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**ALBERTA INFRASTRUCTURE AND
TRANSPORTATION**

REQUEST FOR PROPOSALS

FOR THE

DESIGN, BUILD, FINANCE, OPERATE

OF

**NORTHWEST ANTHONY HENDAY DRIVE
CITY OF EDMONTON, ALBERTA, CANADA**

VOLUME 1 of 2

INSTRUCTIONS TO PROPONENTS (ITP)



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Introduction

Alberta Infrastructure and Transportation (“INFTRA”) is pleased to invite the Proponents to respond to this Request for Proposals (“RFP”) for the Northwest Anthony Henday Drive Project. This RFP consists of the following two volumes:

- 1) **Volume 1: Instructions To Proponents (“ITP”)**, which summarizes the DBFO’s scope and objectives, presents information relating to the selection process, and lists the Submission Requirements including the required forms.
- 2) **Volume 2: DBFO Agreement (including Schedules 1-18 (Schedule 18 sets out the technical requirements for the DBFO))**, which constitute the draft version of the DBFO Agreement that Proponents may comment upon prior to re-issuance in final form. The final form of the DBFO Agreement will be executed by the Successful Proponent and Alberta Infrastructure and Transportation. There shall be no post-selection negotiations on the final form of DBFO Agreement.

The RFP and any supporting information from the electronic data room or otherwise provided by INFTRA are being made available only to Respondents who have been short-listed and have subsequently been invited to submit their Proposals for the DBFO. Such information is made available on the condition that it is to be used in connection with this DBFO 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 are referred to Section 6 of the ITP which contains a comprehensive exclusion of liability on the part of the Government of Alberta and INFTRA in respect of the RFP. Each Proponent must make its own independent assessment of the DBFO and determine its interest in the DBFO and the content of its Proposal.

Section 1

General

1.0 General

1.1 Background

On July 25, 2007, INFTRA issued a Request for Qualifications (“RFQ”) for the design, construction, financing, operation, maintenance, and rehabilitation of Northwest Anthony Henday Drive. Three submissions to the RFQ were received by the deadline of August 30, 2007. A short-list of three Respondents was determined and announced on September 28, 2007 by the Minister of Infrastructure and Transportation. The three Proponents are:

- Northwest Connect;
- Plenary Roads Edmonton; and
- North Edmonton Road Consortium.

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 and O&M Overview

The Project involves the design and construction of the Northwest Anthony Henday Drive in the City of Edmonton, Alberta, Canada (the “New Infrastructure”). The New Infrastructure consists of approximately 21 kilometres of a new 4 – 6 lane divided freeway, plus additional basic and auxiliary lanes, and includes ten interchanges, five flyovers, two rail crossings, and one separate signalized intersection.

The Successful Proponent will be responsible for the operation and maintenance (including rehabilitation) of the New Infrastructure.

The New Infrastructure is shown in Drawings 18-A-01 through 18-A-07 inclusive, respectively. More detailed descriptions of the New Infrastructure are provided in the Technical Requirements and in the electronic data room.

1.3 DBFO Overview

It is INFTRA’s intention to enter into a DBFO Agreement with the Successful Proponent for the implementation of the DBFO.

Key elements of the transaction include:

- Design, construction, and financing of the New Infrastructure

- Operation and maintenance (including rehabilitation) of the New Infrastructure
- An approximately three-year Construction Period for the New Infrastructure and a thirty-year Operating Period for the New Infrastructure
- construction progress payments in an amount that is the lesser of \$500 million or the Successful Proponent's Capital Amount, payable to the Successful Proponent by the Province during the Construction Period for a portion of the capital costs of the New Infrastructure
- Payments to the Successful Proponent over the Operating Period consisting of:
 - Constant fixed payments for the remaining capital costs of the New Infrastructure not covered by construction progress payments
 - Indexed payments for the costs associated with the operation, maintenance, and rehabilitation of the New Infrastructure
- Performance-based 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 and in the DBFO Agreement, including the Technical Requirements.

1.4 Project Timing

The New Infrastructure must be opened to traffic as a paved multi-lane, divided roadway by November 1, 2011. The New Infrastructure may be opened to traffic earlier provided that it has met the relevant requirements in the DBFO Agreement. Only minor works, not affecting the safe use of the roadway, may remain outstanding on Traffic Availability.

1.5 DBFO Objectives

INFTRA has structured the DBFO to meet the following specific objectives, which are listed in no particular order:

- to expeditiously complete the procurement process;
- to complete construction of the Project so that it is ready for traffic availability by November 1, 2011;
- to achieve “value for money”, that is, optimal value over the Term;
- to ensure that the Project is designed, built and operated in an environmentally sound manner and in a manner that ensures the safety of the traveling public; and

- to ensure that the highway infrastructure is “handed back” to INFTRA in the required specified condition at the end of the Term.

1.6 DBFO Scope

The Successful Proponent will assume the responsibility for 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 8 kilometres of a new 6-lane divided roadway and 13 kilometres of a new 4-lane divided roadway between Highway 16 on the west of Edmonton and Manning Drive. Other components of the New Infrastructure include:

Interchanges:

- Highway 16 west and Anthony Henday Drive
- 184 Street
- 137 Avenue bridges and cross-street (grading only for ramps)
- St. Albert Trail
- Campbell Road
- 127 Street
- 97 Street
- 66 Street
- 50 Street (grading only)
- Manning Drive

Flyovers at:

- 170 Street over Anthony Henday Drive
- Anthony Henday Drive over 142 Street
- 112 Street over Anthony Henday (grading only)
- 82 Street over Anthony Henday Drive
- 195 Avenue over Highway 28

Railway crossings at:

- CNR Railway west of 137 Avenue at CNR Mile 2.37 Sangudo Subdivision
- CNR Railway/142 Street overpass at CNR Mile 4.3 Westlock Subdivision

Signalized intersections at:

- 167 Avenue and 142 Street

Existing infrastructure:

Existing roadways, existing grading, and related appurtenances (such as drainage works, lighting, and signage) located within the Road Right of Way shall form part of the New Infrastructure. This includes but is not limited to the existing roadway between Highway 16 on the west side of Edmonton and 137 Avenue, the graded 184 Street NE interchange, portions of St. Albert Trail, 97 Street and Manning Drive.

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

1.6.2 Operation, Maintenance, and Rehabilitation of New Infrastructure (the “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 DBFO includes the provision of a portion of the financing required for the development of the New Infrastructure and the overall financial management of the DBFO for the term of the DBFO Agreement.

Proponents will be required to provide evidence of available financing with their submissions.

1.8 Collaboration

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

Successful collaboration will require considerable efforts by the parties, especially in the initial 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 collaboration strategy pursuant to the Submission Requirements (Appendix 1 to this ITP), on how collaboration with INFTRA 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 INFTRA. It will be the Successful Proponent's responsibility to design, construct, operate, and maintain the New 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 and the New O&M.

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

1.10 Environmental Management

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

An environmental assessment study has been undertaken as part of the Functional Plan and is in the electronic data room. The Successful Proponent will be responsible for obtaining and complying with all required environmental approvals, authorizations, and permits.

The Successful Proponent will be required to implement an Environmental Management System (“EMS”) during the entire term of the DBFO 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 14001:2004 Standard.

1.11 Quality Management

The Successful Proponent will be responsible for carrying out all Quality Control and Quality Assurance functions on the Project and the New O&M and will be required to implement a Quality Management System (“QMS”) during the entire term of the DBFO 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.

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

1.12 Risk Allocation

INFTRA has developed a risk allocation for the Project and the New O&M which in its view is likely to meet INFTRA’s objectives.

Some of the certain key features of the risk allocation for the Project and the New O&M are highlighted below:

- The Successful Proponent will be responsible for all elements of design, construction, partial financing, and New O&M for the New Infrastructure and for meeting the performance and handback requirements, except as otherwise explicitly specified.
- INFTRA 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 INFTRA. 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.
- INFTRA will share in the risk of incremental operating expenses if traffic volume exceeds volume thresholds specified in the Technical Requirements.
- INFTRA will assume inflation risk (based on the Index Factor) on the payments associated with the New O&M.

- The Successful Proponent will be responsible for the partial financing of the New Infrastructure. With respect to financing costs, INFTRA will share the risk of changes in market interest rates between the time of Financial Offer submission and the date two days after execution of the DBFO Agreement.
- 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 INFTRA. Changes in the Province’s highway-related standards will also be assumed by INFTRA.

The table below contains a general summary of the allocation of risks of the Project and the New O&M. Proponents are advised that the details of the Project and the New O&M risks and the responsibility of the parties for such risks are contained in the DBFO 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 and the New O&M risks.

	INFTRA	Successful Proponent
DESIGN AND CONSTRUCTION RISKS		
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 INFTRA for Road Right of Way within the TUC	●	
Obtaining Ministerial consent to use additional TUC land (permanent additional Road Right of Way)		●
Obtaining Ministerial consent to use additional TUC land (temporary use of land for construction purposes)	●	
Land acquisition outside of TUC that INFTRA has identified it will acquire	●	
Land acquisition outside TUC (if proposed)		●
Cost of utility permits		●
Delays by agencies other than INFTRA (e.g., utilities)	●	●
Delays by INFTRA	●	
Construction cost and time overrun		●
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		●

	INFTRA	Successful Proponent
Workplace Health and Safety		●
Change in law (general – Successful Proponent; discriminatory – INFTRA)	●	●
Force majeure	●	●
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	●	●
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 – INFTRA)	●	●
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 date two days after execution of the DBFO Agreement (depending on the Proponent's election of options)	●	●
Interest spread risk (credit spread/margin risk)		●
All other financing risks		●
Inflation on Construction Costs		●
Inflation on 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 to meet the relevant requirements in:

- The DBFO Agreement
- The Technical Requirements
- The Functional Plan

INFTRA encourages innovation by Proponents in their design and construction of the New Infrastructure, subject to the requirements above. To assist Proponents, INFTRA 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 INFTRA'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 Preferred Proponent's Proposal will be incorporated as schedules to the DBFO Agreement and will form part of the DBFO 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 DBFO 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 INFTRA to confirm compliance with stated requirements.

2.3 Functional Planning Study – Final Report

The North Edmonton Ring Road, Functional Planning Study dated October 2007 was prepared by ISL Engineering and Land Services Ltd. for INFTRA and has been included in the electronic data room.

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 Functional Plan or develop their own solutions. Material departures from the solutions presented in the Functional Plan are to be submitted pursuant to the Optional Innovation Submission and 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

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

The Functional Plan identifies 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 INFTRA'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, collector-distributor ("C-D") lanes, and ramps are the responsibility of INFTRA.

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 INFTRA.

2.5 Road Right of Way

The Province owns the property referred to as the Transportation/Utility Corridor (the "TUC") in which lies the Road Right of Way upon which the New Infrastructure is to be constructed. Any properties not already owned by the Province will be acquired by the Province by May 1, 2009.

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 INFTRA.

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. The right-of-way available should be sufficient to construct the roadway. However, Proponents are to satisfy themselves of the adequacy of the right-of-way for their design.

In the unlikely event that additional right-of-way is required for the Successful Proponent's construction of the New Infrastructure, 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 and Transportation's *Transportation/Utility Corridor (TUC) Program Policy* contained in the electronic data room. The Successful Proponent negotiates access and requests additional right-of-way from INFTRA. If accepted, a Ministerial Consent will be required to grant the right of access to the right-of-way. This right, once granted, is typically free of charge. The Successful Proponent will assume timing and other risks with respect to the request for additional right-of-way.

Any land not already owned by the Province and that is required based on the Access Plan set out in the Functional Plan will be acquired by the Province by May 1, 2009.

Any additional lands acquired outside of the TUC by the Successful Proponent for use in the construction of the New Infrastructure will at the option of the Province become the property of the Province at the end of the Operating Period for a nominal sum.

2.6 Development in Road Right of Way

The Road 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 outside the Road Right of Way and TUC that may be required for its responsibilities.

2.7 Environmental and Historical Resources

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

As part of the Functional Plan, approvals and permits have been obtained by INFTRA for:

- 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 and the New O&M.

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, the City of St. Albert and Sturgeon County. Proponents should clearly understand all requirements of the relevant municipalities.

2.9 Utilities

INFTRA 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 INFTRA. The utilities are generally located beyond the Road Right of Way and within the utility corridor of the TUC. However, various utilities do cross the Road 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 costs associated with utility re-location and protection, with the Province sharing some costs over certain thresholds, as provided in the DBFO Agreement.

2.10 Railways

There are two 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 INFTRA.

2.11 Work by Others

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

Section 3

Operation and Maintenance

3.0 Operation and Maintenance

3.1 General

The New O&M refers to the operation, maintenance and rehabilitation of the New Infrastructure. The New O&M is to be carried out by the Successful Proponent in accordance with the relevant requirements in the DBFO Agreement, including 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 Preferred Proponent's Proposal will be incorporated as schedules to the DBFO Agreement and will form part of the DBFO 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 the New Infrastructure. Proponents are directed to the DBFO Agreement including the Technical Requirements for further details.

3.2 Operation and Maintenance

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

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 meet the Technical Requirements, in order to measure, monitor, and audit its own performance. INFTRA will undertake inspections over the term of the DBFO 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 DBFO Agreement, the New Infrastructure must satisfy the handback standards specified in the Technical Requirements.

Handback inspections will be conducted over approximately the last five years of the Operating Period in accordance with the DBFO Agreement. The Successful Proponent is expected to demonstrate to INFTRA that it has met the handback requirements when the New Infrastructure reverts back to INFTRA.

Section 4

Business Arrangements

4.0 Business Arrangements

4.1 Business Model

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

Beyond the construction progress payments to be made by the Province, the raising of financing will be the sole responsibility of the Successful Proponent. The Province will not guarantee any debt incurred by the Successful Proponent.

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

4.2 Timing

The New Infrastructure is scheduled to open for traffic on or before November 1, 2011. 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 November 1, 2011, the Operating Period will be thirty years from Traffic Availability. If the New Infrastructure is ready for Traffic Availability after November 1, 2011, the Operating Period will end in thirty years from November 1, 2011, regardless of Traffic Availability (i.e., the Operating Period will be shortened). Further details are provided in the DBFO Agreement.

4.3 Payments

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

- **Construction Progress Payments** in an amount that is the lesser of \$500 million or the Successful Proponent's Capital Amount, payable to the Successful proponent by the Province during the Construction Period for a portion of the capital costs of the New Infrastructure
- **Capital Payments** for the remaining capital costs of the New Infrastructure during the Operating Period
- **Major Rehabilitation Payments** for the New Infrastructure during the Operating Period
- **New O&M Payments** for the New O&M during the Operating Period
- **Performance-based payment adjustments** and holdbacks to amounts otherwise payable

- **Special Adjustments** to New O&M Payments for certain pre-defined events

Construction Progress Payments in an amount that is the lesser of \$500 million or the Successful Proponent's Capital Amount, payable to the Successful Proponent by the Province during the Construction Period for a portion of the capital costs of the New Infrastructure. The timing of the construction progress payments will be linked to actual construction completion.

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

In order to provide a degree of protection to Proponents against certain interest rate changes between the time of submission of the Financial Offer and the date two days after execution of the DBFO Agreement, INFTRA 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 DBFO Agreement. If a Proponent declines the price adjustment, the Capital Payments as stated in the Proponent's Financial Offer will be incorporated into the DBFO Agreement without adjustment. Whether a Proponent accepts or declines the price adjustment, the Proponent must provide its Weighted Average Cost of Capital as required in Form G2.

