



Request for Proposals

Abbotsford Hospital and
Cancer Centre

September 2003

Issued By

Partnerships British Columbia Inc.
for and on behalf of Abbotsford
Hospital and Cancer Centre Inc.

CONFIDENTIAL

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3	Site Plan
4	Bilateral Meeting Process
5	Site Development
6	Background Information
7	Bed Occupancy Scenarios
8	[Reserved]
9	Proposal Form
10	Submission Requirements

1. INTRODUCTION

1.1 General

This RFP is part of the second stage of the procurement process for the proposed AHCC, the new 300 bed regional hospital and comprehensive cancer treatment centre to be built in Abbotsford, British Columbia. The first stage in the procurement process was the EOI Stage. The EOI Stage concluded with the selection of Proponents, which followed the evaluation of the EOIs submitted in response to the Request for Expressions of Interest issued January 23, 2003 (which closed on March 31, 2003).

When completed, the AHCC will operate as an important part of British Columbia's public health care system. The hospital component of the AHCC is intended to replace the MSA Hospital in Abbotsford, while the integrated cancer centre component will, for the first time, provide cancer treatment services in this rapidly growing area of British Columbia. Both components will not only provide services to Abbotsford and the surrounding area but also provide specialized referral services to the residents of the area covered by the FHA and to all of British Columbia.

The AHCC will be the first major acute health care facility in British Columbia to be developed through a Public-Private Partnership. It is anticipated that this Public-Private Partnership will create a synthesis between the professional, medical and clinical expertise of British Columbia's world-class health care system and the design, construction and technical expertise, and modern operational practices, of the private sector.

It is also anticipated that the experience and knowledge gained through this Project will be used in the development of other Public-Private Partnership projects in British Columbia, not only in the health care area but also in other major sectors of the provincial economy, such as transportation and tourism.

1.2 Project Objectives

The primary objective of this Project is to provide a new health care facility that meets all the expectations of the Project's Vision and Guiding Principles (see Section 2.2) and that also incorporates private sector innovation and expertise, to achieve a competitively priced more effective facility that is superior in design, construction and operation than that which would be provided through a traditional procurement process.

Through this RFP, Health Co is encouraging Proponents to provide innovative and fresh approaches to health care solutions, not only in facility design but also in the provision of operational services for the AHCC.

1.3 RFP Objectives

The primary objective of this RFP is to obtain from Proponents complete and comprehensive Initial Proposals for the Project that meet the requirements of this RFP.

The Project does not include the provision of clinical services for the AHCC. Clinical services at the AHCC will be provided only through the Health Authorities.

All Initial Proposals received in response to this RFP will, subject to the provisions of the RFP, be evaluated. The two Proponents submitting the highest ranked Initial Proposals that meet Health Co's affordability criteria will become the Final Proponents, who will prepare and submit their Final Proposals in response to the Request for Final Proposals. The Final Proponent who has the highest ranked Final Proposal will be identified as the Preferred Proponent. Health Co will work with the Final Proponent to finalize and conclude the Project Agreement.

1.4 Eligibility and Proposal Competition Agreement

Only those parties who were expressly selected and invited to participate in the Proposal Stage of the Project Implementation are eligible to submit a Proposal. Further, it is a condition of this RFP that the Proponent has, prior to submission of a Proposal, executed the Proposal Competition Agreement, in the form prescribed by Health Co, and returned the executed Proposal Competition Agreement to Health Co with the requisite Security Deposit. Subject to Section 26 of the RFP, Proposals submitted by anyone who has not executed a Proposal Competition Agreement with Health Co will not be considered or accepted. As described in the Proposal Competition Agreement and referenced in Section 28.1 of the RFP, Partial Funding will be paid to Proponents in accordance with and subject to the Proposal Competition Agreement.

Section 29.9 of the RFP addresses parties who are ineligible to participate as a Proponent, Proponent Team Member, or advisor to a Proponent Team Member.

1.5 RFP Structure

The following are hereby incorporated into and are an integral part of this RFP:

<u>Appendix</u>	<u>Description</u>
1	Definitions and Interpretation
2	Evaluation Categories and Major Evaluation Criteria
3	Site Plan
4	Bilateral Meeting Process

<u>Appendix</u>	<u>Description</u>
5	Site Development
	5A Development Agreement
	5B Design Control Covenant
6	Background Information
7	Bed Occupancy Scenarios
8	[Reserved]
9	Proposal Form
10	Submission Requirements

The Output Specifications, the Draft Form of Project Agreement and the Initial Form of Project Agreement that Proponents will use and incorporate into their Initial Proposals will be issued separately, as described in Sections 7.2 and 7.3 of the RFP.

Conflicts between or among any of the above documents will be resolved in accordance with Section 29.1.

1.6 Definitions and Interpretation

Terms used in this RFP and defined in Appendix 1 shall have the meanings given to them in Appendix 1. Terms not defined in Appendix 1 but which are defined in the Project Agreement (or in the Output Specifications within the Project Agreement) shall have the meanings given to them in the Agreement (or the Output Specifications, as applicable). Terms defined in the singular include the plural of those terms.

1.7 Project Implementation Schedule

The target schedule for implementation of the Project is as follows:

<u>Stage of Project Implementation Process</u>	<u>Target Date</u>
<u>Stage 1 - EOI Stage</u>	
Registration for Information Meeting	Complete
Information Meeting	Complete
Deadline for Submission of EOI	Complete
Evaluation of EOI and selection of Proponents	Complete

<u>Stage of Project Implementation Process</u>	<u>Target Date</u>
<u>Stage 2 – Initial Proposal Stage</u>	
Issue Request for Initial Proposals	Sep 25, 2003
Issue Output Specifications	Sep 25, 2003
Issue Proposal Competition Agreement	Sep 25, 2003
Issue Draft Form of Project Agreement	Sep 25, 2003
Receive “Essential Amendments” on Draft Form of Project Agreement from Proponents	Oct 16, 2003
Advise Proponents on Essential Amendment decisions	Oct 28, 2003
Receive “Requested Amendments” on Draft Form of Project Agreement from Proponents	Oct 27, 2003
Receive Signed Proposal Competition Agreement from Proponents	Nov 4, 2003
Issue Initial Form of Project Agreement	Nov 28, 2003
Bilateral Meeting Process:	
Initial Full Team Meetings (including discussion of Requested Amendments to Initial Form of Project Agreement)	Nov 10-14, 2003
Second Full Team Meetings	Jan 2004
Partial Team Meetings	Nov– Feb, 2004
Submission of Initial Proposals (the Closing Time)	Feb 14, 2004
Evaluation of Initial Proposals and selection of Final Proponents	Apr 2004
<u>Stage 3 - Final Proposal Stage</u>	
Obtain Ministry of Health Services & Ministry of Finance approvals to proceed to Stage 3	Apr 2004
Issue Request for Final Proposals	May 2004
Issue Final Form of Project Agreement	May 2004
Bilateral Meetings	Apr to Jun 2004
Final Proposals Submitted	Jun 2004
Evaluation of Final Proposals and selection of Preferred Proponent	Sep 2004

<u>Stage of Project Implementation Process</u>	<u>Target Date</u>
<u>Stage 4 - Contract Finalization and Financial Close Stage</u>	
Finalization and award of Project Agreement with Preferred Proponent	Dec 2004
Financial Close	Dec 2004
<u>Stage 5 - Project Development Stage</u>	
Commencement of Construction	Dec 2004
Substantial Completion of the Facility	Not Later Than Nov 2007
Occupancy of Facility	Not Later Than Mar 2008

2. PROJECT OVERVIEW

2.1 Project Background`

Relevant background information to the AHCC is described in this Section 2 and in the attached Appendix 6. Additional background and other information about the AHCC can be found at: <http://abbotsfordhospitalandcancercentre.ca>

2.2 Vision and Guiding Principles

The best medical care requires attention to “intangible” factors that contribute to a healing environment, such as family involvement in patient treatment and the integration of amenities, including green space and quiet areas, in health care facilities. The following vision and guiding principles for the Project (the “Project Vision and Guiding Principles”) developed by the Health Authorities for the AHCC incorporate these and other factors.

Project Vision

*Together we will create an innovative environment that inspires caring
and the pursuit of knowledge and excellence*

Guiding Principles

*Develop and maintain a healing and aesthetically pleasing environment that is sensitive
to diversity*

Design care processes that optimize patient, client and family satisfaction

*Foster a safe, comfortable and productive work environment that promotes provider
recruitment, retention and satisfaction*

*Create a flexible and adaptable design to accommodate future structures, processes,
care delivery systems and technological needs*

Build and promote partnerships that improve effectiveness and efficiency

Maximize cost effectiveness and the use of available resources

Develop and apply integrated resources to enable:

Seamless and sustainable care and support for patients and families;

Effective exchange of information;

Sharing of technology and services; and

The ongoing learning and the development of new knowledge.

*Use technologies as a tool to improve cost effectiveness, integration of services and
health outcomes*

*Maintain the individual identities of each of the Health Authorities while sharing
resources and providing seamless services*

Minimize impact on the natural and physical environment

In addition, to the Project Vision and Guiding Principles developed for the AHCC, each of the Health Authorities has its own vision and mission statements. These can be found through the applicable websites given in Appendix 6.

2.3 Health Co

Health Co is the public sector party that will contract with Project Co regarding the Project, based on the Final Form of Project Agreement established pursuant to Section 7.4 of the RFP.

Health Co is a company governed by British Columbia's *Company Act*, R.S.B.C. 1996, c. 62, and is a not-for-profit organization.

Partnerships BC is currently the sole shareholder of Health Co. It is contemplated that Partnerships BC will remain the sole shareholder for the duration of the development and construction of the Project, until completion of commissioning as evidenced by a Practical Completion Certificate issued in accordance with the Project Agreement.

Upon completion of commissioning of the Facility, or at an earlier time if considered appropriate by Partnerships BC and the Health Authorities, control of and the shares of Health Co will be transferred by Partnerships BC to the Health Authorities, with their respective interests to be as agreed among them.

The interests of the public sector stakeholders involved in the Project, such as the Health Authorities, the Ministry of Health Services, Partnerships BC and the Fraser Valley Regional Hospital District, will be coordinated through Health Co. As the Project proceeds from the development stage through to the commissioning and then the operating stage, the roles of these public sector stakeholders in the Project will change.

The Health Authorities will occupy and use the AHCC during the operating phase of the Project. Health Co will contract separately with each of the Health Authorities to provide the use of the AHCC to them as an operating hospital and cancer centre facility.

As described in Section 7.6, a payment guarantee will be provided in the Project Agreement by the Ministry of Health Services (on behalf of the Province).

2.4 Partnerships BC

Partnerships BC, a company governed by British Columbia's *Company Act*, R.S.B.C. 1996, c. 62 and owned by the Province, is managing the procurement of the Project on behalf of Health Co and as the project manager for Health Co.

Background information on Partnerships BC is summarized in Section 2.5 of Appendix 6.

2.5 Fraser Health Authority

FHA is a regional health board under the *Health Authorities Act*, R.S.B.C. 1996, c. 180, and serves a geographic area that stretches from Burnaby in the lower mainland to Boston Bar in the Fraser Valley.

Background information on FHA is summarized in Section 2.1 of Appendix 6.

2.6 Provincial Health Services Authority and BC Cancer Agency

PHSA is the parent organization of the internationally acclaimed BCCA. Both PHSA and BCCA are incorporated under the *Society Act*, R.S.B.C. 1996, c. 433.

Background information on PHSA and BCCA is summarized in Sections 2.2 and 2.3, respectively, of Appendix 6.

2.7 The Fraser Valley Regional Hospital District

The Fraser Valley Regional Hospital District is established and governed by the *Hospital District Act*, R.S.B.C. 1996, c. 202.

Background information on the Fraser Valley Regional District and the Fraser Valley Regional Hospital District is summarized in Section 2.4 of Appendix 6.

2.8 Project Co

Project Co is the term used for the Successful Proponent with whom Health Co will contract, based on the Final Form of Project Agreement as described in this RFP, to provide the Project.

