems Ltd. for the Department and has been included in the electronic data room.

This Functional Plan has been revised since the version that was released during the RFQ stage, and is now in final form.

The Functional Plan presents the functionality requirements that need to be met by the New Infrastructure and the potential solutions or options that may fulfil these functionality requirements. The Successful Proponent will be required to design the New Infrastructure with flyovers, accesses, intersections, and interchanges at or near the locations identified in the Functional Plan. Additional roadway accesses will not be permitted.

Proponents may adopt the solutions in the Department's Functional Plan or develop their own solutions. Material departures from the solutions presented in the Functional Plan are to be submitted pursuant to the Submission Requirements, and sufficient information and details should be provided to show that future plans and improvements described in the functionality requirements are not compromised. Additionally, the information should explain in detail how such departures would impact road user costs, levels of service, safety and noise, the environment, and other transportation planning considerations. Regardless of whether Proponents choose to adopt the Functional Plan's solutions or not, the functionality requirements must be met.

2.4 Accommodation of Design Traffic

The Department has prepared a traffic model to estimate traffic and traffic growth for the New Infrastructure over the term of the Project Agreement. This model is the basis and part of the functionality requirements of the Department's Functional Plan. The model is provided in the electronic data room for information purposes only.

The Functional Plan provides for facilities that are expected to meet projected traffic demand in a thirty-year timeframe. It is recognized that certain components of the New Infrastructure may not be needed in the early part of the Operating Period. The specific timing for such facilities is described in the Project Specifics section of the Technical Requirements.

In general, capacity of the New Infrastructure for accommodating actual traffic volume is at the Department's risk. However, operational improvements required as a result of increased traffic at ramps or at-grade intersections are the responsibility of the Successful Proponent.

Other expansions including additional interchanges, mainline lanes, C-D lanes, and ramps are the responsibility of the Department.

It will be the Successful Proponent's obligation to provide the New Infrastructure that accommodates all traffic types. This includes traffic carrying authorized overloads and any unauthorized overloads. The impact of increased legal load limits in the future will fall with the Department.

The traffic model for the Existing Infrastructure is also provided in the electronic data room for information purposes only.

2.5 Right-of-Way

Her Majesty the Queen in Right of Alberta owns the property referred to as the Transportation/Utility Corridor (TUC) in which lies the right-of-way upon which the New Infrastructure is to be constructed. The TUC will be expanded by the acquisition of a few small parcels of land that will become part of the right-of-way for the New Infrastructure. These outstanding properties not already owned by the Province will be acquired by the Province by April 2005.

The land on which the New Infrastructure is to be constructed is only a portion of the TUC. Under legislation, the TUC is under the direction and control of Alberta Infrastructure. Through agreement between the Department and Alberta Infrastructure, the land dedicated to the New Infrastructure within the TUC is under the direction and control of the Department.

The portion of the land dedicated for the New Infrastructure is shown on the right-of-way drawings in the Functional Plan and Technical Requirements. This right-of-way available should be sufficient to construct the roadway as presented in the Department's Functional Plan. However, Proponents are to satisfy themselves of the adequacy of the right-of-way for their design.

The Successful Proponent will be responsible for obtaining any additional right-of-way necessary for its design. The process for obtaining additional right-of-way within the TUC is described in Alberta Infrastructure's *Transportation/Utility Corridor (TUC) Program Policy* contained in the electronic data room. The process requires the Department's approval to request the additional right-of-way from Alberta Infrastructure. The Department expects to grant such approval. The Successful Proponent can then negotiate access and request additional right-of-way from Alberta Infrastructure. If accepted, a Ministerial Order will be required to grant the right of access to the right-of-way. This right, once granted, will be free of charge. The Successful Proponent will assume timing and other risks with respect to the request for additional right-of-way.

If the design of the Successful Proponent requires additional land outside the TUC, the Successful Proponent will be solely responsible for obtaining any such land outside the TUC.

2.6 Development in Right-of-Way

The right-of-way for the New Infrastructure is provided to the Successful Proponent for highway purposes only. No commercial development or other uses are allowed.

The Successful Proponent will be responsible for arranging its own maintenance yard and other support facilities that may be required for its responsibilities outside the right-of-way and TUC.

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, Provincial, and Local legislation and regulations concerning environmental and historical resources protection.

As part of the Functional Plan, approvals and permits have been or will be obtained by the Department for:

- CEAA Approval
- Historical Resources Impact Assessment Clearance

The Successful Proponent will be responsible for ensuring that these approvals remain valid, that conditions are adhered to, and that any other approvals required for the New Infrastructure are obtained and are adhered to.

The recommendations contained in the Functional Plan with respect to environmental impact are to be considered as “best practices” during design and construction and during operation and maintenance activities so as to minimize the environmental impact of the Project.

2.8 Municipalities

The Successful Proponent will coordinate and interface its work with infrastructure owned and operated by local municipalities, including the City of Edmonton and Strathcona County. Proponents should clearly understand all requirements of the relevant municipalities.

2.9 Utilities

The Department encourages very early attention on the part of the Successful Proponent to the negotiation and coordination of utility re-location and protection, in part given that the utility companies themselves may wish to undertake their own re-location and protection according to their own schedules.

The TUC contains several utilities and the location and permitting of such are controlled by Alberta Infrastructure. The utilities are generally located beyond the roadway right-of-way and within the utility corridor of the TUC. However, various utilities do cross the roadway right-of-way and protection and re-location of certain utilities will be necessary. Available known information about utilities, utility standards and specifications supplied by the utility companies and agreements with utility companies are provided in the electronic data room.

The Successful Proponent must meet all requirements, obligations and conditions specified in such agreements with respect to work to be performed on, over, under, or in close proximity to existing utilities located within the TUC, and negotiate its own agreements where such agreements do not exist.

The Successful Proponent will be responsible for the coordination and liaison with utility companies for the re-location and protection of any utilities. The Successful Proponent will be responsible for all costs associated with utility re-location and protection.

2.10 Railways

There are a number of railway crossings in the New Infrastructure. The railway crossings are subject to the *Canada Transportation Act* and other applicable legislation. The Successful Proponent must coordinate at all times with the railway companies including, the restriction of access to any railway infrastructure. General requirements from the railway companies have been provided in the electronic data room. The Successful Proponent will need to negotiate specific agreements for crossing construction with the railway companies, which will be subject to approval by the Department.

Section 3

Operation and Maintenance

3.0 Operation and Maintenance

3.1 General

In this ITP, the New O&M refers to the operation, maintenance, and rehabilitation of the New Infrastructure whereas the Existing O&M refers to the operation and maintenance of the Existing Infrastructure. The New O&M and the Existing O&M are to be carried out by the Successful Proponent in accordance with the relevant requirements in:

- The Project Agreement
- The Technical Requirements

Proponents are required to submit details of their operation and maintenance plans in their Proposals pursuant to the Submission Requirements. Portions of the Successful Proponent's Proposal will be incorporated as schedules to the Project Agreement and will form part of the Project Agreement to be executed.

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

3.2 Operation and Maintenance

The Successful Proponent will be responsible for the New O&M and the Existing O&M.

3.2.1 Existing O&M

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

- Inspection
- Emergency maintenance
- General pavement maintenance
- Pavement performance (e.g., pothole repairs, crack sealing)
- Bridge structures maintenance and inspection
- Maintenance of other roadway components including pavement marking, signs, delineators, illumination and signal control, barriers and guardrails, curb and gutter, sidewalks, drainage system, and fencing

- Grass cutting, weed control, and landscape maintenance
- Litter clean up
- Snow and ice control

3.2.2 New O&M

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

- Inspection
- Emergency maintenance
- General pavement maintenance
- Pavement performance (e.g., pothole repairs, crack sealing, smoothness, width, cross-slope, skid resistance, rutting)
- Bridge structures maintenance, inspection, and rehabilitation
- Maintenance of other roadway components including pavement marking, signs, delineators, illumination and signal control, barriers and guardrails, curb and gutter, sidewalks, drainage system, and fencing
- Grass cutting, weed control, and landscape maintenance
- Litter clean up
- Snow and ice control
- Life cycle asset management and rehabilitation
- Road traffic noise mitigation

3.3 Compliance

The Successful Proponent will be required to have plans, systems, and processes that must meet the Technical Requirements and will measure, monitor, and audit its own performance. The Department will undertake inspections over the term of the Project Agreement to ensure that the Successful Proponent is meeting its obligations.

If the Successful Proponent is not meeting its 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 Project Agreement, the New Infrastructure and the Existing Infrastructure must satisfy their respective handback standards, which are specified in the Technical Requirements.

Handback inspections will be conducted over the last five years of the Operating Period in accordance with the Project Agreement. The Successful Proponent is expected to demonstrate to the Department that it has met the Handback Standards when the Project Infrastructure reverts back to the Department.

For the Existing Infrastructure, the handback requirements will be generally of an operating nature. The Successful Proponent must undertake operation and maintenance as specified in the Technical Requirements, indicating to the level of maintenance for the Existing Infrastructure. These performance requirements must be met at handback.

Section 4

Business Arrangements

4.0 Business Arrangements

4.1 Business Model

The Department has selected a business model in which the Successful Proponent will be responsible for the Project over the term of the Project Agreement. In return, the Successful Proponent will receive pre-defined payments from the Department over the term of the Project Agreement.

Beyond the Progress Payments to be made from the Federal government contribution, the raising of financing will be the sole responsibility of the Successful Proponent. The Province of Alberta will not guarantee any debt incurred by the Successful Proponent.

It is the intention of the Department to enter into the Project Agreement with an entity to be proposed by the Successful Proponent. Flexibility is given to Proponents to structure the entity in order to deliver the best value to the Department.

4.2 Timing

The New Infrastructure is scheduled to open for traffic on or before October 26, 2007. The Successful Proponent will be responsible for the New O&M during the Operating Period of 30 years. If the New Infrastructure is ready for Traffic Availability on or before October 26, 2007, the Operating Period will be thirty years from Traffic Availability. If the New Infrastructure is ready for Traffic Availability after October 26, 2007, the Operating Period will end in thirty years from October 26, 2007, regardless of Traffic Availability (i.e., the Operating Period will be shortened). Further details are provided in the Project Agreement.

The Existing Infrastructure already completed is currently operated and maintained by the City of Edmonton. The Existing Infrastructure yet to be completed will be completed by October 2006. It is anticipated that operation and maintenance for the Existing Infrastructure to be completed will also be carried out by the City of Edmonton until the New Infrastructure achieves Traffic Availability. Upon Traffic Availability, the operation and maintenance of all Existing Infrastructure will be transferred to the Successful Proponent.

4.3 Payments

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

- **Progress Payments** in the amount of \$75 million for a portion of the capital costs of the New Infrastructure during the Construction Period

- **Capital Payments** for the remaining capital costs of the New Infrastructure during the Operating Period
- **New O&M Payments** for the New O&M (including, lifecycle/rehabilitation costs) during the Operating Period
- **Existing O&M Payments** for the Existing O&M during the Operating Period
- **Performance-based payment adjustments** and holdbacks to amounts otherwise payable
- **Special Adjustments** to Operating Payments for certain pre-defined events

Progress Payments in the total amount of \$75 million for a portion of the capital costs of the New Infrastructure will be made pursuant to the terms of an agreement between the Government of Canada and the Province of Alberta, which is expected to be finalized in May 2004. Depending on the specific terms of the agreement with the Federal government, the Department currently anticipates that the timing of the Progress Payments will be linked to actual construction activities.

Capital Payments for the remaining capital costs of the New Infrastructure will be made in fixed monthly amounts over the Operating Period. Late completion will shorten the Operating Period and reduce the corresponding payments. The monthly amount payable will be the amount stated in the Financial Offer of the Successful Proponent, subject to the price adjustment for interest rate changes if so elected by the Successful Proponent.

In order to provide a degree of protection to Proponents against certain interest rate changes between the time of submission of the Financial Offer and the time of notification of the Preferred Proponent, the Department is offering a price adjustment to the Capital Payments presented in the Proponent's Financial Offer. Proponents may elect to accept or decline the price adjustment formula. If a Proponent accepts the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be adjusted for incorporation into the Project Agreement. If a Proponent declines the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be incorporated into the Project Agreement without adjustment.

New O&M Payments will be made over the Operating Period. The monthly amount will be the amount indicated by the Successful Proponent in the Financial Offer for each month of the Operating Period, multiplied by an Index Factor to account for inflation. The Index Factor will be calculated once annually in advance and will incorporate the price changes of a basket of items including, labour wages, diesel fuel, consumer goods, and non-residential construction.

Existing O&M Payments will be made over the Operating Period. Similar to the New O&M Payments, the monthly amount will be the amount indicated by the Successful Proponent in the Financial Offer for each month of the Operating Period, multiplied by the Index Factor.

The above payments will be subject to **performance-based adjustments**. Examples of incidents leading to performance-based adjustments include:

- Deviations from design or specifications

- Failure to provide service within specified time
- Lane closures (other than for incidents outside the control of the Successful Proponent such as accidents)

The Technical Requirements contain the triggers for and amounts of adjustments to the payments otherwise payable to the Successful Proponent.

Special adjustments are designed to assist the Successful Proponent in the incremental cost of operation and maintenance due to certain limited, pre-defined events. Such events include actual traffic volume exceeding certain threshold volume and changes in environmental regulations that require the elimination or changes in the use of salt and other chemicals.

4.4 Holdbacks and Other Performance Security

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

- Holdbacks on Progress Payments
- Set-offs for the Department's traffic management costs during the Construction Period
- Holdbacks or alternate security for work identified as required through the handback inspections

Details of these provisions are provided in the Project Agreement.

4.5 Ownership of Real Estate

It is the Province's intention to retain the freehold interest in the right-of-way and in any other land required for the New Infrastructure and enter into a ground lease for a nominal amount with the Successful Proponent as part of the Project Agreement. For the New Infrastructure, the Successful Proponent will have the right of access to the specific right-of-way and own all infrastructure improvements it constructs. On expiry of the Project Agreement, all interest in the infrastructure improvements will revert to the Province free and clear of any encumbrances or interests.

For the Existing Infrastructure, the Province will retain ownership of the right-of-way and the infrastructure, and there will be no ground lease for the Existing Infrastructure. The Successful Proponent will be granted the right of access free of charge during the Operating Period.

Details of ownership and right of access are included in the Project Agreement. Proponents may provide comments on the Project Agreement (as explained in Section 5 of this ITP) with respect to alternative real estate arrangements for consideration by the Province. However, such alternatives should not change the fundamental commercial parameters as set out in the Project Agreement.

4.6 Tax

Each Proponent should satisfy itself as to the tax consequences of, but not limited to, the Goods and Services Tax and Income Tax in accordance with the Project Agreement.

4.7 Insurance Requirements

The Successful Proponent is required to maintain certain mandatory insurance coverage. The insurance forms and amounts for the Construction and Operating Period and in the Project Agreement are minimum mandatory requirements that the Successful Proponent must provide, without limiting its obligation or liabilities. The insurances must comply with the *Alberta Insurance Act*.

These requirements, as detailed in this ITP and the Project Agreement, specify the minimum insurance necessary during the Construction and Operating Period. The Successful Proponent is encouraged to obtain insurance in addition to the specified requirements. Proponents are to provide details of its 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 submission has met all the technical and financial requirements and provided the most favourable Financial Offer will be selected as the Preferred Proponent. Once the Preferred Proponent has submitted the Preferred Proponent Deposit and executed the Project Agreement, the Preferred Proponent becomes the Successful Proponent.