Major Rehabilitation Payments will be made over the Operating Period. The monthly amount will be the amount indicated by the Preferred Proponent in the Financial Offer for each month of the Operating Period, multiplied by an Index Factor to account for inflation.

New O&M Payments will be made over the Operating Period. The monthly amount will be the amount indicated by the Preferred Proponent in the Financial Offer for each month of the Operating Period, multiplied by an Index Factor to account for inflation. 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.

The above payments will be subject to **performance-based adjustments**. Examples of incidents leading to performance-based adjustments include but are not limited to:

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

The DBFO Agreement, including the Technical Requirements, contains 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 DBFO Agreement, including:

- Construction completion holdback following Traffic Availability
- Holdbacks or alternate security for work identified as required through the handback inspections

Details of these provisions are provided in the DBFO Agreement.

4.5 Ownership of Real Estate

It is the Province's intention to retain ownership of the Road Right of Way and of any other land required for the New Infrastructure and enter into a licence for a nominal amount with the Successful Proponent as part of the DBFO Agreement. For the New Infrastructure, the Successful Proponent will have the right of access to the Road Right of Way.

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

4.6 Tax

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

4.7 Insurance Requirements

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

These requirements, as detailed in this ITP and the DBFO Agreement, specify the minimum insurance necessary during the Construction Period and the Operating Period. The Successful Proponent is

encouraged to obtain insurance in addition to the specified requirements. Proponents are to provide details of insurance in accordance with the Submission Requirements.

Section 5

Proposal Submission and Selection Process

5.0 Proposal Submission and Selection Process

5.1 Process Overview and Schedule

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

The selection process will consist of three mandatory submissions (SR Package 1, 2, and 3) due in stages. Additionally, Proponents are invited to submit comments on the draft DBFO Agreement. Proponents are also invited but not required to participate in an Optional Innovation Submission and feedback process.

An overview of the various submissions is provided below:

- **SR Package 1** requires a general management plan.
- **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 invited but not required to submit an **Optional Innovation Submission**. The Optional Innovation Submission would include non-binding information on innovative solutions being considered and identify departures from the solutions presented in the Functional Plan. Proponents that choose to pursue innovative solutions proposed through the Optional Innovation Submission and feedback from INFTRA must integrate those solutions into their overall DBFO solution and reflect those solutions in their SR2 and SR3 submissions. The final acceptability of the innovative solutions will be contingent on further details submitted in subsequent SR Packages. Proponents may choose to not pursue innovative solutions proposed through the Optional Innovation Submission and in that case Proponents are not required to include the innovative solutions in subsequent SR Packages..
- Proponents are also invited to submit **comments on the draft DBFO Agreement**. INFTRA anticipates two rounds of comments and meetings. Upon consideration of these comments and meetings, INFTRA will issue the DBFO Agreement in final form in advance of the deadline for SR Package 3. There shall be no post-selection negotiations on the DBFO Agreement.

- Proponents are also invited to attend two rounds of **engineering/construction meetings** with INFTRA.
- **Provision of the Preferred Proponent Deposit of \$5 million** within five Business Days of notification of Preferred Proponent.
- **Execution of the DBFO Agreement** by the Successful Proponent is expected to occur within the two month period following notification to the Preferred Proponent.

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

Milestones	Timing
Issuance of RFP	October 1, 2007
Information Meeting	October 10, 2007
Meeting with Utility Companies and Municipalities	October 17, 2007
SR Package 1 Submission Deadline	October 25, 2007
Deadline for 1 st Round Comments on the Draft DBFO Agreement	November 2, 2007
Provision of Feedback (if any) on SR Package 1	November 6, 2007
Optional Innovation Submission Deadline	November 15, 2007
Meetings with Proponents on 1 st Round Comments on the Draft DBFO Agreement	November 14-16, 2007
Engineering Meetings	November 20-22, 2007
Notification of Evaluation Results of Optional Innovation Submissions	December 13, 2007
Issuance of 2 nd Draft DBFO Agreement	December 14, 2007
Engineering Meetings	January 8-10, 2008
SR Package 2 Submission Deadline, except for CNR and 137 Avenue/Anthony Henday Drive bridge-related drawings	February 14, 2008
SR Package 2 Submission Deadline for CNR and 137 Avenue/Anthony Henday Drive bridge-related drawings	February 21, 2008
Deadline for 2 nd Round Comments on the Draft DBFO Agreement	February 8, 2008
Meetings with Proponents on 2 nd Round Comments on the Draft DBFO Agreement	February 20-22, 2008
Issuance of penultimate draft of the DBFO Agreement	February 29, 2008
Deadline for final comments on the Draft DBFO Agreement	March 7, 2008
Issuance of Final Form of the DBFO Agreement	March 14, 2008
Notification of Evaluation Results of SR Package 2	April 15, 2008
SR Package 3 Submission Deadline	May 15, 2008
Notification of Preferred Proponent	May 30, 2008
Execution of DBFO Agreement	No Later than July

Milestones	Timing
	30, 2008

Timing relating to deadlines for questions from Proponents is presented in Section 5.8.1 of this ITP.

Subject to the July 30, 2008 deadline, the Preferred Proponent shall provide INFTRA with a minimum of two weeks written notice of the date that the Successful Proponent will be prepared to execute the DBFO Agreement.

5.2 Department Representative

The Department Representative for this RFP is:

Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects
Alberta Infrastructure and 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

All correspondence or contact by Proponents with INFTRA 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: October 10, 2007
Time: 9:30 a.m. (Edmonton time)
Location: Delta Edmonton Centre Suite Hotel
10222-102nd Street
Edmonton, Alberta

5.4 Meeting with Utility Companies and Municipalities

An information meeting will be held with some, but not necessarily all, 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:

- Canadian National Railway Company
- The City of Edmonton
- City of St. Albert
- Sturgeon County
- AltaLink Management Ltd.
- ATCO Pipelines
- ATCO Gas
- Shaw Cablesystems G.P.
- Telus
- Nova Chemicals
- Praxair
- Liquid Air
- Keyspan
- Kinder Morgan
- Suncor
- EPCOR (Electrical)
- EPCOR (Water)
- BP Energy Canada
- Imperial Oil
- Capital Region Wastewater Commission

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: October 17, 2007
Time: 9:30 a.m. (Edmonton time)
Location: Alberta Infrastructure and Transportation
Athabasca Room, 2nd Floor, Twin Atria Building
4999 – 98 Avenue
Edmonton, Alberta, Canada

INFTRA makes no warranties or representations with respect to the completeness or accuracy of information provided by the utility companies or the municipalities during the meeting.

5.5 Electronic Data Room

DBFO-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://AHNRFP1:aitrfp1c@www.tu.gov.ab.ca/Anthony_Henday_North_RFP/ 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 Investigations, Surveys and Studies by Proponents

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

5.7 Site Access

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

Alberta Infrastructure and Transportation - Land Planning 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 and Transportation - Land Planning 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 and Transportation - Land Planning 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 INFTRA 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 INFTRA'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 identify and pre-negotiate any compensation that may be due to existing TUC tenants as a consequence of the Proponents' investigation activities.
- 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 Transportation - Land Planning 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 right of entry agreement.
- Proponents will provide and implement traffic accommodation plans during site access, where necessary, in accordance with INFTRA 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 DBFO 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 and Transportation - Land Planning prior to access to the site. The insurance required during this period need not be dedicated to the Project.

The following insurance will be required:

- General 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 Proponent's activities. 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).

5.8 Clarifications, Questions and Addenda

5.8.1 Proponent Inquiries

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

Specific Proponent inquiries with respect to each of the Submissions (including SR Packages) must be received by the Department Representative 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. INFTRA intends to issue all responses and their corresponding questions to all Proponents. However, INFTRA reserves the right to issue particular responses only to a particular Proponent depending on whether the question is confidential, or not to issue a response at all.

Should a Proponent wish to ask a question that it 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 INFTRA 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 INFTRA 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. INFTRA 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 to be confidential.

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

Verbal responses to inquiries are not binding on INFTRA.

5.8.2 Clarification and Additional Information

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

5.8.3 Proponent Meetings and Interviews

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

5.9 Optional Innovation Submission

5.9.1 General

In order to facilitate innovation, INFTRA invites but does 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 INFTRA. In response to such submissions, INFTRA will attempt to provide written feedback separately to each participating Proponent, within four weeks from the deadline for the Optional Innovation Submission. The first engineering meeting will be held prior to INFTRA providing written feedback on the Optional Innovation Submission.

Proponents do not need to submit an Optional Innovation Submission to proceed to make a submission towards SR Package 2.

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. 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 INFTRA 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 INFTRA based on whether the proposed innovative solutions meet the functionality requirements and the Project's objectives. Proponents that choose to pursue innovative

solutions proposed through the Optional Innovation Submission and feedback from INFTRA must integrate those solutions into their overall DBFO solution and reflect those solutions in their SR2 and SR3 submissions. The final acceptability of the innovative solutions will be contingent on further details submitted in subsequent SR Packages. Proponents may choose to not pursue innovative solutions proposed through the Optional Innovation Submission and feedback from INFTRA and in that case Proponents are not required to include the innovative solutions in subsequent SR Packages.

Should INFTRA 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.

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

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

5.9.2 Preliminary Design Reports

Proponents that choose to participate in the Optional Innovation Submission are required to submit, as part of the Optional Innovation Submission, both a roadway preliminary design report and a bridge structures preliminary design report. The preliminary design reports must 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;
- Additional land requirements;
- Railway infrastructure;
- Utility infrastructure;
- User functionality and user safety;
- Accommodation of ultimate phases of construction;

- Public/municipal acceptability issues and potential strategies; and
- Others elements, as required.

Roadway Preliminary Design

The roadway preliminary design report shall contain 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 super elevation 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; and
 - Longitudinal grades.
- 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.
- Traffic Engineering Design:
 - Signage; and
 - Signals.
- Environmental requirements.

Bridge Structures Preliminary Design

The bridge structures preliminary design report shall contain information on the concepts and strategic direction of the proposed bridge structures including the following (if applicable):

-
- Strategy for meeting any environmental requirements that affect the bridge design;
 - 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 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, if applicable. Provide rationale for their design.

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

5.10 Comments on DBFO Agreement

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

Proponents are invited to suggest modifications to the DBFO 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 INFTRA. 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.

INFTRA reserves the right in its sole discretion to accept or reject such modifications in whole or in part. INFTRA will conduct two rounds of comments (and one final call for comments) and hold two sets of 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 DBFO Agreement.

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

5.11 Submission Procedure

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

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

Proponents shall submit ten bound copies and one unbound copy of each Submission with the exception of SR Package 3 where the Proponents shall submit three bound copies and one unbound copy. 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.

SR2 and SR3 shall also include an identical electronic version written on a CD, working financial model and Table 2 of Form G1 in Microsoft Excel format, and written document in PDF and Microsoft Word format. SR Package 3 shall include the Financial Offer Form (Form G1) submitted electronically in the form of a Microsoft Excel spreadsheet populated with the Form G1 Table 2 values. This additional spreadsheet shall be independent of the financial model and shall be submitted as a separate Microsoft Excel file with no external links to the financial model.

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

Each Submission (including any amendment to a Submission) must be received by 4:00 pm Edmonton time on the applicable day specified in Section 5.1 of this ITP at:

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Location: Alberta Infrastructure and Transportation
Tender Administration
Tender Deposit Centre
Main 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 Northwest Anthony Henday Drive Project”. Proponents must also clearly label which submission it is providing (i.e., Optional Innovation Submission, Comments on draft DBFO 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 INFTRA’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 set out in Section 5.1.

WHEN PREPARING SR PACKAGE 2 AND SR PACKAGE 3, PROPONENTS MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFO AGREEMENT, INCLUDING SCHEDULE 18.

5.12 Proposal Deposit and Preferred Proponent Deposit

Each Proponent must deliver to INFTRA with its SR3 Package an irrevocable, unconditional, on sight letter of credit in the amount of \$1 million (the “Proposal Deposit”) expiring no earlier than 120 days from the submission deadline for SR Package 3 and similar in form to the sample form of letter of credit attached as Form F1 of Appendix 2, issued by a bank having an office in Canada and authorized under the *Bank Act* (Canada) to do business in Canada (or other financial institutions approved in advance for the purposes of this Section by INFTRA, who may grant or decline such approval in its absolute discretion), and having a credit rating of not less than A+ or equivalent from Moody’s Investors Service, Standard & Poor’s, DBRS (Dominion Bond Rating Service) or Fitch Ratings (or any other major credit rating agency approved for the purposes of this Section by the Province, who may grant or decline such approval in its absolute discretion).

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

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

and upon either of such events, INFTRA shall surrender the Proposal Deposit to the Proponent within 14 Business Days. Notwithstanding the foregoing, the Province shall surrender the Proposal Deposit to the Preferred Proponent within 14 Business Days of receipt by the Province of the Preferred Proponent Deposit as provided below.

INFTRA may present the Proposal Deposit for payment and retain the proceeds therefrom as liquidated damages, only if the Proponent fails to provide the Preferred Proponent Deposit in accordance with the RFP.

The Preferred Proponent must deliver to INFTRA within five Business Days of being notified it is the Preferred Proponent an irrevocable, unconditional, on sight letter of credit in the amount of \$5 million (the “Preferred Proponent Deposit”) expiring no earlier than 90 days from notification and similar in form to the sample form of letter of credit attached as Form F2 of Appendix 2, issued by a bank having an office in Canada and authorized under the *Bank Act* (Canada) to do business in Canada (or other financial institutions approved in advance for the purposes of this Section by INFTRA, who may grant or decline such approval in its absolute discretion), and having a credit rating of not less than A+ or equivalent from Moody’s Investors Service, Standard & Poor’s, DBRS (Dominion Bond Rating Service) or Fitch Ratings (or any other major credit rating agency approved for the purposes of this Section by the Province, who may grant or decline such approval in its absolute discretion).

The Preferred Proponent Deposit must be maintained in effect by the Preferred Proponent until the Successful Proponent has executed the DBFO Agreement and provided to INFTRA the Financing and Initial Performance Letter of Credit (or satisfied the condition precedent in section 3.3 of the DBFO

Agreement) and upon such event, INFTRA shall surrender the Preferred Proponent Deposit to the Preferred Proponent within 14 Business Days.

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

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

5.13 Financing and Initial Performance Letter of Credit

In order to secure the financial and initial performance commitments of the Successful Proponent, INFTRA will require the Successful Proponent to provide a Financing and Initial Performance Letter of Credit of \$20 million in accordance with the DBFO Agreement in the form of an unconditional irrevocable letter of credit similar to the sample form of letter of credit attached as Form F3 of Appendix 2.

Details with respect to the release of the Financing and Initial Performance Letter of Credit are provided in the DBFO Agreement. In seeking to meet the requirements set forth in section 3.5(a) of the DBFO Agreement for the release of, or waiver of the requirement for, the Financing and Initial Performance Letter of Credit, the Successful Proponent shall provide to INFTRA:

- all materials that INFTRA may request relating to the Successful Proponent's financing arrangements for the Project; these materials shall be in final form, signed and dated and shall be provided in full form without any information redacted from the materials; and
- the opinion of the Successful Proponent's legal counsel addressed to the parties providing financing to the Project, which opinion shall include INFTRA as an addressee.