3. RFP PROCESS

3.1 Overview

The implementation process for the development of the Project (the “Project Implementation Process”) is comprised of the five stages described in Sections 3.1.1 to 3.1.5 of the RFP. This Project Implementation Process, however, is subject to modification and amendment as described in Section 26 of the RFP.

3.1.1 Stage 1 - EOI Stage

The first stage (the “EOI Stage”) of the Project Implementation Process commenced with the issuance of the Request for Expressions of Interest inviting Respondents to submit their EOIs. It included the evaluation and ranking of EOIs, following which the Respondents selected to participate in the Initial Proposal Stage were confirmed. The EOI Stage ended with the selection of the Proponents.

3.1.2 Stage 2 – Initial Proposal Stage

The second stage (the “Initial Proposal Stage”) of the Project Implementation Process commences with the issue of the RFP. During this stage, a Proposal Competition Agreement is executed by each Proponent and Health Co. Under the Proposal Competition Agreement, Proponents contractually commit to prepare and submit an Initial Proposal (and, if selected as Final Proponents, a Final Proposal), and Health Co contractually commits to provide the Partial Funding under the terms and conditions contained therein. The commitment of each Proponent to submit a Proposal is secured by a CDN\$250,000 security deposit in the prescribed form of letter of credit. This stage includes the initial evaluation and initial ranking of Proposals, during which a maximum of two Proponents (each of which the “Final Proponent”) will be selected to proceed to

and participate in the Final Proposal Stage. Unsuccessful Proponents who submitted a Proposal that conforms to and complies with the Mandatory Requirements but were not invited to participate in the Final Proposal Stage will have their security deposit returned and will be eligible for Partial Funding.

3.1.3 Stage 3 - Final Proposal Stage

The third stage (the “Final Proposal Stage”) of the Project Implementation Process commences when the Final Proponents have been identified and confirmed in writing by Health Co, and when a Request for Final Proposals has been issued by Health Co to the Final Proponents. The requirements for additional submissions, and the requirements for evaluation of the Final Proposals, will be clarified in the Request for Final Proposals, and the two Final Proponents will be required to increase their security deposit from CDN\$250,000 to CDN\$1 million.

During this stage the Final Proponents will, in accordance with the Request for Final Proposals, advance their designs and other portions of their Initial Proposals, negotiate and finalize the commercial terms of the Project Agreement, and submit their detailed and final proposal (the “Final Proposal”) for the Project.

This stage also includes the evaluation and ranking of the Final Proposals and the identification of the highest ranked Final Proposal (the “Preferred Proposal”), which will in turn identify the Proponent (the “Preferred Proponent”) who submitted that Proposal. This stage is comparable to the best and final offer (BAFO) stage which is sometimes referred to in process documents for other Public-Private Partnership projects.

3.1.4 Stage 4 - Contract Finalization and Financial Close Stage

The fourth stage (the “Contract Finalization and Financial Close Stage”) of the Project Implementation Process commences when the Preferred Proposal and Preferred Proponent have been identified and confirmed in writing by Health Co. During this stage, final due diligence will be completed by all parties and the Project Agreement and other agreements will be finalized and prepared for execution.

If all outstanding matters and all outstanding contract terms and conditions are finalized to the complete satisfaction of Health Co, it is intended to award a contract (i.e. the Contract or Project Agreement) for the Project to that Preferred Proponent (who will be the Successful Proponent), subject only to the Financial Close. At the successful completion of Financial Close, the security deposits will be returned to the Final Proponents.

If everything is not finalized to the satisfaction of Health Co, the security deposit of the initial Preferred Proponent may be retained as liquidated damages and the other Final Proposal and Final Proponent will become the Preferred Proposal and Preferred Proponent.

This stage includes the finalization by the Preferred Proponent of all documentation required for the provision of financing for the Project and ends upon Financial Close.

3.1.5 Stage 5 - Project Development Stage

The fifth stage (the “Project Development Stage”) of the Project Implementation Process commences on Financial Close and includes the design, development and construction of the Facility.

3.2 The Approval Process

The final Project Agreement, and the award of the Project Agreement to the Successful Proponent, are subject to the following:

- All approvals required by British Columbia’s *Financial Administration Act*, R.S.B.C. 1996, c. 138.
- Approval of the board of directors of Health Co.
- Approval of the Ministry of Health Services.
- Approval of the Province’s Ministry of Finance.
- Approval of the Province’s Treasury Board.

4. PROJECT SCOPE

This Section 4 begins by describing the general scope of work and services to be provided by Project Co for the Project, and then provides further detail on specific aspects of the Project for the guidance of Proponents in preparing Proposals.

4.1 General

Project Co will provide the financing (subject to the funding available from the RHD as described in Section 6.2), design, development, construction, building operation, building maintenance, and FM Services for a complete Facility having a capacity of 300 beds, including, as and to the extent specified in the RFP and the Output Specifications, certain medical and other equipment, all of which shall be fit for the purpose of use as an acute care hospital and cancer centre and provided in accordance with and meeting the requirements of the Project Agreement, including the Output Specifications. In general, Project Co will provide the following, all in such a manner as will enable the Health Authorities to achieve and satisfy all clinical functionality and other provisions of Section 2 – Clinical Services and Section 3 – Non-Clinical Services of the Output Specifications:

- Design, develop, construct and finance the Facility, all in such a manner and with sufficient flexibility that the Facility will accommodate future clinical workloads

and future changes in clinical practice, technology and service delivery, and be fit for its purposes.

- From and after the Practical Completion Date, provide, maintain, repair and, as appropriate, upgrade all physical plant and plant maintenance and other equipment, and all fixtures, fittings, building related equipment, building finishes and furnishings as required by the Output Specifications and other provisions of the Project Agreement.
- Procure, provide and be responsible for medical and other equipment for the Facility as generally described in Section 4.10 of the RFP and as more particularly described in the Output Specifications.
- Without limiting the generality of the above, provide, maintain, repair and, as appropriate, upgrade a fibre optic backbone and wireless media, including all cabling and power points, for the information management and technology systems which will be initially installed.
- Provide the FM Services described in Section 4 of the Output Specifications.

4.2 Minimum Requirements Specified

The Output Specifications and other provisions of the Project Agreement establish only the minimum criteria, standards and requirements which must be met and satisfied by Project Co in the design, construction, operation and building maintenance of the Facility and associated works, the selection, procurement, installation and, where applicable, operation and maintenance of equipment, and in the provision of the FM Services. In performing the Project Agreement, Project Co shall comply with and as a minimum meet those criteria, standards and requirements as necessary to ensure that:

- Project Co meets and satisfies the intent of the Performance Statements specified in Section 1.2 of the Output Specifications.
- The Health Authorities can operate and provide the Clinical Services and Clinical Support Services in the manner described in Section 2 of the Output Specifications and the Non-Clinical Services in the manner described in Section 3 of the Output Specifications.

4.3 Bed Capacity

The completed Facility shall, on opening, have a capacity of 300 beds with the ability to expand if and as required in the future.

The full Project infrastructure must be available at the opening of the Facility, including all furniture, fixtures and equipment for 300 beds. However, the operation of the inpatient beds and other patient areas by the Health Authorities may not use that full capacity for some period of time after Practical Completion.

It is anticipated that the MSA Hospital will operate between 165 and 191 beds between 2003 and December 2007.

Six months prior to the Scheduled Practical Completion Date, Health Co will advise Project Co of the Health Authorities' plans for initial phasing in and ramping up of bed occupancy at the AHCC, including the transition from occupancy of the MSA Hospital to the AHCC. It is presently contemplated that, post-Practical Completion, about 230 beds will be occupied. From and after that time, the actual bed occupancy will vary in any year from 230 beds to 300 beds. To assist Project Co to plan the delivery of the FM Services and its workforce, the Health Authorities at the commencement of each Fiscal Year will advise Project Co of their projected occupancy rates for that Fiscal Year.

The expected distribution of beds for different total occupancy scenarios is shown in Appendix 7.

Section 6.4.3 summarizes the volume adjustments included in the Payment Mechanism to take into account variations in bed occupancy which may occur.

4.4 Parking

Project Co will provide the financing, design, development, construction, operation and maintenance of all necessary parking facilities for the AHCC, all of which shall meet the requirements of the Output Specifications.

Gross revenue from parking will be paid by Project Co to Health Co.

4.5 Utilities and Site-Related Infrastructure

Project Co is responsible for all utilities and site-related infrastructure affected by or required to support the AHCC.

4.5.1 Existing Utilities and Services

Project Co is responsible for identifying, upgrading, relocating and repairing all existing utilities and infrastructure (including: roads, sidewalks, services, structures, landscaping, retaining walls, fencing, overhead wires and underground ducts; conduits for, among other things, power and telephone; underground gas, water, sewer and drainage works; and any traffic signals if required) related to or required for the design, development, construction, operation or maintenance of the AHCC, including the financing of costs incurred related to the foregoing.

Subject to the Development Agreement and Design Control Covenant, and except where Project Co has entered into written agreements with the City or applicable utility company, all such existing utilities and infrastructure at or adjacent to the Site are to remain and Project Co shall protect and preserve them until completion of the Facility.

Full access shall be provided to the City, the utility companies, Health Co and others during construction to permit monitoring of the existing utilities and infrastructure and any changes or enhancements thereto. Where any utilities and infrastructure present at or adjacent to the Site are within excavations or are modified or extended by Project Co, they shall remain functional during and after construction unless the City or the utility company, as applicable, otherwise agrees. Proposed modifications and extensions shall be submitted to the owner or operator of such utilities and infrastructure for review and approval prior to commencing any work on them or which may affect them.

4.5.2 Temporary Utilities and Services

All temporary utilities and infrastructure required by Project Co to complete the Facility or perform the Project Agreement are the responsibility of Project Co and shall be provided and included in the Proposal. This includes, but is not limited to, any temporary services, utilities and infrastructure described or implied in the Project Agreement, including Output Specifications, or the Proposal.

4.5.3 Permanent Utilities and Services

Project Co will provide and Proposals shall include all permanent utilities and infrastructure required for the use and occupancy of the AHCC, including by the Health Authorities to provide Clinical Services and Non-Clinical Services and by Project Co to provide FM Services. Where such utilities and infrastructure are owned by others, Project Co will pay all costs associated with the provision, operation and maintenance of such utilities and infrastructure.

4.6 Property Rights and Access

As described in Section 8.1.1 and the Project Agreement, the Site will be made available to Project Co through a non-exclusive licence agreement. Project Co is responsible for the provision of all access required to the Site.

Any and all temporary or permanent use of any lands not owned or controlled by Health Co, or for which Health Co has not previously obtained rights for the access and use of such lands as expressly set out in the RFP and Project Agreement, shall be at Project Co's sole risk and cost. Project Co shall be solely responsible for acquiring any and all such other property rights, temporary work space, and temporary access it may require to perform the Project Agreement. Project Co shall not use any such additional property rights, temporary work space or temporary access without first obtaining, in each instance, written agreements for the use or occupancy of such lands, work space and access with the applicable landowners. All such agreements shall be subject to the prior written approval of Health Co, acting reasonably (which approval may be subject to such terms and conditions as Health Co may require to protect the Health Authorities), and shall, if required by Governmental Authorities, be subject to the approval of the

Governmental Authorities. Project Co shall comply with all terms, conditions and restrictions applicable to such lands in accordance with the agreements with the applicable landowners, Applicable Law and the requirements of Governmental Authorities.

Access to the Site and the MSA Hospital shall be subject to the procedure described in Section 18.2 of the RFP.

4.7 Flexibility For Future

Proponents in their Proposals shall allow, in the design, development, construction, operation and long term maintenance of the Facility and its associated buildings, parking and infrastructure, sufficient flexibility to accommodate future changes in clinical workloads, changes in the delivery of Clinical Services, and changes in clinical practice, technology and service delivery.

4.8 Clinical Services and Non-Clinical Services

Clinical Services and Non-Clinical Services will be delivered at the AHCC solely through the Health Authorities. Health Co itself will not provide any Clinical Services or Non-Clinical Services at the AHCC.

