

## **APPENDIX B**

### **PROPOSAL REQUIREMENTS**

#### **1. SUBMISSION GUIDELINES OVERVIEW**

This Appendix and attachments describe the specific documentation that a Proponent should submit to satisfy the proposal requirements, and to demonstrate that they are capable of performing the responsibilities and obligations of Project Co under the Project Agreement. The Proponent's Proposal documents should comprehensively address the requirements set out in this Appendix and the Final Draft Project Agreement.

Proposals should be presented in two submissions: a Technical Submission; and a Financial Submission, each of which consists of the following packages, and each of which is outlined in Sections 2, and 3 of this Appendix, respectively:

#### **Section 2 TECHNICAL SUBMISSION**

##### **Package 1: Transmittal Package**

- Contact Information
- Appendix D - Relationship Disclosure Form(s)
- Overview Table of Contents for the Proposal

##### **Package 2: Project Co Management**

Executive Summary and Contents List

2.1 Proponent Information

##### **Package 3: Implementation Schedules and Plans**

Executive Summary and Contents List

3.1 Schedules

3.2 Design and Construction

3.3 Services

3.4 Communications

#### **Section 3 FINANCIAL SUBMISSION**

##### **Package 1: Transmittal Package**

- Affordability Ceiling Confirmation

- Proposal Cost
- Appendix C - Proposal Declaration Form
- Overview Table of Contents for the Proposal

**Package 2: Financial**

Executive Summary and Contents List

- 4.1 Structure of Project Co
- 4.2 Agreements within Project Co
- 4.3 Price Proposal
- 4.4 Basis of Financial Submission
- 4.5 Financial Capacity
- 4.6 Financing
- 4.7 Financial Model
- 4.8 Affordability Model
- 4.9 Insurance
- 4.10 Pricing

## 2. SUBMISSION REQUIREMENTS FOR TECHNICAL SUBMISSION

Without limiting the terms of this RFP, this section summarizes the information and documentation that Proponents should submit in their Technical Submissions.

The Technical Submission should demonstrate that the Proponent is capable of performing the obligations and responsibilities of Project Co and delivering the Project under the Project Agreement, and that the Proponent has a good understanding of the Project and of the Project Work.

The Technical Submission is to be prepared on the basis of the draft Project Agreement most recently issued prior to the Submission Time for Technical Submissions, and for purposes of Section 2.3 of this RFP, this version will be considered the Final Draft Project Agreement.

If drawings are to be provided, it is the Authority's preference that Proponents, where reasonable to do so, provide combined drawings which provide the information for more than one requirement. The drawings should include references to the applicable section of these submission requirements. Proponents should provide a drawing index clearly identifying which Proposal requirement is met on which drawing.

Proponents should arrange the content of their Technical Submissions in accordance with the sequencing of, and using the section numbers and corresponding titles shown in, the following table.

<b>Package 1: Transmittal Package</b>
<p>The transmittal package should contain the following information and documents:</p> <ul style="list-style-type: none"><li>• The contact person for all future communications between the Authority and the Proponent, including name, employer, mailing address, telephone number, email addresses and fax number;</li><li>• One (1) fully executed copy of Appendix D – Relationship Disclosure Form; and</li><li>• Overview Table of Contents for all parts of the Technical Submission.</li></ul>

**Package 2: Project Co Management**

**Executive Summary and Contents List:**

Package 2 should include information and documentation about the Proponent including:

- Organization, legal status and ownership information;
- Details of Project Contractors;
- Details of the Design team;
- Details of the Services team;
- Governance structure; and
- Key Individuals.

Package 2 of the Technical Submission should address the requirements set out in the tables below.

Section No.	Title	Contents
<b>2.</b>	<b>PROPONENT INFORMATION</b>	
<b>2.1</b>	<b>Confirmation of RFQ Response</b>	
<p>Confirm that, other than changes permitted by this RFP including Section 6.12 of this RFP, there have been no changes to information provided in the Proponent's RFQ Response regarding:</p> <ul style="list-style-type: none"> <li>• The Equity Member(s), and Design-Builder listed as part of the Respondent Team;</li> <li>• The Key Individuals listed for the Respondent Team; or</li> <li>• The Key Firms.</li> </ul>		
<b>2.2</b>	<b>Details of Proponent and Proponent Team</b>	
2.2.1	Legal Name	<p>Describe the legal structure of the Proponent (or that the Proponent will adopt as Project Co) including the proposed full legal name of the Proponent, or as applicable, each legal entity which comprises the Proponent.</p> <p>Provide the incorporation number, or extra provincial registration number for British Columbia, for the Proponent or as applicable, each legal entity that comprises the Proponent, and further details, including certificate of incorporation, memorandum and articles of incorporation, and documentation demonstrating that the Proponent, or as applicable, each legal entity which comprises the Proponent, is duly authorized to carry on business in British Columbia.</p>
2.2.2	Shareholdings	<p>Provide details, including corporate details, identifying each Equity Member and degree of equity participation, and any shareholder, partnership or equivalent agreements.</p> <p>If the Proponent does not have an equity structure, provide details of the ownership structure and copies of all agreements related to ownership.</p>

Section No.	Title	Contents
<b>2.3</b>	<b>Details of Project Contractors</b>	
2.3.1	Legal Name	Full legal name(s).
2.3.2	Contact Details	Authorized Representative, registered office, telephone number, email addresses and fax number.
2.3.3	Legal Details	Full incorporation details, including certificate of incorporation, memorandum and articles of incorporation, and documentation demonstrating that the company is duly authorized to carry on business in British Columbia. If a Project Contractor is an unincorporated legal entity, please provide full details and proof of the existence of the individuals, corporations, other entities or the underlying legal entities that make up joint ventures and partnerships who have the direct responsibility of the Project Contractor.
2.3.4	Organizational Structure and Details	Organizational description, including organization chart, indicating and listing the members of the board of directors, the senior officers and key management officials, and reporting relationships.  Organizational description, including organization chart, indicating key members/firms of the Construction Team, their roles and responsibilities, and reporting relationships.
<b>2.4</b>	<b>Details of Design Team</b>	
2.4.1	Name	Full legal name(s).
2.4.2	Contact Details	Registered office, telephone number, email addresses and fax number.
2.4.3	Legal Details	Full incorporation details, including certificate of incorporation, memorandum and articles of incorporation, and documentation demonstrating that the company is duly authorized to carry on business in British Columbia. If a member of the Design team is an unincorporated legal entity, please provide full details and proof of the existence of the individuals, corporations, other entities or the underlying legal entities that make up joint ventures and partnerships who

Section No.	Title	Contents
		have the direct responsibility of the Design team.
2.4.4	Organizational Structure and Details	Organizational description indicating key members/firms of the Design team, their roles and responsibilities and reporting relationships.
<b>2.5</b>	<b>Details of Services Team</b>	
2.5.1	Name	Full legal name(s).
2.5.2	Contact Details	Registered office, telephone number, email addresses and fax number.
2.5.3	Legal Details	Full incorporation details, including certificate of incorporation, memorandum and articles of incorporation, and documentation demonstrating that the company is duly authorized to carry on business in British Columbia. If a member of the Services team is an unincorporated legal entity, please provide full details and proof of the existence of the individuals, corporations, other entities or the underlying legal entities that make up joint ventures and partnerships who have the direct responsibility of the Services team.
2.5.4	Organizational Structure and Details	Organizational description indicating key members/firms of the Services team, their roles and responsibilities and reporting relationships.
<b>2.6</b>	<b>Governance Structure</b>	
2.6.1	Organizational Structure and Relationships between the Proponent, Proponent Team Members, and Project Contractors	<p>Provide a project organization chart which identifies all Key Individuals and Key Firms, including those provided in the RFQ Response, and those listed in Sections 2.2, 2.3, 2.4 and 2.5 of this Table of Appendix B.</p> <p>Describe the relationships and reporting arrangements among the Proponent Team members and Project Contractors at critical stages of the Project:</p> <ul style="list-style-type: none"> <li>• identify responsibilities of each Key Individual; and Key Firm</li> <li>• reporting relationships between the Proponent, its Equity Members and Project Contractors;</li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>• the nature of any contractual relationship(s) to be entered into between the Proponent and any Project Contractors; and</li> <li>• the nature of any sub-contracting arrangements and details of the risk allocation between the parties.</li> </ul>
2.6.2	Key Individuals and Key Firms	<p>Confirm the Key Individuals and Key Firms are as submitted with the RFQ Response.</p> <p>In addition to any other information and documentation requested in respect of Key Individuals, provide the name, professional designation, and summary of education/qualifications and relevant experience and accompanying resumes for each Key Individual.</p>