Failure to provide the Financing and Initial Performance Letter of Credit in accordance with the RFP may result in disqualification of the Proponent from the RFP process.

5.14 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.

INFTRA 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, INFTRA will provide feedback to Proponents on the likely acceptability of the approach contained in those components based on how the approach meets the Technical Requirements.

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

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 – Design and Construction and Maintenance (feedback)
 - SR 1.4 – Utilities and municipal services report (feedback)
 - SR 1.5 – Preliminary public communications strategies (feedback)

Feedback on SR 1.3, 1.4, and 1.5 will reflect how these components meet the Technical Requirements.

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

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 – Collaboration strategy
- SR 2.17 – Project Schedule (pass/fail evaluation)
- Envelope B (all pass/fail evaluation):
 - SR 2.18 – Financial capacity
 - SR 2.19 – Insurance
- Envelope C (no pass/fail evaluation or feedback; for information only):
 - SR 2.20 – Indicative Financial Model
 - SR 2.21 – Indicative Financing Plan

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

The Indicative Financial Model (SR 2.20) and Indicative Financing Plan (SR 2.21) are intended to provide INFTRA 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 INFTRA 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 as clarified

- SR 3.3 – SR Package 2 Envelope A – all components as clarified
- Envelope B (pass/fail evaluation)
 - SR 3.4 – Insurance – SR 2.19 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. Portions of SR Package 3 will be incorporated into the DBFO Agreement.

Evaluation Process

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

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

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

From among the Proposals that are compliant, the Preferred Proponent, if selected, will be the Proponent whose Financial Offer presents the lowest total cost on a net present value basis. The net present value will be calculated to the SR Package 3 Submission Deadline by discounting the Financial Offer using a discount rate to be determined by INFTRA and based on the Province's borrowing costs as estimated by Alberta Finance two Business Days prior to the SR Package 3 Submission Deadline based on Initial Yields of the Benchmark Bonds (as described in Appendix 2, Form G2) and capital market indications of Government of Alberta credit spreads for newly issued bonds. The total cost on a net present value basis will be calculated by taking the sum of the net present values of the following in the Financial Offer:

- a. the Capital Payments set out in Table 2 of Form G1;
- b. the O&M Payments set out in Table 2 of Form G1 adjusted in accordance with Note 4 in Table 2 of Form G1; and

- c. the Provincial Funding as set out in Table 1 of Form G1 (the Province shall determine prior to the SR Package 3 Submission Deadline the progress payment amounts (in percentages of the Provincial Funding) and timing of the progress payments of the Provincial Funding and shall apply such determination equally to each Proponent's Financial Offer).

5.15 Honorarium

INFTRA will pay an honorarium in the amount of \$1,000,000 (the "Honorarium") to each Proponent that submitted a compliant SR Package 3 and was not selected as the Preferred Proponent. The payment of honoraria will be made 21 Business Days after the execution of the DBFO Agreement and delivery to INFTRA of, or waiver of the requirement for, the Financing and Initial Performance Letter of Credit by the Successful Proponent. If INFTRA elects not to select a Preferred Proponent, INFTRA will pay the Honorarium to each Proponent that submitted a compliant SR Package 3 and in such event payment of the honoraria will be made 21 Business Days after INFTRA advises the Proponents that INFTRA has elected not to select and notify a Preferred Proponent. The Honorarium shall be paid to the order of the Contact Organization unless otherwise directed by the Contact Organization.

5.16 Fairness Auditor

INFTRA has retained a Fairness Auditor to oversee and report upon the RFQ and RFP process.

Proponents may seek a fairness opinion from the Fairness Auditor on matters relating to the RFQ and RFP process by sending to the Department Representative a package labelled with the Proponent's name and with "Request for Fairness Opinion", which package will include a letter of request for a fairness opinion addressed to the Fairness Auditor, Gary G. Campbell, Q.C. and GGC Consultants Inc.

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

Should a Proponent wish to seek a fairness opinion on a matter that it deems confidential (i.e., the fairness opinion is to be directed only to the Proponent that submits the request), the Proponent may request such a question be kept confidential. If INFTRA considers that the request is in fact confidential, it will direct the fairness opinion only to the Proponent that has made the request, and not to the other Proponents. If INFTRA considers that the request is not confidential, it will advise the Proponent of its view, and the Proponent can decide whether to withdraw the request for a fairness opinion. INFTRA reserves the right in its sole discretion to determine whether a request is confidential or not, and anticipates that only in exceptional circumstances will it deem a request confidential.

5.17 Execution of DBFO Agreement

Concurrently with executing the DBFO Agreement, the Successful Proponent's legal counsel shall provide the legal opinion or opinions that confirm the accuracy of the Contractor's representations in clauses (a) through (c) of section 14.1 of the DBFO Agreement and the shareholdings (or other applicable ownership interests) in the Contractor and in the Contractor's ultimate parent disclosed to the Province under clause (d) of that section, which legal opinion or opinions may be subject only to such qualifications and limitations as are reasonably appropriate and customarily accepted in third party legal opinions in commercial transactions. INFTRA's legal counsel shall provide the legal opinion in support of the Province's representations in section 15.1 of the DBFO Agreement in the form attached as Form H in Appendix 2 to this RFP. This opinion will be delivered when the DBFO Agreement becomes unconditional in accordance with Section 3.3 of the DBFO Agreement.

Once issued in final form, the DBFO Agreement is to be executed by the Successful Proponent without further negotiation or amendment, except for limited customization to incorporate specific portions of the Preferred Proponent's Proposal. The Preferred Proponent cannot qualify the acceptance of the final form of the DBFO Agreement. If the Preferred Proponent does not execute the DBFO Agreement in its final form, in addition to any other remedy available to INFTRA, INFTRA may retain the Preferred Proponent Deposit of \$5 million, and, in the sole discretion of INFTRA, designate the Proponent with the Financial Offer with the next lowest total cost (on a net present value basis) as the Preferred Proponent.

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

Section 6

Other Matters

6.0 Other Matters

6.1 Eligibility

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

Engineering Consultants:

- UMA Engineering Ltd.
- Terrace Engineering Ltd.
- Thurber Engineering Ltd.
- Woodhead Consultants Inc.
- Millenium EMS Solutions Ltd.
- Altamira Archaeological & Historical Resources Consulting
- Gray Scott Consulting Group Inc.
- Pisces Environmental Consulting Services Ltd.
- Traffic Solutions Consulting Ltd.

Financial and Process Consultant:

- Deloitte & Touche LLP

Fairness Auditor:

- Gary G. Campbell, Q.C. and GGC Consultants Inc.

Capital Markets/Banking Consultant:

- To be determined

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

6.2 Contact Organization and Contact Individual

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

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

6.3 Changes to Proponents' Team Structure

It is recognized that Proponents may seek to change the roles of Team Members or Key Individuals, replace, remove or change Team Members and Key Individuals, or change entities from “under consideration” to confirmed Team Members. If any such change is sought, Proponents shall forthwith inform the Department Representative of the proposed change and submit the applicable RFQ information, if not already submitted. INFTRA will re-evaluate the change in accordance with the RFQ criteria and determine if the change is acceptable. INFTRA reserves the right to either accept or reject the requested change and to change the short-listed status of the Proponent accordingly. Breach of this provision may result in disqualification of the Proponent from the RFP process.

6.4 Conflict of Interest

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

- Any consultant retained by INFTRA in relation to the Project, including but not limited to consultants providing engineering, process, finance or financial capacity advice (see also Section 6.1);
- Gary G. Campbell, Q.C., fairness auditor for the Project (see also Section 6.1); or
- Any member of the Legislative Assembly of Alberta or any associated person as set out in the *Conflicts of Interest Act* (Alberta).

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

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

6.5 Proponents' Expenses

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

6.6 Ownership of Documents and Intellectual Property

6.6.1 Documents

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

6.6.2 Use of Documents, Drawings and Ideas

Notwithstanding anything contained in this RFP as to the purpose for the submission of Proposals, INFTRA may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in the Proposals and in any communication surrounding the Proposals provided by the Proponents or their agents, for any purpose whatsoever including but not limited to use of portions of the Proposals or of ideas, information, enhancements and designs contained therein in other INFTRA projects and in the development and negotiation of future DBFO relationships. For clarity, the confidentiality obligations set out at Section 6.10 which apply to INFTRA's use of information herein shall not interfere with INFTRA's rights to use concepts, ideas, suggestions and directions as herein described.

6.6.3 Assignment of Copyrights

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

“By submitting the Proposal or otherwise communicating to INFTRA matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, this Proponent

transfers and assigns unto INFTRA any and all Copyrights. This Proponent ensures INFTRA 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 INFTRA. 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 INFTRA at no cost and the originals shall be available for inspection by INFTRA and its agents on reasonable terms. The Proponent agrees to assist INFTRA in understanding, documenting and in applying for registration for copyright(s) for any works; including executing such documentation as is reasonable and proper and within a reasonable time thereafter.”

6.6.4 Assignment of New Technology

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

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

6.6.5 Royalty Free License Back

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

6.6.6 Indemnity for Infringement

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

6.7 No Collusion

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

6.8 No Lobbying

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

6.9 No Publicity

No press release shall be issued by any Proponents or their Team Members or Key Individuals in relation to the DBFO without first obtaining the prior written consent of INFTRA. Breach of this provision may result in disqualification of the Proponent from the RFP process.

6.10 Confidentiality of Submissions and the Collection of Personal Information

Except as otherwise expressly indicated by Proponents, submissions in response to this RFP will be considered to have been submitted in confidence and, subject to Section 6.6 of this RFP and subject to Section 19.6 of the DBFO Agreement, will not be disclosed by INFTRA or its consultants except as required by the *Freedom of Information and Protection of Privacy Act* (Alberta) (“FOIP”) or any other law.

The Proponent must advise, and must ensure Team Members advise, Key Individuals and other affected employees that all personal information (as defined in FOIP) provided to INFTRA in conjunction with the RFP process is being collected for the purpose of evaluating the Proponent’s RFP submission, pursuant to the *Government Organization Act* (Alberta). The Key Individuals and other affected employees must also be given the name and contact information of the Department Representative who may answer any questions they may have regarding this collection. It is the Proponent’s responsibility to obtain Key Individuals’ and other affected employees’ authorization to include such personal information in the RFP submission and authorization for INFTRA to do reference checks. Proponents must, if so requested by

INFTRA, supply evidence demonstrating that such authorizations have been properly obtained in accordance with this Section.

6.11 Amendments to or Cancellation of Process

Amendment of Process:

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

Rejection of Proposal:

INFTRA may in its discretion reject any Proposal that does not meet all of the requirements set out in this RFP. If any Submission contains a defect or irregularity such that it fails in some way to comply with any requirement of this RFP, which defect or irregularity, in the sole opinion of INFTRA, can be remedied without providing an unfair advantage to one or more Proponents, INFTRA may request clarification from the Proponent under Section 5.8.2 of this RFP. Upon receipt of appropriate clarification, INFTRA may waive the defect or irregularity and accept the Submission. Failure by a Proponent to provide, within the time specified in the request for clarification, a written response that properly clarifies its Submission and rectifies the defect or irregularity, may result in disqualification from the RFP process.

Cancellation of Process:

INFTRA is not bound to accept any Proposal. Although it is the current intention of INFTRA to select a Preferred Proponent and to enter into a DBFO Agreement, INFTRA may in its discretion, at any time prior to the execution of the DBFO Agreement, terminate the selection process. INFTRA may in that event either cancel the Project and the New O&M or proceed with the Project and the New O&M on different terms or proceed with the Project and the New O&M as a traditional design-bid-build, design-build or other procurement model.

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

Non-recourse:

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

6.12 Accuracy of Information

While the information in the RFP and any other information have been prepared in good faith, INFTRA does not represent such information to be accurate, comprehensive or to have been independently verified. Neither INFTRA 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 report or request must be submitted to the Department Representative immediately.

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

6.13 Debriefing

If requested, INFTRA will debrief Proponents after the execution of the DBFO Agreement.

6.14 Limitation of Damages

The Proponent and its Team Members, by submitting any or all of a Proposal including any or all of the Optional Innovation Submission and the SR Packages, agrees that it will not claim damages, for whatever

reason, in respect of the RFP process, in excess of an amount equivalent to the reasonable costs incurred by the Proponent in preparing its Proposal.

6.15 Governing Law

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

6.16 Time

Time is of the essence.

Appendix 1

Submission Requirements

Appendix 1 – Submission Requirements

SR 1.0 Submission Requirement Package 1

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

SR 1.1 – General/Proponent information (including Form A1 and A2)

- Envelope A
 - SR 1.2 – Management plan
 - SR 1.3 – Design and construction and maintenance
 - SR 1.4 – Utilities and municipal services
 - SR 1.5 – 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 its submission to the RFQ.
- A description of changes, if any, to the composition of the Proponent since its submission to the RFQ, together with the same information solicited in the RFQ with respect to any additions to the Proponent.
- A description of the intended business form of the Successful Proponent, including a description of all Team Members, and the anticipated legal relationship among the Successful Proponent and its Team Members with respect to the relevant elements of the DBFO. Material provisions of any agreements which will be entered into between the Successful Proponent and its Team Member with respect to the DBFO are to be described.
- A list of the individuals or companies who will or do hold a major or controlling interest in the Successful Proponent and in each Lead Team Member and Project Lead (if not otherwise a Lead Team Member).
- Letter of intent for the procurement of services and of future key management employees, future key partners, future key sub-contractors, and future key sub-consultants.
- The names, titles, and employers of the Proponent's team who are responsible for preparing the Proponent's SR Package 1.

- Declaration letters in the form of Form A1 and Form A2 in Appendix 2 from the Contact Organization and each Lead Team Member and the Project Lead (if not otherwise a Lead Team Member).

Envelope A

SR 1.2 Management Plan

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

SR 1.2.1 Organization Structure

Provide a comprehensive description of the Successful Proponent’s organization structure for the DBFO 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 DBFO organization, supplemented by additional organizational charts sufficient to present and describe all key functions through all phases of the DBFO, 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 DBFO 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 DBFO.

SR 1.2.3 Relationship Between INFTRA and the Successful Proponent

Describe the nature and extent of the interfacing and interaction envisaged between the Successful Proponent and INFTRA over the course of the DBFO, and the measures proposed to ensure a high level of communications and cooperation.

SR 1.3 Design and Construction and Maintenance

Provide an acknowledgement that the Proponent has reviewed and understood the Functional Plan and intends to apply the solutions presented in the Functional Plan in developing its Submissions.

Provide a description of the relationship between the design and construction and maintenance teams in terms of the interfacing and interaction between these three groups and how this will enable the Successful Proponent to achieve the required quality of infrastructure by the prescribed deadline and to operate, maintain and rehabilitate the New Infrastructure throughout the term of the DBFO Agreement.

SR 1.4 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 1.5 Preliminary Public Communications Strategies

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

- Public communications; and
- Interaction with INFTRA, utility companies, railway companies, affected municipalities, and other stakeholders.

SR 2.0 Submission Requirement Package 2

WHEN PREPARING SR PACKAGE 2, PROPONENTS MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFO AGREEMENT, INCLUDING SCHEDULE 18.