The selection process will consist of three mandatory submissions (SR Package 1, 2, and 3) due in stages. There will also be an Optional Innovation Submission prior to SR Package 1. Additionally, Proponents are invited to submit comments on the draft Project Agreement. An overview of the various submissions is provided below:

- **Optional Innovation Submission** is to include innovative design solutions for early feedback by the Department as to their likely acceptability.
- **SR Package 1** requires general information as well as selected preliminary technical plans and drawings.
- **SR Package 2** requires detailed technical plans and detailed designs as well as an Indicative Financial Model and an Indicative Financing Plan.
- **SR Package 3** requires a Final Financial Model, a Final Financing Plan, a Financial Offer, and a Proposal Deposit of \$1 million. Specified components from SR Packages 1 and 2 as clarified and updated are to be resubmitted as part of SR Package 3.
- Proponents are also invited to submit **comments on the draft Project Agreement**. The Department anticipates to request two rounds of comments. Upon consideration of these comments, the Department will issue the Project Agreement in final form in advance of the deadline for SR Package 3.
- **Provision of the Preferred Proponent Deposit of \$17.5 million** is to occur within three Business Days of notification of the Preferred Proponent.
- **Execution of the Project Agreement** by the Preferred Proponent is expected to occur within ten Business Days of notification to the Preferred Proponent.

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

Milestones	Timing
Issuance of RFP	April 5, 2004
Information Meeting	April 19, 2004
Meeting with Utility Companies and Municipalities	To be announced
Anticipated Issuance of Draft Project Agreement	May 10, 2004
Optional Innovation Submission Deadline	May 10, 2004
Issuance of the Department's Comments on Optional Innovation Submission	May 21, 2004
Meeting (if any) with Proponents on Optional Innovation Submission Feedback	May 28, 2004
Deadline for 1 st Round Comments on the Draft Project Agreement	June 11, 2004*
SR Package 1 Submission Deadline	June 11, 2004
Issuance of 2 nd Draft Project Agreement	July 9, 2004*
Provision of Feedback (if any) on SR Package 1	July 9, 2004
Deadline for 2 nd Round Comments on the Draft Project Agreement	July 30, 2004*
SR Package 2 Submission Deadline	August 3, 2004
Issuance of Final Form of the Project Agreement	August 13, 2004*
Notification of Evaluation Results of SR Package 2	August 31, 2004
SR Package 3 Submission Deadline	October 1, 2004
Notification of Preferred Proponent	October 29, 2004
Execution of Project Agreement	November 12, 2004

*These dates are dependent on the actual issuance date of the Draft Project Agreement.

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

5.2 Department Representative

The Department Representative for this RFP is:

Mr. Neill McQuay, P.Eng.
 Director, P3 Transportation Projects
 Alberta Transportation
 2nd Floor, Twin Atria Building
 4999-98 Avenue
 Edmonton, Alberta, Canada
 T6B 2X3

Email: neill.mcquay@gov.ab.ca
 Phone: (780) 415-1076
 Fax: **(780) 440-8719 (Please note the new fax number)**

All correspondence or contact by Proponents with the Department 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 Information Meeting

An information meeting will be held with all Proponents as a group. The purpose of this meeting is to provide an overview of the selection process and to respond to questions and comments that Proponents may have. All Proponents are required to attend.

The information meeting will be held as follows:

Date:	April 19, 2004
Time:	9:30 a.m. (Edmonton time)
Location:	Westin Hotel – Strathcona Room 10135-100 Street, Edmonton, Alberta T5J 0N7 Canada

5.4 Meeting with Utility Companies and Municipalities

An information meeting will be held with utility companies and municipalities and all Proponents as a group. The purpose of this meeting is to provide Proponents with an opportunity to ask questions related to utility relocation and protection and municipal issues. The utility companies and municipalities that may participate are as follows:

- ALTALink Management Ltd.
- ATCO Pipelines Ltd.
- Imperial Oil Pipeline Operations Ltd.
- BP Canada Energy Company
- NOVA Chemicals Corporation
- EPCOR Water Services
- EPCOR Power
- Shaw Cablesystems G.P.
- Rimbey Pipe Line Company Ltd. (Keyspan Energy Canada)
- TELUS
- ATCO Gas
- Canadian National Railway Company

- Canadian Pacific Railway Ltd.

As the utility companies and municipalities may wish to limit their direct contact with Proponents over the course of the RFP process, Proponents are strongly encouraged to attend.

The information meeting will be held as follows:

Date:	To be announced
Time:	To be announced (Edmonton time)
Location:	Edmonton, Alberta, Canada (specific location to be announced)

The Department makes no warranties or representations with respect to the information provided by the utility companies or the municipalities during the meeting.

5.5 Electronic Data Room

Project-related information will be available to Proponents in an electronic data room and/or in hard copy, depending on the information. The address of the electronic data room is <ftp://atseahcon:attacon01@www.tu.gov.ab.ca/Southeast%20Anthony%20Henday%20RFP/> and this address already embeds the user ID and password for access by Proponents. A catalogue for the electronic data room as at the date of issuance of this RFP is provided in the electronic data room. Updates and additions to this catalogue will be provided in the electronic data room as they become available, and Proponents will be notified.

5.6 Site Access

Proponents may access the site to conduct site investigations. Prior to being granted access, Proponents shall enter into an agreement with the Department that will include but not be limited to the following terms and conditions as provided in Alberta Infrastructure's *Transportation/Utility Corridor (TUC) Program Policy* which is located in the electronic data room.

Alberta Infrastructure is responsible for authorizing access to land within the TUC required for the Project to Proponents who request such access to conduct site investigations. To do so, Proponents are to provide a written plan that outlines what tests are to be performed at least five Business Days before access is sought. Subject to the Proponent satisfying the requirements below, Alberta Infrastructure will authorize access and will attempt to authorize such access on the day or days sought by the Proponent. Proponents are cautioned that the time to obtain the required approvals from Alberta Infrastructure will vary with the nature of the investigations sought to be performed by Proponents, and as such, they are cautioned to plan for and request site access as early as possible.

Prior to being granted access, Proponents shall enter into an agreement with Alberta Infrastructure that will include but not be limited to the following terms and conditions:

- Proponents will be responsible for any damage to any of the land.

- Proponents will agree to indemnify and hold harmless the Province from and against any claims or actions arising out of the Proponent's access to the land or Alberta Infrastructure's 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 Alberta Infrastructure 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 the applicable insurance as specified in the Site Access Agreement.
- Proponents will provide and implement traffic accommodation plans during site access, where necessary, in accordance with the Department Traffic Accommodation Manual where requested.

Any Proponents seeking access to the site will be required to purchase and maintain in full force, or cause to be purchased and maintained in full force, at all times during the RFP period up to the signing of the Project Agreement, insurance to protect itself, all of their Team Members, sub-contractors and sub-consultants, the Province, any lender(s), all of their successors and assigns, and their respective directors, officers, employees, agents, servants and officials involved in the Project during the RFP period. The evidence of insurances shall be delivered to Alberta Infrastructure prior to access to the site. The insurances required during this period need not be dedicated to the Project.

The following insurances will be required:

- Comprehensive Liability Insurance in an amount of no less than five million dollars (\$5,000,000) inclusive per occurrence against bodily injury and property damage, including loss of use thereof. The Province is to be added as an additional insured under this policy for any and all claims arising out of the Successful Proponent's operations. Such insurance shall include but not be limited to:
 - Products and completed operations liability;
 - Owner's and contractor's protective liability;
 - Blanket written contractual liability;
 - Contingent employer's liability;
 - Personal injury liability;
 - Non-owned automobile liability;
 - Cross Liability with respect to additional insureds;
 - Employees as additional insureds;
 - Broad form property damage endorsement;
 - Operation of attached machinery;
 - Sudden and accidental pollution;

and where such further risk exists:

- Geotechnical drilling;
 - Elevator and hoist liability;
 - Towing/on hook coverage.
- Automobile liability on all vehicles owned, operated or licensed in the name of the Proponent or its Team Members in an amount not less than five million dollars (\$5,000,000).

5.7 Clarifications, Questions and Addenda

5.7.1 Proponent Inquiries

Proponents who wish to ask the Department questions regarding this RFP must submit them 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 by 4:00 pm Edmonton time on or before the tenth (10th) Business Day prior to the Submission Deadline to which they apply. The Department Representative intends to respond on or before the fifth (5th) Business Day prior to the Submission Deadline to which the questions apply. The Department intends to issue all responses and their corresponding questions to all Proponents. However, the Department reserves the right to issue particular responses only to an individual Proponent depending whether the question is confidential, or not to issue a response at all.

Should a Proponent wish to ask a question that it deems 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. If the Department 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 Department 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. The Department 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 deem a question confidential.

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

Verbal responses to inquiries are not binding on the Department.

5.7.2 Clarification and Additional Information

The Department may in its sole discretion request additional information or clarification from any Proponent after any SR Package has been received. Proponents are to submit the additional information or clarification to the Department Representative within the time limit as specified by the Department.

5.7.3 Proponent Meetings and Interviews

The Department may require Proponents to meet with representatives of the Department on one or more occasions to provide further explanation and clarification of their SR Packages or to provide feedback to Proponents. The Department 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 Department unless it is confirmed by a written addendum or clarified in writing by the Department Representative.

5.8 Optional Innovation Submission

In order to facilitate innovation, the Department will invite but not require Proponents to participate in an Optional Innovation Submission and feedback process. Proponents may choose to submit an Optional Innovation Submission for consideration by the Department. In response to such submissions, the Department will attempt to provide written feedback separately to each participating Proponent, within two weeks from the deadline for the Optional Innovation Submission. The Department may choose to meet with each participating Proponent shortly following the provision of written feedback.

Regardless of whether a Proponent submits an Optional Innovation Submission, all Proponents will be able to proceed to make a submission towards SR Package 1.

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 solutions presented in the Functional Plan. Proponents are not required to adopt the innovative solutions proposed in their Optional Innovation Submissions in their SR Packages. Such innovative solutions are still required to meet the functionality requirements. Proponents are requested to expressly reference sections of the Functional Plan from which they are considering to depart. The information provided should be in sufficient detail to allow the Department to understand how the Proponent's innovative solutions depart from the solutions in the Functional Plan and how the Proponent's innovative solutions nevertheless satisfy the functionality requirements.

Written feedback will be provided to Proponents with respect to the likely acceptability of their innovative solutions on the part of the Department based on whether the proposed innovative solutions meet the functionality requirements and the Project's objectives. The final acceptability of the innovative solutions will be contingent on further details submitted in subsequent SR Packages.

Should the Department 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 Department will not share the contents of the Optional Innovation Submissions or of the corresponding feedback with any other Proponent. However, the Department 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.

Proponents are cautioned as to the potential need for public consultation at the cost and risk of the Proponent in the event that deviations from the Functional Plan are proposed.

5.9 Comments on Project Agreement

In order to achieve an optimal Project Agreement, the Department is inviting comments from Proponents on the draft Project Agreement. Proponents may also comment on the triggers for and amounts of payment adjustments in the Technical Requirements. The Department expects not to make changes to the Technical Requirements and other performance standards, although the Department reserves the right to do so.

Proponents are invited to suggest modifications to the Project Agreement and Technical Requirements, by way of blacklining and providing supplemental commentary sufficient to explain the reason for the modifications, including how the modifications provide enhanced value for money to the Department. 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 data room.

The Department reserves the right in its sole discretion to accept or reject such modifications in whole or in part. The Department reserves the right to conduct further rounds of comments and to hold one-on-one meeting(s) 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 Project Agreement.

It is the Department's intention to issue the final form of the Project Agreement to Proponents prior to the submission deadline for SR Package 3.

Once issued in final form, the Project Agreement is to be executed by the Preferred Proponent without further negotiation or amendment, except for customization to incorporate specific portions of the Preferred Proponent's Proposal. The Preferred Proponent cannot qualify the acceptance of the final form of the Project Agreement. If the Preferred Proponent does not execute the Project Agreement in its final form, in addition to any other remedy available to the Department, the Department may retain the Preferred Proponent Deposit, and, in the sole discretion of the Department, designate the next highest-ranking Proponent as the Preferred Proponent.

Timing related to deadlines to submit comments on the draft Project Agreement and the releases of the draft and final Project Agreements is presented in Section 5.1 of this ITP.

5.10 Submission Procedure

The submission procedure applies to all of the following submissions for this RFP:

- Optional Innovative Submission
- Comments on draft Project Agreement
- SR Package 1
- SR Package 2
- SR Package 3

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

Each submission shall also include an identical electronic version written on a CD, working financial model in Microsoft Excel format and written document in PDF and Microsoft Word format.

Each submission must be received by 4:00 pm Edmonton time on the day specified in Section 4.1 of this ITP at:

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Location: Alberta Transportation
Tender Administration
Tender Deposit Centre
1st Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Proponents must clearly label each submission package with their name and with “RFP Submission Anthony Henday Drive Southeast Leg Ring Road Project”. Proponents must also clearly label which submission it is providing (i.e., Optional Innovation Submission, Comments on draft Project Agreement, or any of the SR Packages). Submission via fax or electronic mail will not be accepted.

SR Package 3 will be a stand-alone binding comprehensive final submission by Proponents incorporating earlier submissions and responses to the Department’s clarification questions. SR Package 3 must include a re-submission of SR Packages 1 and 2 (incorporating the outcome of clarification questions and answers and making no other changes). Proponents will re-submit SR Packages 1 and 2 by way of blacklining all changes from the original submission of those SR Packages.

SR Package 3, including the Financial Offer, shall be irrevocable and valid and binding for a period of ninety (90) days from the Submission Deadline for SR Package 3.

5.11 Proposal Deposit

Each Proponent must provide a Proposal Deposit of \$1 million with SR Package 3 to the Department in the form of a certified cheque in favour of the Minister of Finance or an unconditional irrevocable letter of credit. A sample form of the letter of credit is provided in Form F of Appendix 2.

The Proposal Deposits of unsuccessful Proponents will be returned after the Preferred Proponent has executed the Project Agreement. The Proposal Deposit of the Preferred Proponent will be returned upon the provision of the Preferred Proponent Deposit.

5.12 Preferred Proponent Deposit

In order to secure the financial commitment of the Preferred Proponent, the Department will require the Preferred Proponent to provide a Preferred Proponent Deposit of \$17.5 million upon notification of its preferred status in the form of a unconditional irrevocable letter of credit. As indicated earlier, if the Preferred Proponent fails to execute the Project Agreement within the specified time, the Department has the right to retain the Preferred Proponent Deposit.

The Preferred Proponent Deposit will be released to the Successful Proponent upon the provision of evidence satisfactory to the Department of committed, unconditional financing dedicated to the Project in the amount of \$35 million or having incurred \$35 million of construction costs in the New Infrastructure.

5.13 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.
- Assessment of acceptability of each component in the SR Packages on a pass/fail basis.

The Department 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. For these components, rather than assessing them on a pass/fail basis, the Department will provide feedback to Proponents on the likely acceptability of the approach contained in those components.

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

SR Package 1

The SR Package 1 consists of the following components:

- SR 1.1 – General/Proponent information (pass/fail evaluation)
- Envelope A
 - SR 1.2 – Management plan (pass/fail evaluation)
 - SR 1.3 – Project schedule (pass/fail evaluation)
 - SR 1.4 – Preliminary design (feedback)
 - SR 1.5 – Utilities and municipal services report (feedback)
 - SR 1.6 – Preliminary public communications strategies (feedback)

The contents of SR 1.4, 1.5, and 1.6 will be superseded and/or incorporated into components of SR Package 2 Envelope A. The contents of SR 1.2 and 1.3, as clarified, will be required to be resubmitted in SR Package 3.

