

Delivery Model & Procurement Process

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Overview

- Provincial priority
- Procurement objectives
- Scope
- Process
- Schedule

Number One Transportation Priority

- Significant project – Trans Canada Highway
- Improving safety
- Enhancing the trade corridor
- Economic benefits to the region

Procurement Objectives

- Partnerships BC is the Business Transaction and Procurement Manager to the Ministry of Transportation
 - Manage a fair, transparent and competitive procurement process
 - Assess and deliver value-for-money
 - Create an interactive environment with proponents to achieve the best deal
 - Realize provincial objectives

Value for Money Proposition

- Scope for innovation
- Transfer of risk & reward
- Performance-based payments & incentives
- Significant size to attract market interest
- Consistent approach

Procurement Options

- Design Build
 - MoT procures both Design and Construction in a single contract
 - O&M and rehab done separately
- DBFO
 - Design Build Finance Operate contract
 - Includes maintenance and rehabilitation

Indicative Project Scope - DBFO

- Phase 2
 - Design, Build, Finance, Operate, Maintain & Rehabilitate
- 25-km Corridor
 - Operations and maintenance
 - Rehabilitation & asset management
 - Traffic management
- Finance of total scope
- Preliminary capital costs estimate - \$130M

Payment Mechanism

- Incentive payments during construction
 - Funds advanced upon meeting milestones
 - Availability payments
- Performance payments during the term
 - Availability
 - Traffic volume
 - Safety

Procurement Process

- Collaborative, opportunity for input
 - ROI Information Meeting
 - Draft RFP documents to be issued for comment
 - Proponent meetings / dialogue
- RFQ to be issued July 2004
 - Following PBC Board endorsement

Implementation Schedule

Issue Registration of Interest	May 04
Issue RFQ	July 04
Shortlist up to 3 Proponents	Sept 04
Issue RFP	Oct 04
RFP Closes	Feb 05
BAFO (if any)	April 05
Announce Preferred Proponent	June 05
Financial Close	Sept 05