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

- 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 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 – Collaboration strategy
 - SR 2.17 – Project schedule
- Envelope B:
 - SR 2.18 – Financial capacity (Form D)
 - SR 2.19 – Insurance (including Form E)
- Envelope C:
 - SR 2.20 – Indicative Financial Model
 - SR 2.21 – 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 Contact Organization.

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 Road 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 DBFO;
- Sideslopes; and
- Accommodation of the ultimate phase of the Project, as shown on the 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 DBFO 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 each type of barrier 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 INFTRA's *Highway Geometric Design Guide and Design Bulletins*.

SR 2.2.6 *Traffic Modelling*

Provide the following in electronic form on CD:

- Synchro files (.sy7 and .st7 files) in Version 6 format that are in accordance with Section 200.2.1 of Schedule 18 (Technical Requirements).

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 geotechnical 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 INFTRA'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 DBFO 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, ground improvement measures and footprints of the approach fills;
 - The horizontal alignment and width of the overpassing roadway(s), underpassing roadway(s), railway(s) or watercourse, including skew angles and chainage equations. Show locations of traffic lanes, shoulders, sidewalks, bikeways, railway tracks, etc.;
 - Any potential conflicts between the bridge foundations and existing utilities;
 - Bridge and site drainage including locations of any deck drains; and
 - Locations of watercourse protection works, if applicable.
- Elevation view including:
 - Required length of bridge opening for initial and ultimate stages. Show locations of underpassing traffic lanes, shoulders, railway tracks, sidewalks, bikeways, ditches, water courses, etc.;
 - Span(s) and bridge headslopes, including any retaining walls and ground improvement measures;
 - Existing groundlines;
 - Hydrotechnical information such as design upstream high water elevation, freeboard, ice loading and scour, including local scour, if applicable;
 - Details of watercourse protection works, if applicable;
 - Substructure locations required vs achieved horizontal clearances for clear recovery zone and sight distance requirements;
 - Required and provided vertical clearances;
 - Bridge components including substructure foundation types;
 - Slope protection; and
 - Superstructure articulation system including locations of deck joints, expansion bearings and fixed bearings.
- Superstructure drawing showing:
 - Initial and ultimate widths of bridge clear roadway, including traffic lanes, shoulders, sidewalks, bikeways, medians, etc.;
 - 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.

- 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; and
 - anticipated approach fill settlements including any geotechnical instrumentation required to confirm settlements.
- Overall roadway horizontal and vertical alignment plans showing each bridge in context with the roadway alignment;
- Gradeline profiles, including existing groundlines, for overpassing roadway(s), underpassing roadway(s) or railway(s);
- Description of the strategy to be used for meeting any environmental requirements that affect the bridge design;
- Description of the strategy for accommodating additional structures as identified in the Functional Plan;
- Description of the strategy for provision of “Ultimate Stage” for all roadways, including provision of minimum span lengths and clearances;
- 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 foundation types, depths, load capacities and anticipated 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;
- Description of the rationale used for the design of the watercourse protection works, if applicable; and
- Description of how the aesthetic principles of the INFTRA’s Bridge Aesthetics Study have been incorporated into the bridge and its components.

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.

SR2.5.1 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 or are not included in the Technical Requirements or INFTRA'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 Road 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 during the Construction Period. 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;

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- Over-dimensional loads into the site;
 - Overweight loads into the site;
 - Weed/vegetation control during construction, within the TUC; 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 (including Service Roads as defined in the DBFO Agreement) to be opened to traffic in advance of Traffic Availability;
- The construction staging for the delivery of the highway segments to be tied into 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 Successful Proponent, INFTRA, Alberta Infrastructure and Transportation – Land Planning, 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.

Proponents are to include:

- A listing of existing utilities and municipal services and identification of which ones will require action related to design and construction of the New Infrastructure;
- Identification of utilities or municipal services having significant requirements for regulatory approvals and consultation with key stakeholders;
- Typical sections showing minimum clearance for above and below ground utilities;
- Definition of an approach for handling new utility requirements on, under or above lands leased to utility companies; and
- Demonstration of an understanding of the unique TUC administration requirement related to utilities.

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 DBFO. 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 Period:

- 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 to reflect and achieve compliance with the Technical Requirements for the New 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 DBFO.

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 Successful Proponent’s plan for monitoring the New 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 Successful Proponent to call in staff and coordinate 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 DBFO, 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 Successful 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 DBFO;
- A process for communication of the periodic maintenance activity schedule with INFTRA;
- A preventative maintenance plan to ensure that a reliable and maintained signal system is in service for the New 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

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- Repair/replacement of lighting facilities for illuminated signs;
 - Identification of strategies for the storm water drainage system elements, including culverts, ditches, underground piping, and storm water management facilities; and
 - Identification of strategies in the following areas:
 - Road Right of Way mowing schedules;
 - Control of noxious weeds within the Road Right of Way and related drainage system; and
 - Maintenance of the Road Right of Way and related 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 and 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;
- Details of the proactive strategy that will be put in place to prevent preferential bridge deck icing;
- 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 INFTRA 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 INFTRA, 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 New 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 Successful Proponent's obligations, duties and responsibilities for the New O&M.

Identify the overall strategies of the Successful 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 (encompassing the full life-cycle of the bridge structures, i.e., beyond the Operating Period) 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 INFTRA; 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:
 - INFTRA;
 - 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 New Infrastructure throughout the term of the DBFO Agreement.

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

- The traffic management component of the plan shall describe the Successful Proponent's approach to providing safe and continuous access through or along the New Infrastructure and shall detail the Successful 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 shall also identify the traffic levels proposed to be maintained during construction in conformance with the proposed construction staging and to indicate locations and duration.

SR 2.11.1 *Traffic Management Plan for New Infrastructure Improvements*

Identify the Successful 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 Successful Proponent’s strategy in the following areas of emergency response:

- Communication processes within the Successful 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 INFTRA.

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 Successful 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 New 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 DBFO prior to the execution of those activities, products and services. The QMS will address all stages of the DBFO, specifically:

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

The QMS shall provide guidance to ensure compliance with the stated DBFO 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

The Proponent shall provide in its SR Package 2 a description of the QMS for each phase of the DBFO (design, construction and operations, including maintenance/rehabilitation) and demonstrate a clear understanding and commitment in the Successful Proponent following the ISO 9001:2000 (and subsequent revisions) QMS standard for this DBFO.

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 reference to them; and
- A description of the interaction between the processes of the Quality Management System.

Documented Procedures

The Proponent shall provide in its SR Package 2 the following detailed documented procedures that will be implemented by the Successful Proponent 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 proposed processes.

- 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 Successful 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 Successful 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 DBFO.
- 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 conform 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 DBFO. 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 Successful 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 DBFO 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 INFTRA; 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 14001:2004 Standard that covers all activities, products and services related to the DBFO prior to the execution of these activities, products and services. The EMS will address all stages of the DBFO, 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

The Proponent shall provide in its SR Package 2 a description of the EMS for each phase of the DBFO and demonstrate a clear understanding and commitment in the Successful Proponent following the ISO 14001:2004 EMS Standard for this DBFO.

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

Environmental Manual

- The scope of the EMS, 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 shall provide in its SR Package 2 the following detailed documented procedures, for each phase of the DBFO, which will form the basis of the EMS to be implemented by the Successful Proponent to address the following elements of ISO 14001:2004:

- Description of the Successful 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 DBFO. The Successful Proponent shall provide copies of its corporate environmental policy or policies (ISO 14001:2004 Section 4.2);
- Statement of goals, objectives and/or targets of the EMS (ISO 14001:2004 Section 4.3.3);
- Demonstration of a clear understanding of the environmental management requirements including environmental aspects / impacts of the DBFO and a listing of the regulatory requirements that pertain to the Project and the New O&M (ISO 14001:2004 Section 4.3.1/4.3.2);
- Demonstration of a firm commitment to undertake the actions required to properly mitigate any potential effects of DBFO activities on the environment (ISO 14001:2004 Section 4.5.3);
- Description of the roles, responsibilities, and authorities of the Successful Proponent’s environmental team through all phases of the DBFO. This includes a clear description and illustration of the organizational 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 14001:2004 Section 4.4.1);
- Demonstration of a firm commitment to ensure that any person(s) performing tasks for the Successful Proponent or on its behalf that have the potential to cause environmental impacts are competent on the basis of appropriate education, training or experience, together with demonstration of an intent to retain these records (ISO 14001:2004 Section 4.4.2);
- Environmental communications plan providing for internal communications processes and a process for receiving, documenting, and responding to external stakeholders (ISO 14001:2004 Section 4.4.3);
- Description of the kinds of documentation to be included in the EMS and how the documents will be controlled (ISO 14001:2004 Section 4.4.4/4.4.5);
- Listing of the operational controls that the Successful Proponent will have in place for all phases of the DBFO (ISO 14001:2004 Section 4.4.6);
- Description of the main components of the emergency preparedness and response plan that meets the requirements for an EMS (ISO 14001:2004 4.4.7);

- The approach for monitoring the key characteristics of the Project and the New O&M that can have a significant environmental impact and how the Successful Proponent proposes to communicate these results with the Department and the regulatory authorities. (ISO 14001:2004 Sections 4.5.1.);
- The approach to the evaluation of compliance to environmental legislation (ISO) 14001:2004 Section 4.5.2);
- A commitment to establish and maintain environmental records to demonstrate conformity to ISO 14001:2004 Section 4.5.4;
- The approach to the internal audit (ISO 14001:2004 Section 4.5.5); this would include auditor qualifications, audit scope, audit objectives and audit scheduling;
- The Successful 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 14001:2004 Sections 4.5.3);
- The Successful Proponent’s approach to management review with respect to the EMS through all phases of the DBFO (ISO 14001:2004 Section 4.6).

SR 2.13.3 *Environmental Procedures and/or Mitigative Measures*

The Proponent shall provide in its SR Package 2 a description of the Successful Proponent’s environmental procedures in all areas where the following activities are required:

- Compliance to environmental regulatory requirements;
- Topsoil handling including storage and replacement;
- Borrow excavation;
- Dust control;
- Erosion control during and after construction;
- Vegetation clearing, establishment and management (including weed control);
- Project watercourse crossing sites, including habitat compensation; and
- Wetland replacement methodologies and maintenance/monitoring activities.

SR 2.14 *Safety Plan*

Provide an outline of a Safety Plan, which details the Successful 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 New O&M 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 *Occupational Health and Safety Act* (Alberta);
- The system for reporting of accidents to INFTRA;
- 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
 - INFTRA 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 Successful 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 the 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;
- The type of information (including but not limited to construction schedule and materials, innovations, construction issues, environmental issues, traffic accommodation, and maintenance and rehabilitation information) and level of detail in information to be exchanged between the Successful Proponent and the public (including but not limited to maintenance of a high level of communication by the Successful Proponent among media, local authorities, emergency agencies, adjacent landowners, local community, interest groups, and other interested stakeholder agencies and environmental stakeholder groups) during all phases of the DBFO, and the communications tools (examples include 1-800 information line, website, newsletters, construction update open houses, site signs) that will be used to achieve this including the identification of personnel who will be involved;
- The relationship of the public information and consultation process for environmental management and planning to the overall communication plan for the DBFO;
- Involvement with stakeholder groups with particular reference to environmental, local community, and general construction impact issues;
- Maintenance of a high level of communication by the Successful Proponent among media, local authorities, emergency agencies, adjacent landowners, interest groups, and other interested stakeholder agencies;
- Public relations guidelines for the staff of the Successful Proponent and agents for communication with the public;
- Maintenance of communication records for submission to INFTRA;
- Assistance and support for responding to questions from the public to the Minister of Infrastructure and Transportation; and
- Other methods of dispensing information to and interacting with the public.

SR 2.16 Collaboration Strategy

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

- The Proponent's understanding of the benefits that such collaborating will bring to the DBFO;
- The extent of the Proponent's commitment to such collaborating;
- The steps needed to implement such collaborating;
- 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 collaborating in accordance with the DBFO Agreement; and
- A strategy to continue collaborating at the field supervisor’s level for the term of the DBFO Agreement.

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

The adoption of this collaborating approach will not change the legal relationship of the parties nor relieve any party from its obligations under the DBFO Agreement.

SR 2.17 Project Schedule

Provide the overview and simplified schedule described in SR 2.17.1 below and the comprehensive information and detailed schedule described in SR 2.17.2 below.

SR 2.17.1 General Approach to Implementing the Project

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

SR 2.17.2 Detailed Schedule

Provide a comprehensive description, accompanied by a detailed time schedule, of the Proponent’s proposed approach for achieving Traffic Availability by the Traffic Availability Target Date and for opening the Service Roads by the dates required by the Project Requirements. The comprehensive description should identify and concisely describe the major activities, key tasks and milestones to be undertaken in connection with the DBFO from the date of execution of the DBFO Agreement through the Construction Period and the Operating Period.

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

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

- 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, if applicable, and major stormwater features, including major pipes and ponds; and
- Other significant structures.

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

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

Envelope B

SR 2.18 Financial Capacity

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

SR 2.19 Insurance

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

Provide details of proposed insurance program the Proponent will put in place for the DBFO. 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 INFTRA in accordance with Form E in Appendix 2; and
- Provisions for insurance costs clearly identifiable in the Indicative Financial Model.

The Proponent's insurance program must meet or exceed the mandatory requirements, as required under the DBFO Agreement. Identify the insurance broker or brokers for each portion of the DBFO. 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 Construction Period and the Operating 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 DBFO Agreement, then both brokers should produce substantially the same letter.

Envelope C

SR 2.20 Indicative Financial Model

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

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

SR 2.20.1 *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 DBFO 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;

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- If the calculation is circular, circularities should be solved. If circularities are included, a description of where and why these occur should be included;
 - Macros must not be required for the workbook to calculate. A declaration to this effect should be included;
 - The Financial Model start date should be the date of this RFP;
 - The Financial Model should be in semi-annual periods;
 - Project Start Date should be assumed to be August 1, 2008.
 - It should include a **single** weighted average cost of capital (“WACC”) over the term of the DBFO as the basis of calculating the value of the DBFO at any given point in time for determining termination payments according to the DBFO Agreement. If the payment streams to the investors of the DBFO (including both debt and equity) are to be discounted by this single WACC, the resulting value should reconcile with the capital investment less the provincial contribution made to complete the design and construction of the New Infrastructure.

SR 2.20.2 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 construction progress payments, Capital Payments, Major Rehabilitation Payments and New 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 generally accepted accounting principles;
- A cash flow statement that reflects the priority of access to cash based on the investor covenants and requirements set out in the Financing Plan; and

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- Financial ratios as required by investors as appropriate to the capital structure set out in the Financing Plan.
 - Calculation of the Proponent's effective annual weighted average costs of capital (as required by the last bullet of Section SR 2.20.1 above), clearly showing the cashflows used to calculate the Proponent's effective annual weighted average cost of capital (as required by the last bullet of Section SR 2.20.1 above);
 - Calculation of the Successful Proponent's Capital Amount set out in Table 1 of Form G1; and
 - Calculation of the Provincial Funding set out in Table 1 of Form G1.

Sensitivities:

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

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

SR 2.20.3 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,

INFTRA may require the Proponent to change the Indicative Financial Model to reflect the assumptions book.

SR 2.20.4 *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 INFTRA to change inputs and run sensitivities in the areas set out in Section SR 2.20.2 above. The purpose of any macros should be clearly explained.