In instances that 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.

SR Package 2

The SR Package 2 consists of the following components:

- SR 2.1 – General/Proponent information (pass/fail evaluation)
- Envelope A (all pass/fail evaluation):
 - SR 2.2 – Roadway design report
 - SR 2.3 – Pavement design report
 - SR 2.4 – Noise attenuation strategy
 - SR 2.5 – Bridge structures design report
 - SR 2.6 – Drainage design report
 - SR 2.7 – Safety audit report
 - SR 2.8 – Construction management plan
 - SR 2.9 – Operations and maintenance plan

- SR 2.10 – Infrastructure wholelife management plan
- SR 2.11 – Traffic management plan
- SR 2.12 – Quality management system
- SR 2.13 – Environmental management system
- SR 2.14 – Safety plan
- SR 2.15 – Public communications strategies
- SR 2.16 – Partnering strategy
- Envelope B (all pass/fail evaluation):
 - SR 2.17 – Financial capacity
 - SR 2.18 – Insurance
- Envelope C (no pass/fail evaluation or feedback; for information only):
 - SR 2.19 – Indicative Financial Model
 - SR 2.20 – Indicative Financing Plan

The Indicative Financial Model (SR 2.19) and Indicative Financing Plan (SR 2.20) are intended to provide the Department an early indication of the Proponent's financing plan in order to expedite the evaluation of the financing plan in SR Package 3. The Indicative Financial Model and Indicative Financing Plan will not be evaluated although the Department reserves the right to ask clarification questions to Proponents.

SR Package 3

The SR Package 3 consists of the following items:

- SR 3.1 – General/Proponent information (pass/fail evaluation)
- Envelope A (all pass/fail evaluation)
 - SR 3.2 – SR Package 1 – SR 1.2 and 1.3 as clarified
 - SR 3.3 – SR Package 2 Envelope A – all components as clarified
- Envelope B (pass/fail evaluation)
 - SR 3.4 – Insurance – SR 2.18 as clarified
- Envelope C (all pass/fail evaluation)
 - SR 3.5 – Final Financial Model
 - SR 3.6 – Final Financing Plan

- Envelope D
 - SR 3.7 – Financial Offer according to Form G1 and G2 in Appendix 2 of this ITP (ranking criterion)
 - SR 3.8 – Proposal Deposit of \$1 million (pass/fail evaluation)

SR Package 3 is intended as the consolidated submission from Proponents. SR Package 3 will be incorporated into the Project Agreement.

Evaluation Process

The Department 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 deemed materially incomplete or determined to be unacceptable to the Department.

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

From among the Proposals that are acceptable, the Preferred Proponent 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 using a discount rate to be selected by the Department. The Department will set the discount rate based on the borrowing rates of the Province of Alberta at the close of one Business Day before the deadline for SR Package 3.

The Department reserves the right not to enter into the Project Agreement with any Proponent.

5.14 Honorarium

The Department will provide an Honorarium of \$500,000 to each unsuccessful Proponent whose SR Package 3 has passed and met all the requirements for the various components of SR Package 3. The payment of honoraria will be made 21 Business Days after the execution of the Project Agreement by the Preferred Proponent. If the Department elects not to enter into the Project Agreement with any Proponent that has successfully passed SR Packages 1 through 3, an Honorarium will be paid to each Proponent following notification to Proponents of the Department's decision. If the Preferred Proponent does not proceed to execute the Project Agreement, the Preferred Proponent will not be eligible for an Honorarium.

5.15 Fairness Auditor

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

Section 6

Other Matters

6.0 Other Matters

6.1 Eligibility

As a result of their involvement with the Department on this Project, the following 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 respect of this Project:

- Altamira Consulting Ltd.
- Collings Johnston Inc.
- Gan & Gan Utilities and Engineering Ltd.
- GGC Consultants Inc.
- KPMG LLP
- Millennium EMS Solutions Ltd.
- MSES Inc.
- Pisces Environmental Consulting Services Ltd.
- PricewaterhouseCoopers LLP
- Quality Express, a Division of 519815 Alberta Ltd.
- Terrace Engineering Ltd.
- Thurber Engineering Ltd.
- UMA Engineering Ltd.

Proponents may be disqualified if they are any of the above-noted firms or other firms or individuals which may provide an unfair advantage to their teams.

6.2 Team Membership

Lead Team Members and Prime Team Members may not be on more than one Proponent team.

6.3 Changes to Proponents' Team Structure

It is recognized that Proponents may seek to change the team composition and structure from the information supplied in their responses to the RFQ. If a change is sought, Proponents shall inform the

Department Representative within five (5) Business Days regarding the change and submit the applicable RFQ information. The Department will re-evaluate the change in accordance with the RFQ criteria and determine if the change is acceptable. The Department reserves the right to either accept or reject the requested change and to change the short-listed status of the Proponent accordingly.

6.4 Conflict of Interest

Proponents are advised that, as required by the *Conflicts of Interest Act (Alberta)*, no member of the Legislative Assembly or person directly associated with a member of the Legislative Assembly can be associated with the Proponent in a fashion that may breach the Act.

Additionally, since this Project is partially funded by the Federal government, Federal conflict of interest requirement will also apply. As such no members of the House of Commons or the Senate can be associated with the Proponent nor enjoy any benefit arising from the Project Agreement. No person governed by the post-employment terms and conditions set out in the *2003 Values and Ethics Code for the Public Service and the Conflict of Interest and Post-Employment Code for Public Office Holders (2003)* shall derive a direct benefit from the Federal funding unless that person complies with the applicable post-employment provisions.

Proponents must declare in their submissions any and all associations, which may preclude or restrict involvement in the Project, as defined in the Conflicts of Interest Act. Proponents must declare that they have no financial or other interest that would cause or appear to cause a conflict of interest in carrying out the Proponent's obligations in the Project.

Breach of the conflict of interest terms constitutes grounds for the disqualification of the Proponent. The Department will review any submissions by Proponents under this provision and may reject any RFP submission where, in the opinion of the Department, the Proponent could be in a conflict of interest or could be perceived to be in a possible conflict of interest position if the Proponent were to become a contracting party pursuant to the RFP.

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 dissemination of their submissions to this RFP, for any presentations or interviews related to the Proposal, and for submitting any additional information requested by the Department. The Department shall not be liable to any Proponent for any costs and expenses incurred in responding to this RFP.

6.6 Ownership of Documents

All documents submitted by Proponents shall become the property of the Department. If expressly permitted in this RFP, should any documents be submitted electronically, then their content and the media

they are contained in shall also become the property of the Department upon their being presented, submitted or forwarded to the Department.

Notwithstanding anything in this RFP, the Department may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in Proposals and in any communication surrounding the Proposal provided by the Proponents or their agents, for any purpose whatsoever including but not limited to the use of portions of the Proposals or ideas, information, and designs in the Proposals.

6.7 Royalty-free License Back

In case Proponents have created copyrights and new technology and have submitted them to the Department, the Department shall agree to, upon request, provide a royalty-free, perpetual license back to the Proponent and/or its consultants for their unfettered use in their future or other projects and in licensing their clients. This license does not carry any obligations on the Department whatsoever and does not require it to register or enforce registered rights in regard to Copyrights and New Technology.

6.8 No Collusion

Proponents must ensure that their participation in the RFP process is conducted fairly and without collusion or fraud. Proponents and their Lead Team Members and Prime Team Members shall not discuss or communicate, directly or indirectly, with any other Proponents or their Lead Team Members and Prime Team Members regarding the preparation or submission of their responses to the RFP. However, for greater certainty, Proponents may use the same firm or firms to obtain geotechnical, topographical, or other information about the site.

6.9 No Lobbying

Proponents or their Team Members will not engage in any form of political or other lobbying whatsoever with respect to this Project. In the event of any such lobbying, the Department at its sole and absolute discretion may at any time reject any Proposal submitted by that Proponent without any further consideration and terminate that Proponent's right to continue in the process. All correspondence or contact by Proponents with the Department must be directly and only with the Department Representative or as otherwise provided for in this RFP.

6.10 No Publicity

No press releases or other forms of public communication shall be issued by any Proponent in relation to the Project without first obtaining approval of the Department. Proponents shall ensure all of their Team Members and others associated with the Proponent also comply with these requirements. In the event of any unauthorized publicity, the Department in its sole and absolute discretion may at any time reject any

RFP submission by that Proponent without any further consideration and terminate that Proponent's right to continue in the process.

6.11 Confidentiality

All communications between the Proponents (including their Team Members) and the Department shall be treated as confidential during as well as after preparation and submission of the response to the RFP. In the event of any such breach of confidentiality, the Department at its sole and absolute discretion may at any time reject any RFP submission by that Proponent without any further consideration and terminate that Proponent's right to continue in the process.

6.12 Freedom of Information and Protection of Privacy Act

All documents submitted by a Proponent shall be subject to the Alberta *Freedom of Information and Protection of Privacy Act*, the federal *Access to Information Act and Privacy Act* and any other applicable law.

6.13 Amendments to and Cancellation of Process

The Department is not bound to accept any Proposal. At any time prior to the execution of a binding Agreement, the Department may, in its sole discretion, terminate the selection process, cancel the Project, proceed with the Project on different terms or proceed with the Project as a traditional Department constructed Project. All of this may be done with no compensation other than the Honorarium as detailed elsewhere in this document. The Department reserves the right to amend, extend the closing date or schedule, suspend, postpone, or cancel any part or stage of this RFP at any time or for any reason and the Proponents shall have no recourse against the Department.

6.14 Accuracy of Information

While the information in the RFP and any other information has been prepared in good faith, it does not purport to be accurate, comprehensive or to have been independently verified. Neither the Department 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 therefore is hereby expressly disclaimed.

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

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

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

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

The Proponent shall not be entitled to claim against the Department or its elected officials, officers, employees, agents or advisors on the grounds that any information, whether obtained from the Department or otherwise (including information gained from other Alberta Government departments 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 data and information upon which their proposal is based.

6.15 Debriefing

If requested, the Department may debrief Proponents after the execution of the Project Agreement.

6.16 No Contract

By submitting a Proposal and participating in the process, Proponents and Team Members expressly agree that no contract of any kind is formed under or arising from their Proposal submissions up to and including the execution of the Project Agreement with the Successful Proponent. The Proponents acknowledge that no legal obligation arises until the Department accepts a Proposal following SR3, provided that the Department reserves the right to reject the lowest cost Proposal, or any or all Proposals.

6.17 Limitation of Damages

The Proponent and its Team Members, by submitting any or all of a Proposal including any or all of the SR Packages, agrees that it will not claim damages, for whatever reason, relating to the Project Agreement or in respect of the RFP process, in excess of an amount equivalent to the reasonable costs incurred by the Proponent in preparing its Proposal. The Proponent, by submitting a proposal, waives any claim for lost profits if no contract is made with the Proponent.

6.18 Jurisdiction

This RFP will be interpreted and applied in the courts, and according to the laws in force, in Alberta.

6.19 Time

Time is of the essence.

Appendix 1

Submission Requirements

Appendix 1 – Submission Requirements

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SR 1.0 Submission Requirement Package 1

The SR Package 1 consists of the following items:

- SR 1.1 – General/Proponent information (including Form A1 and A2)
- Envelope A
 - SR 1.2 – Management plan
 - SR 1.3 – Project schedule
 - SR 1.4 – Preliminary design
 - SR 1.5 – Utilities and municipal services
 - SR 1.6 – Preliminary public communication strategies

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

SR 1.1 General/Proponent Information

Provide the following items:

- A confirmation of the composition of the Proponent as provided in the RFQ Submission.
- A description of changes, if any, to the composition of the Proponent since the RFQ Submission Deadline, 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 Proponent, including a description of all Team Members, and the anticipated legal relationship among the Proponent and its Team Members with respect to the relevant elements of the Project. Material provisions of any agreements which have been entered into between the Proponent and its Team Member with respect to the Project are to be described.
- A list of the individuals or companies who hold a major or controlling interest in the Proponent and in each Prime 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 an authorized representative of the Proponent and each Prime Team Member.

Envelope A

SR 1.2 Management Plan

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

SR 1.2.1 Organization Structure

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

- Management group, including Executive Officers;
- Design and Construction group;
- Environmental Management group;
- Public Communications group;
- Quality Management group;
- Operations and Maintenance 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 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 Project.

SR 1.2.3 Relationship Between the Department and the Proponent

Describe who will have the authority to deal with the Department and what level of authority they will carry. Describe the nature and extent of the interfacing and interaction envisaged between the Proponent and the Department over the course of the Project, and the measures proposed to ensure a high level of communications and cooperation.

SR 1.3 Project Schedule

Provide a project schedule that describes the Proponent's plan to integrate its activities together with consultant and subcontracted activities into the Project scheduling and reporting systems for all phases of the Project. Include a description of how the Proponent will approach re-scheduling of its own, its consultant's and subcontractor's activities to achieve recovery of the project schedule if required, and how the Proponent plans to enforce this approach with its consultants and subcontractors. The Project Schedule is to include, but not be limited to, the following:

SR 1.3.1 General Approach to Implementing the Project

Provide a description, along with a simplified time schedule, giving an overview of the Proponent's approach to implementing the Project from the date of execution of the Project Agreement throughout the Construction Period and the Operating Period. Any contemplated advanced opening (or staged) portions of the New Infrastructure along with any interim operations prior to Traffic Availability for the New Infrastructure as a whole is to be addressed in this section.

SR 1.3.2 Detailed Schedule

Address the Proponent's approach to achieving the required dates for Traffic Availability and the completion of construction of the Project and to implementing the major components of the Project. Identify the major activities, key tasks, and milestones to be undertaken in connection with the Project from the date of execution of the Project Agreement to the expiry of the Project Agreement. Include concise descriptions of these major activities. For purposes of presentation and description, subdivide the proposed Project Schedule into the following components:

- Design/Construction;
- Operation and maintenance, including inspection, maintenance and rehabilitation. Any anticipated environmental and public communication requirements for operations activities should also be shown.

Identify all key tasks and milestones related to the major design components, including any related studies, investigations, surveys, consultation key stakeholders, and environmental and other approvals and permits to be obtained during the Construction Period. Show public communication tasks.

Show all key milestones related to the construction and staging of the New Infrastructure, including separate descriptions for, but not limited to:

- Roadway construction;
- Interchanges, including grade separations;
- Flyovers;
- Utilities (e.g., relocation and protection);

- Railway overpasses, including critical dates for obtaining agreements between the Successful Proponent and the railway companies during the design and construction phases;
- River and water-course crossings and major stormwater features, including major pipes and ponds; and
- Other significant structures.

The schedule should also identify timelines for design reviews by the Department, Alberta Infrastructure, utility companies, railway companies, affected municipalities, and other stakeholders.

SR 1.4 Preliminary Design

Proponents are required to submit two preliminary design reports, which identify all significant variations from the Functional Plan's solutions and provide proposed specifications that are relevant to the innovative solutions but not included in the Technical Requirements. Changes in roadway and bridge design layout shall indicate impacts on other design elements, including, but not limited to:

- Level of service;
- Roadway layout;
- Bridge structures layout;
- Drainage;
- Roadside hazards;
- Tie-in with municipal roadways;
- Habitat restoration/replacement design;
- Railway infrastructure;
- Utility infrastructure;
- User functionality and user safety;
- Accommodation of ultimate phases of construction; and
- Others elements, as required.