<b>Package 3: Implementation Schedules and Plans</b>
<p><b>Executive Summary and Contents List:</b></p> <p>Package 3 of the Technical Submission should provide information and documentation that reasonably demonstrates that the Proponent is capable of performing Project Co's responsibilities and obligations under the Project Agreement to deliver the Project, including Design, Construction, Maintenance, rehabilitation, other construction activities and other required services in accordance with the requirements set out in this RFP, including the Final Draft Project Agreement.</p> <p>Package 3 of the Proponent's Technical Submission should address the requirements set out in the tables below.</p>

Section No.	Title	Contents
<b>3.1</b>	<b>Schedules</b>	
3.1.1	Project Schedule	Provide a project schedule identifying the timing and duration of the major Project activities including: <ul style="list-style-type: none"> <li>(a) completion of the Early Works as required by the Early Works Agreement;</li> <li>(b) design development, including User Consultation, Design Review activities and permitting;</li> <li>(c) decant activities;</li> <li>(d) major construction stages;</li> <li>(e) significant procurements;</li> <li>(f) provision of mock-up rooms;</li> <li>(g) anticipated Building Opening Date for each Building; and</li> <li>(h) anticipated Service Commencement Date.</li> </ul>
3.1.2	Accommodation Schedule	Provide an accommodation schedule (room list) for all Functional Units, in the format of the template available in the Data Room for use by Proponents, identifying for each space:

Section No.	Title	Contents										
		<ul style="list-style-type: none"> <li>(a) an area summary of the Proponent’s design by floor that includes the total net and gross floor area, and the net to gross ratios for each floor; and</li> <li>(b) an area summary of the building that includes total net and gross areas by floor and by building totals.</li> </ul>										
3.1.3	Communications Plan	Provide a draft communications plan indicating activities the Proponent proposes to undertake in its lead roles in conformance with the requirements of the Final Draft Project Agreement. The communications plan will be appended to the Authority’s strategic communications plan, which will direct communications activities on the Project.										
<b>3.2</b>	<b>Design and Construction</b>											
<p>The Technical Submission should include narration, text and drawings providing information as noted below. Floor plans should be provided in hard copy and as PDF at the scales noted. Architectural floor plans should also be provided in AutoCAD version 2009 or Revit version 2011 Building Information Modeling files at the scales noted. The information requested in Section 3.2.2 (Design) and Section 3.2.3 (Technical Specification) should be organized by Building and then, for each Building, by the Sections included in 3.2.2 and 3.2.3.</p> <p>Proponents may submit plans in the metric scales noted in this Appendix or in the equivalent imperial scale:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Metric Drawing Scale</th> <th style="text-align: center;">Imperial Equivalent</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1:50</td> <td style="text-align: center;">1/4" = 1'0"</td> </tr> <tr> <td style="text-align: center;">1:100</td> <td style="text-align: center;">1/8" = 1'0"</td> </tr> <tr> <td style="text-align: center;">1:200</td> <td style="text-align: center;">1/16" = 1'0"</td> </tr> <tr> <td style="text-align: center;">1:500</td> <td style="text-align: center;">1" = 40'</td> </tr> </tbody> </table>			Metric Drawing Scale	Imperial Equivalent	1:50	1/4" = 1'0"	1:100	1/8" = 1'0"	1:200	1/16" = 1'0"	1:500	1" = 40'
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Section No.	Title	Contents										

3.2.1	General Approach	
3.2.1.1	Compliance with Final Draft Project Agreement	Confirm compliance of the Technical Submission with the Final Draft Project Agreement, and in particular with Schedule 3 [Design and Construction Specifications], including each of the Building Specifications in Appendices 3A through 3M, the Room Data Sheets and Heritage Conservation Plans.
3.2.1.2	Design and Construction Approach	Describe and provide details of the Proponent’s management plan for the Design and Construction including: <ul style="list-style-type: none"> <li>(a) the design methodology and general approach overall;</li> <li>(b) how consideration of the Services will be integrated into the Design;</li> <li>(c) approach to design of the individual Buildings;</li> <li>(d) approach to minimize impacts on existing Building operations; and</li> <li>(e) quality control procedures.</li> </ul>
3.2.1.3	Meeting Project Design Objectives	Provide written and graphical summaries of the Design to demonstrate how the Proponent has addressed the following Project design objectives: <ul style="list-style-type: none"> <li>(a) provide Buildings that are cost effective, efficient and easy to maintain and respond to anticipated tenant needs;</li> <li>(b) provide durable, affordable, secure housing that fosters a sense of community;</li> <li>(c) consider each Building’s geographical location, topography, climate and orientation and future life cycle costs in the choice of rehabilitation building materials and systems;</li> <li>(d) maintain and enhance each Building’s heritage character and elements to sustain the Building’s heritage value over the Term; and</li> <li>(e) provide for the special security considerations for the DTES community that these buildings serve.</li> </ul>
3.2.1.4	User Consultation and Design Review	Provide the proposed Submittal schedules for the Project, including: <ul style="list-style-type: none"> <li>(a) the timing of consultations under the User Consultation protocol, the subject matter of those consultations and the form of the consultation (for example, presentation followed by question and answer); and</li> <li>(b) the order and timing of all Submittals in relation to the Project (including the anticipated submission</li> </ul>

Section No.	Title	Contents
		date and finalization date) and a description of each Submittal, including the subject matter and form (for example, a drawing or narrative) of each Submittal, clearly outlining the components / detail that are to be reviewed by the Authority.
3.2.1.5	Decanting Schedule	<ul style="list-style-type: none"> <li>(a) Provide an indicative Decanting Schedule and describe how that schedule meets the Decanting requirements of the Authority.</li> <li>(b) Demonstrate in the indicative Decanting Schedule if there is flexibility to respond to additional rooms being available, Building re-ordering, or timing changes due to unforeseen circumstances.</li> </ul>
3.2.1.6	Social Development	Describe the Proponent’s approach and plans to address the social development requirements of the Project Agreement.
3.2.1.7	Approvals	<ul style="list-style-type: none"> <li>(a) Identify in a table the list of approvals, including all statutory approvals, required to meet the Project deliverables and identify in that table from which approving body the Proponent anticipates receiving those approvals and the timing of those approvals, based on the submitted Project plan.</li> <li>(b) Describe and provide details of the Proponent’s process for managing approvals, including municipal approvals; and any other approvals necessary including any code variances.</li> <li>(c) Identify whether the design proposal will require any variance to zoning and, if a change in zoning is required, describe how the Proponent will manage the approval of the change.</li> </ul>
<b>3.2.2</b>	<b>Design</b>	
3.2.2.1	Functional Design	Provide functional relationship drawings (1:200 architectural plans) of the proposed space usage in accordance with Schedule 3 [Design and Construction Specifications] using colour to differentiate between programming, particularly in partially occupied buildings during refurbishment, and functional usage e.g. communal areas, circulation, private residences, office and commercial space.
3.2.2.2	Building Design	Provide: <ul style="list-style-type: none"> <li>(a) building elevations and sections, sufficient to illustrate design aesthetics, materials and major features including any features required by Heritage Conservation Plans;</li> </ul>

Section No.	Title	Contents
		<p>(b) floor plans (1:200) including basic dimensions. Include all walls and doors, structural elements, circulation elements (for example, stairs, elevators) and major service shafts;</p> <p>(c) room data sheets and drawings (1:50) indicating key dimensions showing location of all equipment and providing the typical location of general power and outlets, elevations and ceiling plans for typical rooms and typical areas, including:</p> <ul style="list-style-type: none"> <li>i. Residential Room;</li> <li>ii. Disabled person accessible Residential Room (where applicable);</li> <li>iii. Office/ Reception;</li> <li>iv. Communal recreation room;</li> <li>v. Kitchen;</li> <li>vi. Laundry;</li> <li>vii. Bathroom; and</li> </ul> <p>(d) building assemblies for all walls, floors and roofs affected by the scope of work.</p>
3.2.2.3	Equipment and Furniture	Provide an indicative equipment and furniture procurement schedule identifying major procurement activities and dates for Authority selection of specified items of equipment that are on the critical path for Design and Construction of the Buildings.
3.2.2.4	Elevators	Provide descriptions including types of elevators and how each satisfies or exceeds the requirements of Schedule 3 [Design and Construction Specifications].
Section No.	Title	Contents
<b>3.2.3</b>	<b>Technical Specification</b>	
3.2.3.1	Building Code/Outline Specifications	Provide a schematic design outline specification by division, basic Code analysis and identify areas of non-conformity and provide conceptual mitigating measures, including bylaw requirements and implications of