SR 2.21 Indicative Financing Plan

Provide the Proponent's indicative financing plan for the DBFO. The Proponent should show that it has planned sufficient financing for the DBFO for the term of the DBFO 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 Period and the Operating Period. The Indicative Financing Plan should include:

- A breakdown of capital costs;
- A quarterly schedule showing the calculations of net interest during construction based on the Proponent's financing plan and the magnitude and phasing of capital costs for the DBFO;
- A quarterly capital cost and financing plan schedule;
- Details on the ownership and financing of the DBFO through the Construction Period including the terms of each source of financing identified in the Indicative Financing Plan:
 - With respect to funding provided by the Proponent's Team Members:
 - Identity and credit status of each investor;
 - Amounts to be provided by each investor;
 - The 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;

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- Details of grace periods, including duration and contingency;
 - Amortization, repayment or redemption schedules, maturity dates and prepayment terms (including make-whole clauses);
 - Security, insurance, bonding or guarantee requirements and costs (from either parents or third parties);
 - Arrangement/underwriting, commitment, agency and all other fees;
 - Interest rates and margins including any ratchet mechanism;
 - Derivative or other hedging strategies;
 - Terms and conditions including material covenants, undertakings and other restrictions/requirements;
 - Governance provisions;
 - Requirements for reserve accounts;
 - Events of default and other similar arrangements;
 - Step-in arrangements;
 - Indication of likely conditions precedent;
 - Indication of likely due diligence requirements; and
 - Indication of any other restrictions, requirements or conditions that may materially impact the Proponent’s ability to raise financing or draw down on committed financing after closing;
- 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; and
 - To the extent that risk is to be managed or mitigated through subcontracting the Proponent’s responsibilities to its members or others, additional financial measures 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 DBFO 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 INFTRA and lenders.

SR 3.0 Submission Requirement Package 3

WHEN PREPARING SR PACKAGE 3, PROPONENTS MUST USE, WHERE APPROPRIATE, THE DEFINED TERMS USED IN THE DBFO AGREEMENT, INCLUDING SCHEDULE 18.

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

- 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 F1)

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 the Contact Organization and each Lead Team Member and the Project Lead (if not otherwise a Lead Team Member).

Envelope A

SR 3.2 SR Package 1 as Clarified

Re-submit SR 1.2 (Management Plan) 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 2.17) 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 INFTRA;
- A comprehensive reconciliation between the indicative and the final versions of 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.
- If the Final Financial Model contains scenarios, it must present the scenario that is consistent with the Financial Offer by default when the model is opened.

The Final Financial Model is to be consistent with the Financial Offer, such that payments from INFTRA 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 INFTRA;
- 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

INFTRA intends the DBFO to be robust over a long period. While the precise level and structure of private capital invested will be a matter for Proponents, INFTRA 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 INFTRA expects is as follows:

- All Team Member 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 INFTRA 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. 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 stated in Canadian Dollars to the cent;
- Capital Payments are to be identical throughout the Operating Period expressed in nominal dollars; and
- O&M Payments, Major Rehabilitation Payments and New O&M Payments are to be stated in constant 2008 dollars.

Proponents must ensure that their proposed Capital Payments and O&M Payments (including Major Rehabilitation Payments and New O&M Payments) are consistent with their estimated costs for the corresponding underlying activities.

SR 3.8 Proposal Deposit

Provide a Proposal Deposit.

SR 3.9 Financial Capacity

Confirm the financial capacity of the Proponents and their Lead Team Members. To do so, the Proponent should provide the following for each Lead Team Member, as well as for any Team Member who is or is a part of the Project Lead but is not otherwise a Lead Team Member:

- Audited financial statements and annual reports for each of the last three years;
- Interim financial statements for each quarter since the most recent year for which audited statements are provided; and
- Bank references (or alternatively, in the case of the Lead Team Member of the Proponent's Financing Team, such alternative information as in the Proponent's estimation will fully satisfy INFTRA of the financial capability of such Lead Team Member to lead and carry out the Proponent's plan for financing the Project).

Appendix 2

Required Forms

Appendix 2 – Required Forms

Form A1 – Declaration for SR Package 1 for the Proponent

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive – [name of Proponent] (the “Proponent”)

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

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

Yours truly,
[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

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

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

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

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

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

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

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive
[name of Proponent] (the “Proponent”)
[name of Contact Organization] (the “Contact Organization”)
[name of Lead Team Member or Project Lead (if not otherwise a Lead Team Member)] (the “Lead”)

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

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

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

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

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

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

By submitting the Proposal or otherwise communicating to INFTRA on matters relating to the RFP, and for good and valuable consideration receipt of which is acknowledged, the Proponent is authorized to transfer and assign unto INFTRA any and all Copyrights. The Proponent is able to ensure INFTRA 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 INFTRA. The Proponent has also ensured that the first owners of Copyrights have waived their copyright moral rights in written documents. Copies of assignments of copyrights from first authors and waivers shall be provided to INFTRA at no cost and the original shall be available for inspection by INFTRA and its agents on reasonable terms. The Proponent is authorized to agree to assist INFTRA 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 INFTRA. For good and valuable consideration, receipt of which is acknowledged, all New Technology is hereby transferred to INFTRA. For greater certainty the rights of INFTRA hereunder include, but are not limited to, providing INFTRA with the right to design, construct, operate and maintain the New Infrastructure using New Technology without obtaining the further consent of the Proponent.

The Proponent is authorized to agree to assist INFTRA 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, INFTRA may use the concepts, ideas, suggestions and directions contained within the documents, drawings, plans, written descriptions and other materials contained in the Proposal and in any communication surrounding the Proposal provided by the Proponent or its agents, for any purpose whatsoever including but not limited to use of portions of ideas, information, enhancements to the evaluation criteria and designs contained therein in other INFTRA projects and in the development and negotiation of future contractual relationships. For clarity, INFTRA has the rights to use concepts, ideas, suggestions and directions contained in any and all Proposals submitted.

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

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

Form B – Declaration for SR Package 2

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive – [name of Proponent] (the “Proponent”)

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

Yours truly,

[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

Form C1 – Declaration for SR Package 3 for the Proponent

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive – **[name of Proponent]** (the “Proponent”)

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

We confirm that the Successful Proponent will execute the DBFO 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 DBFO Agreement.

Yours truly,

[name of Contact Organization]

Per: _____
(Contact Individual)

Name: _____

Position: _____

Telephone: _____

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

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive
[name of Proponent] (the “Proponent”)
[name of Lead Team Member or Project Lead (if not otherwise a Lead Team Member)] (the “Lead”)

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

Yours truly,

(Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form D – Certificate of No Material Adverse Change

Note: For use in SR Package 2

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Northwest Anthony Henday Drive

To the best of our knowledge, information and belief, we certify that from the date of our most recent financial statements disclosed to you in our submission to the RFQ to _____ **[insert date which is no more than five Business Days before the deadline for 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 generally accepted accounting principles and practices **[, except as set forth below]**;
- b) such financial statements present fairly the information purported to be shown thereby;
- c) no material adjustment of such financial statements is required and no adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein; and
- d) no events have occurred which have a material adverse effect on our financial statements disclosed to you which should be disclosed in order to keep those statements from being misleading.

Should we, subsequent to this date, become aware of any events having a material adverse effect on our most recent financial statements disclosed to you in order to keep those statements from being misleading, we will immediately disclose these events to INFTRA.

Yours truly,

(Contact Individual or Authorized Representative)

Name: _____

Position: _____

Company: _____

Telephone: _____

Form E – Sample Insurance Broker’s Letter

Note: For use in SR Package 2 and 3

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

[Date]

Attention: Mr. Neill McQuay, P.Eng.
Executive Director, Major Capital Projects

Dear Mr. McQuay:

Re: Insurances – Northwest Anthony Henday Drive – [name of Proponent] (the “Proponent”)

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

[Insurance Broker(s)] has examined the Request for Proposals documents, including the DBFO Agreement and the insurance requirements stipulated in the DBFO Agreement, and confirms that the relevant requirements have been included in the insurance program to be arranged on behalf of the Proponent if its Proposal is accepted [, **except the following items, 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 the Proponent is accepted, we are highly confident that we have arranged or can arrange insurances on behalf of the Proponent that meet the insurance requirements established by the Request for Proposals, including the DBFO Agreement, and we know of no impediment as of the date of this letter to our producing insurance certificates meeting all of the insurance requirements stipulated in the Request for Proposals documents, including the DBFO Agreement, except for those exceptions identified above, with coverage to take effect not later than the date of execution of the DBFO 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 F1 – Sample Form of Letter of Credit for Proposal Deposit

Note: For use in SR Package 3

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

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

[Date]

[Name of Schedule I or II 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 \$1,000,000 (One Million) 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 \$1,000,000 (One Million) Canadian dollars in accordance with the Request for Proposals dated October 1, 2007 issued by Alberta Infrastructure and Transportation (“INFTRA”) for the Northwest Anthony Henday Drive 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 Executive Director, Major Capital Projects Branch at INFTRA certifying that INFTRA is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue until [insert a date that is no earlier than 120 days from the submission deadline for SR Package 3] and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

[Name of Bank]

(Authorized Signature)

(Authorized Signature)

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

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

Alberta Infrastructure and Transportation

2nd Floor, Twin Atria Building

4999-98 Avenue

Edmonton, Alberta, Canada

T6B 2X3

[Date]

[Name of Schedule I or II 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 \$5,000,000 (Five Million) 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 \$5,000,000 (Five Million) Canadian dollars in accordance with the Request for Proposals dated October 1, 2007 issued by Alberta Infrastructure and Transportation (“INFTRA”) for the Northwest Anthony Henday Drive 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 Executive Director, Major Capital Projects Branch at INFTRA certifying that INFTRA is entitled to draw upon this Irrevocable Letter of Credit pursuant to the RFP.

3. This Irrevocable Letter of Credit will continue until [insert a date that is no earlier than 90 days from the date of notification of Preferred Proponent] and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

[Name of Bank]

(Authorized Signature)

(Authorized Signature)

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

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

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

[Date]

[Name of Schedule I or II Bank]

[Name of DBFO Contractor]

1. We hereby authorize you to draw on [name of bank and branch address] for the account of [name of and address of DBFO Contractor] up to an aggregate amount \$20,000,000 (Twenty Million) Canadian dollars.

2. Pursuant to the request of our customer, the said [name of DBFO Contractor], we, [name of bank], hereby establish and give you an Irrevocable Letter of Credit in your favour in the total amount \$20,000,000 (Twenty Million) Canadian dollars in accordance with the Agreement to Design, Build, Finance and Operate Northwest Anthony Henday Drive, Edmonton, Alberta dated ●, 2008 entered into by Alberta Infrastructure and Transportation (“INFTRA”) and [name of DBFO Contractor], as same may be amended and supplemented from time to time (the “DBFO Agreement”), which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without inquiring further whether you have a right as between yourself and our customer to make such demand, and without recognizing any claim of our said customer and, subject to paragraph 3 hereof, upon delivery of a written certificate of the Executive Director, Major Capital Projects Branch at INFTRA certifying that INFTRA is entitled to draw upon this Irrevocable Letter of Credit pursuant to the DBFO Agreement.

3. This Irrevocable Letter of Credit will continue until [insert a date that is no earlier than one year from the date of this Irrevocable Letter of Credit] and will expire at our counters on that date and you may call for payment of the full amount outstanding under this Irrevocable Letter of Credit at any time up to the close of business on that date should this Irrevocable Letter of Credit not be renewed.

[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.

Table 1 – Provincial Funding

Successful Proponent’s Capital Amount		Line 1
	\$500,000,000.00	Line 2
Provincial Funding [insert lesser of Lines 1 and 2 above]		

Table 2 – Capital and O&M Payments

In completing the Financial Offer, Proponents must demonstrate that their proposed Capital Payments, O&M Payments (including Major Rehabilitation Payments and New 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 O&M activities and vice versa.

Please note the following regarding the Form:

- ¹ Capital Payments in Column B are to be identical throughout the Operating Period expressed in nominal dollars.
- ² Major Rehabilitation Payments in Column D and New O&M Payments in Column E are to be stated in constant 2008 dollars.
- ³ O&M Payments in Column C are to be the sum of Major Rehabilitation Payments (Column D) and New O&M Payments (Column E) for the corresponding month periods in Column A.
- ⁴ The O&M Payments stated in constant 2008 dollars will be converted to nominal dollars for the purpose of comparison of Financial Offers. For the financial evaluation of the Financial Offers, the O&M Payments in constant 2008 dollars shall be converted to nominal dollars by multiplying the figures in Column C by a fixed estimated inflation rate from 2008. The estimated inflation rate will be calculated using the yields of the Government of Canada 5.00% June 1, 2037 bond and the Government of Canada 3.00% December 1, 2036 real return bond determined one Business Day prior to the deadline of SR Package 3 as per the following formula:

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

where: Y = the yield to maturity of the Government of Canada 5.00% June 1, 2037 bond
 R = the yield to maturity of the Government of Canada 3.00% December 1, 2036 real return bond

For greater clarity and illustration, the actual O&M Payment in nominal dollars to be made to the Successful Proponent in each month period will be calculated by multiplying the figure in constant 2008 dollars in Column C and the actual Index Factor applicable for that particular month, which is determined annually for each calendar year according to the DBFO Agreement.

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	O&M Payments ^{2,3,4}	Major Rehabilitation Payments ^{2,3}	New O&M Payments ^{2,3}
Nov 1-30, 2011				
Dec 1-31, 2011				
Jan 1-31, 2012				
Feb 1-29, 2012				
Mar 1-31, 2012				
Apr 1-30, 2012				
May 1-31, 2012				
Jun 1-30, 2012				
Jul 1-31, 2012				
Aug 1-31, 2012				
Sep 1-30, 2012				
Oct 1-31, 2012				
Nov 1-30, 2012				
Dec 1-31, 2012				
Jan 1-31, 2013				
Feb 1-28, 2013				
Mar 1-31, 2013				
Apr 1-30, 2013				
May 1-31, 2013				
Jun 1-30, 2013				
Jul 1-31, 2013				
Aug 1-31, 2013				
Sep 1-30, 2013				
Oct 1-31, 2013				

Column A	Column B	Column C (Column D+E)	Column D	Column E
Month	Capital Payments (nominal dollars) ¹	O&M Payments ^{2,3,4}	Major Rehabilitation Payments ^{2,3}	New O&M Payments ^{2,3}
Nov 1-30, 2013				
Dec 1-31, 2013				
Jan 1-31, 2014				
Feb 1-28, 2014				
Mar 1-31, 2014				
Apr 1-30, 2014				
May 1-31, 2014				
Jun 1-30, 2014				
Jul 1-31, 2014				
Aug 1-31, 2014				
Sep 1-30, 2014				
Oct 1-31, 2014				
Nov 1-30, 2014				
Dec 1-31, 2014				
Jan 1-31, 2015				
Feb 1-28, 2015				
Mar 1-31, 2015				
Apr 1-30, 2015				
May 1-31, 2015				
Jun 1-30, 2015				
Jul 1-31, 2015				
Aug 1-31, 2015				
Sep 1-30, 2015				
Oct 1-31, 2015				
Nov 1-30, 2015				
Dec 1-31, 2015				
Jan 1-31, 2016				
Feb 1-29, 2016				
Mar 1-31, 2016				
Apr 1-30, 2016				
May 1-31, 2016				
Jun 1-30, 2016				

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

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

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

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

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

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

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

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

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

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

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 changes in the general level of interest rates, INFTRA is offering a price adjustment to the Capital Payment component of the Proponent's Financial Offer, details of which are described below. As a general overview, the Capital Payment Price Adjustment Process allows Proponents to identify exposures of the Capital Payment portion of their bid to a basket of Government of Canada bonds or a basket of Benchmark Swaps. Changes in the prices of the Benchmark Bonds or Benchmark Swaps, depending on the election of the Proponent, will form the basis of measuring changes in interest rates between bid submission and contract signing. The changes in interest rates on the Benchmark Bonds or the Benchmark Swaps and the exposures to these bonds or swaps identified by the Proponents will be used to calculate the economic impact of the changes in interest rates and, ultimately, the amount of the adjustment to the proposed Capital Payment.