SR 1.4.1 Roadway Preliminary Design

Provide a roadway preliminary design report containing sufficient information on the concepts and strategic direction of the proposed roadway infrastructure, including the following (if applicable):

- A basic horizontal (1:5000) plan showing the following:
 - Beginning and end of all horizontal roadway curves;

- Details of radius, spirals and superelevation for all horizontal roadway curves; and
- Gore locations and weave locations and lengths, including tapers at all ramp locations.
- A basic vertical plan (1:200) showing:
 - Beginning and end of all vertical curves;
 - Longitudinal grades; and
 - Vertical “K” values.
- Identification of basic intersection types for all intersections.
- A basic strategy for provision of “ultimate stages” for all roadways, including provision of minimum bridge span lengths and clearances.
- Typical cross-sections showing:
 - Cross-slopes;
 - Lane and shoulder widths;
 - “Ultimate” section relationships; and
 - Median widths.
- Roadside Design:
 - Clear zones for mainline and other roadways;
 - Barrier design concepts;
 - Sign locations; and
 - Fencing.
- Traffic Engineering Design:
 - Pavement markings;
 - Signage; and
 - Signals.
- Drainage:
 - Roadway drainage; and
 - Stormwater management drainage.
- Lighting.
- Environmental Requirements.
- Reclamation.

- Wetland Replacement.
- Environmental Regulations.

SR 1.4.2 *Bridge Structures Preliminary Design*

Provide a bridge structures preliminary design report containing information on the concepts and strategic direction of the proposed bridge structures including the following (if applicable):

- Geotechnical information, including:
 - Summary of geotechnical investigation of bridge sites, approach fills and borrow sources including test hole logs, plans and laboratory testing information;
 - Stability analysis for approach fills and retaining structures, including any required ground improvements (e.g. staged construction, reinforcement or drainage measures) and geotechnical instrumentation required to confirm stability;
 - Anticipated approach fill settlements including any geotechnical instrumentation required to confirm settlements;
 - Corrosion survey;
- Strategy for meeting any environmental requirements that affect the bridge design;
- Streambed profile;
- Hydrotechnical information, including design discharge and velocity, normal water levels (at inlet and outlet for culverts), design high water levels (headwater and tailwater for culverts), minimum openings required for the passage of water, drift, ice, etc.;
- Gradeline profiles, including existing groundlines, for overpassing roadway and underpassing roadway(s) or railway(s);
- Overall roadway horizontal and vertical alignment plans showing each bridge in context with the roadway alignment;
- Strategy for accommodation of additional structures as identified in the Department's Functional Plan;
- A basic strategy for provision of "ultimate stages" for all roadways, including provision of minimum bridge span lengths and clearances;
- Elevation view showing the following:
 - Overpassing roadway gradeline;
 - Required length of bridge opening for initial and ultimate stages. Show locations of underpassing traffic lanes, shoulders, railway tracks, ditches, etc.;
 - Bridge headslopes, including any retaining structures and ground improvement measures;

- Existing groundlines;
- Required horizontal clearance box and possible substructure locations that provide adequate horizontal clearances for clear recovery zone and sight distance requirements; and
- Required vertical clearance box and available structure depths.
- Site plan showing the following:
 - The horizontal alignment and width of the overpassing roadway(s), underpassing roadway(s), railway(s) or water course, including skew angles and chainage equations. Show locations of traffic lanes, shoulders, sidewalks, bikeways, railway tracks, etc.;
 - The footprints of the approach fills, including any retaining structures and ground improvement measures; and;
 - Any potential conflicts between the bridge foundations and existing utilities.
- Cross-sections showing the initial and ultimate widths of bridge clear roadways (including traffic lanes and shoulders), sidewalks, bikeways, medians, etc.; and
- Details and extent of watercourse protection works required to prevent erosion and/or scour. Provide rationale for their design.

Bridge planning and preliminary information is not required for proposed overhead and cantilevered sign structures.

SR 1.5 Utilities and Municipal Services

Provide a utilities and municipal services report that presents a plan for dealing with all utility and municipal services within the physical scope of the Project. The plan is to include, but not be limited to, the following:

- A process for approval of new utilities and municipal services prior to and during the Construction Period;
- An approach to accommodation of existing utilities and municipal services during the Construction Period;
- The communication strategy with the affected utility companies, agencies, and municipalities during the Construction Period; and
- The communication strategy with affected utility companies, agencies, and municipalities during the Operating Period.

SR 1.6 Preliminary Public Communications Strategies

Provide an outline of the preliminary public communications strategies over the term of the Project Agreement for:

- Public Communications; and
- Interaction with the Department, Alberta Infrastructure, utility companies, railway companies, affected municipalities, and other stakeholders.

SR 2.0 Submission Requirement Package 2

The SR Package 2 consists of the following items:

- SR 2.1 – General/Proponent information (including Form B)
- Envelope A:
 - SR 2.2 – Roadway design report
 - SR 2.3 – Pavement design report
 - SR 2.4 – Noise attenuation strategy
 - SR 2.5 – Bridge structures design report
 - SR 2.6 – Drainage design report
 - SR 2.7 – Safety audit plan
 - SR 2.8 – Construction management plan
 - SR 2.9 – Operation and maintenance plan
 - SR 2.10 – Infrastructure wholelife management report
 - SR 2.11 – Traffic management plan
 - SR 2.12 – Quality Management System
 - SR 2.13 – Environmental Management System
 - SR 2.14 – Safety plan
 - SR 2.15 – Public communications strategies
 - SR 2.16 – Partnering strategy
- Envelope B:
 - SR 2.17 – Financial capacity (Form D)
 - SR 2.18 – Insurance (including Form E)
- Envelope C:
 - SR 2.19 – Indicative Financial Model
 - SR 2.20 – Indicative Financing Plan

The SR Package 2 Submission is to be submitted in three 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.
- Declaration in the form of Form B from the authorized representative of the Proponent.

Envelope A**SR 2.2 Roadway Design Report**

Provide a roadway design report that identifies the safety features included in the design and how they relate to the Technical Requirements, where applicable. The roadway design report should also include, but not be limited to, the following:

SR 2.2.1 Design - Plans and Profiles

Provide plans that display all significant horizontal alignment geometric design data. Identify all elements on the roadway plan in terms of their functional classification and design speed. Clearly show the approximate limits of anticipated construction, including cut lines for clearing and any additional right-of-way requirements beyond that provided in the available right-of-way. Provide justification for additional right-of-way (if any).

Clearly identify specific measures that need to be implemented to permit the construction of the New Infrastructure. Identify details of mitigation. The mitigation measures to be identified include but are not limited to:

- Retaining walls, stabilized slope techniques and other geotechnical features;
- Underground drainage facilities, other than cross-roadway culverts;
- Permanent erosion control features;
- Side slopes steeper than 3:1 slope;
- Barrier locations and types being used for protection of traffic against safety hazards;
- Measures taken to preserve sight distances at intersections; and
- Details of tie-ins with municipal and other infrastructure, present and planned in the future.

SR 2.2.2 *Design Cross-Sections*

For all homogenous sections of roadway within the New Infrastructure, provide typical cross-sections which include, but are not limited to, the following detail:

- Summary of relevant geotechnical information, including stability analysis, settlements, groundwater horizons, borrow sources, etc.
- Graded top width;
- Finished base top width;
- Pavement top width after each successive pavement rehabilitation for the duration of the Project;
- Sideslopes; and
- Accommodation of the ultimate phase of the Project, as shown on the Department's Functional Plan and/or the Project Specifics.

Identify the strategy for maintenance of minimum roadway top width and minimum side slope requirements throughout the term of the Project Agreement.

SR 2.2.3 *Designs – Appurtenances*

Provide the design standards to be applied to the New Infrastructure in the following areas:

- Mitigations of hazards;
- Roadside and median barrier systems including longitudinal transitions to bridge structures, median treatments and end treatments;
- Pavement markings at every stage of the New Infrastructure;
- Delineators;
- Measures to reduce conflicts with wildlife;
- Lighting systems including details of pole structures and offsets;
- Signals;
- Signage; and
- Other traffic devices and/or features within the roadway.

SR 2.2.4 *Signing*

Describe the overall signing strategy for the New Infrastructure including all overhead sign installations, and a proposed approach for verifying the wording of sign messages. The location of the overhead signs only needs to be shown on the Proponent's roadway plan.

Identify the standards for sign installation, in particular with respect to:

- Sign post installation;
- Breakaway sign posts;
- Sign standards for materials, fonts, colour, layout, and reflectivity; and
- Offset standards.

SR 2.2.5 *Roadside Hazard Report*

Provide details of the following:

- Approximate location of barriers, of all types;
- The standards of types and barriers to be used; and
- Standard of typical installation and layout drawings for barriers and other roadside hazards, within an offset less than the appropriate clear zone guideline as per Alberta Transportation's *Highway Geometric Design Guide and Design Bulletins*.

SR 2.3 *Pavement Design Report*

Provide a pavement design report that presents the Proponent's preliminary pavement design for the New Infrastructure's mainline, interchange ramps and cross roadways. The approach to be employed in designing the pavement structure(s) is provided in the Technical Requirements. The pavement design report is to address, but not be limited to, the following matters:

SR 2.3.1 *Geotechnical Information*

Provide a geotechnical report with sufficient information to assess the anticipated soil and groundwater conditions. The Report is to contain, but not be limited to, the following:

- Soil stratigraphies;
- Moisture contents;
- Plasticity;
- Estimated standard proctor optimum moisture content;
- Erodability;
- Frost susceptibility; and
- Anticipated subgrade support values.

SR 2.3.2 Design Methodology Adopted and Application

Name and describe the design methods adopted in developing the pavement design(s) and discuss the rationale for their selection for use for the New Infrastructure. Describe how the design methodology would be applied for developing the pavement design(s).

Provide the design parameters and factors used in determining the pavement design(s). These must include at least the following:

- ESAL's;
- Lane distribution;
- Annual projected growth rate over the Operating Period;
- Percentage heavy vehicles;
- Pavement material strength factors; and
- Pavement design life.

SR 2.3.3 Roadway Construction Specifications

Submit the proposed roadway construction specifications which are fully compliant with the Technical Requirements. Only specifications that differ from Alberta Transportation's *Standard Specifications for Highway Construction* need be identified.

SR 2.4 Noise Attenuation Strategy

In the event that noise attenuation may be required in order to meet the Technical Requirements, indicate the Proponent's strategy to control noise in accordance with those requirements throughout the term of the Project Agreement.

Show a cross-section(s) and other design details that demonstrate how the Proponent is planning to mitigate sound generation to satisfy the Technical Requirements, including noise generated at intersections and interchanges in the New Infrastructure.

SR 2.5 Bridge Structures Design Report

Provide a bridge structures design report that includes a Project Design Brief and preliminary structural design sketches for each of the proposed bridge structures as follows:

For Bridges

- General layout drawing showing:
 - Plan view including:
 - Structure layout, including locations of any retaining walls;

- Roadway geometrics and alignment;
- Stream channel (including stream protection works), underpassing roadway(s) (including bikeway(s) or sidewalks(s)) or underpassing railway(s); and
- Bridge and site drainage including locations of any deck drains.
- Elevation view including:
 - Span(s), including locations of any retaining walls;
 - Section of stream channel, underpassing roadway(s) or underpassing railway(s);
 - Vertical and horizontal clearances provided;
 - Test hole logs;
 - Bridge components including substructure foundation types;
 - Slope protection;
 - Superstructure articulation system including locations of deck joints, expansion bearings and fixed bearings; and
 - Hydrotechnical information such as design upstream high water elevation, freeboard, ice loading and scour, including local scour.
- Superstructure drawing showing:
 - Deck and wearing surface type and thickness;
 - Curb/barrier type and heights;
 - Girder type, size, spacing, depth and number; and
 - Girder bracing types and spacing.
- Substructure drawing showing:
 - Plan section and elevation views illustrating abutment type, foundation and approximate dimensions;
 - Plan and section views illustrating retaining wall type, foundation and approximate dimensions; and
 - Plan, section, and elevation views illustrating pier type, shape, foundation and approximate dimensions.
- Description of bearing and deck joint types and details;
- Description of utility accommodation on bridge;
- Description of lighting attachments to bridge;
- Description of transition between bridgerails and approach barriers/guardrails;
- Description of bridge foundations including types, depths, vertical and horizontal load capacities and anticipated total and differential settlements;
- Description of design loads, including temperature loads, wind loads, ice loads, etc.;

- Description of materials to be used for all bridge components;
- Description of structural support system, including girder continuity and the location of girder field splices; and
- Description of bridge finishes and aesthetic features.

For Bridge Size Culverts

- For bridge size culvert structures (1.5-metre diameter or larger) a drawing showing:
 - Longitudinal and transverse sections;
 - Invert elevations;
 - Roadway elevations;
 - Invert length;
 - Hydrotechnical information such as normal water levels at inlet and outlet, high water levels for culvert headwater and tail water, freeboard, etc.;
 - Backfill details;
 - End treatment details;
 - Erosion and/or scour protection details;
 - Barrier/guardrail details; and
 - Any special details.

For Overhead or Cantilever Sign Structures

- For overhead or cantilever sign structures a drawing showing:
 - Substructure horizontal clearance from roadway, type and material;
 - Superstructure vertical clearance, type and material;
 - Foundation type, depths and locations; and
 - Barrier/guardrail details.

SR 2.5.1 *Bridge Structure Specifications*

Submit proposed specifications for the construction of bridge structures which are fully compliant with the Technical Requirements. Only specifications that differ from the Technical Requirements or Alberta Transportation's *Specifications for Bridge Construction* need to be identified.

SR 2.6 Drainage Design Report

Provide a drainage design report that includes standards, specifications and design methods that will be implemented during the design and construction of the New Infrastructure with respect to proposed drainage facilities.

Specific items to be addressed include but are not limited to:

- Stormwater management facilities;
- Storm sewers;
- Open ditches;
- Catch basins;
- Third-party drainage arrangements planned;
- Sub-drainage;
- Erosion control features
- An area wide drainage plan, with pre and post roadway construction drainage patterns identified; and
- All drainage connections that tie into local municipal master drainage plans.

Identify and provide details for all off-site drainage arrangements that relate directly or indirectly to the New Infrastructure. This includes joint use or shared facilities within the Right-of-Way, within the TUC, or off-site.

Describe the methodology and approach employed for the preliminary design of the drainage facilities required for the New Infrastructure.

Provide the factors, parameters and assumptions used in the derivation of the design flows and other drainage analyses.

SR 2.7 Safety Audit Plan

Provide a safety audit plan that identifies a strategy for the following items:

- Selection of the safety auditor and schedule for execution of the safety audits;
- The process for review of the results of the safety audits; and
- A process for implementation of changes, identified by the safety auditor.

SR 2.8 Construction Management Plan

Provide a construction management plan that contains the following information related to the Proponent's proposed construction:

SR 2.8.1 Municipal Issues

Identify the Proponent's overall strategy for liaison with local authorities for the construction phase of the New Infrastructure. Include all items that are anticipated to arise during construction, including but not limited to:

- Haul roads;
- Detour roads;
- Access roads;
- Noise during construction;
- Dates of construction;
- Hours of construction activities;
- Dust during construction;
- Temporary drainage arrangements;
- Construction access;
- Over-dimensional loads into the site;
- Overweight loads into the site;
- Weed/vegetation control during construction, within the TUC area; and
- Closure of existing roads.

SR 2.8.2 Construction Staging

Describe in detail the approach to construction staging and how the staging ties into the proposed construction schedule. Issues to be addressed include, but are not limited to, the following:

- The construction staging for the delivery of the New Infrastructure with specific reference to segments to be opened to traffic in advance of Traffic Availability;
- The construction staging for the delivery of the highway segments to be tied into the Existing Infrastructure;
- The construction staging for the delivery of the highway segments to be tied into infrastructure yet to be built; and
- The strategy for construction, operation and removal of temporary detours.