Section No.	Title	Contents
		legislation and policies, according to the headings in Schedule 3 [Design and Construction Specifications].
3.2.3.3	Structure	<ul style="list-style-type: none"> <li>(a) Describe and provide details of the structural upgrades for the Buildings.</li> <li>(b) Provide schematic level structural drawings (1:200) showing: <ul style="list-style-type: none"> <li>i. Floor plans showing both existing structural members (as understood from investigative work) and proposed remediation/reinforcing work and describe proposed modifications and alterations;</li> <li>ii. Remediation/Reinforcing details;</li> <li>iii. General Specifications; and</li> <li>iv. Seismic Upgrade Reinforcing of non-structural components, secondary components and falling hazards.</li> </ul> </li> </ul>
3.2.3.4	Civil Works	<p>Provide drawings (1:500) and documentation that illustrate the proposed civil works, including for:</p> <ul style="list-style-type: none"> <li>(a) storm water drainage;</li> <li>(b) sanitary sewer;</li> <li>(c) natural gas systems;</li> <li>(d) domestic water; and</li> <li>(e) road, sidewalk, curb and gutter designs.</li> </ul> <p>For each of the above describe and provide information on origin of supply, connection points, distribution and, as appropriate, storage, drainage and disposal. This information can be shown on a combined site plan with electrical and architectural features.</p>
3.2.3.5	Electrical	<ul style="list-style-type: none"> <li>(a) Provide a site plan (1:500) showing location and configuration of services including power, telephone, cable TV and any other electrical communications. This information can be shown on a combined site plan with electrical and architectural features;</li> <li>(b) Provide design drawings (1:200) and design documentation for electrical services and distribution,</li> </ul>

Section No.	Title	Contents
		<p>showing and describing:</p> <ul style="list-style-type: none"> <li>i. origin of supply(s);</li> <li>ii. position, size and capacity for emergency power, associated switchgear and transfer switches, if any.</li> </ul> <p>(c) Provide design drawings (1:200) and design documentation for lighting and power, showing and describing:</p> <ul style="list-style-type: none"> <li>i. position and types of site lighting and security lighting;</li> <li>ii. lighting and controls, including any proposed day lighting measures and energy management measures;</li> <li>iii. proposed power and communications distribution layouts;</li> <li>iv. proposed power monitoring systems if any; and</li> </ul> <p>(d) Describe the electrical services to be upgraded or provided and include details of:</p> <ul style="list-style-type: none"> <li>i. power distribution and maximum connected and demand load calculations;</li> <li>ii. new Service Room layouts;</li> <li>iii. new building power distribution one-line diagram;</li> <li>iv. type(s) of lighting and controls to be used, incorporating standards of design, emergency lighting and exit signage;</li> <li>v. standby and uninterrupted power supply requirements and distribution if required;</li> <li>vi. fire alarm system, including details of fire panels, audible and initiating devices and interconnection with other building systems; and</li> <li>vii. proposed equipment cut sheets for power distribution, lighting, lighting controls and emergency lighting and exit signage, fire alarm system.</li> </ul>
3.2.3.6	Communications Systems	<p>(a) Describe the system and associated scope for any required communication systems including typical devices, functions, CATV and any integration between systems.</p>

Section No.	Title	Contents
		<p>(b) Provide documentation of any building communication systems showing proposed:</p> <ul style="list-style-type: none"> <li>i. origin of supply and interconnection with external services;</li> <li>ii. communication network riser diagrams;</li> <li>iii. communication equipment layouts detailing interconnection details;</li> <li>iv. communication interface with other systems; and</li> <li>v. emergency evacuation and intercommunication systems, including details of master emergency control panel, zones and speakers,</li> </ul> <p>(c) Provide details of all standards proposed for supply, installation, testing and commissioning.</p>
3.2.3.7	Safety and Security	<p>(a) Describe the safety and security technologies proposed for the following:</p> <ul style="list-style-type: none"> <li>vi. access control to all areas;</li> <li>vii. CCTV; and</li> <li>viii. security systems,</li> </ul> <p>(b) Provide a site plan (1:500) showing the location and configuration of SMS devices. This can be combined with electrical site plan; and</p> <p>(c) Provide a threat and risk assessment for the Buildings and explain how that assessment has informed the design.</p>
3.2.3.8	Mechanical Systems	<p>(a) Provide brief descriptions of each of the following systems as applicable:</p> <ul style="list-style-type: none"> <li>i. primary energy source;</li> <li>ii. secondary energy source;</li> <li>iii. heating plant;</li> <li>iv. heat dissipation systems, cooling towers;</li> <li>v. air handling systems;</li> </ul>



Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>vi. exhaust systems;</li> <li>vii. domestic hot and cold water systems at various temperatures;</li> <li>viii. pumps (if any);</li> <li>ix. domestic water filtration and treatment;</li> <li>x. redundancy provisions;</li> <li>xi. plumbing fixtures;</li> <li>xii. all major mechanical space locations;</li> <li>xiii. Building Management System; and</li> </ul> <p>(b) Provide and address the following:</p> <ul style="list-style-type: none"> <li>i. load calculations:           <ul style="list-style-type: none"> <li>▪ description of glazing system, floor, roof and internal partition system and U values of assemblies in the scope of work..</li> </ul> </li> <li>ii. air handling system:           <ul style="list-style-type: none"> <li>▪ air handling system type and function;</li> <li>▪ ventilation and total supply air rates for each space and for the building as a whole;</li> <li>▪ heating sources;</li> <li>▪ zone by zone heating loads, in w/m<sup>2</sup>;</li> <li>▪ floor area served by each unit, in m<sup>2</sup>;</li> <li>▪ smoke control and operation under fire service requirements.</li> </ul> </li> <li>iii. cooling and heating plants:           <ul style="list-style-type: none"> <li>▪ description of plants, including type and configuration;</li> <li>▪ plant locations;</li> </ul> </li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>▪ average loads, in w/m<sup>2</sup>, based on total heated area;</li> <li>▪ total loads in KW and total installed capacities;</li> <li>▪ system efficiencies in %, COP, or SEER</li> <li>▪ energy recovery measures;</li> <li>▪ standby plant or duplication provisions.</li> </ul> <p>iv. exhaust systems:</p> <ul style="list-style-type: none"> <li>▪ exhaust system types and functions;</li> <li>▪ exhaust terminations;</li> <li>▪ as applicable, make-up air, tempering of make-up air.</li> </ul> <p>v. domestic hot water systems:</p> <ul style="list-style-type: none"> <li>▪ description of system and primary fuel;</li> <li>▪ storage;</li> <li>▪ recovery rate in litres per hour for 55°C/100°F temperature rise;</li> <li>▪ number and size of storage vessels, construction and material and location of plant;</li> <li>▪ define number of pressure zones and how function of domestic recirculating system is accomplished.</li> </ul> <p>(c) Describe the proposed fire protection system and how it will integrate with the fire detection systems incorporated within the electrical, hydraulic and/or mechanical installations, including indicative features such as:</p> <ul style="list-style-type: none"> <li>i. underground distribution network (if applicable);</li> <li>ii. tanks, if any, provided for fire protection;</li> <li>iii. pumps, if any.</li> </ul>

Section No.	Title	Contents
<b>3.2.4</b>	<b>Construction</b>	
3.2.4.1	Construction Approach	<p>(a) Describe the Proponent’s Quality Assurance Plan for both design and construction processes including:</p> <ul style="list-style-type: none"> <li>i. the means by which all service and quality non-conformance issues, including work performed by major sub-contractors, will be identified, monitored, resolved and incorporated into a continuous business improvement process;</li> <li>ii. the means by which all services are delivered in compliance with all Applicable Laws, Authority Policies and Good Industry Practice;</li> <li>iii. the frequency of internal or external audits or reviews;</li> <li>iv. roles and responsibilities related to Quality Assurance;</li> <li>v. any other key features of the Quality Assurance system, including approach during Design and Construction phases.</li> </ul> <p>(b) Describe and provide details of the Proponent’s process for managing commissioning.</p> <p>(c) Describe and provide details of the Proponent’s process for managing change orders.</p> <p>(d) Describe the Proponent’s plan for identifying and correcting deficiencies in advance of Building Opening and Service Commencement; and</p> <p>(e) Describe the Proponents safety plan for the construction period.</p>
3.2.4.2	Integration	<p>Describe and provide the Proponent’s outline management plan for the integration of the design and construction phases of the Project, showing and identifying:</p> <ul style="list-style-type: none"> <li>(a) dust and noise control plan;</li> <li>(b) hazardous materials plan;</li> <li>(c) construction staging areas, vehicle access and control strategies, including diagrams and plans as necessary to demonstrate how construction activities will be handled for each Building; and</li> </ul>