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

Definitions for Payment Adjustment Calculation

“Adjusted Weighted Average Cost of Capital” means the Weighted Average Cost of Capital plus Final Average Bond Yield less Initial Average Bond Yield if the Proponent has elected to hedge against changes in Government of Canada yields, or the Weighted Average Cost of Capital plus Final Average Swap Yield less Initial Average Swap Yield if the Proponent has elected to hedge against changes in Canadian dollar swap rates.

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

- Government of Canada 3.75% June 1, 2009
- Government of Canada 3.75% June 1, 2010
- Government of Canada 3.75% September 1, 2011
- Government of Canada 3.75% June 1, 2012
- Government of Canada 3.50% June 1, 2013
- Government of Canada 5.00% June 1, 2014
- Government of Canada 4.50% June 1, 2015
- Government of Canada 4.00% June 1, 2016
- Government of Canada 4.00% June 1, 2017
- Government of Canada 4.25% June 1, 2018
- Government of Canada 8.00% June 1, 2023
- Government of Canada 8.00% June 1, 2027
- Government of Canada 5.75% June 1, 2029
- Government of Canada 5.75% June 1, 2033

Government of Canada 5.00% June 1, 2037

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

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

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

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

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

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

“Final Average Bond Yield” means the market value weighted average yield to maturity given the Bond Hedge Amount, Final Price and Final Yield for each respective Benchmark Bond. The Final Average Bond Yield is calculated as follows:

$$\text{Final Average Bond Yield} = \frac{\sum_{i=1}^{15} |HA_i \times FP_i \div 100| \times FY_i}{\sum_{i=1}^{15} |HA_i \times FP_i \div 100|}$$

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

“Final Average Swap Yield” means the market value weighted average yield to maturity given the Swap Hedge Amount and Final Swap Value for each of the respective Benchmark Swaps. The Final Average Swap Yield is calculated as follows:

$$\text{Final Average Swap Yield} = \frac{\sum_{i=1}^{15} |HA_i + HA_i \times FV_i| \times FR_i}{\sum_{i=1}^{15} |HA_i + HA_i \times FV_i|}$$

where: HA_i = Swap Hedge Amount for Benchmark Swap i
 FV_i = Final Swap Value for Benchmark Swap i
 FR_i = Final Annualized Swap Rate for Benchmark Swap i

“Final Bond Price” means the bid side spot price per \$100 of par value for each of the respective Benchmark Bonds on the End Date. Final Bond Prices will be the average of bid side spot prices received from a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 11:00 am Eastern Standard Time on the End Date and will be delivered via fax to the Successful Proponent immediately thereafter. *(Note: spot prices are based on two settlement days for Government of Canada bonds with maturities of three years and less and three settlement days for Government of Canada bonds with maturities greater than three years.)*

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

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

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

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

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

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

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

“Final Swap Rate” means the interest rate on the fixed leg for each of the respective Benchmark Swaps on the End Date. Final Swap Rates will be the average of mid rates received from a survey of three independent financial institutions active in Canadian dollar swap markets. The effective date for calculation of Final Swap Rates will be the Final Swap Effective Date. This survey will be taken at 11:00 am Eastern Standard Time on the End Date and will be delivered via fax to the Successful Proponent

immediately thereafter. *(Note: Swap rates in Canada are typically quoted on a semi-annual payment basis, except for one-year swaps which are quoted on an annual payment basis.)*

“Final Swap Value” means the market value for each interest rate swap per \$1 of notional amount calculated using the Bloomberg SWPM function calculated on the End Date, calculated to six decimal places, for each respective Benchmark Swap. The change in the market value of the swaps caused by movements in swap rates will be calculated using the following process.

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

Fixed pay or receive	Pay fixed
Fixed coupon	Initial Swap Rate for each Benchmark Swap, respectively
Currency	CAD
Calculation basis	Money market
Effective date	Final Swap Effective Date
Maturity	Final Swap Effective Date plus the swap term for each Benchmark Swap, respectively
Fixed payment frequency	Annual for the one-year swap; semi-annual for all other swaps
Fixed day count	Actual/365
Fixed discount curve	4 / Mid
Index	CDOR03
Floating payment frequency	Annual for the one-year swap; semi-annual for all other swaps
Floating reset frequency	Quarterly
Floating day count	Actual/365
Floating discount curve	Curve #4 / Mid
Floating forward curve	Curve #4 / Mid
Curve date	End Date
Valuation date	End Date
Calculate	Premium
3. The Final Swap Value is calculated using the formula below where the Bloomberg SWPM function is used to determine the value of the fixed leg of each respective Benchmark Swap, assuming for this purpose that the notional amount of the swap is \$1,000,000. *(Note: The market value of the fixed leg of the swap will be a negative number as it represents the pay leg of the swap.)*

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

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

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

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

where: HA_i = Swap Hedge Amount for Benchmark Swap i

FP_i = Final Swap Value for Benchmark Swap i

“Hedge Gain/Loss” means the Initial Bonds Market Value less the Final Bonds Market Value if the Proponent has elected to hedge against changes in Government of Canada yields, or the Final Swaps Market Value if the Proponent has elected to hedge against changes in Canadian dollar swap rates. *(Note: if the Hedge Gain/Loss is positive, the Payment Adjustment Amount will be positive; if the Hedge Gain/Loss is negative, the Payment Adjustment Amount will be negative.)*

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

“Initial Average Bond Yield” means the market value weighted average yield to maturity given the Bond Hedge Amount, Initial Bond Price and Initial Bond Yield for each respective Benchmark Bond. The Initial Average Bond Yield is calculated as follows:

$$\text{Initial Average Bond Yield} = \frac{\sum_{i=1}^{15} |\text{HA}_i \times \text{IP}_i \div 100| \times \text{IY}_i}{\sum_{i=1}^{15} |\text{HA}_i \times \text{IP}_i \div 100|}$$

where: HA_i = Bond Hedge Amount for Benchmark Bond i

IP_i = Initial Bond Price for Benchmark Bond i

IY_i = Initial Bond Yield for Benchmark Bond i

“Initial Average Swap Yield” means the market value weighted average swap rate given the Swap Hedge Amount and Initial Swap Rate for each of the respective Benchmark Swaps. The Initial Average Swap Yield is calculated as follows:

$$\text{Initial Average Swap Yield} = \frac{\sum_{i=1}^{15} |\text{HA}_i| \times \text{IR}_i}{\sum_{i=1}^{15} |\text{HA}_i|}$$

where: HA_i = Swap Hedge Amount for Benchmark Swap i

IR_i = Initial Annualized Swap Rate for Benchmark Swap i

“Initial Bond Price” means the bid side price per \$100 of par value for each of the respective Benchmark Bonds on the Start Date for settlement on the Initial Bond Settlement Date. Initial Bond Prices will be the average of bid side prices received from a survey of three independent financial institutions active in the Canadian bond market. This survey will be taken at 11:00 am Eastern Standard Time on the Start Date and will be delivered via fax to each Proponent immediately thereafter.

“Initial Bond Settlement Date” means the Target End Date plus two business days for Benchmark Bonds with less than three year to maturity and the Target End Date plus three business days for all other Benchmark Bonds.

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

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

$$\text{Initial Bonds Market Value} = \sum_{i=1}^{15} \text{HA}_i \times \text{IP}_i \div 100$$

where: HA_i = Bond Hedge Amount for Benchmark Bond i

IP_i = Initial Bond Price for Benchmark Bond i

“Initial Swap Rate” means the interest rate on the fixed leg for each of the respective Benchmark Swaps on the Start Date. Initial Swap Rates will be the average of mid rates received from a survey of three independent financial institutions active in Canadian dollar swap markets. The effective date for the Benchmark Swaps for calculating Initial Swap Rates will be the Target End Date. This survey will be taken at 11:00 am Eastern Standard Time on the Start Date and will be delivered via fax to each Proponent immediately thereafter. *(Note: Swap rates in Canada are typically quoted on a semi-annual payment basis, except for one-year swaps which are quoted on an annual payment basis.)*

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

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

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

where: H = Hedge Gain/Loss

T = The number of years between the Traffic Availability Target Date (November 1, 2011) and the End Date, calculated as the number of days between the Traffic Availability Target Date and the End Date divided by 365

A = Adjusted Weighted Average Cost of Capital

I = Effective monthly Adjusted Weighted Average Cost of Capital

“Present Value of Capital Payment Offer” means the present value of the stream of fixed monthly Capital Payments as stated in the Financial Offer (Form G1) discounted at the Weighted Average Cost of Capital to the Traffic Availability Target Date, November 1, 2011.

“Start Date” means May 14, 2008 (*one Business Day prior to the submission of Submission Requirement Package 3*).

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

“Target End Date” means July 30, 2008 (*the deadline for execution of the DBFO Agreement*).

“Weighted Average Cost of Capital” means the Proponent’s effective annual weighted average cost of capital, as shown in the Final Financial Model submitted in Submission Requirement Package 3.

Calculation Example – Bonds

Note that the prices and hedge amounts shown in the example are intended for illustration purposes only.

1. Initial Bond Prices and Initial Bond Yields

- Determined through a survey of three financial institutions on the Start Date, May 14, 2008 (the day prior to the submission of SR3)
- Prices reflect forward settlement: two business days after the Target End Date for bonds with maturities less than three years (August 1, 2008) and three business days after the Target End Date for bonds with maturities greater than three years (August 5, 2008)

Benchmark Bond	Initial Bond Price	Semi-Annual Yield	Initial Bond Yield*
Canada 3.75% June 1, 2009	99.626	4.250%	4.295%
Canada 3.75% June 1, 2010	99.114	4.300%	4.346%
Canada 3.75% September 1, 2011	98.558	4.300%	4.346%
Canada 3.75% June 1, 2012	98.232	4.300%	4.346%
Canada 3.50% June 1, 2013	96.736	4.300%	4.346%
Canada 5.00% June 1, 2014	103.547	4.350%	4.397%
Canada 4.50% June 1, 2015	101.144	4.350%	4.397%
Canada 4.00% June 1, 2016	97.996	4.350%	4.397%
Canada 4.00% June 1, 2017	97.434	4.400%	4.448%
Canada 4.25% June 1, 2018	99.182	4.400%	4.448%
Canada 8.00% June 1, 2023	138.865	4.450%	4.500%
Canada 8.00% June 1, 2027	144.916	4.500%	4.551%
Canada 5.75% June 1, 2029	117.515	4.500%	4.551%
Canada 5.75% June 1, 2033	120.232	4.450%	4.500%
Canada 5.00% June 1, 2037	109.713	4.450%	4.500%

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

2. Bond Hedge Amounts and Weighted Average Cost of Capital

- Submitted by Proponents with SR3
- Bond Hedge Amounts are given in par value amounts

Benchmark Bond	Bond Hedge
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	Amount
Canada 3.75% June 1, 2009	-10,000,000
Canada 3.75% June 1, 2010	-10,000,000
Canada 3.75% September 1, 2011	-10,000,000
Canada 3.75% June 1, 2012	25,000,000
Canada 3.50% June 1, 2013	25,000,000
Canada 5.00% June 1, 2014	25,000,000
Canada 4.50% June 1, 2015	25,000,000
Canada 4.00% June 1, 2016	25,000,000
Canada 4.00% June 1, 2017	25,000,000
Canada 4.25% June 1, 2018	25,000,000
Canada 8.00% June 1, 2023	25,000,000
Canada 8.00% June 1, 2027	25,000,000
Canada 5.75% June 1, 2029	25,000,000
Canada 5.75% June 1, 2033	25,000,000
Canada 5.00% June 1, 2037	25,000,000
Weighted Average Cost of Capital	6.500%

3. Calculation of Initial Bonds Market Value

Benchmark Bond	Initial Bond Price	Hedge Amounts	Initial Market Value
Canada 3.75% June 1, 2009	99.626	(10,000,000)	(9,962,600)
Canada 3.75% June 1, 2010	99.114	(10,000,000)	(9,911,400)
Canada 3.75% September 1, 2011	98.558	(10,000,000)	(9,855,800)
Canada 3.75% June 1, 2012	98.232	25,000,000	24,558,000
Canada 3.50% June 1, 2013	96.736	25,000,000	24,184,000
Canada 5.00% June 1, 2014	103.547	25,000,000	25,886,750
Canada 4.50% June 1, 2015	101.144	25,000,000	25,286,000
Canada 4.00% June 1, 2016	97.996	25,000,000	24,499,000
Canada 4.00% June 1, 2017	97.434	25,000,000	24,358,500
Canada 4.25% June 1, 2018	99.182	25,000,000	24,795,500
Canada 8.00% June 1, 2023	138.865	25,000,000	34,716,250
Canada 8.00% June 1, 2027	144.916	25,000,000	36,229,000
Canada 5.75% June 1, 2029	117.515	25,000,000	29,378,750
Canada 5.75% June 1, 2033	120.232	25,000,000	30,058,000
Canada 5.00% June 1, 2037	109.713	25,000,000	27,428,250
Initial Bonds Market Value			301,648,200

4. Calculation of Initial Average Bond Yield

Benchmark Bond	Initial Bond Yield	Absolute Initial Market Value	Calculation *
Canada 3.75% June 1, 2009	4.295%	9,962,600	0.118%
Canada 3.75% June 1, 2010	4.346%	9,911,400	0.119%
Canada 3.75% September 1, 2011	4.346%	9,855,800	0.119%

Canada 3.75% June 1, 2012	4.346%	24,558,000	0.296%
Canada 3.50% June 1, 2013	4.346%	24,184,000	0.291%
Canada 5.00% June 1, 2014	4.397%	25,886,750	0.315%
Canada 4.50% June 1, 2015	4.397%	25,286,000	0.308%
Canada 4.00% June 1, 2016	4.397%	24,499,000	0.298%
Canada 4.00% June 1, 2017	4.448%	24,358,500	0.300%
Canada 4.25% June 1, 2018	4.448%	24,795,500	0.305%
Canada 8.00% June 1, 2023	4.500%	34,716,250	0.433%
Canada 8.00% June 1, 2027	4.551%	36,229,000	0.457%
Canada 5.75% June 1, 2029	4.551%	29,378,750	0.370%
Canada 5.75% June 1, 2033	4.500%	30,058,000	0.375%
Canada 5.00% June 1, 2037	4.500%	27,428,250	0.342%
Initial Average Bond Yield		361,107,800	4.446%

**Individual rows are calculated as the respective yield multiplied by the respective market value divided by the sum of the absolute market values. The values for each row are then summed to arrive at the Initial Average Yield.*