SR 2.8.3 *Coordination with Other Projects*

Identify the strategy for coordination with the construction of other projects, at either terminus and other intersecting or adjacent roadways of the New Infrastructure. Details shall include but not be limited to:

- A time schedule and anticipated coordination with other contractors in the area;
- A traffic accommodation strategy and anticipated coordination with the other contractors in the area, identifying the required access arrangements to all areas of the New Infrastructure; and
- Maps showing the traffic accommodation routes for the duration of construction.

SR 2.8.4 *Stakeholder Issues*

Identify the Proponent's strategy for issues that arise with all relevant stakeholders during construction, specifically but not limited to:

- Site security, including all terrain vehicles (ATV), all off-road vehicles, and unsafe situations for children;
- Access to private parcels;
- Borrow pit arrangements;
- Crossing of equipment and material across existing roadways and railways
- All major haul road routes and the arrangements for them; and
- Construction complaints.

SR 2.8.5 *Transportation and Utility Corridor Issues*

Identify the Proponent's strategy and process for administration of issues in the TUC. Include in the strategy details regarding the communication of information among the Proponent, the Department, Alberta Infrastructure, and affected utility companies.

The strategy is to include, but not be limited to, the following:

- A process for approval of new utilities and municipal services prior to and during the Construction Period;
- An approach to accommodation of existing utilities and municipal services during the Construction Period;
- The communication strategy with the affected utility companies, agencies, and municipalities during the Construction Period; and
- The communication strategy with the affected utility companies, agencies, and municipalities during the Operating Period.

SR 2.8.6 *Third-Party Claims*

Identify the Proponent's strategy for the management and process of all claims, including claims from subcontractors, consultants, subconsultants and other internal parties, for the full duration of the Project. Provide separate discussion on the administration of small damage claims made by the public. Clearly separate strategies for the administration of minor claims from those for the administration of larger claims.

SR 2.8.7 *Incident Management*

Identify the Proponent's strategy for management and administration of the following during the construction phase:

- Construction zone accidents and traffic management;
- Fire calls within the construction zones; and
- Incident management within the construction zones.

SR 2.8.8 *Construction Quality*

Identify the Proponent's strategy in the following areas:

- Overall construction inspection and documentation; and
- Differentiating between quality control and quality assurance.

SR 2.8.9 *As-Built Construction Reports*

Identify the Proponent's strategy for obtaining and recording as-built information and final details.

SR 2.9 *Operation and Maintenance Plan*

Provide an operation and maintenance plan that addresses all the work required to be performed to satisfy the Proponent's obligations, duties and responsibilities covering the Operating Period and reflect and achieve compliance with the Technical Requirements for the New and Existing O&M. The plans should reflect the requirements set out below.

SR 2.9.1 *Inspections*

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

- How the Technical Requirements for inspections and monitoring will be achieved;
- 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 Project.

SR 2.9.2 Roadway Maintenance

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

2.9.2.1 Overall Maintenance Strategy

Address the following items:

- The key activities of the overall maintenance program and how these activities will be delivered;
- Details of the Proponent's plan for monitoring the Project Infrastructure for hazards and physical condition in general;
- Core staffing and shift arrangements envisioned during summer operations;
- Vehicles and equipment for the summer maintenance program;
- Communications systems to be employed by the Proponent to call in staff and co-ordinate operations between the supervisor and contractors and operators;
- A schedule and strategy for roadway and bridge surface sweeping and/or cleaning;
- A plan to ensure full operational reliability of all traffic signals, include timely maintenance of signals, and a strategy with respect to coordination of signals with local authorities;
- A plan for the delivery of a reliable lighting system for the Project, that addresses strategies of repair and maintenance of lighting infrastructure and repair due to accidents, and planned arrangements in regard to procurement of electrical energy for overhead lighting and electrical signals of all types; and
- The Proponent's strategy for maintenance of lighting and signalization poles to meet the Technical Requirements.

2.9.2.2 Scheduled or Periodic Maintenance

Provide a description of the scheduled or periodic maintenance work to be carried out in the following areas:

- A process to identify, schedule, and undertake periodic maintenance activities;
- A comprehensive list of periodic maintenance activities planned to be undertaken during the Project;
- A process for communication of the periodic maintenance activity schedule with the Department;
- A preventative maintenance plan to ensure that a reliable and maintained signal system is in service for the Project Infrastructure;

- A plan to ensure that signs are clean and visible to meet the Technical Requirements, including but not limited to:
 - Straightening and cleaning of signs;
 - Sign repair and base repair;
 - Sign replacement as required;
 - Repair/replacement of signs after accident damage; and
 - Repair/replacement of lighting facilities for illuminated signs; and
- Identification of strategies for the storm water drainage system elements, including culverts, ditches, underground piping, and storm water management facilities.
- Identification of strategies in the following areas:
 - Right-of-Way mowing schedules;
 - Control of noxious weeds within the Right-of-Way and drainage system; and
 - Maintenance of the entire Right-of-Way and drainage system in a clean and aesthetically pleasing appearance.

2.9.2.3 Bridge Structures Preventative Maintenance

Submit a bridge structures preventative maintenance program for the duration of the Operating Period that outlines what actions are to be completed when.

2.9.2.4 Winter Maintenance Operations

Provide a comprehensive plan for winter maintenance operations indicating, but not limited to, the following:

- Reporting winter road conditions, including with the media and the Alberta Motor Association (AMA);
- Details of the winter ice control materials that will be used;
- Details of winter snow clearing and ice control equipment that will be used, including a map of proposed equipment storage locations and access routes;
- A description of the staff organization and training of staff that will be used, including supervisory staff who will supervise winter snow clearing and ice activities during and after winter storms of all kinds and types;
- Details of shift availability during the winter season;
- Details of normal response time for winter storms on and off regular shift periods;
- A commitment to minimize response time for reaction to emergency winter storm conditions;

- Details of the availability within the winter season of winter staff and equipment, and details as to the availability of winter snow and ice control equipment and materials outside the winter season;
- Details of the method or methods of communication that will be available to staff;
- Details of the communication links between snow and ice control equipment, supervisory staff, other key personnel, and emergency agencies; and
- A policy for administration of optional Departmental RWIS station information and utilization for winter maintenance activities.

2.9.2.5 Emergency Response

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 such as traffic accidents, flooding, dangerous goods spills and road surface failures;
- A contingency plan in the event that primary staff cannot be reached;
- Training to be given staff with respect to emergency response and procedures;
- Communication strategies with the Department, the public, the media, local authorities, utility companies, railway 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 replacement and repair of Project Infrastructure 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 abandoned vehicles.

SR 2.10 Infrastructure Wholelife Management Plan

Provide an infrastructure wholelife management plan that addresses all the work required to be performed to satisfy the Proponent's obligations, duties and responsibilities for the New O&M.

Identify the overall strategies of the Proponent to meet the Technical Requirements for each infrastructure element, with a detailed schedule for all major infrastructure elements, including the following:

SR 2.10.1 Bridge Structures Rehabilitation

Submit a bridge structures rehabilitation plan based on realistic and technically sound information that outlines the type and approximate timing of actions and interventions for bridge components expected to have a maintenance free service life of no less than seventy-five (75) years. The plan should describe the

criteria or testing used for determining the timing of the proposed rehabilitation actions and for verifying that the Technical Requirements are met.

SR 2.10.2 *Pavement Rehabilitation*

Submit a pavement rehabilitation plan for the duration of the Operating Period that addresses the measurement of pavement condition and the criteria for planning and implementing any rehabilitation measures.

SR 2.10.3 *Rehabilitation Work Plan*

Provide a rehabilitation work plan including, but not limited to, the following:

- An approach for scheduling and organizing upcoming work activities;
- A communication plan to distribute upcoming work activities and schedules with local authorities and the Department; and
- A process for coordination of work schedules with other parties that may also be effected by the work, which other parties may include the following:
 - Department;
 - Local authorities;
 - Adjacent land owners;
 - Railway companies; and
 - Utility companies.

SR 2.11 *Traffic Management Plan*

Provide a traffic management plan that describes in detail the Proponent's approach to:

- Providing safe and efficient passage of the travelling public throughout the New Infrastructure during the construction phase to the extent the roadway is open to public traffic; and
- Ongoing traffic management on the Project Infrastructure throughout the term of the Project Agreement.

Areas to be addressed by the Proponent are to include, but not be limited to, the following:

- The traffic management component of the plan is to describe the Proponent's approach to providing safe and continuous access through or along the New and Existing Infrastructure and is to detail the Proponent's plans for accommodating traffic (with particular emphasis on peak traffic hours) during construction at key conflict locations including but not limited to interchange, flyover and railway grade separation locations.

- The traffic management plan is also to identify the traffic levels proposed to be maintained during construction in conformance with the proposed construction staging and indicate locations and duration.

SR 2.11.1 *Traffic Management Plan for Infrastructure Improvements*

Identify the Proponent’s strategy with respect to infrastructure capital improvements and the process for identification and implementation necessary to improve overall traffic management. This strategy is to include:

- Adjustment to traffic signals;
- Minor intersection improvements;
- Lane marking and painting;
- Signing improvements and instructions to drivers;
- Taper and ramp improvements;
- Signal coordination with local authorities; and
- Temporary signal control for local police and emergency service agencies.

SR 2.11.2 *Coordination with Police and Other Emergency Agencies*

It is important that communications and resources are “in-place” to promptly respond to emergency situations that arise. Indicate the Proponent’s strategy in the following areas of emergency response:

- Communication processes within the Proponent’s organization;
- Communication processes with police and other emergency agencies;
- Coordination of public communications plans with police and local authorities in emergency situations;
- Provision of detour signs and emergency site signing (to accommodate emergency traffic accommodation); and
- The notice procedure to the Department.

SR 2.11.3 *Hazardous Goods Spills, Incident Management, and Accidents*

Identify the strategy for management and administration of sites/incidents and accidents involving dangerous goods and hazardous goods. Specific items to cover are:

- The strategy for the preservation of public safety;
- The initial assessment and reaction strategy;

- Communication strategies; and
- Dangerous and hazardous goods training for employees and subcontracting staff.

Provide a plan indicating how the Proponent's incident management is to be conducted, including who is functionally responsible for incident management situations and what the basic procedures are.

SR 2.11.4 *Accommodation of Over-Dimensional and Over-Weight Loading*

Provide a methodology to accommodate and manage over-dimensional and over-weight vehicles that come onto the Project Infrastructure.

SR 2.12 *Quality Management System*

SR 2.12.1 *Introduction*

The Successful Proponent shall develop a Quality Management System (QMS) consistent with all of the requirements of the ISO 9001:2000 Standard (and subsequent revisions) that covers all activities, products and services related to the project prior to the execution of these activities, products and services. The QMS will address all stages of the project, specifically:

- Design;
- Construction;
- Operations;
- Maintenance; and
- Rehabilitation.

The QMS shall provide guidance to ensure compliance with the stated project performance requirements as well as compliance with the intent of such requirements. The Successful Proponent is required to monitor, update and manage their QMS on an ongoing basis.

SR 2.12.2 *Scope*

Provide a description of the QMS for each phase of the Project (design, construction and operations, including maintenance/rehabilitation). The Proponent will demonstrate a clear understanding and commitment in following the ISO 9001:2000 (and subsequent revisions) QMS standard for this Project. The Proponent shall provide the following information with respect to the Proponent's QMS:

- Documented statements of the quality policy and quality objectives;
- A quality manual;
- Documented procedures required by ISO 9001:2000; and

- Documents needed by the organization to ensure the effective planning, operation and control of its processes.

Quality Manual

The Successful Proponent shall establish and maintain a quality manual that includes:

- The scope of the quality management system, including details of and justification for any exclusions;
- The documented procedures established for the quality management system, or referenced to them; and
- A description of the interaction between the processes of the Quality Management System.

Documented Procedures

Detailed documented procedures to address the following elements of ISO 9001:2000

- Control of Documents (element 4.2.3 of ISO 9001:2000)

The Successful Proponent will define the documentation, including the relevant records, needed to establish, implement and maintain the quality management system and to support an effective and efficient operation of the proponent processes.

- Control of Records (element 4.2.4)

Records shall be established and maintained to provide evidence of conformity to requirements and of the effective operation of and the quality management system. Records shall remain legible, readily identifiable and retrievable.

- Customer Related Processes (element 7.2)

The Successful Proponent will have a controlled process in place to determine and review the requirements related to the service/product rendered. The review will be conducted prior to the Proponent's commitment to supply the product/service (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) and will ensure that service/product requirements are defined and that the proponent has the ability to meet defined requirements.

- Design and Development (element 7.3)

The Successful Proponent will define, implement and maintain the necessary design and development processes to respond effectively and efficiently to the needs and expectations of its clients and other interested parties. The following requirements should be identified and their records maintained:

- Design and development planning – the Successful Proponent will determine the design and development stages and the roles, responsibilities, and authorities of the design team through all phases of the Project.

- Design and development input – all input requirements such as functional and performance requirements, applicable statutory and regulatory requirements, and other requirements essential for the design and development are reviewed for adequacy.
- Design and development outputs – the outputs of the design and development will be provided in a form that enables verification against the input requirements (contain or reference product/service acceptance criteria) and will be approved prior to release.
- Design and development review – at suitable stages, systematic reviews of the design and development will be performed to evaluate the ability of the results to meet requirements and to identify any problems and propose necessary actions.
- Design and development verification – to ensure that the output meets the input requirements.
- Design and development validation – to ensure that the resulting product/service is capable of meeting the requirements for the specified application or intended use, where known.
- Control of design and development changes – the changes will be reviewed, verified, and validated, as appropriate, and approved prior to implementation. The effect of changes on product/services already delivered will also be evaluated.

■ Purchasing (element 7.4)

The Successful Proponent will ensure that purchased product/services conforms to specified requirements. The Successful Proponent will evaluate and select suppliers based on their ability to supply product/services in accordance with the Successful Proponent's requirements. The Successful Proponent will ensure that purchased product/service are inspected and meet specified purchase requirements.

■ Internal Audit (element 8.2.2)

The Successful Proponent will ensure the establishment of an effective and efficient internal audit process to assess the strengths and weaknesses of the quality management system in order to ensure its effective implementation and maintenance. The approach to QMS auditing will include auditor qualifications, audit scope, audit methods, and audit frequency (each element to be audited at least once per year).

■ Monitoring and Measurement of Product (element 8.2.4)

The Successful Proponent will monitor and measure the characteristics of the product/service to verify that product/service requirements have been met. This will be carried out at appropriate stages of the project. Final inspection to confirm that verification and validation activities have been completed and accepted is a requirement. Evidence of conformity with the acceptance criteria (identifying the person authorizing the release of the product/service) shall be maintained.

■ Control of Non-conforming Product (element 8.3)

The Successful Proponent will identify the process by which all types of quality system non-conformances are treated. The process must include how it will address the concerns in a responsible

and timely manner. Any product/service that does not conform to specifications is identified and controlled to prevent its unintended use or delivery.

- Corrective Action (element 8.5.2)

The Successful Proponent will take action to eliminate the cause of non-conformances in order to prevent recurrence. The Proponent should incorporate root-cause analysis, as appropriate, into the corrective action process.

- Preventative Action (element 8.5.3)

The Successful Proponent will take action to eliminate the cause of potential non-conformances in order to prevent their occurrence.