Section No.	Title	Contents
		(d) the strategy and access to services required during construction.
3.2.4.4	Life Cycle/Capital Replacement Plan	<p>(a) Provide for each Building a Life Cycle Report in Excel spreadsheet format following the ASTM Uniformat II (E1557-97) Classification (Level 3) of proposed Building Elements clearly identifying:</p> <ul style="list-style-type: none"> <li>i. the assumed asset life, strategy and replacement schedule for all Building systems and elements for which Project Co is responsible. Proponents are responsible to determine the specific components and elements within each classification required to support their proposed approach, methodology and cost structure for life cycle replacement and refurbishment; and</li> <li>ii. the capital expenditures associated with the life cycle/capital replacement plan.</li> </ul> <p>(b) Describe and provide details of how the Services Provider has influenced the proposed design for the Buildings and in particular, how total Life Cycle Costs have been optimized.</p>

Section No.	Title	Contents
<b>3.3</b>	<b>Services</b>	
3.3.1	Approach	<p>Provide a general description of the overall approach and concept of operations for delivery of the Services including the phased start-up of the Buildings, and provide specific descriptions of:</p> <ul style="list-style-type: none"> <li>(a) how the Proponent will establish and implement a Services Quality Plan including a description of how the Proponent will manage performance of the Service Provider and/or sub-contractors and meet the requirements set out in Schedule 4 [Service Protocols and Specifications];</li> <li>(b) how the Proponent will establish and implement a Performance Monitoring Program and provide the Performance Monitoring Report;</li> <li>(c) how the Proponent will establish and implement an Environmental Management Plan;</li> <li>(d) how the Proponent will establish and implement a Health &amp; Safety Plan for the Services including the role of Prime Contractor at the Buildings;</li> <li>(e) how the Proponent will establish and implement an Energy Management Plan;</li> <li>(f) how the Proponent will develop and submit the Start-up Plans, the Annual Service Plans and the Five Year Maintenance Plans;</li> <li>(g) the Proponent’s approach to the Joint Technical Reviews throughout the Operating Period ; and</li> <li>(h) how Services will interface and be coordinated, within in the context of a social housing environment, with the Authority’s services and services to be delivered by the Housing Operators at the Buildings.</li> </ul>
3.3.2	Organization	<p>Describe Project Co’s proposed organization and service delivery model including details regarding:</p> <ul style="list-style-type: none"> <li>(a) the organizational structure proposed to meet the requirements of Schedule 4 [Services Protocols and Specifications], including an organization chart that identifies the key names</li> </ul>

Section No.	Title	Contents
		<p>(to the extent available) and positions that will be responsible for management and delivery of the Services, including subcontractors;</p> <p>(b) the number of staff expected to be available during the regular business hours of the Services team and their roles;</p> <p>(c) how Services will be addressed outside of regular business hours;</p> <p>(d) the lines of authority and relationship between the proposed Services organization and Project Co, including a description of the business and technical support to be provided to the Services team; and</p> <p>(e) the proposed approach to relationship management and interaction with Authority staff, the Housing Operators and Commercial Tenants with respect to the Services.</p>
3.3.3	Help Desk	<p>Describe and provide details of:</p> <p>(a) the proposed approach to deliver the Help Desk Services on a 24 hour, 7 day a week basis including back-up provisions and procedures to accommodate periods of high call volume;</p> <p>(b) the hardware and software technology to be utilized;</p> <p>(c) the business processes and security features related to maintenance of electronic logs, records and response and rectification times; and</p> <p>(d) how the Help Desk as the sole FM user contact will interface with the delivery of other services, in particular those that are not the responsibility of Project Co (e.g., misdirected calls, confusion in who is accountable for delivering a service between the Authority, the Housing Operators and Project Co).</p>
3.3.4	FM Services	<p>Describe and provide details of the Services that will be provided, including:</p> <p>(a) asset management philosophy and how this will be implemented in terms of systems and practices throughout the Operating Period, including a description of how the Proponent will ensure that the Buildings and each of the Maintained Elements will meet the provisions of the Handback Requirements at the Expiry Date;</p> <p>(b) a description of the CMMS to be employed and how maintenance work will be planned,</p>

Section No.	Title	Contents
		<p>scheduled and monitored across multiple sites;</p> <ul style="list-style-type: none"><li>(c) an example of a preventive maintenance schedule and an individual job plan;</li><li>(d) a description of the Proponent's approach to the management of demand maintenance, including emergencies and how Response Times and Rectification Times will be met; and</li><li>(e) a description of how the Services will be delivered in a manner that minimizes disruption to Building Users and takes into account the unique resident population of the Buildings and the DTES.</li></ul>

### 3. SUBMISSION REQUIREMENTS FOR FINANCIAL SUBMISSION

Without limiting the requirements set out below and in the following table, each Proponent should include in its Financial Submission information and documentation that reasonably demonstrates that the Proposal satisfies the financial requirements set out in this RFP and the Final Draft Project Agreement. The Financial Submission should provide evidence that the Proponent has in place all necessary financial arrangements for the Project.

This section summarizes the information and documentation that Proponents should address in their Financial Submissions.

Proponents should prepare their Financial Submission on the basis of the Final Draft Project Agreement, without amendment, and on the basis of their Technical Submission, including any further information and documentation (including clarifications, rectifications, and more complete, supplementary, replacement and additional information and documentation delivered in accordance with this RFP).

<b>Package 1: Transmittal Package</b>
<p>The transmittal package should contain the following information and documents:</p> <ul style="list-style-type: none"><li>• a letter that confirms that the Proposal Cost is within the Affordability Ceiling;</li><li>• confirmation that there have been no changes to the Proponent Team or any Key Firm other than those with respect to which the Proponent has complied with Section 6.12 of this RFP;</li><li>• one (1) fully executed copy of Appendix C – Proposal Declaration Form; and</li><li>• an overview Table of Contents for all parts of the Financial Submission.</li></ul>



**Package 2: Financial**

**Executive Summary and Contents List:**

Without limiting the requirements set out below and in the following table, the Proponent should include in Package 2 of the Financial Submission:

- a fully developed, robust Financial Model and financing plan;
- written evidence that the Proponent has sufficient support and commitment from the Lenders to support all financial aspects of the Project, and that the Proponent will:
  - execute the Project Agreement, substantially in the form of the Final Draft Project Agreement, as may be modified in accordance with Section 2.3 of this RFP; and
  - perform all of the obligations of Project Co as set out in the Final Draft Project Agreement;
- a profile of proposed Building Opening Payments and Service Payments and confirmation that the Affordability Requirements have been met.

Package 2 of the Financial Submission should provide sufficient information and documentation, in accordance with the requirements set out below, to allow the Authority to evaluate whether:

- the Proposal satisfies the financial requirements set out in this RFP and the Final Draft Project Agreement, including:
  - that the Proponent has arranged sufficient committed financing for the Project in accordance with the requirements set out in this Appendix B and having regard to the requirements of the Final Draft Project Agreement;
  - financial robustness and deliverability; and
  - that the financing plan can be executed expediently if the Proponent is selected as Preferred Proponent;
- each of the Equity Members of the Proponent continue to have the ability to raise sufficient capital to fund equity requirements; and
- the Proponent, the Equity Members and Project Contractors have the financial capacity to meet their obligations in respect of the Project.

Package 2 of the Financial Submission should address the requirements set out in the table below.

Section No.	Title	Contents
<b>4.1</b>	<b>Structure of Project Co and Relationship with the Authority</b>	
4.1.1	Structure of Project Co	Describe (up to approximately 1,000 words) the legal structure of Project Co and the existing or anticipated contractual relationship between Project Co and Project Co team members.
4.1.2	Relationship with the Authority	Describe (up to approximately 1,000 words) the management structure of, and Key Individuals within, Project Co and their roles in interacting with the Authority.
<b>4.2</b>	<b>Agreements within Project Co</b>	
4.2.1	Project Contractors	Provide draft heads of agreements executed by all applicable parties for all major contractors and subcontractors, including those related to Design, Construction (including mechanical and engineering, and all other major subcontractors), Maintenance and Life Cycle Requirements. Include details of all performance security (e.g., performance bonds, parent company guarantees, financial guaranty insurance policy, bank letter of credit or other performance or financial support) being provided by the major contractors and subcontractors.
<b>4.3</b>	<b>Price Proposal</b>	
4.3.1	Price Proposal	Provide: <ul style="list-style-type: none"> <li>• the Proposal Cost (using the Affordability Model as described in Section 4.2 of this RFP); and</li> <li>• confirmation that Section 7.1(c) of this RFP (Mandatory Requirements) has been met.</li> </ul>
4.3.2	Pricing Forms	Complete and provide each of Forms A1 through A8. Except where otherwise expressly indicated herein, include all taxes other than HST. References to “Financial Model” should provide the cell reference that shows the corresponding input assumption.