5. Final Bond Prices and Final Bond Yields

- Determined through a survey of three financial institutions on the End Date (assumed to be July 30, 2008 for this example)
- Prices reflect spot settlement: two business days after the End Date for bonds with maturities less than three years (August 1, 2008) and three business days for bonds with maturities greater than three years (August 5, 2008)

Benchmark Bond	Final Bond Price	Semi-Annual Yield	Final Bond Yield*
Canada 3.75% June 1, 2009	99.508	4.400%	4.448%
Canada 3.75% June 1, 2010	98.860	4.450%	4.500%
Canada 3.75% September 1, 2011	98.143	4.450%	4.500%
Canada 3.75% June 1, 2012	97.558	4.500%	4.551%
Canada 3.50% June 1, 2013	95.911	4.500%	4.551%
Canada 5.00% June 1, 2014	102.533	4.550%	4.602%
Canada 4.50% June 1, 2015	99.998	4.550%	4.602%
Canada 4.00% June 1, 2016	96.732	4.550%	4.602%
Canada 4.00% June 1, 2017	95.704	4.650%	4.704%
Canada 4.25% June 1, 2018	96.899	4.700%	4.755%
Canada 8.00% June 1, 2023	135.002	4.750%	4.806%
Canada 8.00% June 1, 2027	140.996	4.750%	4.806%
Canada 5.75% June 1, 2029	113.213	4.800%	4.858%
Canada 5.75% June 1, 2033	113.804	4.850%	4.909%
Canada 5.00% June 1, 2037	103.216	4.850%	4.909%

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

6. Calculation of Final Bonds Market Value

Benchmark Bond	Final Bond Price	Bond Hedge Amount	Final Market Value
Canada 3.75% June 1, 2009	99.508	(10,000,000)	(9,950,800)

Canada 3.75% June 1, 2010	98.860	(10,000,000)	(9,886,000)
Canada 3.75% September 1, 2011	98.143	(10,000,000)	(9,814,300)
Canada 3.75% June 1, 2012	97.558	25,000,000	24,389,500
Canada 3.50% June 1, 2013	95.911	25,000,000	23,977,750
Canada 5.00% June 1, 2014	102.533	25,000,000	25,633,250
Canada 4.50% June 1, 2015	99.998	25,000,000	24,999,500
Canada 4.00% June 1, 2016	96.732	25,000,000	24,183,000
Canada 4.00% June 1, 2017	95.704	25,000,000	23,926,000
Canada 4.25% June 1, 2018	96.899	25,000,000	24,224,750
Canada 8.00% June 1, 2023	135.002	25,000,000	33,750,500
Canada 8.00% June 1, 2027	140.996	25,000,000	35,249,000
Canada 5.75% June 1, 2029	113.213	25,000,000	28,303,250
Canada 5.75% June 1, 2033	113.804	25,000,000	28,451,000
Canada 5.00% June 1, 2037	103.216	25,000,000	25,804,000
Final Bonds Market Value			293,240,400

7. Calculation of Final Average Bond Yield

Benchmark Bond	Final Yields	Absolute Final Market Values	Calculation*
Canada 3.75% June 1, 2009	4.448%	9,950,800	0.126%
Canada 3.75% June 1, 2010	4.500%	9,886,000	0.126%
Canada 3.75% September 1, 2011	4.500%	9,814,300	0.125%
Canada 3.75% June 1, 2012	4.551%	24,389,500	0.315%
Canada 3.50% June 1, 2013	4.551%	23,977,750	0.310%
Canada 5.00% June 1, 2014	4.602%	25,633,250	0.335%
Canada 4.50% June 1, 2015	4.602%	24,999,500	0.326%
Canada 4.00% June 1, 2016	4.602%	24,183,000	0.316%
Canada 4.00% June 1, 2017	4.704%	23,926,000	0.319%
Canada 4.25% June 1, 2018	4.755%	24,224,750	0.327%
Canada 8.00% June 1, 2023	4.806%	33,750,500	0.460%
Canada 8.00% June 1, 2027	4.806%	35,249,000	0.481%
Canada 5.75% June 1, 2029	4.858%	28,303,250	0.390%
Canada 5.75% June 1, 2033	4.909%	28,451,000	0.396%
Canada 5.00% June 1, 2037	4.909%	25,804,000	0.359%
Final Average Bond Yield		352,542,600	4.710%

*Individual rows are calculated as the respective yield multiplied by the respective market value divided by the sum of the absolute market values. The values for each row are then summed to arrive at the Final Average Yield.

8. Calculation of Hedge Gain/Loss

Initial Bonds Market Value	301,648,200
Final Bonds Market Value	293,240,400
Hedge Gain/Loss	8,407,800

9. Calculation of Adjusted Weighted Average Cost of Capital

Final Average Bond Yield	4.710%
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Initial Average Bond Yield	4.446%
Change in interest rates	0.264%
Weighted Average Cost of Capital	6.500%
Adjusted Weighted Average Cost of Capital	6.764%

10. Calculation of Payment Adjustment Amount

$$\begin{aligned} H &= \text{Hedge Gain/Loss} \\ &= 8,407,800 \end{aligned}$$

$$\begin{aligned} A &= \text{Adjusted Weighted Average Cost of Capital} \\ &= 6.764\% \end{aligned}$$

$$\begin{aligned} I &= \text{Effective Monthly Adjusted Weighted Average Cost of Capital} \\ &= (1 + A)^{1/12} - 1 \\ &= (1 + 0.06764)^{1/12} - 1 \\ &= 0.54691\% \end{aligned}$$

$$\begin{aligned} T &= (\text{Traffic Availability Date} - \text{End Date}) \div 365 \\ &= (\text{November 1, 2011} - \text{July 30, 2008}) \div 365 \\ &= 3.2575 \end{aligned}$$

$$\begin{aligned} \text{Payment Adjustment Amount} &= \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{360}}} \\ &= \frac{8,407,800 \times (1 + 0.06764)^{3.2575} \times 0.0054691}{1 - \frac{1}{(1 + 0.0054691)^{360}}} \\ &= 66,203.33 \end{aligned}$$

Payment Adjustment Amount	66,203.33
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Calculation Example – Swaps

Note that the prices and hedge amounts shown in the example are intended for illustration purposes only.

1. Initial Swap Rates

- Determined through a survey of three financial institutions on May 14, 2008 (the day prior to the submission of SR3)
- Rates reflect an effective date of July 30, 2008 (Target End Date)

Benchmark Swap	Rate from Survey*	Initial Swap Rate**
1 Year	4.750%	4.750%

2 Year	4.650%	4.704%
3 Year	4.700%	4.755%
4 Year	4.700%	4.755%
5 Year	4.750%	4.806%
6 Year	4.750%	4.806%
7 Year	4.800%	4.858%
8 Year	4.850%	4.909%
9 Year	4.850%	4.909%
10 Year	4.900%	4.960%
12 Year	4.950%	5.011%
15 Year	5.050%	5.114%
20 Year	5.100%	5.165%
25 Year	5.100%	5.165%
30 Year	5.150%	5.216%

**Based on the swap terms listed in the definitions.*

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

2. Swap Hedge Amounts and Weighted Average Cost of Capital

- Submitted by Proponents with SR3
- Swap Hedge Amounts represent notional swap amounts

Benchmark Swap	Swap Hedge Amount
1 Year	(10,000,000)
2 Year	(10,000,000)
3 Year	(10,000,000)
4 Year	20,000,000
5 Year	20,000,000
6 Year	20,000,000
7 Year	20,000,000
8 Year	20,000,000
9 Year	20,000,000
10 Year	20,000,000
12 Year	20,000,000
15 Year	25,000,000
20 Year	25,000,000
25 Year	25,000,000
30 Year	25,000,000
<u>Weighted Average Cost of Capital</u>	<u>6.500%</u>

3. Calculation of Initial Average Swap Yield

Benchmark Swap	Swap Hedge Amount	Absolute Value	Initial Swap Rate	Calculation*
1 Year	(10,000,000)	10,000,000	4.750%	0.164%

2 Year	(10,000,000)	10,000,000	4.704%	0.162%
3 Year	(10,000,000)	10,000,000	4.755%	0.164%
4 Year	20,000,000	20,000,000	4.755%	0.328%
5 Year	20,000,000	20,000,000	4.806%	0.331%
6 Year	20,000,000	20,000,000	4.806%	0.331%
7 Year	20,000,000	20,000,000	4.858%	0.335%
8 Year	20,000,000	20,000,000	4.909%	0.339%
9 Year	20,000,000	20,000,000	4.909%	0.339%
10 Year	20,000,000	20,000,000	4.960%	0.342%
12 Year	20,000,000	20,000,000	5.011%	0.346%
15 Year	25,000,000	25,000,000	5.114%	0.441%
20 Year	25,000,000	25,000,000	5.165%	0.445%
25 Year	25,000,000	25,000,000	5.165%	0.445%
30 Year	25,000,000	25,000,000	5.216%	0.450%
Initial Average Swap Yield		290,000,000		4.962%

**Individual rows are calculated as the respective swap rate multiplied by the respective absolute value notional amount divided by the sum of the absolute notional amounts. The values for each row are then summed to arrive at the Initial Average Swap Rate.*

4. Final Swap Rates

- Determined through a survey of three financial institutions on the End Date (assumed to be July 30, 2008 for this example)
- Prices reflect an effective date equal to the Final Swap Effective Date (assumed to be July 30, 2008 for this example)

Benchmark Swap	Rate from Survey*	Final Swap Rate**
1 Year	4.600%	4.600%
2 Year	4.550%	4.602%
3 Year	4.550%	4.602%
4 Year	4.550%	4.602%
5 Year	4.550%	4.602%
6 Year	4.550%	4.602%
7 Year	4.600%	4.653%
8 Year	4.650%	4.704%
9 Year	4.600%	4.653%
10 Year	4.600%	4.653%
12 Year	4.650%	4.704%
15 Year	4.800%	4.858%
20 Year	4.800%	4.858%
25 Year	4.700%	4.755%
30 Year	4.700%	4.755%

**Based on the swap terms listed in the definitions.*

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

5. Calculation of Final Swap Values

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

Deal	Counterparty	SWAP	CNTRPARTY	Ticker / SWAP	Series	Deal #	DETAIL								
Curve #4	Mid	Canadian Dollar	PAR			1ty Par Cpn 4.85000 Stub Reset 4.40000									
#	Mty/Term	RATE	DISCNT	#	Mty/Term	RATE	DISCNT	#	Mty/Term	RATE	DISCNT	DAYTYPE/FREQ CONVENTIONS			
1	1 DY	4.25000	1.000000	13	3 YR	4.55000	0.873731					Cash Rates ACT/365			
2	1 WK	4.30000	0.999176	14	4 YR	4.55000	0.835192					Swap Rates ACT/365 (S			
3	2 WK	4.30000	0.998353	15	5 YR	4.60000	0.796307					Rate Source Standard			
4	1 MO	4.35000	0.996319	16	6 YR	4.60000	0.760903					INTERPOLATION METHOD			
5	2 MO	4.35000	0.992665	17	7 YR	4.60000	0.727164					Piecewise Linear (Simple)			
6	3 MO	4.40000	0.989149	18	8 YR	4.65000	0.691456					GLOBAL CHANGE FIELDS			
7	6 MO	4.45000	0.977943	19	9 YR	4.65000	0.660391					From 1 To 24 Shift 0.00			
8	8 MO	4.50000	0.970913	20	10 YR	4.70000	0.626887								
9	10 MO	4.55000	0.963488	21	12 YR	4.75000	0.566967								
10	11 MO	4.55000	0.959914	22	15 YR	4.80000	0.487526								
11	1 YR	4.60000	0.956138	23	20 YR	4.85000	0.378981								
12	2 YR	4.55000	0.913827	24	30 YR	4.95000	0.223290								
Valuation		Curve	07/30/08	Valuation		07/30/08	All Values in CAD								
Market Value		-1,032,011.29		DV01		-1,306.67		Market Value		1,000,000.00		DV01		24.66	
Accrued		-0.00		Accrued		0.00									
Net Principal		-32,011.29		Par Cpn		4.85000									
Accrued		0.00		Premium		-3.20113		DV01		-1,282.01					
Market Value		-32,011.29		Unwind PV		-46,160.28								Refresh	
Main		Curves		Cashflow		Risk		Horizon							

- The second step is to value each of the Benchmark Swaps via the Main SWPM screen using the Initial Swap Rate as the fixed rate for the fixed leg of each respective Benchmark Swap
- Each Benchmark Swap is set up with the same basic features as described in the definitions and shown in the diagram that follows, which displays the example calculation for the 20 year swap
- In the diagram, the Final Swap Value is calculated as the sum of the notional amount (1,000,000) and the value of the fixed leg as calculated by SWPM (-1,032,011); this sum (-32,011) is divided

Deal	Counterparty	SWAP	CNTRPARTY	Ticker / SWAP	Series	Deal #	DETAIL								
Pay Fixed						DETAIL									
Ticker	// SWAP	Series	Leg#	Ticker	// SWAP	Series	Leg#								
Notional	1	MM	Cpn 5.10000 %	Notional	1	MM	Index CDOR03								
Curr	CAD	Calc Basis Money Mkt		Curr	CAD	Latest Index 4.40000									
Effective	07/30/08	Pay Freq SemiAnnual		Effective	07/30/08	Spread 0.00 bp									
Maturity	07/30/28	Day Cnt ACT 365		Maturity	07/30/28	Reset Freq Quarterly									
FirstPmt	01/30/09	Unwind Cpn 4.73950 %		FirstPmt	01/30/09	Pay Freq SemiAnnual									
NxtLastPmt	01/30/28	Unwind Annuity 0.36050 %		NxtLastPmt	01/30/28	Day Cnt ACT 365									
DiscountCrv	4 Mid	Canadian Dollar		DiscountCrv	4 Mid	Canadian Dollar									
ForwardCrv	4 Mid	Canadian Dollar		ForwardCrv	4 Mid	Canadian Dollar									
Valuation		Curve	07/30/08	Valuation		07/30/08	All Values in CAD								
Market Value		-1,032,011.29		DV01		-1,306.67		Market Value		1,000,000.00		DV01		24.66	
Accrued		-0.00		Accrued		0.00									
Net Principal		-32,011.29		Calculate Premium		-3.20113		Par Cpn		4.85000					
Accrued		0.00		Premium		-3.20113		DV01		-1,282.01					
Market Value		-32,011.29		Unwind PV		-46,160.28									
Main		Curves		Cashflow		Risk		Horizon							

by the notional amount (1,000,000) to determine the Final Swap Value (-0.032011).