The Clinical Services provided at the AHCC are described in Section 2 of the Output Specifications and the Non-Clinical Services are described in Section 3 of the Output Specifications.

For each of the Clinical Services and Non-Clinical Services, the Output Specification provides a Service Description, Operational Description, Activity Indicators, People Requirements, Design Criteria, Design Guidance and Other Specifications (all as defined in the Output Specifications).

The Clinical Support Services part of the Clinical Services are described in Section 2C of the Output Specifications and include:

- Diagnostic Services.
- Laboratory Medicine.
- Medical Imaging.
- Morgue & Autopsy.
- Pharmacy Services.
- Rehabilitation Services.
- Surgical Services (i.e. support for all scheduled and unscheduled surgery).
- Sterile Processing Services.

The Non-Clinical Services described in Section 3 of the Output Specifications include:

- Information Management (also sometimes referred to as Information Services and Information Technology).
- Learning Centre.
- Main Public Facilities.
- Site Administration.
- Staff Facilities.
- Volunteer/Auxiliary Services.

4.9 Facilities Management Services

4.9.1 General

The FM Services are described in Section 4 of the Output Specifications.

Project Co will provide all FM Services, including:

- General Management Services.
- Biomedical Engineering Services.
- Food Services - Non-Patient.
- Food Services - Patient.
- Housekeeping Services (note that subject to recycling, all waste is to be transported and disposed of only within Canada).
- Laundry/Linen Services.
- Materiel Services.
- Plant Services.
- Protection Services.
- Transcription Services.
- Utilities Management.
- Parking Services.

4.9.2 Current Facilities Management Services for MSA Hospitals

As of August 1, 2003, the status of FHA's contracting for facilities management services for the MSA Hospital can be summarized as follows:

	Contract Area	Description & Status
1	Food Services Non-Patient	RFP closed for Retail Food Services. Submissions are being evaluated. MSA Hospital will be excluded from January 2007 on.
2	Food Services Patient	Aramark management contract for Fraser - East expires February 2006.
3	Housekeeping Services	RFP closed for Housekeeping Services. Submissions are being evaluated, with decision by FHA expected by November, 2003. Contract will have an "out" clause for MSA Hospital, likely with 120 days notice.
4	Laundry & Linen Services	Laundry contract with K-Bro Linen Services Inc. for Fraser - East with an end date of November 2012. MSA Hospital volumes committed to until end of contract. However, FHA could shift K-Bro volumes from other facilities to cover loss of MSA Hospital volumes.
5	Materiel Services	Major supplies contracts being written such that MSA Hospital volumes for facilities management services not committed after 2007.
6	Plant Services	FHA participates in Energy Club to enter into forward contracts for natural gas. Contracts are normally not in excess of one year.
7	Protection Services	Contract with Intercon Security Ltd. with an end date of June 2008. Provision to remove MSA Hospital from contract, with 120 days notice.
8	Biomedical Waste	Contract for all of FHA (including MSA Hospital) with Hospital Sterilization Services Inc. locked in to January 2011.

Copies of these contracts will not be made available to Proponents. Health Co will provide Proponents with the names, addresses and contact persons for each of the contractors with whom FHA has contracted for these services so that Proponents may, at their discretion, contact these contractors for potential subcontracts with the Proponent if the Proponent so desires.

4.10 Equipment

4.10.1 General

In addition to all equipment required by Project Co to perform the FM Services, Project Co shall procure, install, deliver and maintain all equipment as described or inferred by the Output Specifications and other provisions of the Project Agreement.

The Equipment List is included as part of Section 7 of the Output Specifications. In the Equipment List, the equipment is separated into the different general categories of equipment identified in Sections 4.10.1(a) to 4.10.1(f) of the RFP.

During the Initial Proposal Stage, this list is preliminary and illustrative of the projected equipment requirements, the categories of equipment and the locations of equipment. A revised, final Equipment List will be included with the Request for Final Proposals.

Proponents are, in respect to equipment, encouraged to be creative and innovative in their Proposals and to identify opportunities that challenge and improve existing technology, as well as current business and clinical practices.

All equipment must be suitable and fit for its intended use and must be integrated with the overall design and objectives of the Project.

The Health Authorities have existing relationships and agreements with some manufacturers and suppliers for the provision, management and/or maintenance of equipment. Proposals must demonstrate equal or better value overall to Health Co for equipment than can be obtained through these existing arrangements. Subject to considerations of confidentiality, proprietary information and other restrictions in these existing relationships and agreements, when appropriate the Health Authorities will cooperate in sharing the general scope of these agreements with Proponents but may impose restrictions on their distribution and use by Proponents.

The cash allowances specified in Schedule 7 of the Output Specifications (last page of the Equipment List) for the equipment described are preliminary estimates and the actual cost may differ from those estimates. Health Co bears the risk of this difference until the cash allowances are converted to agreed fixed prices with Proponents (or Project Co, for those cash allowances in the Project Agreement). The cash allowances in the Equipment List are expressed in 2007 CDN\$ unless otherwise indicated. Cash allowances are only for the price actually paid to suppliers of the equipment solely for the purchase and delivery to Site of the equipment, excluding GST. All other costs to the Proponent associated with procuring, expediting, installing, delivering, commissioning, staff training and maintaining this equipment are to be included in the other prices provided by Proponents incorporated into the Annual Service Payment and Periodic Service Payment specified in the Proposals.

For purposes of their Proposals, Proponents are to assume the full amount of the indicated cash allowances are drawn down by the Proponent at Practical Completion. This will be clarified during the bilateral meetings held prior to the Closing Time pursuant to Section 17. During finalization of the Project Agreement with the Successful Proponent, the manner and timing of the payment of cash allowances will be agreed and finalized as described in the Request for Final Proposals.

During the Final Proposal Stage, Health Co may request the Final Proponents to provide a Priced Option to assume the performance and availability risk for all equipment.

Subject to price adjustments to address the cash allowances, Project Co will be responsible for all risks associated with procurement, delivery, installation, integration with facility design, and commissioning.

(a) Category A - Medical Equipment

(i) General

The Equipment List references specific models and manufacturers for the equipment in Category A – “Medical Equipment”. These are indicative of the standard of technology available today. Although this part of the Equipment List is not expected to change materially during the RFP process there may be revisions and/or clarifications by Addendum.

In order to take advantage of the most recent technological advances for equipment in this category, final decisions on the selection of the equipment will not be made by Health Co until after Financial Close, and as late as possible into the Project Development Stage.

(ii) Initial Proposal Stage

During the Initial Proposal Stage, all Proponents will include the same cash allowance amount in their Proposals for the procurement of the equipment in Category A. The amount of this cash allowance is specified in the Equipment List.

Proponents in their Initial Proposals are to provide, for each item of equipment in Category A, a schedule for the following:

- The latest date after Financial Close by which Project Co will obtain competitive prices and provide procurement recommendations to Health Co.
- The latest date after Financial Close by which a final decision on that item of equipment is required from Health Co without causing

delays to the construction of the Facility or additional costs for which Health Co will be responsible to Project Co.

In determining these dates, Proponents should consider and allow for adequate float in the schedule and for the following:

- Adequate time for Project Co to issue requests for proposals to suppliers, receive proposals, clarify aspects of proposals, and prepare written procurement recommendations to Health Co.
- Adequate time for Health Co to evaluate Project Co's procurement recommendations.
- Adequate time for delivery, installation and commissioning processes.
- Opportunities for technological advances.

Subject to Health Co making final decisions prior to the latest dates for decisions on such schedule, Project Co will be responsible for all schedule risks associated with procurement, delivery, installation, integration with facility design, and commissioning.

The Proposal Evaluation Committee will take differences between the schedules of the Proponents into consideration during the evaluation and scoring of Proposals.

(iii) Final Proposal Stage

Category A will be dealt with the same way in the Final Proposal Stage as in the Initial Proposal Stage. The Final Proposals will include a cash allowance for this equipment and the schedule of latest dates for procurement recommendations from Project Co and selection by Health Co.

Health Co may however, during the Final Proposal Stage, request the Final Proponents to provide a Priced Option to assume the performance and availability risk for the Category A equipment for the duration of the manufacturer's specified normal expected life for that equipment.

(iv) After Financial Close

The cash allowance amount and the schedule for procurement recommendations by the Successful Proponent and decisions by Health Co will be incorporated into the Project Agreement for the equipment in Category A.

Project Co will obtain competitive proposals for each item of equipment in Category A and provide its procurement recommendations to Health Co that reflect the best overall value for Health Co taking into consideration the then current technological and scientific advances, as well as facility/regional integration, life cycle and acquisition costs. Health Co will evaluate these recommendations and advise Project Co of their selection.

If Health Co decides to defer the selection of equipment beyond the last date for decision in the procurement schedule, the procedure in the Project Agreement for Variations will apply.

(v) Equipment Refresh

Initial Proposals are not required to include an Option for an equipment replacement program for Category A.

(b) Category B – Other Equipment and Furniture

(i) General

The Equipment List provides indicative model(s) and/or functional specifications for the equipment in Category B – “Equipment and Furniture”. Although this part of the Equipment List is not expected to change materially during the RFP process there may be some revisions and/or clarifications by Addendum.

(ii) Initial Proposal Stage

During the Initial Proposal Stage, all Proponents will include the same cash allowance amount in their Proposals for the procurement of the equipment in Category B. The amount of this cash allowance is specified in the Equipment List.

(iii) Final Proposal Stage

In their Final Proposals, the Final Proponents will provide a fixed “total package” price for providing all equipment in Category B. This cost will then be incorporated into the Annual Service Payment and Periodic Service Payments.

Final Proposals will include the following for each item of equipment in Category B:

- The recommended manufacturer(s) and model number(s).
- Relevant drawings, analyses, brochures and equipment specifications.
- The proposed date(s) for procurement.

The Proposal Evaluation Committee will take both the fixed “total package” cost for this equipment, as well as the relevant drawings, analyses, brochures, equipment specifications, proposed procurement dates and other material submitted with the Final Proposal into consideration during the evaluation and scoring of Final Proposals.

(iv) **After Financial Close**

Project Co will procure the equipment in Category B in accordance with the schedule accepted for such procurement in the Final Proposal and included in the Project Agreement. If there is no schedule at the time of award of the Project Agreement, a procurement schedule for this equipment acceptable to Health Co will be a deliverable by Project Co under the Project Agreement and Project Co will then procure the equipment in accordance with that schedule.

(v) **Equipment Refresh**

Initial Proposals are not required to include an Option for an equipment replacement program for Category B.

However, Final Proposals are to include a Priced Option for an equipment replacement program for Category B, which will include all costs associated with this Priced Option. In this Priced Option, Final Proponents will include the following:

- Description of the method to be used to calculate equipment life cycles.
- Outline of effective strategies regarding equipment replacement, scheduling and cost.
- Details of the proposed equipment replacement program, including payment methods, overhead costs and expected profit.

The Proposal Evaluation Committee will evaluate the overall benefits and value of the Final Proponents’ submissions in relation to this Priced Option during the evaluation and scoring of Final Proposals. During the Contract Finalization Stage, Health Co will advise the Preferred Proponent whether Health Co will exercise this Priced Option.

(c) Category C - IMT/End Use Devices**(i) Supply by Health Co**

The equipment identified as Category C – “IMT/End Use Devices” in the Equipment List will be purchased and refreshed by Health Co utilizing existing Health Authorities’ agreements with third party suppliers.

Project Co will be responsible for the costs of all related infrastructure, integration with facility design, installation and commissioning of this equipment.

(ii) Option in Final Proposal for Supply by Project Co

Proponents may at their own discretion include in their Final Proposals a Priced Option to supply some or all of the equipment identified as Category C.

However, Proponents should note that the Health Authorities have existing relationships and agreements with some manufacturers and suppliers for the provision, management and/or maintenance of equipment, including some or all of the equipment identified as Category C. Final Proposals including a Priced Option for this equipment must demonstrate equal or better value overall to Health Co for equipment than can be obtained through these existing arrangements. Subject to considerations of confidentiality, proprietary information and other restrictions in these existing relationships and agreements, when appropriate the Health Authorities will cooperate in sharing the general scope of these agreements with Proponents but may impose restrictions on their distribution and use by Proponents.