4.4		Basis of Financial Submission									
4.4.1	Key Dates	Use: <ul style="list-style-type: none"> <li>the Base Date of August 1, 2012 for the purpose of indexation in accordance with Section 4.4.6 of this Appendix B;</li> <li>January 1, 2017 for the purposes of discounting (the “<b>Discount Date</b>”); and</li> <li>December 12, 2012 for Financial Close (the “<b>Assumed Financial Close Date</b>”).</li> </ul>									
4.4.2	Currency	Prices requested in this RFP are to be submitted in Canadian dollars.									
4.4.3	Price Validity	Provide confirmation that with the exception for permitted adjustments to interest rates and credit margins, all prices and input costs in the Proposal remain firm and valid for a period of 120 days from the Financial Submission date in accordance with Section 6.13 of this RFP.									
4.4.4	Interest Rates	<p>The Proponent should use the Base Rate(s) verified in accordance with Section 5.6 of this RFP in the preparation of its Financial Submission.</p> <p>The following table illustrates how the Base Rate(s) and all spreads, including credit spreads, any swap premiums, and any other adjustments should be presented in the Proponent’s Financial Submission and Financial Model. The Proponent should provide the formulaic pricing details of the swap premium, if any and full details and explanations for any fees, credit spread, margins and other adjustments to the Base Rate(s).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Interest Rate</th> <th style="width: 10%;">Value</th> <th style="width: 40%;">Explanation</th> <th style="width: 35%;">Treatment</th> </tr> </thead> <tbody> <tr> <td>Base Rate(s)</td> <td>X.XX%</td> <td> Pricing reference rate. May be developed from one or a combination of the eligible instruments identified in Appendix N of this RFP.   Excludes all credit spreads, swap credit spreads, fees and other types of pricing </td> <td>WILL BE ADJUSTED ONLY at, Credit Spread Refresh Lock-in Date (if applicable) and Financial Close to account for movement in the Base Rate. (No changes are allowed to the specific benchmark reference securities and rate(s) used to build this rate, but</td> </tr> </tbody> </table>		Interest Rate	Value	Explanation	Treatment	Base Rate(s)	X.XX%	Pricing reference rate. May be developed from one or a combination of the eligible instruments identified in Appendix N of this RFP.  Excludes all credit spreads, swap credit spreads, fees and other types of pricing	WILL BE ADJUSTED ONLY at, Credit Spread Refresh Lock-in Date (if applicable) and Financial Close to account for movement in the Base Rate. (No changes are allowed to the specific benchmark reference securities and rate(s) used to build this rate, but
Interest Rate	Value	Explanation	Treatment								
Base Rate(s)	X.XX%	Pricing reference rate. May be developed from one or a combination of the eligible instruments identified in Appendix N of this RFP.  Excludes all credit spreads, swap credit spreads, fees and other types of pricing	WILL BE ADJUSTED ONLY at, Credit Spread Refresh Lock-in Date (if applicable) and Financial Close to account for movement in the Base Rate. (No changes are allowed to the specific benchmark reference securities and rate(s) used to build this rate, but								

Section No.	Title	Contents			
				premiums.	adjustments will be made to reflect the adjusted pricing of those instruments at Financial Close.)
		Credit Spread	X.XX%	Financing premium/spread over Base Rate.	ADJUSTED ONLY IF IDENTIFIED AS A CREDIT SPREAD REFRESH FACILITY at Credit Spread Refresh Lock-in Date as applicable.
		Swap Spread	X.XX%	Swap Spread (where applicable and inclusive of all costs to execute the swap from the mid rate).	WILL NOT BE ADJUSTED.
		Other fees (as applicable)	X.XX%	Specific to the financing solution provided.	WILL NOT BE ADJUSTED.
		Interest Rate	X.XX%	Sum of benchmark rate, credit spread and all other premiums, fees, etc.	ADJUSTED PER THE MOVEMENT (IF ANY) AS SPECIFIED ABOVE.
		Provide a detailed protocol (the “Base Rate Set Protocol”) for confirming and agreeing the Base Rate(s) at Financial Close including a detailed description of the mechanism and sequence of steps by which the Financial Model and the Periodic Payments will be re-optimised for changes in Base Rate(s) at Financial Close (including identifying those cells within the Financial Model that will need to be adjusted to account for changes in the interest rates to restore both the debt service coverage ratio and the Base Case Equity IRR to the same levels as at the Financial Submission date).			
4.4.5	Interest Income Rate on Reinvestment Product(s)	If a Proponent’s Financing Plan contains assumptions with respect to one or more interest income rates for a reinvestment product associated with any portion of a senior finance facility, then Proponents should provide the detail in the following table in relation to the interest income rate(s):			

Section No.	Title	Contents				
			<b>Interest Rate</b>	<b>Value</b>	<b>Explanation</b>	<b>Treatment</b>
		1.	Base Rate(s)	X.XX%	Pricing reference rate. May be developed from one or a combination of the eligible instruments identified in Appendix N of this RFP. Excludes all credit spreads, swap credit spreads, fees and other types of pricing premiums.	WILL BE ADJUSTED ONLY at Credit Spread Refresh Lock-in Date (if applicable) and Financial Close to account for movement in the Base Rate. (No changes are allowed to the specific benchmark reference securities used to build this rate, but adjustments will be made to reflect the adjusted pricing of those instruments at Financial Close.)
		2.	Credit Spread	X.XX%	Financing premium/spread over Base Rate.	WILL NOT BE ADJUSTED.
		3.	Swap Spread	X.XX%	Swap Spread (where applicable and inclusive of all costs to execute the swap from the mid rate).	WILL NOT BE ADJUSTED.
		4.	Other fees (as applicable)	X.XX%	Specific to the financing solution provided.	WILL NOT BE ADJUSTED.
		5.	Interest Income Rate	X.XX%	Sum of benchmark rate, credit spread and all other premiums, fees, etc.	ADJUSTED PER THE MOVEMENT (IF ANY) AS SPECIFIED ABOVE.
4.4.6	Inflation	. Assume that an element of the Service Payments will be indexed using the CPI in accordance Schedule 8[Payments] to the Final Draft Project Agreement. For evaluation purposes, assume CPI at a rate of 2.50% per annum and indexation applied on an annual basis starting April 1 and ending March 31, with the first adjustment period from the Base Date until January 2013 (being the most recently published CPI index prior to April 1, 2013) and with the adjustment effective April 1, 2013. The Authority is prepared to pay indexation only on the cost of the following items described in				