Prior to undertaking any construction, the Successful Proponent shall augment the above information with the following:

- Detailed quality system procedures addressing all the remaining elements of ISO 9001:2000; and
- Quality plans for all components of the Project including but not limited to: Development, Design, Construction, Operations, Management, Maintenance, Rehabilitation, Traffic Management, Public Communications, Environmental Management, and so forth, following ISO 9001:2000.

The Successful Proponent's QMS will include the following provisions:

- If required, revise the quality manual and/or procedures within seven (7) calendar days of receipt of notice of non-compliance from the Department; and
- Operate the quality system in accordance with the quality manual and detailed procedures.

SR 2.13 Environmental Management System

SR 2.13.1 Introduction

The Successful Proponent shall develop an Environmental Management System (EMS) consistent with all of the requirements of the ISO 14001:1996 Standard (and subsequent revisions) that covers all activities, products and services related to the Project prior to the execution of these activities, products and services. The EMS will address all stages of the project, specifically:

- Design;
- Construction;
- Operations;
- Maintenance; and
- Rehabilitation.

The EMS shall provide documentation to ensure compliance with the applicable environmental Federal, Provincial and Municipal approvals and legislation; the stated project performance requirements as well as compliance with the intent of such requirements. The Successful Proponent is required to monitor, update, and manage its EMS on an ongoing basis.

SR 2.13.2 Scope

Provide a description of the EMS for each phase of the Project. The Proponent will demonstrate a clear understanding and commitment to follow the ISO 14001:1996 (and subsequent revisions) EMS standard for this Project. The Proponent shall provide the following submission with respect to the Proponent's EMS:

- Documented statements of the Environmental Policy and Environmental Objectives and Targets;
- An EMS manual;
- Documentation required by the ISO 14001:1996 Standard; and
- Any other documents needed to ensure the effective planning, operation and control of its environmental requirements.

The Proponent shall establish and maintain an environmental manual that includes:

Environmental Manual

- The scope of the environmental management system, including details of and justification for any exclusions;
- Documented procedures established for the EMS; and
- A description of the interaction between the processes of the EMS.

Documented Procedures

- The Proponent's philosophy and policy(ies) on environmental management, and level of experience and commitment related to, sound and proactive environmental management, planning, and protection for all phases of this Project. The Proponent shall provide copies of its corporate environmental policy or policies (ISO 14001:1996 Section 4.2).
- Statement of goals, objectives and/or targets of the EMS (ISO 14001:1996 Section 4.3.3/4.3.4);
- Demonstration of a clear understanding of the environmental management requirements including environmental aspects / impacts of the Project and regulatory requirements (ISO 14001:1996 Section 4.3.1/4.3.2);
- Demonstration of a firm commitment to undertake the actions required to properly mitigate any potential effects of Project activities on the environment ISO 14001:1996 Section 4.5.2;

- The roles, responsibilities, and authorities of the Proponent’s environmental team through all phases of the Project. This includes a clear description and illustration of the organisational and administrative framework to be employed in the implementation and execution of the EMS. The framework must demonstrate an effective functional relationship with other components of the Proponent’s organization, with regulatory agencies, and with independent environmental monitors and/or auditors (ISO 14001:1996 Section 4.4.1, 4.4.2);
- Environmental communications plan (ISO 14001:1996 Section 4.4.3);
- Description of the operational controls that the Proponent will have in place for all phases of the Project (ISO 14001:1996 Section 4.4.6);
- The approach to environmental auditing (including management system or compliance auditing). This would include auditor qualifications, audit scope, audit objectives and audit scheduling (ISO 14001:1996 Sections 4.5.1, 4.5.4);
- The approach for compliance monitoring (to the extent not reflected above), relationship to other Project monitoring, and interaction and co-operation with Department, independent and regulatory monitors (ISO 14001:1996 Sections 4.5.1);
- The Proponent is to identify the process by which all types of environmental non-conformances will be treated. The process must include how it will address the concerns in a responsible and timely manner (ISO 14001:1996 Sections 4.5.2);
- Control of Records (ISO 14001:1996 Section 4.5.3); and
- The Proponent’s approach to management review with respect to the EMS through all phases of the Project (ISO 14001:1996 Section 4.6).

SR 2.13.3 *Environmental Procedures and/or Mitigative Measures*

Describe environmental procedures and/or mitigative measures in all areas where these activities will be required, in particular addressing the following areas:

- Compliance to environmental regulatory requirements;
- Topsoil handling including storage and replacement;
- Pit reclamation;
- Erosion control during and after construction;
- Vegetation clearing, establishment and management;
- Project watercourse crossing sites, including habitat compensation; and
- Wetland replacement methodologies including maintenance.

SR 2.14 Safety Plan

Provide an outline of a Safety Plan, which details the Proponent's policies, safety plans, Certification of Recognition (COR) approach, subcontractor and consultants training program policy, and the work site control plan, to ensure the health and safety of personnel involved in the Project and the public. The plan is to address the following areas:

SR 2.14.1 Corporate Policy and Procedures

Describe corporate strategy for safety, including safety policy and the fundamental philosophy for safety management.

SR 2.14.2 Work Zone Management Strategy

Outline the overall corporate strategy for work zone safety, including guiding principles and standards or work zone plans that are planned to be used. Provide a generic safe work procedures system or minimum standards for procedures yet to be developed.

SR 2.14.3 Investigation and Reporting Strategy

Provide processes for the following safety components:

- An accident reporting and investigation process as defined in the *Alberta Occupational Health and Safety Act*;
- The system for reporting of accidents to the Department;
- A policy for work place health and safety meetings and inspections;
- Health and safety committee provisions; and
- The system for reporting accident summaries as shown below:
 - Monthly;
 - Calendar summary, compiled on December 31 of each year; and
 - Department fiscal year summary, compiled on March 31 of each year.

SR 2.14.4 Training of Employees and Subcontractors

Provide information with respect to the following items:

- Employee training for job-specific methods and specific equipment instructions;
- The Proponent's strategy for subcontractor safety accreditation and COR status;
- Procedures in place for responding to violations identified by Occupational Health and Safety and by Workers Compensation Board;

- Equipment preventative maintenance training and equipment operation training to staff; and
- Training systems to certify traffic control persons.

SR 2.15 Public Communications Strategies

Provide public communications strategies that develop and implement a comprehensive public communications plan, particularly media relations, spanning the time from the identification of the Preferred Proponent to the end of the Operating Period. The public communications strategies are to address at a minimum the following:

- Management and staffing: names of key persons, their qualifications, and time committed to the public communications function;
- If federal funding is utilized on the Project, a commitment to meet all guidelines and requirements of the Federal government, including but not limited to the following areas:
 - Official opening;
 - Press releases;
 - Project Signage; and
 - Other events or communications, as required;
- The type of information and level of detail in information to be exchanged between the Proponent and the public during all phases of the Project, and the methods that will be used to achieve this including the identification of personnel who will be involved;
- The relationship of the public information and consultation process for environmental management and planning to the overall communication plan for the Project;
- 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 Proponent among media, local authorities, emergency agencies, adjacent landowners, interest groups, and other interested stakeholder agencies;
- Public relations guidelines for the staff of the Proponent and agents for communication with the public;
- Maintenance of communication records for submission to the Department;
- Assistance and support for responding to questions from the public to the Minister; and
- Other methods of dispensing information to and interacting with the public.

SR 2.16 Partnering Strategy

Provide a partnering strategy that details the Proponent's overall strategy for partnering with the Department. This strategy is to include, but not be limited to, the following items:

- The Proponent's understanding of the benefits that such partnering will bring to the Project;
- The extent of the Proponent's commitment to such partnering;
- The steps needed to implement such partnering;

The extent to which the various parties, such as members of the Proponent, any specialist advisors, relevant authorities, and municipalities are to be involved;

- A commitment that the Proponent will be responsible for the costs of partnering in accordance with the Project Agreement; and
- A strategy to continue partnering at the field supervisor's level for the term of the Agreement.

The Successful Proponent will be responsible for the costs of the venue (to be in Edmonton) for any proposed partnering sessions, for the costs of facilitation, and for the costs of its own attendees. The Department will attend at no cost to the Successful Proponent.

The adoption of this partnering approach will not change the legal relationship of the Parties nor relieve any Party from its obligations under the Project Agreement.

Envelope B**SR 2.17 Financial Capacity**

Confirm the financial capacity of the Proponents and their Team Members. To do so, the Proponent should provide a Certificate of Acknowledgement of No Material Adverse Change (Form D in Appendix 2) relative to the RFQ Submission for each of the Lead Team Member, Prime Team Members or other entities for which financial information was submitted in the Proponent's RFQ submission, signed by the CFO or other authorized officer of each respective entity. The Department reserves the right to request further evidence of financial capacity in its sole discretion.

SR 2.18 Insurance

The general insurance documentation to be produced by the Proponent must meet the minimum requirements of the Project Agreement.

Provide details of proposed insurance program the Proponent will put in place for the Project. Such details should include:

- Type of insurance and coverage;

- A letter from the Proponent’s insurance broker confirming that the insurance requirements can be satisfied in a form acceptable to the Department in accordance with Form E in Appendix 2.
- Provisions for insurance costs clearly identifiable in the Indicative Financial Model; and

The Proponent’s insurance program must meet or exceed the mandatory requirements, as required under the Project Agreement. Identify the insurance broker or brokers for each portion of the Project. If the Proponent has appointed more than one insurance broker, with each broker responsible for a portion of the insurance program, each of the brokers must produce a letter meeting the above requirements. Each of these letters should clearly identify the elements of the project period and the relating insurance program that have been assigned to the respective broker. If more than one insurance broker has been appointed by the Proponent, with both brokers collaborating on the same portions of the Project Agreement, then both brokers should produce substantially the same letter.

Envelope C

SR 2.19 Indicative Financial Model

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

- An assumptions book; and
- An instruction manual to assist the Department to change inputs and run sensitivities.

SR 2.19.1 *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 2000 or later versions;
- It should extend for the term of the Project Agreement;
- It should be presented in 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;
- A limited number of nested “if” statements should be used (if any);
- Cells that import data from other sheets or calculation areas should not include calculation;

- Cells containing hard-coded entry should be coloured blue;
- Financial statements should not include formulas other than mathematical signs;
- Cells that feed the financial statements should be highlighted;
- 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;
- It should not include macro calculation to avoid circularities;
- The Financial Model start date should be the date of this RFP;
- The Financial Model should be in semi-annual periods; and
- Project Start Date should be assumed to be January 1, 2005.

SR 2.19.2 *Required Inputs and Outputs*

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

Inputs:

- Time-based assumptions (those that change over time);
- Static assumptions (those that do not change over time);
- Capital and operating costs assumptions;
- Taxation assumptions;
- Payment mechanism assumptions clearly identifying Progress Payments, Capital Payments, New O&M Payments, and Existing O&M 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 GAAP;
- 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; and
- Financial ratios as required by investors as appropriate to the capital structure set out in the Financing Plan.

Sensitivities:

The Indicative Financial Model should allow sensitivities to be run in the following areas:

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

SR 2.19.3 *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 operating cost schedules;
- Macro-economic assumptions;
- Taxation assumptions;
- Accounting policies and depreciation rates;
- Proposal development costs; and
- All other assumptions required to construct the Indicative Financial Model.

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

SR 2.19.4 *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 Department to change inputs and run sensitivities in the areas mentioned above.

SR 2.20 Indicative Financing Plan

Provide the Proponent's indicative financing plan for the Project. The Proponent should show that it has planned sufficient financing for the Project for the term of the Project Agreement, including all design, construction, operation, maintenance, and rehabilitation, showing the timing of required funds for requirements such as operation, maintenance and rehabilitation.

Include full details of the financial structure and instruments proposed. The sources of financing should match the applications of funds throughout the Construction and Operating Periods. 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 Project;
- A quarterly capital cost and financing plan schedule;
- Details on the ownership and financing of the Project through the Construction Period and through the first three years of the Operating Period, providing for each issue of equity and debt the identity of the investors or creditors, the amount and form of cash flows (or of flows in kind), a term sheet in no way imposing conditions inconsistent with the terms of the Project Agreement and addressing all relevant features (including amount, spread, maturity, amortization schedule, terms and conditions including covenants, security, and insurance and bonding requirements), relevant governance provisions, relevant terms of any agreements pertaining to any or all of the issues, and any derivative or other hedging strategies, as applicable;
- A highly confident letter from the financial agents for the Proponent with respect to the raising of project debt in accordance with the terms and conditions of this RFP and the details of the Proponent's Financing Plan;
- A confirmation letter from the Proponent's financial advisor that the Indicative Financing Plan is in the advisor's view achievable and robust when tested against reasonable downside scenarios;
- 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 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 Operating Period. Proponents should set out their subcontracting strategy for the Project that includes the structure of any subcontracting arrangements and summary details of the mechanisms and/or standby that would be put in place to give comfort to the Department and lenders; and
- The terms of each source of financing identified in the Indicative Financing Plan:
 - With respect to funding provided by the Proponent's members:
 - Identity and credit status of each investor;

- Amounts to be provided by 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 drawdown schedule;
 - Details of grace periods, including duration and contingency;
 - Repayment or redemption schedules, maturity dates and prepayment terms (including make-whole clauses);
 - Security, 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;
 - Material covenants, undertakings and other restrictions/requirements;
 - 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.

SR 3.0 Submission Requirement Package 3

The SR Package 3 consists of the following items:

- SR 3.1 – General/Proponent information (including Form C1 and C2)
- Envelope A
 - SR 3.2 – Certain components of SR Package 1 as clarified
 - SR 3.3 – SR Package 2 Envelope A as clarified
- Envelope B
 - SR 3.4 – Insurance (including Form E) – SR Package 2 Envelope B as clarified
- Envelope C
 - SR 3.5 – Final Financial Model
 - SR 3.6 – Final Financing Plan
- Envelope D
 - SR 3.7 – Financial Offer (Form G1 and G2)
 - SR 3.8 – Proposal Deposit (Sample Form of Letter of Credit in Form F)

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

SR 3.1 General/Proponent Information

- Proponent identification
- Declaration letters in the form of Form C1 and Form C2 in Appendix 2 from an authorized representative of the Proponent and each Prime Team Member.

Envelope A

SR 3.2 SR Package 1 as Clarified

Re-submit SR 1.2 (Management Plan) and 1.3 (Project Schedule) in SR Package 1 with clarifications and updates, if applicable, incorporated. Proponents are required to identify changes made to the original SR Package 1 via blacklining.

SR 3.3 SR Package 2 Envelope A as Clarified

Re-submit all components in SR Package 2 Envelope A (i.e., SR 2.2 to SR 2.16) with clarifications and updates, if applicable, incorporated. Proponents are required to identify changes made to the original SR Package 2 Envelope A via blacklining.

Envelope B**SR 3.4 Insurance**

Re-submit insurance related items in SR Package 2 Envelope B with clarifications and updates, if applicable, incorporated. Proponents are required to identify changes made to the original insurance related items in SR Package 2 Envelope B.

Envelope C**SR 3.5 Final Financial Model**

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:

- All elements of the Final Financial Model must now constitute part of a firm and binding Financial Offer to the Department;
- A comprehensive reconciliation between the indicative and the final versions of both the Financial Model must be provided with an explanation for each change made to the assumptions and structure of the model; and
- The Final Financial Model must be consistent with the Financial Offer.

The Final Financial Model is to be consistent with the Financial Offer, such that payments from the Department to the Successful Proponent should reconcile with the corresponding cash inflows.

