

## APPENDIX A: EVALUATION OF PROPOSALS

The Province will evaluate Proposals in accordance with section 7 of the RFP and this Appendix A.

### 1. TECHNICAL SUBMISSIONS

Subject to the terms of this RFP, the Technical Submission evaluation will consider whether the Technical Submission:

- (a) contains any Material Non-Compliances;
- (b) satisfies the provisions of this RFP, including the requirements set out in Appendix B of this RFP and the Final Draft Project Agreement; and
- (c) demonstrates to the satisfaction of the Province that the Proponent is capable of performing the obligations and responsibilities of Project Co and delivering the Project in accordance with the Final Draft Project Agreement and that the Proponent has a good understanding of the Project and the work.

### 2. FINANCIAL SUBMISSION

The Province will evaluate each of the Financial Submissions as follows:

- (a) **Mandatory Requirements.** In accordance with Section 7.1 of the RFP:
  - (1) the Proposal Net Present Cost as at the Submission Time for Financial Submissions must not exceed the Affordability Ceiling;
  - (2) the Proposal Total Capital Cost as at the Submission Time for Financial Submissions must not exceed the Capital Cost Ceiling; and
  - (3) Proponents proposing reductions of the Performance Specifications must do so in accordance with Section 4.4.
- (b) **Satisfaction of Financial Requirements.** If the Affordability Requirements have been met, the Province will evaluate whether the Financial Submission substantially satisfies the following requirements:
  - (1) the Proponent has arranged sufficient financing for the Project having regard to the requirements of the RFP and the Final Draft Project Agreement;

- (2) the Proponent's Financing Plan, including security, bonding, guarantees and insurance elements, is robust and deliverable;
- (3) the Proponent's Financing Plan can be executed expediently if the Proponent is selected as Preferred Proponent;
- (4) each of the Equity Providers of the Proponent continue to have the ability to raise sufficient capital to meet the equity requirements; and
- (5) the Proponent is financially viable.

**If the Province determines that the Financial Submission does not substantially satisfy the above requirements, the Province may decide not to complete a detailed evaluation of the Proposal.**

Notwithstanding compliance with 2 (a) above, the Province may, in its discretion, decide not to further evaluate a Proposal if the Affordability Requirements have not been met, and if the Province receives a Proposal from another Proponent that has met the Affordability Requirements.

The Province also reserves the right to evaluate all Proposals where the Affordability Requirements have not been met, but will do so only in the event that the Proposals received from all the Proponents do not meet the Affordability Requirements.

### **3. RANKING PROCESS**

Subject to the terms of this RFP, each Proposal, including the Technical Submission and the Financial Submission, that substantially satisfies the requirements of this RFP and the Final Draft Project Agreement, will be evaluated and ranked according to the following process:

#### **Step 1: Use of Scope Ladder**

Each Proposal determined as meeting the Mandatory Requirements referenced above in Section 2 will be examined to identify the extent to which, if at all, Scope Ladder items, as described in Section 4.4 Scope Ladder and indicated in response to Section 4, Package 1 Transmittal Package of Appendix B of this RFP, have been used to achieve the Affordability Requirements.

The Proposals will be ranked in accordance with the Proponent's use of Scope Ladder items such that the Proponent using the least Scope Ladder items will be ranked the highest, and the Proponent using the most Scope Ladder items will be ranked the lowest.

If two or more Proposals are ranked equally under Step 1, the ranking process will proceed to Step 2.



## **Step 2: Lowest Proposal Net Present Cost**

The Proposal which offers the lowest Proposal Net Present Cost will receive the highest ranking and be designated the highest-ranked Proposal. If two or more of the Proposals that are ranked highest in this step have the same Proposal Net Present Cost and it is the lowest Proposal Net Present Cost, the Province will select from among such Proposals, the Proposal that has the lowest Proposal Total Capital Cost.