Section No.	Title	Contents
		<p>Schedule 4 [Services Protocols and Specifications]:</p> <ul style="list-style-type: none"> <li>(a) services;</li> <li>(b) life cycle; and</li> <li>(c) other operating costs.</li> </ul> <p>Only the life cycle cost portion of the Building Opening Payment may vary in real terms.</p>
4.4.7	Discount rate	For the purposes of the estimated Service Payments calculation, Proponents should use an annual rate of 7.50% nominal as the Discount Rate.
4.4.8	Tax	Provide full details of its taxation assumptions to demonstrate that in preparing its Proposal, the Proponent has given full consideration to all tax implications, including HST, which affect the total project cost to the Authority.
4.4.9	Payment Mechanism	The payment mechanism as described in Schedule 8 [Payments] should be used without modification to calculate the amount of the Proponent's proposed Building Opening Payments and Service Payments. The Building Opening Payments and the Service Payment profile should be shown assuming no deductions.
<b>4.5</b>	<b>Financial Capacity</b>	
4.5.1	Equity Members, Shareholders and Guarantors	<p>Provide the following information, unless previously provided in the RFQ (with a reference to the applicable section of that submission) and updated as necessary, in respect of each of its Equity Members, shareholders and guarantors:</p> <ul style="list-style-type: none"> <li>(a) certified copies of board resolutions from the Proponent and each of its Equity Member(s) approving the Proposal and authorizing submission of the Proposal in response to this RFP on behalf of the Proponent and each Equity Member(s);</li> <li>(b) details of any material changes to the Proponent's organization since the RFQ Response;</li> <li>(c) estimated level of equity participation in the Project for each Equity Member and demonstration of how that equity will be funded;</li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>(d) description of credit lines, cash or other liquid investments available to support the estimated level of equity participations required;</li> <li>(e) annual audited financial statements or other similar financial information for each of the last three fiscal years;</li> <li>(f) for entities which do not prepare audit financial statements, a certificate of a senior officer of each such entity attaching unaudited annual financial statements or other similar financial information for each of the last three fiscal years and confirming that such financial statements present fairly, in all material respects, the financial position of such entity, in conformity with GAAP;</li> <li>(g) details of any material events that may affect the party’s current financial standing since the last annual financial statements provided;</li> <li>(h) details of any credit rating(s); and</li> <li>(i) details of any bankruptcy, insolvency, company creditor arrangement or other insolvency litigation in the last three fiscal years.</li> </ul>
4.5.2	Financial Capacity Update	Provide written acknowledgement of no material adverse change since the date of any financial information submitted with the Proponent’s RFQ response. This should be executed on behalf of the Proponent, the Proponent Team members, and Proponent guarantors, if any, for which financial information was submitted to the Authority in the RFQ Response or in connection with any change in the Proponent Team, by the Chief Financial Officer or other authorized officer of each respective entity. If there has been a material adverse change, full details should be provided. The Authority may, in its sole discretion, request further evidence of financial capacity.
<b>4.6</b>	<b>Financing</b>	
<p>In this Section 4.6:</p> <p>“<b>Acceptable Credit Rating Agency</b>” means Moody’s Investor Services, Standard &amp; Poor’s, Dominion Bond Rating Service or Fitch Ratings, Ltd.</p> <p>“<b>Credit Rating</b>” means a credit rating from an Acceptable Credit Rating Agency.</p> <p>If a Credit Rating is required for an entity but not available, the Proponent should provide the following information for that entity (or if provided in</p>		

Section No.	Title	Contents
<p>its RFQ submission, refer to the applicable section of that submission):</p> <ul style="list-style-type: none"> <li>• copies of annual audited financial statements or other similar financial information for each of the last three fiscal years;</li> <li>• if available, copies of the interim financial statement for each quarter since the last fiscal year for which audited statements are provided;</li> <li>• details of any material off-balance sheet financing arrangements currently in place;</li> <li>• details of any material events that may affect the entity’s financial standing since the last annual or interim financial statements provided; and</li> <li>• details of any bankruptcy, insolvency, company creditor arrangement or other insolvency litigation in the last three fiscal years.</li> </ul>		
4.6.1	Financing Plan	<p>Provide a financing plan (the “<b>Financing Plan</b>”) which demonstrates that the Proponent has arranged sufficient financing for the Project and which complies with the following:</p> <ul style="list-style-type: none"> <li>(a) includes full details of the financial structure and instruments proposed;</li> <li>(b) the sources of financing match the use of funds throughout the Term, and the Financing Plan includes: <ul style="list-style-type: none"> <li>i. a description of all sources of financing;</li> <li>ii. a description of how the Authority Funding has been integrated into the Financing Plan;</li> <li>iii. a description of any and all insurance or bonding;</li> <li>iv. the terms of any supporting guarantee(s) and details of how the Proponent will satisfy those terms; and</li> <li>v. a description of the Proponent’s anticipated hedging strategy and requirements.</li> </ul> </li> <li>(c) if a bank funding solution/private placement bond is proposed, provide the following details: <ul style="list-style-type: none"> <li>i. letter from the funders with confirming letter from such funders’ legal counsel confirming that the funders and their legal counsel have no additional comments on the Final Draft Project Agreement;</li> <li>ii. evidence, in the form of detailed term sheets or in the commitment letters</li> </ul> </li> </ul>



Section No.	Title	Contents
		<p>contemplated in Section 4.6.5 of this Appendix B, of the commitment of the funders to provide the level of financing required; and</p> <p>iii. for each funder, evidence of its Credit Rating.</p> <p>(d) if a capital market and/or bond funding solution is proposed which depends on a Credit Rating, provide:</p> <p>i. an indicative Credit Rating together with a timetable to achieve final ratings; and</p> <p>ii. for each underwriter, evidence of its Credit Rating.</p> <p>(e) if a solution involving a financial guarantor is proposed, provide:</p> <p>i. letters from all financial guarantors with confirming letters from such financial guarantors' legal counsel confirming that the financial guarantors and their legal counsel have no additional comments on the Final Draft Project Agreement;</p> <p>ii. evidence, in the form of detailed term sheets or in the commitment letters that are contemplated in Section 4.6.5 of this Appendix B of the financial guarantor(s) to provide the guarantee required; and</p> <p>iii. for each financial guarantor, evidence of its Credit Rating.</p>
4.6.2	Refinancing	<p>If a Proponent plans to refinance, it should describe its refinancing plans in its Proposal and:</p> <p>(a) demonstrate that the benefits of any refinancing have been taken into account in its Proposal; and</p> <p>(b) provide details of any assumptions about the structure and the timing of the refinancing, interest rates, margins, timing of repayments, reserve accounts and cover ratios.</p>
4.6.3	Terms of Financing	<p>The Financing Plan should include the terms of each source of financing (including any equity bridge loans), set out as follows:</p> <p>With respect to the parties that will provide financing or funding if the Proponent is selected as the Preferred Proponent and enters into the Project Agreement, the following should be provided:</p> <p>(a) identity and Credit Rating of each funder;</p>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>(b) amounts to be provided by each funder;</li> <li>(c) the timing of injection, including the proposed funding schedule during Construction;</li> <li>(d) the terms and conditions of subscription, including returns or yields;</li> <li>(e) dividend rights;</li> <li>(f) voting rights; and</li> <li>(g) the conditions, if any, upon which funds would be committed.</li> </ul> <p>With respect to each form of equity or quasi-equity investments, the following information should be provided in the form of a detailed term sheet or within the commitment letter contemplated in Section 4.6.5 of this Appendix B:</p> <ul style="list-style-type: none"> <li>(a) the identity and Credit Rating of the equity or quasi-equity subscriber;</li> <li>(b) details regarding the availability of equity and quasi-equity finance and the financial standing of the quasi-equity finance provider;</li> <li>(c) copies of board minutes approving the quantum of equity and quasi-equity to be provided including details regarding the terms under which Equity finance is available (including, where applicable, detailed terms sheets and head of terms) and a demonstration of how that Equity will be funded (including, to the extent applicable, guarantees, a description of credit lines, cash or liquid investments available to support the estimated level of Equity participations required);</li> <li>(d) if guarantees are being provided as part of the financing package, written confirmation by each shareholder’s parent company, stating that it is able to provide a parent company guarantee in relation to the availability of the equity/quasi-equity for the Project, and that it has adequate funds available; and</li> <li>(e) if any equity or quasi-equity finance is to be raised from external sources, these sources should be specified and written confirmation given by the providers as to their willingness to offer funding and the amount of funding available.</li> </ul> <p>With respect to each class of debt or other funding source (including leases), for each arranger or underwriter, the following information should be provided in the form of a detailed term sheet or within</p>