(d) Category D - Start Up Equipment:

The equipment identified in the Equipment List as Category D – “Start Up Equipment”, is generally comprised of minor medical equipment and supplies for use by the Health Authorities and will be purchased by Health Co. It is included in the Equipment List solely for purposes of clarity and completeness.

Although Project Co is not responsible for the procurement or delivery of this equipment, Project Co is responsible for receiving, unpacking, logging and distributing this equipment through its normal materiel management receiving and distribution processes (i.e. from loading dock through to the end use department). The timing for this will be clarified in the Request for Final Proposals but it is presently contemplated that these items of small equipment and supplies will be

delivered to the Facility on or about the time the Practical Completion Certificate is obtained by Project Co.

(e) Category E – Project Co Supplied Equipment for FM Services

The equipment identified in the Equipment List as Category E – “Project Co Supplied Equipment for FM Services” is equipment which Health Co assumes will be required by Project Co to provide the FM Services. The Equipment List provides a general description for that equipment and the areas in which that equipment should be located. The list of equipment for Category E is provided for information only and is not intended to be exhaustive or to be relied upon by Proponents.

Project Co is responsible for providing and maintaining all equipment required for the delivery of the FM Services. All costs associated with this equipment shall be included as part of the Proponent’s pricing for the FM Services in its Proposal.

(f) Category F – Equipment Related to Sections 5 and 6 of Output Specifications

The equipment identified in the Equipment List as Category F – “Equipment Related to Sections 5 and 6 of Output Specifications” is equipment which is described or specified in, or required to be provided by the Proponent to satisfy the requirements of, Section 5 – Design and Technical of the Output Specifications. It is to be provided and installed by Project Co during construction at the locations identified in the Equipment List. Section 5 of the Output Specifications is output based and so no specific plant and equipment is listed in Section 5 and Project Co is required to provide all equipment necessary to achieve those outputs. The equipment identified under Category F on the Equipment List is for information purposes only and is not intended to be exhaustive or to be relied upon by Proponents as limiting the requirements of Section 5 of the Output Specifications but to specify the minimum equipment expected to be provided by Project Co as part of the Technical Output Specifications. Project Co is responsible for providing any and all equipment described or specified in, or required by the Proponent to satisfy, the requirements of Section 5 of the Output Specifications.

4.10.2 Performance and Management Option for Equipment Categories A and B

Health Co, at its discretion, may request the Final Proponents to include in their Final Proposals an option for an equipment performance and management program. In this program, Project Co will guarantee the performance and availability of all Category A and Category B equipment included in the initial equipment inventory, for the complete period of the manufacturer’s suggested useful life.

If Health Co requests this option, during the Final Proposal Stage the Proposal Evaluation Committee will evaluate the overall benefits and value of the Final Proposals in relation to this Priced Option during its evaluation and scoring of the Final Proposals. Health Co will, during finalization of the Project Agreement with the Preferred Proponent, advise the Preferred Proponent whether Health Co will exercise this Priced Option.

4.10.3 Title to Equipment

Subject only to retention of title by unpaid vendors until they have been paid in respect to specific equipment, title to all equipment procured or supplied by Project Co shall pass to Health Co immediately upon its delivery to Site, but not the risk of any damage or loss to that equipment. Project Co shall be and remain responsible for all risk of loss or damage to equipment until Project Co has obtained the Practical Completion Certificate, and thereafter shall be responsible for risk of loss or damage as described in the Project Agreement.

4.10.4 Training

For and in respect to each piece of equipment procured or supplied by Project Co, Project Co will provide or at its cost arrange for adequate and appropriate training in its proper operation and maintenance to and for all staff (both of Project Co and of the Health Authorities). In addition to all training based on the manufacturer's suggested requirements or specified in the Output Specifications, Project Co shall provide such training as may be required by the appropriate governing or regulating body or as may be required by a prudent hospital facility operator or hospital medical equipment service provider operating and maintaining similar equipment procured for a major acute care hospital and cancer treatment centre in Canada.

4.10.5 Maintenance

Where and to the extent required by or indicated in either the Output Specifications or suggested or recommended by the manufacturer, Project Co is responsible for the ongoing maintenance and repair of all equipment, through its own staff, an FM Service Provider or through third party service agreements. Project Co is also responsible for ensuring all operating and maintenance manuals are kept up to date and current.

4.10.6 Addition of New Equipment or Replacement of Existing Equipment

Health Co may request Project Co to procure, install and commission new equipment over the term of the Project Agreement.

In their Initial Proposals, Proponents should identify their proposed process for introducing new equipment, including payment methods, overhead costs and expected profit.

Such changes shall be dealt with under the Project Agreement.

4.10.7 Decommissioning of Equipment at the End of Useful Life

Upon written approval from Health Co, Project Co will arrange for the safe disposal of all equipment at the end of its useful life in accordance with Good Industry Practice, all Applicable Laws and the requirements of the Governmental Authorities.

Any and all net proceeds of disposition shall be credited to Health Co.

4.10.8 Minimizing Disruptions

Project Co must allow for and provide effective and efficient installation, commissioning, maintenance, repair, decommissioning, upgrade and replacement of equipment over the term of the Project Agreement, which will minimize to the greatest extent reasonably possible all disruption of services and any additional costs to Health Co.

4.11 IT/TEL Services

Information services, information technology equipment and telecommunication equipment for the Project (including end-use devices) are described in Section 6 of the Output Specifications and in the Equipment List, and also in some instances in other parts of the Output Specifications (e.g. Section 5.3.17 of the Output Specifications).

Except for those specific information services, information technology equipment and telecommunication equipment which are expressly specified in the Output Specifications or elsewhere in the Project Agreement to be provided by Health Co or the Health Authorities, all information services, information technology equipment and telecommunication equipment described in the Output Specifications or elsewhere in the Project Agreement shall be provided by Project Co.

4.12 Worthington & Cottage Pavilions

The Worthington and Cottage Pavilions located at the site of the MSA Hospital are outside the scope of both this RFP and the Project Agreement.

The provision of any facility management or other services for Worthington and Cottage Pavilions will be dealt with through a separate process by FHA.

4.13 Additional Opportunities & Development of Excess Lands at Site

4.13.1 Opportunities Expressly Identified in Proposals

Subject to availability of space at the Site, and subject to Section 4.13.3 of this RFP, Proponents may include in their Proposals other commercial opportunities for the use of the Site. Full details shall be provided of those opportunities, including the financial and other advantages that will accrue to both Project Co and Health Co by pursuing some or all of such additional opportunities.

Subject to zoning and Project Co obtaining any necessary City approvals, opportunities to enhance the value of the Project through entrepreneurial development strategies may include, among others:

- Medical offices.
- Conference facilities.
- Hotel or short-term residence facilities.

Proponents are encouraged to consider any opportunities they believe will enhance the overall value of the Project and reduce the payments from Health Co to Project Co during the term of the Project Agreement. Health Co is interested in receiving innovative Proposals that reduce short term and long term operating costs to Health Co and the Health Authorities.

Only those opportunities which are expressly described in Proposals and for which Proponents in their Proposals can, to Health Co's satisfaction, demonstrate will result in reductions in costs or enhanced value to Health Co and the Health Authorities will be considered. Health Co expressly reserves the right at its sole discretion to accept or reject any additional opportunities which Proponents may propose. Accordingly, any and all such opportunities should preferably be the subject of an Alternate Proposal or a separate Priced Option within a Proposal in case they are not acceptable to Health Co.

4.13.2 Opportunities Not Expressly Identified in Proposals

Subject to Section 4.13.1, all commercial and other opportunities related to the Facility or the Site belong to Health Co. After award of the Project Agreement, however, Project Co is encouraged to propose for Health Co's consideration commercial or other opportunities for the AHCC and the Site. Any such proposals shall describe the opportunity in full with the expected financial and other advantages to both parties. Acceptance of any proposals will be subject to such terms and conditions as Health Co may require at its sole discretion, and Health Co will not be required to accept any such proposals.

Health Co's acceptance of any such proposal from Project Co will be subject to agreement at the time between the parties on, among other things, each party's share of

any net revenue or loss after allowance for all costs and expenses, as well as the amount and type of expenses, overhead and administration costs to be allocated to that opportunity.

4.13.3 Opportunities Not Available to Project Co

In all cases, Health Co and the Health Authorities will have the exclusive right, directly or through arrangement with others, to the following commercial opportunities at the AHCC:

- Sales of gifts, flowers and other articles typical of a gift and flower shop at a major acute care hospital facility.
- Sale of lottery tickets.

These opportunities are not to be included in Proposals and Project Co will not engage in or allow any activity which competes with the gift and flower shop (or the merchandise sold therein), or the sale of lottery tickets.

Project Co may not use the Site for any uses that are incompatible with the Vision and Guiding Principles of the AHCC, that may detract from the general reputation of Health Co or the Health Authorities in the community, or that are otherwise not acceptable to Health Co or the Health Authorities at their sole discretion. Non-compatible uses of the Site include the following, which is not an exhaustive list:

- A casino or gaming facility.
- Adult or sexually-themed entertainment or sales operations.
- Alcohol or tobacco sales.
- Provision of non-licensed health care or other health care services, except as expressly allowed in the Project Agreement or with the prior written consent of Health Co.
- Retail services or products which Health Co considers may detract from the image and reputation that Health Co and the Health Authorities wish to promote for the AHCC and themselves.

4.14 Redevelopment of MSA Hospital Site

Redevelopment of the site of the MSA Hospital is not part of the scope of this RFP.

4.15 Compliance with Applicable Laws and Permits, Licences and Approvals

Project Co shall throughout the term of the Project Agreement comply with all Applicable Laws and the terms and conditions of all Permits, Licences and Approvals required for or applicable to the Project Agreement or the Project, shall provide all

required notifications to Governmental Authorities, and shall facilitate inspections of work areas by Governmental Authorities.

Project Co shall be responsible for obtaining all Permits, Licences and Approvals required for the AHCC, including those relating to or required for the design and construction of the Facility and the performance of the FM Services, or which are otherwise applicable to and required for the Project.

If any Governmental Authorities or Applicable Law require that one or more specific Permits, Licences and Approvals for which Project Co is responsible can only be applied for by or obtained in the name of Health Co, then in all such cases the applications for such Permits, Licences and Approvals shall be prepared by Project Co in Health Co's name and submitted by Project Co to Health Co for review and approval prior to submitting same to the Governmental Authorities. Project Co shall make such changes to the applications as Health Co may reasonably require. After Health Co confirms in writing to Project Co that Health Co has approved the application, Project Co will forward the application to the applicable Governmental Authorities. All communications between the Governmental Authorities and either Project Co or Health Co shall be coordinated by Project Co and Health Co. Project Co shall reimburse Health Co and the Health Authorities for all costs which they may incur related to such Permits, Licences and Approvals.

5. HUMAN RESOURCES

5.1 Health Authorities' Unions and Collective Agreements

Three British Columbia health care unions are presently certified at the MSA Hospital and at other facilities of the Health Authorities within the Province. It is expected that these three health care unions will hold certifications at the new AHCC. They are:

- British Columbia Nurses Union (B.C.N.U.) – representing Registered Nurses.
- Health Sciences Association (H.S.A.) – representing paramedical professionals (such as Registered Technologists, Social Workers, Dieticians etc.).
- Hospital Employees' Union (H.E.U.) – representing Licensed Practical Nurses, Nurse Aides, Nursing Unit Clerks and other clerical workers, as well as all support staff generally associated with FM Services.

The FM Services described in Section 4 of the Output Specifications are currently provided at the MSA Hospital largely by FHA staff who are certified by the Hospital Employees' Union, local 180, except where services are currently contracted out.

It is anticipated that, between the date of issuance of the RFP and the opening of the new AHCC, FHA will have continued to take the steps it is currently taking to outsource

selected facilities management services at one or more of its sites, including the MSA Hospital.