SR 3.6 Final Financing Plan

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 2 except that:

- All elements of the Final Financing Plan must now constitute part of a firm and binding Financial Offer to the Department;
- A comprehensive reconciliation between the indicative and the final versions of the Financing Plan must be provided with an explanation for each change made to the assumptions and structure of the model; and

- The Final Financing Plan must be consistent with the Financial Offer.

Financial Robustness

The Department intends the Project to be robust over a long period. While the precise level and structure of private capital invested will be a matter for Proponents, the Department needs to be confident that sufficient risk capital is in place to accommodate a reasonable range of downside risk within the capital base set out in the Financing Plan without triggering default or step-in. Proponents should take this into account in demonstrating the financial robustness of their Proposals.

Financial Commitment

The level of commitment that the Department expects is as follows:

- All sponsor equity and quasi-equity, bonding and guarantees (risk capital) should be committed. This commitment should be evidenced by board resolutions related to the terms set out. If equity or quasi-equity is to be provided by third parties, similar commitment is required.
- If Proponents intend to secure credit enhancement or other insurance over their funding packages, similar evidence of support should be provided.
- It is expected that the level of commitment at SR Package 3 relating to all aspects of the financing structure and Final Financing Plan will be sufficiently advanced to provide the Department with a reasonable degree of confidence that the Final Financing Plan can be implemented within the timetable outlined. This would include confidence that all risk capital will be approved, and that term sheets for the debt instruments have received formal credit approvals.

Envelope D

SR 3.7 Financial Offer

Provide a firm and binding Financial Offer as the Proponent intends to finance the Project. The Proponent is to submit a Financial Offer in the form of Form G1 (Financial Offer) and G2 (Capital Payment Price Adjustment Election Form) in Appendix 2.

The Financial Offer must respect the following guidelines:

- All payments are to be in millions of Canadian Dollar to two decimal places;
- Capital Payments should be fixed in nominal terms;
- New O&M Payments and Existing O&M Payments are to be expressed in both real and nominal terms; and
- Further details on the assumptions of Progress Payments will be provided following the finalization of funding discussions with the Federal government.

Proponents must ensure that their proposed Capital Payments, New O&M Payments, and Existing O&M Payments are consistent with their estimated costs from the corresponding underlying activities as shown in the Final Financial Model.

SR 3.8 Proposal Deposit

Provide a Proposal Deposit of \$1 million to the Department in the form of a certified cheque to the Minister of Finance or an Irrevocable Letter of Credit in a form acceptable to the Department. The Irrevocable Letter of Credit must be provided by a Bank as listed in the *Bank Act*, Schedule A—Domestic Chartered Banks, or Schedule B—Foreign Chartered Banks, or by the Alberta Treasury Branch, wherein the bank unconditionally obligates itself to pay the amount of \$1 million on demand to the Minister of Finance.

This Irrevocable Letter of Credit for the Proposal Deposit must remain in full force and effect for a period not less than one year or until it is replaced with the Preferred Proponent Deposit.

Appendix 2

Required Forms

Table of Contents

Form A1 – Declaration for SR Package 1 for the Proponent

Form A2 – Declaration for SR Package 1 for Prime Team Members

Form B – Declaration for SR Package 2

Form C1 – Declaration for SR Package 3 for the Proponent

Form C2 – Declaration for SR Package 3 for Prime Team Members

Form D – Certificate of Acknowledgement of No Material Adverse Change

Form E – Insurance Brokers’ Letter

Form F – Form of Letter of Credit

Form G1 – Financial Offer Form

Form G2 – Capital Payment Price Adjustment Election Form

Form A1 – Declaration for SR Package 1 for the Proponent

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

I, **[name of authorized representative of the Proponent]**, am an authorized representative of **[name of Proponent]**, and confirm that **[name of 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, conflict of interest, collusion, lobbying, publicity, confidentiality and accuracy of information as set out in Section 6 of the ITP), that the SR Package 1 provided with this declaration is made on behalf of the Proponent, including all Prime Team Members.

I confirm that **[name of Proponent]** is aware of and agrees to the Assignment of Intellectual Property outlined in the Attachment to this Declaration.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Attachment to Declaration for SR Package 1 – Assignment of Intellectual Property

By submitting the Proposal or otherwise communicating to the Department matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, this Proponent transfers and assigns unto the Department any and all copyrights. This Proponent ensures the Department 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 Department. 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 Department at no cost and the original shall be available for inspection by the Department and its agents on reasonable terms. The Proponent agrees to assist the Department 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 Department. For good and valuable consideration receipt of which is acknowledged, all new technology is hereby transferred to the Department. For greater certainty the rights of the Department hereunder include, but are not limited to, providing the Department with the right to design, construct, operate and maintain the infrastructure using new technology without obtaining the further consent of this Proponent.

The Proponent agrees to assist the Department 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 Department may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in Proposals and in any communication surrounding the Proposal provided by the Proponent or their 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 Department projects, in the development and negotiation of future contractual relationships. For clarity, the Department has the rights to use concepts, ideas, suggestions and directions contained in any and all Proposals submitted.

The Department 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 its clients as required in other projects. This license does not carry any obligations on the Department whatsoever and does not require it to register or enforce registered rights in regard to copyrights and new technology.

This Proponent hereby indemnifies the Department 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 Department, including for all damages, judgements, costs, fees and expenses (including legal fees of a solicitor and his own client basis) as a result of the Department owning, using or benefiting from the use of the Proposal or from designing, building, operating and maintaining the Project Infrastructure that is contained in this Proposal.

Form A2 – Declaration for SR Package 1 for Prime Team Members

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

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

I confirm that **[name of Prime Team Member]** 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, conflict of interest, collusion, lobbying, publicity, confidentiality and accuracy of information as set out in Section 6 of the ITP).

I confirm that **[name of Prime Team Member]** is aware of and agrees to the Assignment of Intellectual Property outlined in the Attachment to this Declaration.

I confirm that **[name of Prime Team Member]** has no financial or other intent that would cause or appear to cause a conflict of interest in carrying out the Project.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Attachment to Declaration for SR Package 1 – Assignment of Intellectual Property

By submitting the Proposal or otherwise communicating to the Department matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, this Proponent transfers and assigns unto the Department any and all copyrights. This Proponent ensures the Department 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 Department. 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 Department at no cost and the original shall be available for inspection by the Department and its agents on reasonable terms. The Proponent agrees to assist the Department 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 Department. For good and valuable consideration receipt of which is acknowledged, all new technology is hereby transferred to the Department. For greater certainty the rights of the Department hereunder include, but are not limited to, providing the Department with the right to design, construct, operate and maintain the infrastructure using new technology without obtaining the further consent of this Proponent.

The Proponent agrees to assist the Department 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 Department may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in Proposals and in any communication surrounding the Proposal provided by the Proponent or their 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 Department projects, in the development and negotiation of future contractual relationships. For clarity, the Department has the rights to use concepts, ideas, suggestions and directions contained in any and all Proposals submitted.

The Department 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 its clients as required in other projects. This license does not carry any obligations on the Department whatsoever and does not require it to register or enforce registered rights in regard to copyrights and new technology.

This Proponent hereby indemnifies the Department 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 Department, including for all damages, judgements, costs, fees and expenses (including legal fees of a solicitor and his own client basis) as a result of the Department owning, using or benefiting from the use of the Proposal or from designing, building, operating and maintaining the Project Infrastructure that is contained in this Proposal.

Form B – Declaration for SR Package 2

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

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

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form C1 – Declaration for SR Package 3 for the Proponent

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

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

I confirm that **[name of Proponent]** will execute the Project 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 over the term of the Project Agreement.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form C2 – Declaration for SR Package 3 for Prime Team Members

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

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

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form D – Certificate of Acknowledgement of No Material Adverse Change

Note: For use in SR Package 2

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

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 RFQ Submission to the date on which we submitted SR Package 2, **[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 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 Department.

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form E – Sample Insurance Brokers' Letter

Note: For use in SR Package 2 and 3

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

Dear Mr. McQuay:

Re: Insurances – Anthony Henday Drive Southeast Leg Ring Road Project

[Insurance Broker(s)] confirms that it has been appointed by **[name of Proponent]** as its insurance broker(s) with respect to the insurances required under the Request for Proposals for the Anthony Henday Drive Southeast Leg Ring Road Project.

[Insurance Broker(s)] has examined the Request for Proposals documents, including the Project Agreement and the insurance requirements stipulated in the Project Agreement, and confirms that the relevant requirements have been included in the insurance program to be arranged on behalf of **[name of Proponent]** if its Proposal is accepted, **except the following items, relating to the absence of the risk insured under the Proposal or the substitution of other coverage for the specified insurance**.

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

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

(Authorized Signature)

Form F – Sample Form of Letter of Credit

Note: For use in SR Package 3

[Date]

[Name of Schedule A or B Bank]

[Name of Proponent]

1. We hereby authorize you to draw on [name of bank and branch address] for the account of [name of Proponent] up to an aggregate amount of \$(●) ((●) Canadian dollars).

2. Pursuant to the request of our customer, the said [name of Proponent], we, [name of bank], hereby establish and give you an Irrevocable Letter of Credit in your favour in the total amount of \$(●) ((●) Canadian dollars) in accordance with the Request for Proposals dated April 5, 2004 issued by Alberta Transportation (the “Department”) for the Anthony Henday Drive Southeast Leg Ring Road Project (the “Project”), as same may be amended and supplemented from time to time (the “RFP”) which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without inquiring further whether you have a right as between yourself and our customer to make such demand, and without recognizing any claim of our said customer and, subject to paragraph 3 hereof, upon delivery of a written certificate of [the Department Representative] certifying that it is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue [one year from date of issue] 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 Letter of Credit not be renewed. This Irrevocable Letter of Credit that it shall be deemed to be automatically extended for one (1) year from the present or any future expiration date hereof, unless thirty (30) days prior to any such date we shall notify you in writing, by registered mail sent to

Alberta Transportation
2nd Floor, Twin Atria Building
4999-98 Avenue
Edmonton, Alberta, Canada
T6B 2X3

Attention: Mr. Neill McQuay, P.Eng.
Director, P3 Transportation Projects

or such other address as you may designate in writing that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw hereunder.

[Name of Bank]

(Authorized Signature)

(Authorized Signature)

Form G1 – Financial Offer Form

Note: For use in SR Package 3

Please complete the following Financial Offer Form.

In completing the Financial Offer, Proponents must demonstrate that their proposed Capital Payments, New O&M Payments, and Existing O&M Payments are consistent with their estimated costs for the corresponding underlying activities. For example, Proponents should not plan for using Capital Payments to fund New or Existing O&M activities and vice versa.

Please note the following regarding the Form.

⁺Capital Payments are to be identical throughout the Operating Period expressed in nominal dollars.

[#]Column A of New and Existing O&M Payments is to be stated in constant 2004 dollars.

^{*}Column B of New and Existing O&M Payments is to be stated in nominal dollars and will be used for the purpose of comparison of Financial Offers only. For the purpose of comparing the Financial Offers, Column B shall be calculated from the figures in Column A, multiplied by the Assumed Index Factor in Column C, which is assumed to increase by 2.5% per annum from 2004.

For greater clarity and illustration, the actual New O&M Payment to be made to the Successful Proponent in each month following Traffic Availability will be calculated by multiplying the Monthly figure in constant 2004 dollars in Column A and the actual Index Factor applicable for that particular month, which is determined annually for each calendar year according to the Project Agreement.

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$) [*]	Column A (constant\$) [#]	Column B (nominal\$) [*]	Assumed Index Factor
1						1.02500 ³
2						1.02500 ³
3						1.02500 ³
4						1.02500 ⁴
5						1.02500 ⁴
6						1.02500 ⁴
7						1.02500 ⁴
8						1.02500 ⁴
9						1.02500 ⁴
10						1.02500 ⁴
11						1.02500 ⁴
12						1.02500 ⁴
13						1.02500 ⁴

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
14						1.02500 ⁴
15						1.02500 ⁴
16						1.02500 ⁵
17						1.02500 ⁵
18						1.02500 ⁵
19						1.02500 ⁵
20						1.02500 ⁵
21						1.02500 ⁵
22						1.02500 ⁵
23						1.02500 ⁵
24						1.02500 ⁵
25						1.02500 ⁵
26						1.02500 ⁵
27						1.02500 ⁵
28						1.02500 ⁶
29						1.02500 ⁶
30						1.02500 ⁶
31						1.02500 ⁶
32						1.02500 ⁶
33						1.02500 ⁶
34						1.02500 ⁶
35						1.02500 ⁶
36						1.02500 ⁶
37						1.02500 ⁶
38						1.02500 ⁶
39						1.02500 ⁶
40						1.02500 ⁷
41						1.02500 ⁷
42						1.02500 ⁷
43						1.02500 ⁷
44						1.02500 ⁷
45						1.02500 ⁷
46						1.02500 ⁷
47						1.02500 ⁷
48						1.02500 ⁷
49						1.02500 ⁷

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
50						1.02500 ⁷
51						1.02500 ⁷
52						1.02500 ⁸
53						1.02500 ⁸
54						1.02500 ⁸
55						1.02500 ⁸
56						1.02500 ⁸
57						1.02500 ⁸
58						1.02500 ⁸
59						1.02500 ⁸
60						1.02500 ⁸
61						1.02500 ⁸
62						1.02500 ⁸
63						1.02500 ⁸
64						1.02500 ⁹
65						1.02500 ⁹
66						1.02500 ⁹
67						1.02500 ⁹
68						1.02500 ⁹
69						1.02500 ⁹
70						1.02500 ⁹
71						1.02500 ⁹
72						1.02500 ⁹
73						1.02500 ⁹
74						1.02500 ⁹
75						1.02500 ⁹
76						1.02500 ¹⁰
77						1.02500 ¹⁰
78						1.02500 ¹⁰
79						1.02500 ¹⁰
80						1.02500 ¹⁰
81						1.02500 ¹⁰
82						1.02500 ¹⁰
83						1.02500 ¹⁰
84						1.02500 ¹⁰
85						1.02500 ¹⁰

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
86						1.02500 ¹⁰
87						1.02500 ¹⁰
88						1.02500 ¹¹
89						1.02500 ¹¹
90						1.02500 ¹¹
91						1.02500 ¹¹
92						1.02500 ¹¹
93						1.02500 ¹¹
94						1.02500 ¹¹
95						1.02500 ¹¹
96						1.02500 ¹¹
97						1.02500 ¹¹
98						1.02500 ¹¹
99						1.02500 ¹¹
100						1.02500 ¹²
101						1.02500 ¹²
102						1.02500 ¹²
103						1.02500 ¹²
104						1.02500 ¹²
105						1.02500 ¹²
106						1.02500 ¹²
107						1.02500 ¹²
108						1.02500 ¹²
109						1.02500 ¹²
110						1.02500 ¹²
111						1.02500 ¹²
112						1.02500 ¹³
113						1.02500 ¹³
114						1.02500 ¹³
115						1.02500 ¹³
116						1.02500 ¹³
117						1.02500 ¹³
118						1.02500 ¹³
119						1.02500 ¹³
120						1.02500 ¹³
121						1.02500 ¹³