Section No.	Title	Contents
		<p>the commitment letter required for each funder as contemplated in Section 4.6.5 of this Appendix B:</p> <ul style="list-style-type: none"> <li>(a) the identity and Credit Rating of the lender, arranger or underwriter;</li> <li>(b) the amount of financing proposed or committed;</li> <li>(c) the drawdown schedule;</li> <li>(d) details of grace periods, including duration and contingency;</li> <li>(e) repayment or redemption schedules, maturity dates and prepayment terms (including make-whole clauses);</li> <li>(f) security, bonding or guarantee requirements (from either parents or third parties);</li> <li>(g) arrangement/underwriting, commitment, agency and all other such fees;</li> <li>(h) interest rates and margins including any step up/down mechanism;</li> <li>(i) material covenants, undertakings and other restrictions/requirements;</li> <li>(j) requirements for reserve accounts;</li> <li>(k) events of default and other similar arrangements;</li> <li>(l) step-in arrangements;</li> <li>(m) conditions precedent;</li> <li>(n) due diligence requirements; and</li> <li>(o) any other restrictions, requirements or conditions that materially impact the Proponent's ability to raise financing or draw down on committed financing after the Effective Date.</li> </ul>
4.6.4	Financial Robustness	<p>Provide a description of the robustness of the proposed financial structure, including details of how key risks will be managed (e.g., interest rate, schedule overruns, inflation, operation, maintenance, life cycle and construction).</p> <p>Provide the Proponent's contingency financing plans as evidenced by one or more of the following:</p> <ul style="list-style-type: none"> <li>(a) commitment by Lenders to top up their respective share(s) (to replace any lender who might fail to advance);</li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>(b) level of diversification in pool of lenders;</li> <li>(c) strength of relationships with committed lenders, as well as other non-participating lenders;</li> <li>(d) any other contingency plans to ensure Financial Close is achieved under the same conditions; or</li> <li>(e) ability of equity funders to meet any condition(s) that might be required by Lenders leading up to Financial Close.</li> </ul>
4.6.5	Commitment Letters	All sponsor equity and quasi-equity, debt, bonding and guarantees should be fully committed subject only to documentation and material adverse change. Provide evidence of this commitment by certified copies of board resolutions from the equity and quasi-equity providers related to the terms set out. If equity or quasi-equity is to be provided by third parties, similar commitment should be from an underwriter for the full amount. Provide clear and express written statements of support and/or commitment directly, in the form of Commitment Letters (substantially in the form of Appendix G), from all proposed senior debt holders.
<b>4.7</b>	<b>Financial Model</b>	
4.7.1	Financial Model and Structure	<p>Proponents should submit a financial model (the “<b>Financial Model</b>”) in electronic form.</p> <p>The Proponent’s Financial Model should be consistent with the following assumptions and structure:</p> <ul style="list-style-type: none"> <li>(a) produced in a Microsoft Excel version compatible with the 2003 version or the 2007 version;</li> <li>(b) provide financial projections (cost and revenue projections) on a monthly basis during construction and a semi-annual basis (or more frequently) thereafter in accordance with a fiscal year basis commencing April 1;</li> <li>(c) be expressed in Canadian dollars;</li> <li>(d) not include circular references or input numbers in the calculation worksheets;</li> <li>(e) present inputs in blue font and formulas in black font;</li> <li>(f) flow calculations down and to the right;</li> <li>(g) limit the number of “if” statements;</li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>(h) include no hidden or password protected cells or worksheets; and</li> <li>(i) include a print option macro and ensure all sheets are set up to be clearly printable and legible on 8.5 x 11” paper with row and column descriptions on each printed page.</li> </ul>
4.7.2	Financial Model Inputs and Outputs	<p>The Proponent’s Financial Model should include and provide:</p> <ul style="list-style-type: none"> <li>(a) Assumption schedules: <ul style="list-style-type: none"> <li>i. capital (including a breakdown of development costs), operating, maintenance and life cycle costs;</li> <li>ii. time-based assumptions (those that change over time);</li> <li>iii. static assumptions (those that do not change over time);</li> <li>iv. taxation;</li> <li>v. financing (including refinancing);</li> <li>vi. Building Opening Payments;</li> <li>vii. Service Payments;</li> <li>viii. revenue (in addition to the Service Payments);</li> <li>ix. payment mechanism;</li> <li>x. project internal rate of return (IRR), before financing and tax, in both real terms and nominal terms (“Base Case Project IRR” as defined in the Final Draft Project Agreement) and project internal rate of return (IRR) calculated using the methodology described in the file named “Sample IRR calculation.xls” which is provided in the Data Room; and</li> <li>xi. Independent Certifier cost estimate of \$200,000 (\$400,000 total and 50% to Project Co’s account).</li> </ul> </li> <li>(b) Outputs: <ul style="list-style-type: none"> <li>i. summary outputs;</li> </ul> </li> </ul>

Section No.	Title	Contents
		<ul style="list-style-type: none"> <li>ii. sources and uses of funding for both capital and operating periods;</li> <li>iii. a schedule of payments by the Authority that sets out the expected date of payment (i.e., Construction Payments, Building Opening Payments and Service Payments) and the amount to be paid by the Authority, in both real and nominal terms;</li> <li>iv. the proposed funding structure, with funding schedules that specify the expected debt repayment dates and the amount of debt service, in nominal terms only, to be repaid;</li> <li>v. the calculation of Project returns for the different elements of financing (including refinancing gains);</li> <li>vi. financial statements (income statement, cash flow statement and balance sheet) presented in accordance with Canadian private sector GAAP;</li> <li>vii. a cash flow statement that reflects the priority of access to cash flow based on the investor covenants and requirements of the Proponent’s Financing Plan;</li> <li>viii. calculation and results of covenants;</li> <li>ix. financial ratios as required by funders as appropriate to the capital structure set out in the Proponent’s Financing Plan;</li> <li>x. Project internal rate of return (IRR), before financing and tax, in both real terms and nominal terms (“Base Case Project IRR” as defined in the Final Draft Project Agreement);</li> <li>xi. returns on equity and sub-debt, in both real terms and nominal terms;</li> <li>xii. a blended equity return that incorporates all sub-senior debt finance (“Threshold Equity IRR” as defined in the Final Draft Project Agreement);</li> <li>xiii. supporting schedules; and</li> <li>xiv. as a separate calculation, Proponents should clearly demonstrate how any hedge credit charges are calculated in the financial model, including the formula(s) to calculate the hedge credit charge and all relevant supporting data to allow the Authority to verify the calculation.</li> </ul> <p>(c) Affordability Model – link the outputs of the Financial Model to the Affordability Model; and</p>

Section No.	Title	Contents
		(d) Pricing Forms – link the applicable outputs of the Financial Model to the Pricing Forms.
4.7.3	Financial Model Assumptions Book	<p>Include an assumptions book for their Financial Model, which should provide sufficient detail for a duplicate Financial Model to be constructed from it and should cover the following areas:</p> <ul style="list-style-type: none"> <li>(a) a summary of the financing assumptions (including refinancings), including a breakdown of all fees and costs of the financing;</li> <li>(b) capital, operating, maintenance and life cycle costing schedules;</li> <li>(c) macro-economic assumptions;</li> <li>(d) taxation assumptions;</li> <li>(e) depreciation rates and other accounting policies; and</li> <li>(f) all other assumptions required to construct the Financial Model.</li> </ul> <p>The assumptions book should reconcile with the Financial Model. If the assumptions detailed in the assumptions book are not consistent with the assumptions in the Financial Model, the Authority may require the Proponent to resubmit either the Financial Model and/or the assumptions book.</p>
4.7.4	Sensitivity Analyses	<p>Complete and provide the table “Project Sensitivities” as provided in Form A4 and provide commentary to the outputs shown in Form A4. The Authority may, in its discretion, request additional sensitivities.</p> <p>Provide a narrative describing the Funders’ model sensitivities, including a list of key sensitivities and their impact upon key Funder ratios and equity returns. Also for each sensitivity or combination of sensitivities assessed, Proponents should demonstrate how any input parameters differ from the base case, before key Funders ratios are breached.</p>
4.7.5	Instructions Manual for Financial Models	<p>Include an instruction manual which should explain the functionality of the Financial Model and how it is structured including:</p> <ul style="list-style-type: none"> <li>• sufficient detail to allow the Authority to change model inputs to the sensitivities shown in Form A4; and</li> <li>• details of the optimization procedure in order to calculate the adjustment to the Building Opening Payments and Service Payments to be made as a result of changes to model</li> </ul>

Section No.	Title	Contents
		inputs.
4.7.6	Model Audit	<p>Submit on the Financial Submission Date the Financial Model together with an independent financial model audit, for the benefit of and reliance of the Authority.</p> <p>The opinion of the model auditor may result from the same independent review of the Financial Model carried out to satisfy the funders. The Authority expects that after Preferred Proponent is determined, the Authority will become an addressee or co-addressee on all future model audit reports and that the model auditor will carry a minimum liability of \$2,000,000.</p>
<b>4.8</b>	<b>Affordability Model</b>	
4.8.1	Affordability Model	Complete and include the Affordability Model directly into the Financial Model and link the appropriate outputs from the Financial Model and Pricing Forms.
<b>4.9</b>	<b>Insurance</b>	
4.9.1	Insurance Requirements	Include a completed “Construction Insurance Underwriting Questionnaire” in the form attached as Appendix I, together with all supporting documents.
<b>4.10</b>	<b>Pricing</b>	
4.10.1	Pricing Forms	Complete and include each of Forms A1 through A8 directly in their Financial Model and appropriately referenced to source cells. Except where otherwise expressly indicated herein, include all taxes other than HST.