Integral to this RFP is the notion that Project Co will, under the Project Agreement, provide all FM Services described in Section 4 of the Output Specifications by either:

- Project Co's own staff; or
- One or more subcontractors engaged by Project Co.

At Project Co's option, Project Co may engage as a subcontractor one or more of the facility management service providers that FHA has contracted with for the provision of facility management services at one or more of FHA's other 12 sites.

Although the required FM Services and the performance parameters for the FM Services are described within the Output Specifications separately for each of the FM Services, there may be merit in Project Co approaching the delivery of the FM Services through an integrative approach to, amongst other benefits, maximize effectiveness, efficiencies and promote seamless operation in the delivery of these services. The Proponent's approach to delivery of the FM Services should be fully described in the Proposal.

Project Co shall satisfy all Human Resources requirements addressed or described in the Output Specifications.

Given the critical and "24 hours/7 days per week" nature of the health care services delivered at the AHCC, Project Co shall ensure that no part of the AHCC and none of the Health Authorities or Health Co can be temporarily shut down or otherwise compromised in its or their operations as a result of labour relations/collective bargaining matters related to Project Co's performance of the Project Agreement. If such disruptions occur, the Project Agreement gives Health Co certain rights including the option of requiring Project Co to terminate the contractor or subcontractor engaged by or through Project Co who is the cause of such disruption. Given the critical nature of health care services at the AHCC, Proposals shall describe the policies, procedures and processes that Proponents will put into place and implement to avoid or minimize any interruption in the delivery of health care services throughout the term of the Project Agreement.

The AHCC site will be a common site to: Health Co; the Health Authorities; Project Co; any entity contracted by Project Co to provide FM Services; and any entity contracted by Health Co or any one or more of the Health Authorities for the performance of work or services at the AHCC (other than the FM Services provided by Project Co). At any time a union may successfully be certified to represent the employees of Project Co and/or any contractor or subcontractor engaged by or through Project Co to provide some or all of the FM Services. Project Co shall plan and implement the provision of the FM Services in such a manner as will minimize the possibility of interruption of the operations at the AHCC site.

Project Co is not obligated by Health Co to offer employment to FHA staff currently employed in the provision of facility management services at the MSA Hospital.

5.2 Demobilization of MSA Hospital

Coordination between FHA and Project Co will be required as the AHCC nears completion and as Project Co commences the provision of FM Services at the AHCC.

Project Co is required to assist and cooperate with FHA in the management of the demobilization of the workforce at the MSA Hospital. Proposals should include detailed plans on how Proponents will assist FHA to address demobilization and other Human Resources issues at the MSA Hospital, including how Proponents will assist FHA to retain its workers at the MSA Hospital until AHCC occupancy commences. For example, Proponents may wish to discuss the feasibility and desirability of Project Co assuming responsibility for the provision of some or all facility management services at the MSA Hospital prior to opening of the AHCC.

The Proponent's proposed plans related to management and demobilization of FHA's workforce at the MSA Hospital will be taken into account in the evaluation and scoring of Proposals. The costs associated with this shall be included in the prices in the Proposals. However, if the Proponent proposes to take over the management and administration of the existing facilities management services at the MSA Hospital for a period of time prior to the opening of the AHCC, this will be the subject of a separate contract on terms and conditions mutually agreed among FHA, Project Co and Health Co.

5.3 Health and Social Services Delivery Improvement Act

To ensure Proposals are received on a comparable basis, for purposes of their Proposals all Proponents are to assume the following:

- The *Health and Social Services Delivery Improvement Act*, S.B.C. 2002, c. 2, will continue in force throughout the term of the Project Agreement.
- Health Co is a "health sector employer" under the *Health and Social Services Delivery Improvement Act*, S.B.C. 2002, c. 2, and has the rights and benefits described in Section 6 of the Act.
- Project Co will have the rights and benefits described in Section 6 of the *Health and Social Services Delivery Improvement Act*, S.B.C. 2002, c. 2.
- The provisions of Section 38 of the *Labour Relations Code*, R.S.B.C. 1996, c. 244 will not apply to make Project Co a common employer with or successor to FHA for the provision of FM Services at the AHCC.
- Project Co will not be either a common employer with, or a successor to, the Health Authorities for the provision of FM Services at the AHCC. Also, the

provider of FM Services, whether it be Project Co itself or a contractor engaged by or through Project Co, will be considered the true employer of its employees for labour relations purposes.

- Project Co may, for the provision of the FM Services at and for the AHCC, use its own staff or use contractors and subcontractors. Project Co will be responsible for labour relations in respect of the workers engaged by or through Project Co and its contractors, including in respect to any applications for certification by those workers and the negotiation of any collective agreements in accordance with the requirements of the *Labour Relations Code*, R.S.B.C. 1996, c. 244.

Depending on the manner in which the rights and benefits described in Section 6 of the *Health and Social Services Delivery Improvement Act*, S.B.C. 2002, c. 2 are made available to Project Co, it is possible that Project Co may be required by the *Public Sector Employers Act*, R.S.B.C. 1996, c. 384, and the *Health and Social Services Delivery Improvement Act*, S.B.C. 2002, c. 2, to become a member of the Health Employers' Association of British Columbia (HEABC). This will be addressed during contract finalization with the Preferred Proponent.

During contract finalization with the Preferred Proponent, all of the above assumptions will be reviewed. If any assumptions are not borne out at that time, then the Preferred Proponent will be allowed to adjust its prices by the amount which the Preferred Proponent can demonstrate to the reasonable satisfaction of Health Co that its prices are affected by differing labour conditions from those which are assumed in accordance with the above. If the amount of the adjustment is not acceptable to Health Co, Health Co reserves the right to reject that Preferred Proposal, in which case a new Preferred Proposal will be identified in accordance with Section 25.2.

5.4 Familiarity with Labour Conditions

By submission of its Proposal, each Proponent represents and warrants that the Proponent and the Proponent Team Members are familiar with all existing collective agreements, labour legislation, arbitral jurisprudence and rulings of the Labour Relations Board of British Columbia as they relate to or may affect the performance or the cost of performance of the Project Agreement.

6. FINANCIAL ISSUES

6.1 Value for Money and Affordability

A key objective of developing the AHCC through a Public-Private Partnership is the delivery of a superior facility that both offers value for money and meets Health Co's criteria for affordability.

Health Co and its advisors have developed a Public-Private Partnership financial model with financial outputs similar to that required of Proponents in the Proposal submissions. This model will be utilized to assist in the evaluation of each Proposal and to assist in the assessment of the value for money being offered by each Proponent.

Some of the key assumptions and assumed costs used by Health Co in its Public-Private Partnership financial model include:

- Design, development, construction, financing, equipping, operation and provision of FM Services for the AHCC will be provided in accordance with the requirements of the RFP, the Project Agreement and the Output Specifications.
- The term of the Project Agreement is 30 years from the Scheduled Practical Completion Date, resulting in a Project Term for the Project Agreement of approximately 33 years from the date of award of the Project Agreement.
- Funding structure based on a senior debt facility reflecting current market conditions and a reference 30-year Government of Canada rate.
- Fraser Valley Regional Hospital District funding in accordance with Section 6.2.
- Estimated Project Co nominal capital costs as follows:
 - \$197.1 million for construction, including some of the equipment described in Section 4.10.1(f) but none of the equipment described in Sections 4.10.1(a) to 4.10.1(e) (and excluding financing costs, Proponent's costs prior to award of the Project Agreement and Proponent's running costs, but including payments by Project Co to Health Co pursuant to Section 34.16 of the Project Agreement).
 - \$89.0 million for all other equipment (excluding finance costs).
- Estimated Project Co operating costs for first full Contract Year of \$14.1 million.
- Inflation at 2.5% for capital costs (including equipment).
- Inflation at 2.0% for operating costs and Project Co costs.
- Indexation Factor is 0.445.
- Estimated Annual Service Payment (assuming the above costs and assumptions, other anticipated Project Co costs and a 260 bed occupancy) for the first full Contract Year of \$39.7 million.

Health Co does not have the ability to finance or pay an Annual Service Payment in excess of \$39.7 million (the "ASP Affordability Threshold").

6.2 Contribution from Fraser Valley Regional Hospital District

The Fraser Valley Regional Hospital District (or RHD) will provide an element of funding to Health Co in connection with the development of the Facility.

The total funding for the AHCC from the RHD is \$71,285,480. This funding will be received by Health Co from the RHD during the construction period in accordance with the following schedule (at the beginning of the months indicated):

Date RHD Funds Received by Health Co	Amount	Cumulative
October 2004	\$ 5,220,000	\$ 5,220,000
January 2005	\$ 3,400,000	\$ 8,620,000
April 2005	\$ 3,700,000	\$ 12,320,000
July 2005	\$ 5,700,000	\$ 18,020,000
October 2005	\$ 9,100,000	\$ 27,120,000
January 2006	\$ 13,800,000	\$ 40,920,000
April 2006	\$ 9,900,000	\$ 50,820,000
July 2006	\$ 3,500,000	\$ 54,320,000
October 2006	\$ 3,300,000	\$ 57,620,000
January 2007	\$ 1,900,000	\$ 59,520,000
April 2007	\$ 3,300,000	\$ 62,820,000
July 2007	\$ 6,793,007	\$ 69,613,007
October, 2007	\$ 1,672,473	\$ 71,285,480
Total Advanced:	\$ 71,285,480	

In their Proposals, Proponents are to assume that the total RHD funding of \$71,285,480, together with the interest that Health Co will earn (invested in bankers acceptance or government instruments) on the RHD funds after they are received by Health Co from RHD, will be paid by Health Co to Project Co at the time the Practical Completion Certificate is issued.

Proposals may include a Priced Option for Health Co to advance the RHD funding to Project Co on a quarterly basis during the construction period, as it is received by Health Co from RHD in accordance with the above table, subject to the following:

- Proponents must demonstrate to Health Co's satisfaction that Health Co will obtain value for money if Health Co accepts this Priced Option.
- If the Priced Option is accepted by Health Co the following conditions will be included in the Project Agreement:
 - Project Co will be required to provide a letter of credit or other security acceptable to Health Co, in the amount of the RHD funding advanced to Project Co from time to time prior to obtaining the Practical Completion

Certificate. This security will be returned to Project Co promptly after the Practical Completion Certificate has been obtained by Project Co.

- The amount of RHD funding which is actually advanced to Project Co will be the lesser of: (i) the amount of the RHD funding actually received by Health Co from the RHD from time to time; and (ii) the relevant percentage of the total construction costs incurred by Project Co prior to the date on which each advance of the RHD funding will be made. The relevant percentage used will be calculated from the ratio that the total available RHD funding for the Project bears to the sum of the total senior debt funding obtained by Project Co and the total available RHD funding, all of which will be agreed by Health Co and Project Co at the time the Project Agreement is finalized for execution.

6.3 Tax Issues

6.3.1 General

As part of Project implementation, Ernst & Young as advisers to Health Co may seek certain interpretations and rulings from CCRA and CTB in relation to the proposed structure and its tax consequences. These interpretations and rulings are solely for the benefit and use of Health Co and the Health Authorities, but will be provided for general information purposes to the Final Proponents during the Final Proposal Stage and are relied upon by Proponents at their sole risk. For the purpose of their Proposals, Proponents shall satisfy themselves as to the tax treatment that will apply to them and the different parts of the Project Agreement.

The Final Proponents shall be solely responsible for obtaining and relying on tax advice from their own advisors and experts, including obtaining such of their own advance interpretations and rulings from CCRA and CTB in relation to the Project (including in relation to the proposed structure and its tax consequences) as they consider appropriate or necessary. Health Co, Partnerships BC, the Health Authorities, the Ministry of Health Services and Ernst & Young shall not be responsible in any way to any Proponents or Proponent Team Members if the tax treatment by CCRA or CTB is different from that described in the RFP, different from the advance interpretations and rulings obtained by Health Co or the Proponents, or different from that assumed by any of the Health Authorities, Partnerships BC, the Ministry of Health Services, Ernst & Young or any of their respective officers, directors, employees, consultants or agents, or different from that assumed by Proponents.