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

Benchmark Swap	Swap Fixed Rate	Value of Fixed Leg*	Final Swap Value
1 Year	4.750%	-1.001430	-0.001430
2 Year	4.650%	-1.001894	-0.001894
3 Year	4.700%	-1.004163	-0.004163
4 Year	4.700%	-1.005433	-0.005433
5 Year	4.750%	-1.006642	-0.006642
6 Year	4.750%	-1.007797	-0.007797
7 Year	4.800%	-1.011862	-0.011862
8 Year	4.850%	-1.013271	-0.013271
9 Year	4.850%	-1.014607	-0.014607
10 Year	4.900%	-1.015877	-0.015877
12 Year	4.950%	-1.018233	-0.018233
15 Year	5.050%	-1.026691	-0.026691
20 Year	5.100%	-1.032011	-0.032011
25 Year	5.100%	-1.024195	-0.024195
30 Year	5.150%	-1.031382	-0.031382

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

6. Calculation of Final Swaps Market Value

Benchmark Swap	Swap Hedge Amount	Final Swap Value	Calculation*
1 Year	(10,000,000)	-0.001430	14,300
2 Year	(10,000,000)	-0.001894	18,940
3 Year	(10,000,000)	-0.004163	41,630
4 Year	20,000,000	-0.005433	(108,660)
5 Year	20,000,000	-0.006642	(132,840)
6 Year	20,000,000	-0.007797	(155,940)
7 Year	20,000,000	-0.011862	(237,240)
8 Year	20,000,000	-0.013271	(265,420)
9 Year	20,000,000	-0.014607	(292,140)
10 Year	20,000,000	-0.015877	(317,540)
12 Year	20,000,000	-0.018233	(364,660)
15 Year	25,000,000	-0.026691	(667,275)
20 Year	25,000,000	-0.032011	(800,275)
25 Year	25,000,000	-0.024195	(604,875)
30 Year	25,000,000	-0.031382	(784,550)
Final Swaps Market Value			(4,656,545)

*Individual rows are calculated by multiplying the Swap Hedge Amount by the Final Swap Value

7. Calculation of Final Average Swap Yield

Benchmark Swap	Swap Hedge Amount	Swap Hedge Amount × Final Swap Value	Absolute Value*	Final Swap Rate	Calculation**
1 Year	(10,000,000)	14,300	9,985,700	4.600%	0.161%
2 Year	(10,000,000)	18,940	9,981,060	4.602%	0.161%
3 Year	(10,000,000)	41,630	9,958,370	4.602%	0.161%
4 Year	20,000,000	(108,660)	19,891,340	4.602%	0.321%
5 Year	20,000,000	(132,840)	19,867,160	4.602%	0.321%
6 Year	20,000,000	(155,940)	19,844,060	4.602%	0.320%
7 Year	20,000,000	(237,240)	19,762,760	4.653%	0.322%
8 Year	20,000,000	(265,420)	19,734,580	4.704%	0.326%
9 Year	20,000,000	(292,140)	19,707,860	4.653%	0.322%
10 Year	20,000,000	(317,540)	19,682,460	4.653%	0.321%
12 Year	20,000,000	(364,660)	19,635,340	4.704%	0.324%
15 Year	25,000,000	(667,275)	24,332,725	4.858%	0.414%
20 Year	25,000,000	(800,275)	24,199,725	4.858%	0.412%
25 Year	25,000,000	(604,875)	24,395,125	4.755%	0.407%
30 Year	25,000,000	(784,550)	24,215,450	4.755%	0.404%
Final Average Swap Yield			285,193,715		4.696%

*Represents the Absolute Value of the Swap Hedge Amount plus the Swap Hedge Amount multiplied by the Final Swap Value

**Calculated as the Absolute Value column multiplied by the Final Swap Rate column and divided by the sum of the Absolute Values for all Benchmark Swaps

8. Calculation of Adjusted Weighted Average Cost of Capital

Final Average Swap Yield	4.696%
Initial Average Swap Yield	4.962%
Change in interest rates	-0.265%
Weighted Average Cost of Capital	6.500%
Adjusted Weighted Average Cost of Capital	6.235%

9. Calculation of Payment Adjustment Amount

$$H = \text{Hedge Gain/Loss} \\ = 4.656,545$$

$$A = \text{Adjusted Weighted Average Cost of Capital} \\ = 6.235\%$$

$$I = \text{Effective Monthly Adjusted Weighted Average Cost of Capital} \\ = (1 + A)^{1/12} - 1 \\ = (1 + 0.06235)^{1/12} - 1 \\ = 0.50527\%$$

$$T = (\text{Traffic Availability Date} - \text{End Date}) \div 365 \\ = (\text{November 1, 2011} - \text{July 30, 2008}) \div 365 \\ = 3.2575$$

$$\begin{aligned}
 \text{Payment Adjustment Amount} &= \frac{H \times (1 + A)^T \times I}{1 - \frac{1}{(1 + I)^{360}}} \\
 &= \frac{-4,656,545 \times (1 + 0.06235)^{3.2575} \times 0.0050527}{1 - \frac{1}{(1 + 0.0050527)^{360}}} \\
 &= -34,228.81
 \end{aligned}$$

Payment Adjustment Amount	(34,228.81)
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Hedge Amounts and Weighted Average Cost of Capital

Capital Payment Price Adjustment Process

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

The capital payment adjustment process using Benchmark Bonds is accepted

The capital payment adjustment process using Benchmark Swaps is accepted

The capital payment adjustment process is declined

Complete this table if the election to use Benchmark Bonds has been made

Benchmark Bonds	Hedge Amounts (Par Value)	Initial Market Value
Canada 3.75% June 1, 2009		
Canada 3.75% June 1, 2010		
Canada 3.75% September 1, 2011		
Canada 3.75% June 1, 2012		
Canada 3.50% June 1, 2013		
Canada 5.00% June 1, 2014		
Canada 4.50% June 1, 2015		
Canada 4.00% June 1, 2016		
Canada 4.00% June 1, 2017		
Canada 4.25% June 1, 2018		
Canada 8.00% June 1, 2023		
Canada 8.00% June 1, 2027		
Canada 5.75% June 1, 2029		

Canada 5.75% June 1, 2033		
Canada 5.00% June 1, 2037		

Constraints:

1. Positive numbers are allowed for all Benchmark Bonds. The combined market value of all bonds with positive Bond Hedge Amounts cannot exceed the Present Value of Capital Payment Offer.
2. Negative numbers are only allowed for the June 1, 2009, June 1, 2010 and the September 1, 2011 bonds. The combined market value of all bonds with negative Bonds Hedge Amounts cannot exceed the Present Value of Capital Payment Offer.
3. The Bond Hedge Amounts should be consistent with the Proponent’s financing for the New Infrastructure as shown in the Proponent’s Final Financial Model.

Complete this table if the election to use Benchmark Swaps has been made

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

Constraints:

1. Positive numbers are allowed for all Benchmark Swaps. The combined notional amount of all swaps with positive Swap Hedge Amounts cannot exceed the Present Value of Capital Payment Offer.
2. Negative numbers are only allowed for the one, two and three year swaps. The combined notional amount of all swaps with negative Swaps Hedge Amounts cannot exceed the Present Value of Capital Payment Offer.
3. The Swap Hedge Amounts should be consistent with the Proponent’s financing for the New Infrastructure as shown in the Proponent’s Final Financial Model.

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

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

Form H – INFTRA’s Legal Counsel’s Opinion

[on Alberta Justice Letterhead]

[Insert date]

[ADDRESSES OF THE CONTRACTOR,
ITS LENDER AND THEIR SOLICITORS]

Dear Sirs:

**Re: Design, Build, Finance and Operate Agreement dated ●, 2008 (the "DBFO Agreement")
and Direct Lender Agreement dated ●, 2008 (the "Direct Lender Agreement")**

We have acted as legal advisors for Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure and Transportation (the "Province") in connection with the DBFO Agreement between the Province and [insert name of contractor] (the "Contractor") and in connection with the Direct Lender Agreement between the Province, the Contractor, [insert name of lender(s), trustee, or other representative] in respect of Northwest Anthony Henday Drive in Edmonton (the "Project").

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

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

- (a) an executed copy of the DBFO Agreement;
- (b) an executed copy of the Direct Lender Agreement; and
- (c) such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion.

Other than with respect to the execution of the DBFO Agreement and the Direct Lender Agreement by the Province, we have assumed the genuineness of all signatures and the conformity with originals of all documents submitted to us as photocopies, by facsimile transmission or by Portable Document Format ("PDF"). In addition, we have assumed that the DBFO Agreement and the Direct Lender Agreement are within the capacity and powers of, have been validly authorized, executed and delivered by, and

constitute legal, valid and binding obligations of, the other parties thereto enforceable against the other parties thereto in accordance with their terms.

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

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

1. The execution and delivery by the Province of the DBFO Agreement and the Direct Lender Agreement and the performance by the Province of its obligations thereunder have been duly authorized by all necessary legislative, administrative, executive and other governmental action. The Province had full power, capacity and authority to execute and deliver the DBFO Agreement and the Direct Lender Agreement and to perform and observe its obligations thereunder.
2. All authorizations, approvals and other actions by, and all notices to and filings, registrations or recordings with, any governmental authority or regulatory body of the Province of Alberta required for the due execution, delivery or performance by the Province of the DBFO Agreement and the Direct Lender Agreement (in each case, including the making of payments thereunder) or to ensure the legality, validity and binding nature of the DBFO Agreement and the Direct Lender Agreement (in each case, including the making of payments thereunder) have been obtained.
3. The DBFO Agreement and the Direct Lender Agreement have been duly executed and delivered by the Province and constitute legal, valid and binding obligations of the Province enforceable against the Province in accordance with their terms.
4. Subject to Section 21.4 of the DBFO Agreement and Section 4.6 of the Direct Lender Agreement regarding the Dispute Resolution Procedure, neither the federal laws of Canada nor the laws of Alberta require the consent of any public official or authority to the commencement or prosecution of any action, suit or proceeding against the Province arising out of or relating to its obligations under the DBFO Agreement or the Direct Lender Agreement. Neither immunity from jurisdiction nor any defence based on the status of the Province is available to the Province in any such action, suit or proceeding in the Courts of Alberta under the federal laws of Canada or the laws of Alberta up to final judgment, except as provided in this opinion.

This opinion is subject to the following qualifications:

- a) general equitable principles may limit the enforceability of the DBFO Agreement or the Direct Lender Agreement against the Province, whether such enforcement is considered in a proceeding in equity or at law;
- b) the remedies of injunction and specific performance are not available against the Province; and
- c) judgments obtained against the Province may not, by virtue of the *Proceedings Against the Crown Act* (Alberta), be enforced by execution, attachment or process of that nature, but the *Proceedings Against the Crown Act* (Alberta) does provide that upon the receipt

of a certificate of the proper officer of the court, in the event of a money judgment or an order for costs, or both, against the Province, the Minister of Finance shall pay out of the General Revenue Fund to the person entitled, or to the person's order, the amount appearing by the certificate to be due, together with the interest, if any, lawfully due.

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

Yours very truly,

DEPARTMENT OF JUSTICE, PROVINCE OF ALBERTA

Per: _____

[Name]
Barrister and Solicitor

Per: _____

[Name]
Barrister and Solicitor

Appendix 3

Definitions

Appendix 3 – Definitions

3.1 Defined Terms

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

“Construction Period” means the time between execution of the DBFO Agreement and Traffic Availability (but excluding the day when Traffic Availability is achieved).

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

“Consultants” means Alberta Infrastructure and Transportation consultants who assist in the preparation of the RFQ and RFP and in the evaluation of submissions to the RFQ and Proposals, and who may or may not assist throughout the term of the DBFO Agreement.

“Contact Individual” has the meaning as set out in Section 6.2.

“Contact Organization” has the meaning as set out in Section 6.2.

“Contractor” means the legal entity that has entered into the DBFO Agreement with INFTRA.

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

“DBFO” means the design, build, financing and operation/rehabilitation of Northwest Anthony Henday Drive, all in accordance with the DBFO Agreement.

“DBFO Agreement” means the agreement into which INFTRA and the Contractor will enter with respect to the DBFO, which is (in draft form) Volume 2 of this RFP.

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

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

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

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

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

“Financing and Initial Performance Letter of Credit” means the letter of credit in the amount of \$20 million that the Successful Proponent is required to provide to INFTRA in accordance with the DBFO Agreement.

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

“Functional Plan” means the North Edmonton Ring Road, Functional Planning Study dated October 2007 prepared by ISL Engineering and Land Services Ltd. for INFTRA.

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

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

“Index Factor” means the basis for adjusting the Operating Payments for inflation as set out in Schedule 10 (Index Factor) to the DBFO Agreement.

“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.

“INFTRA” means Her Majesty the Queen in right of Alberta, as represented by the Minister of Infrastructure and Transportation.

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

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

“Lead Team Member” means the Team Member in each of the Proponent’s Design Team, Construction Team, O&M Team, or Financing 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 DBFO.

“New Infrastructure” means the Northwest Anthony Henday Drive in Edmonton, Alberta comprising approximately 21 kilometres of a new 4-6 lane divided roadway between Highway 16 on the west side of Edmonton and Manning Drive, and includes, without limitation, the existing roadways, existing grading, and related appurtenances (such as drainage works, lighting, and signage) located within the Road Right of Way, which includes but is not limited to the existing roadway between Highway 16 on the west side of Edmonton and 137 Avenue, the graded 184 Street NE interchange, portions of St. Albert Trail, 97 Street and Manning Drive.

“New O&M” means the operation, maintenance, and rehabilitation of the New Infrastructure.

“New Technology” means all discoveries, inventions, or ideas related to, and improvements to, processes, methods or devices or any combination thereof (“Improvements”) which the Proponents, or the Proponents and INFTRA, or their employees, agents, or contractors devise, conceive, invent or otherwise develop which Improvements are incorporated into the Proposal or are part of the communication

surrounding the development and presentation of the Proposal, and may be required to be practiced by the further design, construction, operation and maintenance of the New Infrastructure under the Proposal.

“Operating Period” means the time from Traffic Availability (including the day Traffic Availability is achieved) until the end of the Term.

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

“Optional Innovation Submission” means the optional submission set out in Section 5.9.

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

“Preferred Proponent Deposit” has the meaning as set out in Section 5.12.

“Project” means the design and construction of the New Infrastructure.

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

“Project Specifics” means the section within the Technical Requirements or Schedule 18 to the DBFO Agreement that describes certain specific parameters and requirements for this DBFO.

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

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

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

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

“Respondent” means any team of private sector participants that has submitted a submission in response to the RFQ.

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

“RFQ” means the Request for Qualifications for the DBFO issued July 25, 2007.

“Road Right of Way” means the lands described in Schedule 12 (Lands) to the DBFO Agreement as the Road Right of Way.

“SR” means Submission Requirement.

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

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

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

“Successful Proponent’s Capital Amount” means the net present value of the Capital Payments set out in Table 2 of Form G1, prior to the application of the price adjustment formula under Form G2, where the net present value is calculated to November 1, 2011 using the Weighted Average Cost of Capital set out in Form G2.

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

“Technical Requirements” means the performance and other requirements for the DBFO, which is Schedule 18 to the DBFO Agreement.

“Term” means the period from and including the day that Traffic Availability is achieved to and including the day immediately preceding the earlier of:

- (i) 30 years from the day that Traffic Availability is achieved; and
- (ii) 30 years from November 1, 2011.

“Traffic Availability” means the date when the New Infrastructure can safely be opened to the public for use by vehicular traffic, and subject to section 5.15 of the DBFO Agreement, is the date of certification under section 5.14 of the DBFO Agreement.

“TUC” means Transportation/Utility Corridor around the City of Edmonton owned by INFTRA.

3.2 Interpretation

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

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

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

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

References to a statute include the statute as amended from time to time, and in the event that statute is repealed includes any successor legislation thereto including amendments to the successor legislation, and

includes all regulations, by-laws and codes enacted thereunder as such regulations or by-laws or codes may be amended from time to time.

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

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

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