Section No.	Title	Contents
<b>4.11</b>	<b>Repointing and Render Unit Prices</b>	
4.11.1	Repointing and Render Unit Prices	<p>Include unit prices (\$/sqft) for:</p> <ul style="list-style-type: none"> <li>• Excess brick repointing work; and</li> <li>• Excess render repair work.</li> </ul> <p>Refer to Appendix 2H [Undisclosed Rotting Structural Components, Brick Repointing and Render Repairs] of the Final Draft Project Agreement for more information.</p>
<b>4.12</b>	<b>Minor Works Rates</b>	
4.12.1	Minor Works Rates	<p>Include hourly minor works rates for:</p> <ul style="list-style-type: none"> <li>• Plumbers;</li> <li>• Electricians;</li> <li>• Painters; and</li> <li>• Site personnel to supervise and coordinate Minor Works.</li> </ul> <p>Refer to Schedule 6 [Changes, Minor Works and Innovation Proposals] of the Final Draft Project Agreement for more information.</p>

**Form A1a – Building Opening Payments (Real, rounded to the nearest Canadian dollar)**

Complete the following table for each Building and in summary for all Buildings.

Building Name				
Contract Month	Life Cycle Payment (if required) (as of the Base Date) (A)	Facility Maintenance Payment (as of the Base Date) (B)	Capital Payment (C)	Total Building Opening Payment (as of Base Date) (D) D=A+B+C
1				
2				
3				
4				
5				
6				
...				
64				
65				
66 (construction periods)				

**Form A1b – Service Payments (Real, rounded to the nearest Canadian dollar)**

Complete the following table for each Building and in summary for all Buildings.

Building Name				
Contract Month	Life Cycle Payment (if required) (as of the Base Date) (A)	Facility Maintenance Payment (as of the Base Date) (B)	Capital Payment (C)	Total Service Payment (as of Base Date) (D) D=A+B+C
1				
2				
3				
4				
5				
6				
...				
178				
179				
180 (service periods)				

**Form A2a - Building Opening Payments (Nominal, rounded to the nearest Canadian dollar)**

Complete the following table for each Building and in summary for all Buildings.

Building Name				
Contract Month	Life Cycle Payment (as of the Base Date) (A)	Facility Maintenance (as of the Base Date) (B)	Capital Payment (not Index Linked) (C)	Total Building Opening Payment (as of the Base Date) (D) D=A+B+C
1				
2				
3				
4				
5				
6				
...				
64				
65				
66 (construction periods)				

**Forma A2b - Service Payments (Nominal, rounded to the nearest Canadian dollar)**

Complete the following table for each Building and in summary for all Buildings.

Building Name				
Contract Month	Life Cycle Payment (as of the Base Date) (A)	Facility Maintenance (as of the Base Date) (B)	Capital Payment (not Index Linked) (C)	Total Service Payment (as of the Base Date) (D) D=A+B+C
1				
2				
3				
4				
5				
6				
...				
178				
179				
180 (service periods)				

**Form A3a and Form A3b**

Forms A3a and A3b correspond with Appendix 8B [Construction Period Payments] to the Project Agreement and form the basis of the Construction Payments.

Following the Building Opening Date of each Building, the Authority will pay to Project Co in accordance with Appendix 8B [Construction Period Payments] of the Project Agreement an amount equal to 25% of the Eligible Costs for each Building to a maximum of \$27.06 million in the aggregate.

**Form A3a - PPP Canada Eligible Costs**

Complete the following table for each Building and in summary for all Buildings.

<b>Building Name</b>		
<b>PPP Canada Eligible Costs</b>		
	<b>Total Direct Construction Costs</b>	<b>PPP Canada Contribution</b>
Capital Cost Subtotal <sup>1</sup>		
Bid Preparation Fees <sup>2</sup>	**	
SPV Costs During Construction <sup>3</sup>	**	
Interest Expense and Accrual During Construction	**	
Debt Service Reserve Account	**	
Fees (e.g.: Commitment, arrangement, swap, hedge and other fees)	**	
Total		

\*\* These costs should be prorated on the basis of construction costs for each Building.

<sup>1</sup> Amounts to be the same as the Capital Cost Subtotal in Form A7.

<sup>2</sup> Amount to be the same as the Bidding Fees in Form A7.

<sup>3</sup> Amount to be the same as the SPV Cost During Construction in Form A7.

**Form A3b - PPP Canada Contribution**

Complete the following table to summarize all Buildings.

Building Name	Expected Payment Period (Date)	Total Direct Construction Costs (\$)	PPP Canada Contribution (\$)
Total			
% of Eligible Cost			

**Form A4 – Project Sensitivities**

Sensitivities	Change	Loan Life Cover Ratio			Debt Service Cover Ratio			% Change that will breach lockup & bank default ratios		Project IRR		Blended Shareholder IRR
		Average	min	min. year	Average	min	min. year	Lock Up	Default	Real	Nominal	
Inflation for whole project, post-financial close	- 1.0 %											
Inflation for whole project, post-financial close	+1.0 %											
Inflation for whole project, post-financial close	+3.0 %											
Change in interest rates pre financial close	+50 bps											
Change in interest rates pre financial close	- 50bps											
<b>Provide a description of and the results of any sensitivities required by the Senior Lenders.</b>												



**Form A5 – SPV Running Costs (Fixed)**

Provide full details of the real fixed annual running costs of Project Co for the first full year of operation. If the real values vary over time, please provide detail. Such costs should cover the operation of Project Co itself and should not include any costs for the provision of the “Services”.

Cost Item	Fixed Cost \$ 000	Financial Model Reference
Regulatory		
Staff		
Accommodation		
Margin		
Technical		
Legal		
Audit/Tax		
Project Communications		
Finance Fees		
Insurance Costs		
Other costs 1 – please detail		
Other costs 2 – please detail		
<b>TOTAL</b>		

**Form A6 – SPV Running Costs (Variable)**

Provide full details of the real variable annual running costs of Project Co for the first full year of operation. If the real values vary over time, please provide detail. Such costs should cover the operation of Project Co itself and should not include any costs for the provision of the “Services”.

Complete the following table for each Building and in total.

<b>Building Name</b>		
<b>Cost Item</b>	<b>Variable Cost</b> <b>\$ 000</b>	<b>Financial Model Reference</b>
Regulatory		
Staff		
Accommodation		
Margin		
Technical		
Legal		
Audit/Tax		
Project Communications		
Finance Fees		
Insurance Costs		
Other costs 1 – please detail		
Other costs 2 – please detail		
<b>TOTAL</b>		

**Form A7 – Development and Capital Cost**

Provide the cost breakdown for the development, construction and commissioning of the Buildings used in the establishment of the Building Opening Payments and Service Payment. Building cost estimates should also describe the basis upon which the capital costs have been developed, clearly identifying any exclusions.

Complete the following table for each Building and in summary for all Buildings.

<b>Building Name</b>		
<b>Capital Cost</b>		
	<b>Total \$</b>	<b>Financial Model Reference</b>
Construction Contracts		
Construction Contingency		
Design Contingency		
Engineering		
Architect		
Environmental Consultant		
Communications Consultant		
Other Consultants		
Survey		
Testing and Inspections		
Landscaping (as required)		
Administrative Costs		
Construction Insurance		
Building permit		
Development Cost Charges (including credits shown separately)		
Off Site Services		
o Municipal (water, sanitary, storm , road works)		
o Other (electricity, gas, cable, telephone)		
Other Design Build Cost Items		
<b>CAPITAL COST SUBTOTAL*</b>		
Bidding Fees		
o [e.g.: Advisor fees (financial, technical, legal, tax, model audit, insurance, rating agencies), sponsor development fees]		
SPV Costs During Construction		
o [e.g.: Staffing, accommodation and office supplies, miscellaneous costs (travel, telephone, bank accounts, etc), corporate insurance, independent certifier]		
<b>TOTAL DEVELOPMENT AND CAPITAL COSTS**</b>		

\*The Capital Cost Subtotal should be equal to the Design-Build Agreement price.

\*\* Total Development and Capital Costs should include all project costs during the construction period except for:

- HST;
- interest expense and accrual associated with funding sources;
- commitment fees associated with funding sources;
- arrangement fees associated with funding sources;
- swap fees and hedge fees associated with funding sources;
- funding of reserve accounts and associated fees; and
- any other fees paid to financiers for the provision of capital.

Examples of funding sources include senior debt, mezzanine debt, equity, shareholder loans and subordinated debt.

**Form A8 – Summary Analysis of Service Costs for First Full Year of Operations**

Complete the following table for each Building and in summary for all Buildings.

Building Name		
Service	Staff Numbers and Full time Equivalent Staff (#gross/#FTE)	\$000
<b>Helpdesk Services</b>		
Labour Cost		
Other Expenditure		
<b>FM Services</b>		
Labour Cost		
Other Expenditure		
<b>Total Services Cost</b>		