Sections 6.3.2 and 6.3.3 describe some general considerations regarding GST and PST. These descriptions, however, are subject to the provisions of the Project Agreement regarding GST and PST. Pursuant to Section 35 of the Project Agreement, save and except for GST all payments under the Project Agreement (including the Annual Service Payment) are inclusive of all taxes, including PST.

During the bilateral meetings described in Section 17, the treatment of GST and PST under the Project Agreement will be discussed and such discussions may result in an Addendum amending the provisions of Sections 6.3.2 and 6.3.3.

6.3.2 Goods and Services Tax

(a) Development Period

Although Health Co will not make any payments to Project Co prior to the Payment Commencement Date (i.e. there are no payments during the design and construction of the Facility), Project Co will be required to charge GST to Health Co on the value of the services rendered prior to the Payment Commencement Date. However, Project Co under the Project Agreement is not allowed to invoice Health Co for any payments, including GST, prior to the Payment Commencement Date. As a result, Project Co will be required to remit this GST to CCRA on the total value (which should equal the actual cost) of the services provided prior to the Payment Commencement Date.

It is important to note that any GST that must normally be charged by Project Co prior to the Payment Commencement Date shall not be charged again at the time Project Co invoices Health Co for Periodic Service Payments. As a result, Project Co will only charge GST on that portion of the Periodic Service Payment that does not represent the value of services rendered up to the Payment Commencement Date.

Similarly, for equipment supplied by Project Co to Health Co prior to the Payment Commencement Date, Project Co will be required to charge GST on this supply at the time title to the equipment transfers to Health Co. However, Project Co under the Project Agreement is not allowed to invoice Health Co for any payments, including GST, prior to the Payment Commencement Date. As a result, Project Co will be required to remit this GST to CCRA on the total value (which should equal the actual cost) of the equipment provided prior to the Payment Commencement Date. Since the value of that equipment will be included in the Periodic Service Payment, Project Co will not charge GST on the portion of the Periodic Service Payment that represents the value of that equipment supplied prior to the Payment Commencement Date.

Project Co shall not invoice Health Co for any GST prior to the Payment Commencement Date and Project Co shall remit all GST to CCRA at the times required by the applicable legislation. Unless Health Co elects in writing to pay GST on the value of services rendered prior to the Payment Commencement Date separately (in which case such payment will be made at the Payment Commencement Date or such other date as Health Co may specify in the Request for Final Proposals or in the Project Agreement), the cost of paying all such GST

to CCRA by Project Co shall be capitalized and included in the Annual Service Payment.

(b) Operating Period

During the operating period, the supply of all property and services provided by Project Co to Health Co under the Project Agreement will be subject to GST. As such, Project Co will be required to charge GST to Health Co. The GST will be calculated on that part of each Periodic Service Payment that does not include the amount that relates to the supply of services rendered and equipment provided prior to the Payment Commencement Date.

6.3.3 Social Service Tax (PST) Implications

(a) Development Period

Project Co will not be required to charge PST to Health Co on the design, construction and other services related to the construction of the Facility as these will constitute a non-taxable supply of an improvement to real property for PST purposes. However, Project Co will be required to pay PST on the purchase of the construction materials incorporated into the Facility, which PST will be indirectly passed on to Health Co by being imbedded in the capital component of the Periodic Service Payment.

For equipment supplied by Project Co to Health Co prior to the Payment Commencement Date, Project Co will be required to charge PST on this supply at the time title to equipment transfers to Health Co. Since title to the equipment will pass to Health Co at the time of delivery to Site, Project Co will be required to charge PST from Health Co on the full value of the equipment at the time of delivery. However, Project Co under the Project Agreement is not allowed to invoice Health Co for any payments, including PST, prior to the Payment Commencement Date. As a result, Project Co will be required to remit this PST to CTB on the value (which should equal the actual cost) of the equipment provided prior to the Payment Commencement Date. The cost of paying all such PST at that time to CTB shall be capitalized and included in the Periodic Service Payment.

(b) Operating Period

The Periodic Service Payments paid by Health Co to Project Co will be consideration for the supply of a variety of goods and services both prior to and after the Payment Commencement Date. The supply of tangible personal property and certain services are subject to PST, while the supply of real property, intangible property and most services are not subject to PST.

To ensure that PST is payable by Health Co only on the taxable goods and services supplied during the operating period, the invoices issued by Project Co to Health Co must clearly identify the portion of the Periodic Service Payment on which PST is chargeable. Otherwise, the entire Periodic Service Payment may be subject to PST. The amount of the fixed Periodic Service Payment, however, shall be deemed to be inclusive of any and all PST that may be chargeable. If Project Co fails to clearly separate and identify the portion of the Periodic Service Payment on which PST is chargeable, such that the entire Periodic Service Payment becomes subject to PST, then Project Co shall be responsible for all of that PST without recourse to Health Co.

As noted in Section 6.3.3(a), the design, construction and other services related to the construction of the Facility are a non-taxable supply of an improvement to real property for PST purposes. Therefore, Project Co will not be required to collect PST on the portion of the Periodic Service Payment that relates to the construction of the Facility. As Project Co will have charged PST on the supply of equipment at the time of such supply as noted in Section 6.3.3(a), Project Co will not charge PST on the portion of the Periodic Service Payment that represents the charges associated with that supply.-

6.4 Payment Mechanism Principles

6.4.1 Introduction

The proposed Payment Mechanism for the AHCC is designed to address value for money and affordability issues in a manner consistent with similar projects in other jurisdictions. In developing the Payment Mechanism Health Co has reviewed and considered the methods adopted in many other projects and based the proposed Payment Mechanism on the current UK NHS standard payment mechanism. The Payment Mechanism for the Project Agreement, however, has been simplified.

The Payment Mechanism is comprised of a formula based on a number of components. These components are described below.

6.4.2 Annual Service Payment

The Annual Service Payment, which is to be priced by Proponents as part of their Proposals, is set at the beginning of each Fiscal Year and remains constant throughout the year. It is adjusted periodically for market testing, and annually for indexation.

Once a year the Annual Service Payment is increased to reflect the change in a specified index consisting of the CPI (as defined in the Project Agreement) and an Indexation Factor (as defined in the Project Agreement) to be proposed by Proponents as part of their Proposals. The Indexation Factor will allow for the Proponents to provide for the

Annual Service Payment to be indexed by a set percentage of the CPI on an annual basis to allow for hedging of costs subject to indexation.

The Annual Service Payment is divided into thirteen periods within the Contract Year, with the payment for each Payment Period referred to as the Periodic Service Payment. The Periodic Service Payment for each Payment Period will be payable at the beginning of the Payment Period, with deductions against the Periodic Service Payment being made in arrears shortly after the end of the Payment Period to which the Periodic Service Payment relates to avoid Project Co having to fund initial working capital for the Periodic Service Payment.

6.4.3 Volume Adjustment

The Periodic Service Payment is adjusted for volume processed for certain contracted services. Laundry/Linen Services, Food Services, Housekeeping Services, Outbreak Cleaning Services and Bed Servicing (as those terms are defined in the Output Specifications) will be subject to adjustments for actual volumes based on an individually prescribed formula.

It should be noted that the volume adjustment may be either positive or negative, depending on whether the volume processed is higher or lower than expected. There are no guarantees of minimum volumes.

6.4.4 Utility Payment

Health Co will pay Project Co a Periodic Utility Payment. The Periodic Utility Payment will be based on the actual unit price of the utility services. Therefore, Health Co will assume commodity price risk, whereas Project Co will assume an element of volume risk on consumption and use of utilities. The Periodic Utility Payment component of the Payment Mechanism is designed to provide an incentive to Project Co to reduce consumption and use through effective design, maintenance and management of the Facility.

A target for the consumption and use of utilities, called the Annual Utility Target, is to be agreed upon by Health Co and Project Co. This will then establish the Utility Threshold, which is the 5% range from 95% of the Annual Utility Target to the Annual Utility Target. If the consumption and use of utilities for a year is below the lower limit of the Utility Threshold (i.e. below 95% of the Annual Utility Target) for that same year, then Health Co and Project Co will share equally in the resulting saving for consumption and use of utilities that is below 95% of the Annual Utility Target. Project Co bears the entire risk that the actual consumption and use of utilities will exceed the Annual Utility Target.

The Periodic Utility Payment, which is based on the agreed upon Annual Utility Target, is included in and made as part of the Periodic Service Payment. As such, the total

Periodic Utility Payments during a Contract Year will be reconciled in aggregate at the end of each Contract Year, and adjusted as required.

Proponents should note that provisions of the Output Specifications (e.g. Section 1.2.6.1) and other parts of the Project Agreement require the Facility to be designed and constructed to achieve a certain minimum level of energy and environmental efficiency.

6.4.5 Failure Event Deductions

Failure Events are service performance failures related to Functional Units within the Facility, and are calculated according to a specified formula.

Failure Events are recorded and deductions calculated on a sessional basis. In each Contract Day there are six sessions, with four sessions during the core operating hours of the AHCC from 7 am to 7 pm, and two sessions during the non-core operating periods from 7 pm to 7 am.

A Failure Event deduction is based on three key factors:

- The relative importance of the Functional Unit affected by the Failure Event – i.e. the Availability Factor.
- The number of sessions affected by the Failure Event.
- The severity of the Failure Event – i.e. the Failure Event Category.

The Availability Factors, which are a dollar amount per Functional Unit, are set out in detail in Schedule 23 of the Project Agreement and are based on the schedule of accommodations provided in Section 2 of the Output Specifications. The Availability Factors for each Functional Unit are based on a significance weighting of zero to five as determined by Health Co and the Health Authorities.

The Failure Event Category is assessed based on the inconvenience, remaining functionality and incapacity of the service delivery resulting from the Failure Event and in accordance with the Output Specifications. Percentage deductions range from 10% for a Category A Failure Event or “routine” failures, to 100% for a Category E Failure Event or “unavailable and not used” failure type.

For most potential Failure Events, a response and rectification period is allowed. If Project Co fixes a problem within the allowed response and rectification period, then it would not incur a Failure Event.

The Project Agreement includes provisions for relief against certain Failure Events. These include the ability to provide suitable alternative accommodation, Failure Events caused by acts of Health Co, and an allowance for a bedding-in period during the first Payment Period of operation of a new FM Service Provider.

6.4.6 Quality Failures

Quality Failures are service performance failures that are not related to a Functional Unit, and are calculated according to a specified formula. Quality Failures are recorded and deductions calculated on either a daily basis or, in the case of Quality Satisfaction Failures, on a Periodic, i.e. four weekly, basis.

A Quality Failure deduction is based on three factors:

- The relative importance of the FM Service that causes the Quality Failure – which is designated in Scheduled 23 of the Project Agreement as “SW” for the service weighting.
- The severity of the Quality Failure – the Quality Failure Category.
- The time period over which the Quality Failure occurred.

Service weighting (SW) - Each FM Service is prescribed a weighting to broadly reflect the proportion of the Annual Service Payment allocated to that service. The SW for each FM Service is set out in Schedule 23 of the Project Agreement.

The Quality Failure Category is assessed based on the severity of the failure resulting from the Quality Failure event and in accordance with the Output Specifications. Percentage deductions range from 1% for a “Low Priority” Quality Failure, to 2% for a “High Priority” Quality Failure.

Quality Satisfaction Failures are Quality Failures based on surveys of users of an FM Service to measure the quality of the FM Service. The detail of the surveys will be agreed upon either during the finalization of the Project Agreement or following award of the Project Agreement and prior to Substantial Completion. The surveys will be administered by an independent third party. Any resulting Quality Satisfaction Failures will be assessed on a periodic or quarterly basis and will be graded on the level of satisfaction attained. Deduction percentages range from 0.5% for a “Minor” Failure, to 2% for a “Significant” Failure.