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
122						1.02500 ¹³
123						1.02500 ¹³
124						1.02500 ¹⁴
125						1.02500 ¹⁴
126						1.02500 ¹⁴
127						1.02500 ¹⁴
128						1.02500 ¹⁴
129						1.02500 ¹⁴
130						1.02500 ¹⁴
131						1.02500 ¹⁴
132						1.02500 ¹⁴
133						1.02500 ¹⁴
134						1.02500 ¹⁴
135						1.02500 ¹⁴
136						1.02500 ¹⁵
137						1.02500 ¹⁵
138						1.02500 ¹⁵
139						1.02500 ¹⁵
140						1.02500 ¹⁵
141						1.02500 ¹⁵
142						1.02500 ¹⁵
143						1.02500 ¹⁵
144						1.02500 ¹⁵
145						1.02500 ¹⁵
146						1.02500 ¹⁵
147						1.02500 ¹⁵
148						1.02500 ¹⁶
149						1.02500 ¹⁶
150						1.02500 ¹⁶
151						1.02500 ¹⁶
152						1.02500 ¹⁶
153						1.02500 ¹⁶
154						1.02500 ¹⁶
155						1.02500 ¹⁶
156						1.02500 ¹⁶
157						1.02500 ¹⁶

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
158						1.02500 ¹⁶
159						1.02500 ¹⁶
160						1.02500 ¹⁷
161						1.02500 ¹⁷
162						1.02500 ¹⁷
163						1.02500 ¹⁷
164						1.02500 ¹⁷
165						1.02500 ¹⁷
166						1.02500 ¹⁷
167						1.02500 ¹⁷
168						1.02500 ¹⁷
169						1.02500 ¹⁷
170						1.02500 ¹⁷
171						1.02500 ¹⁷
172						1.02500 ¹⁸
173						1.02500 ¹⁸
174						1.02500 ¹⁸
175						1.02500 ¹⁸
176						1.02500 ¹⁸
177						1.02500 ¹⁸
178						1.02500 ¹⁸
179						1.02500 ¹⁸
180						1.02500 ¹⁸
181						1.02500 ¹⁸
182						1.02500 ¹⁸
183						1.02500 ¹⁸
184						1.02500 ¹⁹
185						1.02500 ¹⁹
186						1.02500 ¹⁹
187						1.02500 ¹⁹
188						1.02500 ¹⁹
189						1.02500 ¹⁹
190						1.02500 ¹⁹
191						1.02500 ¹⁹
192						1.02500 ¹⁹
193						1.02500 ¹⁹

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
194						1.02500 ¹⁹
195						1.02500 ¹⁹
196						1.02500 ²⁰
197						1.02500 ²⁰
198						1.02500 ²⁰
199						1.02500 ²⁰
200						1.02500 ²⁰
201						1.02500 ²⁰
202						1.02500 ²⁰
203						1.02500 ²⁰
204						1.02500 ²⁰
205						1.02500 ²⁰
206						1.02500 ²⁰
207						1.02500 ²⁰
208						1.02500 ²¹
209						1.02500 ²¹
210						1.02500 ²¹
211						1.02500 ²¹
212						1.02500 ²¹
213						1.02500 ²¹
214						1.02500 ²¹
215						1.02500 ²¹
216						1.02500 ²¹
217						1.02500 ²¹
218						1.02500 ²¹
219						1.02500 ²¹
220						1.02500 ²²
221						1.02500 ²²
222						1.02500 ²²
223						1.02500 ²²
224						1.02500 ²²
225						1.02500 ²²
226						1.02500 ²²
227						1.02500 ²²
228						1.02500 ²²
229						1.02500 ²²

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
230						1.02500 ²²
231						1.02500 ²²
232						1.02500 ²³
233						1.02500 ²³
234						1.02500 ²³
235						1.02500 ²³
236						1.02500 ²³
237						1.02500 ²³
238						1.02500 ²³
239						1.02500 ²³
240						1.02500 ²³
241						1.02500 ²³
242						1.02500 ²³
243						1.02500 ²³
244						1.02500 ²⁴
245						1.02500 ²⁴
246						1.02500 ²⁴
247						1.02500 ²⁴
248						1.02500 ²⁴
249						1.02500 ²⁴
250						1.02500 ²⁴
251						1.02500 ²⁴
252						1.02500 ²⁴
253						1.02500 ²⁴
254						1.02500 ²⁴
255						1.02500 ²⁴
256						1.02500 ²⁵
257						1.02500 ²⁵
258						1.02500 ²⁵
259						1.02500 ²⁵
260						1.02500 ²⁵
261						1.02500 ²⁵
262						1.02500 ²⁵
263						1.02500 ²⁵
264						1.02500 ²⁵
265						1.02500 ²⁵

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
266						1.02500 ²⁵
267						1.02500 ²⁵
268						1.02500 ²⁶
269						1.02500 ²⁶
270						1.02500 ²⁶
271						1.02500 ²⁶
272						1.02500 ²⁶
273						1.02500 ²⁶
274						1.02500 ²⁶
275						1.02500 ²⁶
276						1.02500 ²⁶
277						1.02500 ²⁶
278						1.02500 ²⁶
279						1.02500 ²⁶
280						1.02500 ²⁷
281						1.02500 ²⁷
282						1.02500 ²⁷
283						1.02500 ²⁷
284						1.02500 ²⁷
285						1.02500 ²⁷
286						1.02500 ²⁷
287						1.02500 ²⁷
288						1.02500 ²⁷
289						1.02500 ²⁷
290						1.02500 ²⁷
291						1.02500 ²⁷
292						1.02500 ²⁸
293						1.02500 ²⁸
294						1.02500 ²⁸
295						1.02500 ²⁸
296						1.02500 ²⁸
297						1.02500 ²⁸
298						1.02500 ²⁸
299						1.02500 ²⁸
300						1.02500 ²⁸
301						1.02500 ²⁸

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
302						1.02500 ²⁸
303						1.02500 ²⁸
304						1.02500 ²⁹
305						1.02500 ²⁹
306						1.02500 ²⁹
307						1.02500 ²⁹
308						1.02500 ²⁹
309						1.02500 ²⁹
310						1.02500 ²⁹
311						1.02500 ²⁹
312						1.02500 ²⁹
313						1.02500 ²⁹
314						1.02500 ²⁹
315						1.02500 ²⁹
316						1.02500 ³⁰
317						1.02500 ³⁰
318						1.02500 ³⁰
319						1.02500 ³⁰
320						1.02500 ³⁰
321						1.02500 ³⁰
322						1.02500 ³⁰
323						1.02500 ³⁰
324						1.02500 ³⁰
325						1.02500 ³⁰
326						1.02500 ³⁰
327						1.02500 ³⁰
328						1.02500 ³¹
329						1.02500 ³¹
330						1.02500 ³¹
331						1.02500 ³¹
332						1.02500 ³¹
333						1.02500 ³¹
334						1.02500 ³¹
335						1.02500 ³¹
336						1.02500 ³¹
337						1.02500 ³¹

Month from Traffic Availability	Capital Payments ⁺ (nominal dollars)	New O&M Payments		Existing O&M Payments		Column C
		Column A (constant\$) [#]	Column B (nominal\$)*	Column A (constant\$) [#]	Column B (nominal\$)*	Assumed Index Factor
338						1.02500 ³¹
339						1.02500 ³¹
340						1.02500 ³²
341						1.02500 ³²
342						1.02500 ³²
343						1.02500 ³²
344						1.02500 ³²
345						1.02500 ³²
346						1.02500 ³²
347						1.02500 ³²
348						1.02500 ³²
349						1.02500 ³²
350						1.02500 ³²
351						1.02500 ³²
352						1.02500 ³³
353						1.02500 ³³
354						1.02500 ³³
355						1.02500 ³³
356						1.02500 ³³
357						1.02500 ³³
358						1.02500 ³³
359						1.02500 ³³
360						1.02500 ³³

Form G2 – Capital Payment Price Adjustment Election Form

Note: For use in SR Package 3

In order to provide a degree of protection to Proponents against certain interest rate changes, the Department is offering a price adjustment to the Capital Payment component of Proponent's Financial Offer. Proponents may elect to accept or decline the price adjustment formula. Details of the of the price adjustment formula is provided below.

If a Proponent accepts the price adjustment, the Capital Payment as stated in the Proponent's Financial Offer will be adjusted based on the formula for incorporation into the Project Agreement. If a Proponent declines the price adjustment, the Capital Payment as stated in the Proponent's Financial Offer will be incorporated into the Project Agreement without adjustment.

Price Adjustment Election

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

The price adjustment as described below is accepted

The price adjustment as described below is declined

Definitions for Price Adjustment Formula

“Capital Payment Offer” means the fixed monthly Capital Payment as stated in the Financial Offer (Form G-1) submitted by any Proponent in Submission Requirement Package 3.

“Final Capital Payment” means the Capital Payment to be incorporated into the Project Agreement as the Capital Payment component of the monthly payment payable by the Department.

“Reference Bond” means the 5.75% coupon Government of Canada bond maturing June 1, 2029.

“Start Yield” means with respect to the Reference Bond, the yield shown on Bloomberg based on bid price with RBC Dominion Securities as the source for the closing time of 4:00 p.m. on the Start Date.

“End Yield” means with respect to the Reference Bond, the yield shown on Bloomberg based on bid price with RBC Dominion Securities as the source for the closing time of 4:00 p.m. on the End Date.

“Start Date” means the third Business Day before the due date for Submission Requirement Package 3.

“End Date” means the third Business Day after the day the Preferred Proponent is notified of its status.

Price Adjustment Formula

The Price Adjustment Mechanism will be based on the following equation:

$$\text{Pmt} = \frac{\text{PV} \times r \times (1+r)^{36}}{1 - 1/(1+r)^{360}}$$

where Pmt = Monthly payment amount

PV = Present value of payment stream

r = Monthly interest rate determined as $(1 + Y/2)^{1/6} - 1$

Y = Yield of Reference Bond

The equation above represents the formula for calculating the present value of a stream of equal monthly payments over 30 years to start in three years. It can be replicated by the “PMT” function in Microsoft Excel.

The Price Adjustment Formula will use the above equation and will be performed in the following two steps:

Step 1: Calculate the Original Present Value of the Capital Payment Offer using the equation above, with: Pmt = Capital Payment Offer by the Proponent

Y = Start Yield

PV = Original Present Value (to be calculated)

Step 2: Calculate the Final Capital Payment using the equation, with:

PV = Original Present Value (calculated in Step 1)

Y = End Yield

Pmt = Final Capital Payment (to be calculated)

Example:

Step 1:

Capital Payment Offer	\$1,000,000 (per month)
Start Yield	5.000%
Original Present Value	\$161,572,405 (calculated using formula)

Step 2:

Original Present Value	\$161,572,405 (calculated from Step 1)
End Yield	5.086%
Final Capital Payment	\$1,012,185 (calculated using formula)

Appendix 3

Definitions

Appendix 3 – Definitions

3.1 Defined Terms

“Alberta Transportation” means Her Majesty the Queen in Right of Alberta as represented by Alberta Transportation and includes a person authorized by the Minister of Transportation.

“Business Day” means Monday to Friday except for holidays observed by the Province of Alberta.

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

“Consultants” means Alberta Transportation consultants who assist in the preparation of the RFQ and RFP and in the evaluation of Submissions and Proposals, and who may or may not assist throughout the terms of the Project Agreement.

“Construction Period” means the time period as specified in the Project Agreement during which the Contractor designs and constructs the New Infrastructure.

“Contractor” means the individual, company, consortium, joint venture and/or companies that has or have entered into a Project Agreement with Alberta Transportation.

“Department” means Alberta Transportation, as defined above.

“Department’s Functional Plan” means Functional Plan.

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

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

“Existing Infrastructure” means the specific segments of highways adjacent or connected to the New Infrastructure upon which the Successful Proponent will perform operation and maintenance.

“Existing O&M” or “Existing Operation and Maintenance” means the responsibility of operation and maintenance for the Existing Infrastructure.

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

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

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

“Financial Management Team” means the Respondent’s or the Proponent’s Team Members who are responsible for the financing and the financial management of the Project.

“Functional Plan” means the Functional Planning Study – Final Report prepared by Infrastructure Systems Ltd. for the Department.

“Honorarium” means the honorarium discussed in Sections 5.14 of this ITP.

“Index Factor” means the basis to adjust the Operating Payments according to inflation.

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

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

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

“Lead Team Member” means the Team Member in each of the Respondent’s or the Proponent’s Design Team, Construction Team, O&M Team, or Financial Management Team, that will direct and coordinate the activity of the other Team Members in each of these Teams respectively.

“Lenders” means the entities that provide financing to the Contractor for the Project.

“New Infrastructure” means the Anthony Henday Drive Southeast Leg Ring Road in Edmonton, Alberta of approximately 6 kilometres of a new 4-lane divided roadway and 5 kilometres of a new 6-lane divided roadway, between Highway 2 and Highway 216/14.

“New O&M” or “New Operation and Maintenance” means the responsibility of operation, maintenance, and rehabilitation for the New Infrastructure.

“Operating Period” means the time period as specified in the Project Agreement during which the Contractor operates and maintains both the New and Existing Infrastructure.

“Operation and Maintenance Team” or “O&M Team” means the Respondent’s Team Members who are responsible for the operation, maintenance and rehabilitation of the Project.

“Preferred Proponent” means the individual, company, consortium, joint venture and/or companies that have been identified as the Proponent Alberta Transportation has deemed to have submitted the best Proposal.

“Preferred Proponent Deposit” means the amount the Preferred Proponent is required to provide to the Department within a specific time period upon being notified of the preferred status.

“Prime Team Member” means any Team Member in any of the Respondent’s or the Proponent’s Design Team, Construction Team, O&M Team, or Financial Management Team, that is expected to have 25% or more of the work or responsibility of the Team.

“Project” means the design, construction, financing, operation, and maintenance of the New Infrastructure, and the operation and maintenance of the Existing Infrastructure.

“Project Agreement” means the agreement(s) into which Alberta Transportation and the Contractor will enter with respect to the Project, which constitutes (in draft form) Volume 2 of this RFP.

“Project Infrastructure” means the combination of the New Infrastructure and Existing Infrastructure.

“Project Specifics” means the section within the Technical Requirements or Volume 3 of the RFP that describes certain specific parameters and requirements to this Project.

“Proponent” means a Short-listed Proponent and its Team Members that submits in response to this RFP.

“Proponent Contact Person” means the sole individual named by the Proponent that all information in respect of the Proponent’s involvement in this procurement is to be issued to or received from.

“Proposal” means any or all of SR Package 1, SR Package 2, and SR Package 3.

“Proposal Deposit” means the amount all Proponents must submit with their SR Package 3.

“Province” means Her Majesty the Queen in Right of Alberta.

“Registered Party” means any party who has registered with Alberta Transportation to receive the RFQ and any and all addenda, and has paid the registration fee.

“Respondent” means any individual, company, consortium, joint venture and/or companies that has submitted a Submission in response to the RFQ.

“Respondent Contact Person” means the sole individual named by the Respondent that all information in respect of the Respondent’s involvement in this procurement is to be issued to or received from.

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

“RFQ” means the Request for Qualifications for the Project.

“Short-listed Proponent” means any individual, company, consortium, joint venture and/or companies that have been short-listed to proceed to the RFP stage.

“Submission” means a response to the RFP, including the Optional Innovation Submission, Comments on the draft Project Agreement, SR Package 1, SR Package 2 and SR Package 3.

“Submission Requirements” means Appendix 1 to the ITP or Volume 1 of the RFP.

“Successful Proponent” means the Contractor.

“Team Member” means any entity, individual or organization, that is part of a Respondent or a Proponent.

“Technical Requirements” means the performance and other requirements of the Project, which constitutes Volume 3 of this RFP.

“Transaction” means the selection process and the arrangement in respect of the Project.

“Traffic Availability” means the date when the New Infrastructure is open for use by the public.

“TUC” means Transportation/Utility Corridor.

3.2 Interpretation

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

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