6.4.7 Bonus Payments

Project Co may earn a Bonus Payment if it exceeds specified requirements, depending on the results of both the Customer Satisfaction Surveys and Health Co’s own evaluation of Project Co’s performance over the Contract Year. In such case the Bonus Payment, to a maximum of \$250,000 adjusted for indexation, will be payable in accordance with and subject to the Payment Mechanism and other provisions of the Project Agreement.

6.5 Requirement to Receive Proposals for Financing

Health Co reserves the right to require the Preferred Proponent to obtain competitive proposals for financing for the Project. In determining whether to exercise this right, Health Co will take into account the terms of financing proposed in the Proposal, those provided by other Proponents and the general advice and recommendations of its advisors and consultants as to the competitiveness of those terms.

6.6 Third Party Income

Third party income shall be dealt with in accordance with and subject to the provisions of Section 4.13 of the RFP and subject to the Project Agreement, including Output Specifications.

7. PROJECT AGREEMENT

7.1 Introduction

All Initial Proposals shall be based on the Initial Form of Project Agreement, as issued in accordance with Section 7.3 of this RFP.

All Final Proposals shall be based on the Final Form of Project Agreement, as issued in accordance with Section 7.4 of this RFP.

The Output Specifications part of the Project Agreement, however, will be issued by Health Co to Proponents as a separate document from the rest of the Project Agreement. A copy of the Output Specifications will be placed in the Data Room as stated in Section 9 of the RFP.

7.2 Draft Form of Project Agreement

A draft form of agreement for the Project (the "Draft Form of Project Agreement") will be issued by Health Co to Proponents, which will be identified by Health Co at the time of delivery to Proponents as the Draft Form of Project Agreement.

Proponents are invited to provide their comments on proposed amendments to the Draft Form of Project Agreement in accordance with the provisions of Section 7.3, which comments and proposed amendments will be considered by Health Co as described in Section 7.3 for the Initial Form of Project Agreement.

7.3 Initial Form of Project Agreement

(a) Proponent's Comments and Proposed Amendments

On or before the date specified for their delivery in Section 1.7, each Proponent shall provide Health Co (through the Contact Person) with the Proponent's written comments on and requested specific amendments to the Draft Form of Project Agreement that they would like Health Co to consider. Proponents shall involve their proposed Funders in this review, as well as financial advisors experienced with the requirements of those Funders.

Each Proponent shall separate its comments on and proposed amendments to the Draft Form of Project Agreement into either Essential Amendments or Requested Amendments (as defined in Sections 7.3(b) and 7.3(c)). Except where patently obvious, Proponents should include a brief summary of the reason for each proposed amendment.

To facilitate and expedite review and consideration by Health Co, Proponents should submit their proposed Essential Amendments and Requested Amendments in a table using the following or similar format:

No.	Document/ Schedule	Section	Proposed Wording	Rationale

(b) Essential Amendments

If a Proponent considers provisions of the Draft Form of Project Agreement to be so objectionable and unacceptable to the Proponent as to constitute "deal breakers" if not changed by Health Co, the Proponent shall identify such provisions and propose the specific amendments ("Essential Amendments") that the Proponent requests Health Co to make to the Draft Form of Project Agreement for it to be acceptable to the Proponent. It is critical that the Proponent involves its proposed Funders in the review of the Draft Form of Project Agreement and the identification of all Essential Amendments.

Ten (10) calendar days after receipt of the last of the Essential Amendments from Proponents, Health Co will advise each Proponent as to which, if any, of its Essential Amendments are acceptable to Health Co.

Each Proponent agrees that if all of its proposed Essential Amendments are not accepted by Health Co, the Proponent will be automatically deemed to have

withdrawn from the competition and the RFP process. However, if Health Co is not prepared to accept all proposed Essential Amendments from a Proponent then, in respect to those Essential Amendments that are not accepted by Health Co, the following shall apply:

- Within such time as required by Health Co, whether before or after the aforesaid ten (10) calendar day period, the Proponent shall meet with Health Co to try to clarify any misunderstandings that the Proponent may have regarding the Draft Form of Project Agreement or that Health Co may have regarding the intent of those Essential Amendments.
- If, as a result of such meeting(s), the Proponent and Health Co (within the time period required by Health Co) agree on acceptable alternate wording for all such Essential Amendments, then such Essential Amendments will be revised as agreed by the Proponent and Health Co. In such case, the Proponent will not be deemed to have withdrawn and may continue as a Proponent in the competition.
- If the Proponent and Health Co fail, within such time period as required by Health Co, to agree on alternate wording for all such Essential Amendments, the Proponent may request Health Co to allow the Proponent to withdraw all Essential Amendments that are still unacceptable to Health Co. If Health Co, at its sole discretion, agrees in writing to allow the Proponent to withdraw all such remaining Essential Amendments, such Essential Amendments will be deemed to be Requested Amendments (as hereinafter defined), in which case the Proponent will not be deemed to have withdrawn and may continue as a Proponent in the competition. However, if Health Co at its sole discretion does not agree in writing to allow all such remaining Essential Amendments to be withdrawn, the Proponent will be deemed to have voluntarily withdrawn from the competition and will no longer be considered a Proponent, in which case:
 - The Proponent shall immediately return or destroy all copies of all documents and other information received or obtained from or through Health Co in relation to the RFP, including the Output Specifications, Draft Form of Project Agreement, and information obtained from the Data Room.
 - Any Security Deposit submitted by the Proponent shall be promptly returned by Health Co to the Proponent.
 - The Proponent shall not qualify for nor receive any compensation whatsoever in relation to the RFP, including any part of the Partial Funding.

As a proposed Essential Amendment by one Proponent may not be acceptable to one or more other Proponents, Health Co reserves the right at its sole discretion to

discuss with any and all Proponents some or all Essential Amendments received from other Proponents.

(c) Requested Amendments

In addition to Essential Amendments, if any, that may be requested, Proponents may request specific proposed amendments (“Requested Amendments”) to the Draft Form of Project Agreement for Health Co’s consideration. Requested Amendments may range from the correction of minor errors and ambiguities in the Draft Form of Project Agreement, to altering the risk profile of particular provisions to improve the overall value or affordability, or both, to Health Co and the Health Authorities.

Health Co, within such time as it may require at its discretion, may meet with one or more Proponents to try to clarify any misunderstandings that a Proponent may have regarding the Draft Form of Project Agreement that gave rise to Requested Amendments, or that Health Co may have regarding the intent of Requested Amendments. As Requested Amendments from one Proponent may not be acceptable to one or more other Proponents, Health Co reserves the right at its sole discretion to meet and discuss with any and all Proponents some or all Requested Amendments received from other Proponents. The purpose of such discussions will be to identify any Requested Amendments that, if originally contained as a provision within the Draft Form of Project Agreement at the time it was first issued, may have been the subject of an Essential Amendment by another Proponent.

(d) Finalization of the Initial Form of Project Agreement

Health Co will amend and revise the Draft Form of Project Agreement to incorporate:

- All of the Essential Amendments accepted by Health Co (either as originally proposed by each Proponent or as amended by agreement with the Proponent as described in Section 7.3(b).
- Those of the Requested Amendments which are accepted by Health Co at its sole discretion.

The Draft Form of Project Agreement as amended by Health Co (the “Initial Form of Project Agreement”) will be issued on or about the date indicated in Section 1.7 (depending on the extent of amendments) to all Proponents other than those, if any, who have been deemed to have withdrawn from the competition in accordance with the provisions of Section 7.3(b). At the time issued to Proponents, it will be expressly identified as the Initial Form of Project Agreement.

7.4 Final Form of Project Agreement

After Initial Proposals are received, and concurrently with the evaluation of Proposals by the Proposal Evaluation Committee, any and all potential amendments to the Initial Form of Project Agreement included by Proponents as Priced Options in their Proposals will be reviewed by Health Co.

At the time the Final Proponents are selected, Health Co will issue each Final Proponent with a summary of the proposed amendments to the Initial Form of Project Agreement contemplated by Health Co. Within the next ten (10) calendar days each Final Proponent shall, together with its Funders, review the proposed amendments to the Initial Form of Project Agreement and provide Health Co, through the Contact Person, with their written comments on those proposed amendments and on any other amendments which they want Health Co to consider. Health Co will amend the Initial Form of Project Agreement to incorporate those amendments proposed by Health Co and, in addition, any further amendments proposed by the Final Proponents that are acceptable to Health Co. In doing so, Health Co will attempt (subject to time constraints) to obtain a consensus of the Final Proponents on the specific wording of those amendments.

The Initial Form of Project Agreement as amended by Health Co in accordance with the foregoing (the "Final Form of Project Agreement") will be issued to the Final Proponents concurrently with the Request for Final Proposals. If differences in the Initial Proposals of Final Proponents are such that they make it impossible to adequately address those differences through a single, common form of agreement, Health Co reserves the right to issue a different Final Form of Project Agreement to each of the Final Proponents provided, however, that in doing so the differences will be limited to those aspects of the Initial Proposals that necessarily require different contract terms.

The Final Form of Project Agreement that is issued to each Final Proponent shall be used by that Proponent without amendment as the basis for its Final Proposal, provided, however that the Proponent may include, as one or more Priced Options to its Final Proposal, any and all variations or deviations from the Final Form of Project Agreement, in which case acceptance of any such variations and deviations from the Initial Form of Project Agreement shall be at the sole discretion of Health Co.

7.5 Allocation of Risks

During the Project Term risks will be allocated between Project Co and Health Co as set out in the Project Agreement.

If a Proponent believes that a different approach to the risk allocation as set out in the Project Agreement will provide sufficiently greater value to Health Co and the Health Authorities to warrant consideration by Health Co, the Proponent may, as described in Sections 11.2, 12 and 13, propose such an alternate contracting strategy as part of a

Priced Option (or as part of an Alternate Proposal where a substantially and materially different form of Project Agreement is proposed as described in Section 11.2).

7.6 Health Co – Payment Guarantee

Credit support will be provided to Health Co under the Project Agreement through a payment guarantee by the Ministry of Health Services (on behalf of the Province) sufficient to support Health Co's payment and other obligations under the Project Agreement. This payment guarantee will remain in effect until termination or expiry of the Project Agreement unless otherwise agreed by Health Co, Project Co and its Funders.

7.7 Post Contract Design Process

The Project Agreement includes a design review process for review of the design after award of the Project Agreement. Project Co will cooperate with Health Co to ensure appropriate input is obtained throughout the design review process from the Health Authorities sufficient for the Health Authorities to ensure their preferences are taken into account in the finalization of design drawings and specifications which have not been completely finalized and accepted during finalization of the Project Agreement at the time of its execution.

Proponents should include in their Proposals the means by which they will, without cost to Health Co, maximize the input of the Health Authorities into the final detailed design and final detailed specifications after award of the Project Agreement.

8. SITE – AHCC AND MSA HOSPITAL

8.1 AHCC Site

8.1.1 General

The Site is comprised of the Base Site as described in Section 8.1.2 and, when the Additional Lands are obtained as described in Section 8.1.3, the Additional Lands. The Site may also include a portion of the Park, as described in Section 8.1.4.

The Site will be transferred to Health Co prior to commencement of the Project Agreement.

The Site will be made available to Project Co through a long-term licence agreement. At the end of the term of the Project Agreement, the Facility and Site will be left by Project Co in good condition and in accordance with the requirements of the Project Agreement.

Each Proponent will include in its Proposal an amount as specified in the pricing submission schedules in Appendix 10 to be paid to Health Co or its designate by Project Co for costs related to, among other things, the provision of the Additional Lands described in Section 8.1.3.

Proponents shall assume all risks for geotechnical, subsurface and above surface conditions at the Site (including for anything which may be buried on the Site and encountered during excavation or site works) save and except, as described and only to the extent provided in the Project Agreement, for:

- Any Contamination not previously disclosed or which, through due diligence, could not reasonably have been discovered or anticipated by the Proponent.
- Archaeological risk.

8.1.2 Base Site - Location, Size and Zoning

The AHCC will be located on a site (the “Base Site”) which is comprised of approximately 25 acres (about 10 hectares) in Abbotsford, currently owned by FHA. The Base Site is the area designated with oblique lines and labelled as “Site” in Appendix 3.

The Base Site is bounded on the west by Gladwin Road, on the north by Marshall Road, on the south by Highway 1, and on the east by residential development. The Base Site is rectangular, approximately 392 meters by 263 meters. It consists of two relatively level benches to the west and east, with sloping transition areas between. The elevation difference between the two benches is approximately 10 meters.

The legal description of the Base Site is:

Parcel Identifier: 004-200-845
Lot 152 Except: Part Subdivided by Plan 76693
Section 16 Township 16
New Westminster District Plan 50761

The Base Site has been rezoned to a P8 Health Campus Zone. This zoning will allow use for a public hospital as well as certain other defined uses including for accommodation, assembly, civic, commercial (including retail), community services, congregate apartment residential, industrial, office, personal care and residential (dormitory).

8.1.3 Additional Lands

To increase the land available for the Project, Health Co has acquired rights to additional properties (the “Additional Lands”) located adjacent to the Base Site.

The Additional Lands comprise the following two components:

- Three residential lots on Gladwin Road (the “Residential Lots”).
- That portion of Gladwin Road that is adjacent to the Base Site (the “Road”).

The Additional Lands comprise the area designated with shading and labelled as “Additional Lands” in Appendix 3.

All of the Additional Lands have been rezoned to the P8 Health Campus Zone that applies to the 25 acre Base Site. This will allow the Base Site and acquired Additional Lands to then be consolidated, if necessary for the Project, as one zoned legal lot.

The Development Agreement referenced in Section 8.1.2, a copy of which is attached as Appendix 5, provides for the possibility of the City transferring the Road for use as part of the Project. Detailed negotiations in respect to the Road are ongoing with the City and it is proposed that the transfer would be achieved using a Highway Exchange Bylaw, exchanging ownership of the Road for a small portion of the Residential Lots.

The Development Agreement (Section 1(c)(iii)(B)) requires the existing hydro/telecommunications plant on the east side of the Road to be changed (which will be done at Project Co’s cost) to an underground installation along the full frontage of the Road and within a new statutory right-of-way. Unless Project Co is able to negotiate a relocation of that underground work with the utility companies and the City, Project Co shall comply with that statutory right-of-way. The terms of the statutory right-of-way will be made available to Proponents promptly after it is finalized.

The Residential Lots and the Road will be consolidated, if necessary, for the Project.

The Additional Lands will be made available to Project Co on the same basis as the Base Site, including that, as described in Section 8.1.1, Project Co is solely responsible for all existing conditions both above ground and subsurface subject only to Contamination not disclosed in the Background Information and certain archaeological risks. Project Co will also be responsible for the cut-off, removal or upgrading of any utilities and services required as a result of the above-described exchange of the Road.

8.1.4 Highland Park

Discussions are underway with the City regarding a portion of a lot on Gladwin Road that is currently owned by the City and known as Highland Park. The Park is the area designated with shading and labelled as “Highland Park” in Appendix 3.

City staff have indicated that the Park could be made available for use by the Project subject to a mutually acceptable agreement with the City. Rezoning of the Park to P8 Health Campus Zone does not obligate the City to provide the land for the Project.

Rezoning does, however, facilitate inclusion of a portion of the Park into the Site if the Successful Proponent's proposed plans meet City requirements.

It will be up to individual Proponents to determine if the Park is useful for Project design and to discuss with the City terms and conditions for inclusion of some or all portions of the Park as part of the lands for the Project. City staff are preparing draft parameters for an agreement in anticipation of the possibility of incorporating the Park into the Site for use by the Project. The parameters would potentially include such provisions as protection of the existing well, protection of healthy trees, protection of visual privacy and sunlight for adjacent properties, relocation of the existing playground, and provision of equivalent open space elsewhere on the hospital site.

Any agreement for use of the Park would involve the City, the Successful Proponent and Health Co in an arrangement where the agreed portion of the Park would be transferred to Health Co for use by the Project. The Successful Proponent would be responsible for all costs and other compensation to the City, and for satisfying any and all conditions the City may require or impose on Health Co, any of the Health Authorities or the Successful Proponent in such an agreement.

8.2 City Development Requirements

The Base Site is governed by an existing development agreement ("Development Agreement") and an existing design control covenant ("Design Control Covenant"), which were required by the City as a condition of rezoning the Base Site as described in Section 8.1.2. A copy of the Development Agreement and a copy of the Design Control Covenant are attached to Appendix 5.

Project Co shall be responsible for fulfilling, satisfying and complying with all requirements of the Development Agreement and Design Control Covenant, including all obligations which they impose on Health Co and any of the Health Authorities. Project Co shall also be responsible for fulfilling, satisfying and complying with any and all requirements the City may impose on the Additional Lands.

The Development Agreement contains both municipal and public utility upgrading requirements. Although it tries to anticipate all requirements, it also makes allowance for the addition or deletion of requirements as may be determined during the detailed design process or which may be required as a result of the Design Control Covenant. Actual upgrading of municipal and public utilities will be as required by the City and by the applicable public utilities, and will be the responsibility of Project Co. Where upgrading is performed by the City or by public utilities, Project Co shall be responsible for and pay the costs of those upgrades. Where upgrading is performed by or through Project Co, upon their completion satisfactory to and acceptance by the City or public utility, as applicable, the constructed works will be turned over by Project Co to the City or public utility, as applicable.

In addition, Project Co is responsible for fulfilling, satisfying and complying with all applicable municipal by-laws, including the City's Subdivision and Development Bylaw 1125-2002 (BL1125-2002).

8.3 MSA Hospital Site

All of the MSA Hospital's acute care treatment facilities will be closed and the health care services previously provided at the MSA Hospital's acute care treatment facilities will be provided at the AHCC.

The 150 bed Worthington and Cottage Pavilions at the MSA Hospital site will remain and continue to operate.

The provision of any services at the MSA Hospital or the Worthington and Cottage Pavilions is excluded from the scope of the Project Agreement.

9. DATA ROOM

9.1 Data Room and Contents

An electronic data room at a secure website address and a physical data room (both referred to as the "Data Room") have been established for the convenience of Proponents. The Data Room will contain, among other things, the Background Information and the RFP (including the appendices as well as the Output Specifications and Project Agreement).

The electronic Data Room and the physical Data Room will both contain a list of all information included in the Data Room. If some information is one Data Room but not in the other, this will be indicated on the list. The Data Room will include, among other things:

- The RFP and its appendices.
- Output Specifications, including the Equipment List.
- Technical Reference Standards (to be read in conjunction with Section 5 of the Output Specifications).
- Draft Form of Project Agreement.
- Initial Form of Project Agreement, when issued.
- Final Form of Project Agreement, when issued.
- Project Governance Organization Chart.
- Paper by IBM entitled "Future Trends in Health Care Telecommunication and IT Technology".

Proponents are solely responsible for ensuring they have software which allows them access to download and use any of the information in the electronic Data Room. In the event of conflict between anything downloaded by Proponents and the contents of the electronic Data Room, the contents of the electronic Data Room shall govern and take precedence. In the event of conflict between anything in the electronic Data Room and the physical Data Room, the version in the physical Data Room shall govern and take precedence.

The information in the Data Room may be supplemented or updated from time to time. Although Health Co will attempt to notify Proponents by email of all updates, Proponents are solely responsible for ensuring they check frequently for such updates from time to time and that, from and after the time updated information is issued, only the most current, updated information is used by Proponents – particularly for the RFP, the Output Specifications and the Form of Project Agreement.

All information in the Data Room is subject to the disclaimers and limitations of liability and responsibility in the RFP and in any documents in the Data Room, including the provisions of Sections 29.10 and 29.13.

9.2 Data Room Access

9.2.1 Electronic Data Room

The electronic Data Room is a secure website allowing Proponents access, following authorization, to electronic copies of the information in the Data Room.

Following satisfactory security clearance, each Proponent will be given four authorized passwords that will allow access to the electronic Data Room on an unlimited basis.

Proponents should contact the Contact Person to obtain a password. Access to the Data Room will then be via an icon on the desktop to the Internet.

9.2.2 Physical Data Room

The physical Data Room is at the following location. Access to the physical Data Room is available by prior appointment with the Contact Person (through the contact information at Section 18.1 of the RFP) or with the Contact Person's delegate for this purpose as follows:

Abbotsford Hospital and Cancer Centre
Project Office
34194 Marshall Road
Abbotsford, British Columbia
Canada V2S 5E4

Attention: Ethel De Temple

Tel: 604 556 5073

Fax: (604) 556 5077

Email: Ethel.DeTemple@partnershipsbcc.ca

The following conditions apply to the use of the Data Room and the materials available in it:

Materials may be viewed without charge in the Data Room. Copies may be requested at a charge to Proponents of \$0.25 per page if performed by Health Co's personnel and \$0.15 per page if performed by Proponent's own personnel using the copiers at that location. Alternatively, Health Co at its discretion may have bulk copy requests sent to outside printers, in which case the Proponent shall be responsible for reimbursing Health Co for the actual costs invoiced by the printers.

9.3 Geotechnical and Subsurface Information

Some of the Background Information may include the results of prior geotechnical investigations and investigations for Hazardous Substances and Contamination in relation to the Site.

Proponents at their option and own cost must conduct any and all additional geotechnical or other site investigations they may require to satisfy themselves as to any site conditions which they may encounter in the performance of the Project Agreement. All such investigations by Proponents shall be coordinated through the Contact Person.

9.4 Investigations by Proponents

Proponents shall at their own cost obtain such information and perform such investigations as they may consider necessary to satisfy themselves as to all conditions affecting the Project and the performance of the Project Agreement, whether or not included in the Data Room, including relating to labour relations, existing and future site conditions, requirements of the City, requirements of all Applicable Law, and requirements of all other Governmental Authorities.

10. INSURANCE AND WORKERS COMPENSATION

10.1 Insurance During RFP Process

During the RFP Process and until award of the Project Agreement, the Proponent shall ensure that insurance is obtained, and at all times kept and maintained in force, in accordance with the following requirements whenever the Proponent, a Proponent Team Member or any of their respective directors, officers, employees, consultants or agents

are present at the Site or at any facilities or premises of Health Co, the Health Authorities or Partnerships BC:

- Comprehensive General Liability Insurance, having an inclusive limit of not less than \$10,000,000 for each occurrence or accident and covering all sums which the Proponent may become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to, destruction of, or loss of use of property caused by an occurrence or accident arising out of any operations carried on in connection with this Agreement. The policy shall have added as additional named or unnamed insureds each of Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services (and their respective directors, officers, employees, consultants and agents), and an endorsement specifying that the said policy shall be primary and without right of contribution from any insurance otherwise maintained by Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services.
- Vehicle Public Liability and Property Damage Insurance, in the amount of \$2,000,000 per occurrence, for vehicles used by Proponents or Proponent Team Members (or their respective directors, officers, employees, consultants and agents) while on or at the Site, or on or at any facilities or premises owned by any of Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services.

As a condition of allowing access to the Site or to the facilities or premises of Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services, each of them reserves the right to require Proponents to provide evidence acceptable to Health Co that the above insurance is in place. Proponents shall within seven (7) business days of request from Health Co, provide Health Co with certificates of insurance confirming that the above insurance is in place.

If a Proponent proposes to perform any site investigations at the Site the risks related to which may not be fully insured under the above policies, Health Co reserves the right to require the Proponent at its own cost to obtain insurance additional to that specified above.

All insurance policies required to be obtained by the Proponent shall provide that the insurance shall not be cancelled, reduced, restricted, modified or changed in any way without the insurer giving at least 60 calendar days prior written notice to Health Co.

10.2 Insurance After Award of Project Agreement

From and after award of the Project Agreement, Project Co shall be responsible for procuring and at all times keeping and maintaining in force all insurance specified in the Project Agreement to be the responsibility of Project Co. Health Co shall be responsible

for procuring and at all times keeping and maintaining in force all insurance, if any, specified in the Project Agreement to be the responsibility of Health Co.

10.3 Workers Compensation During RFP Process

During the RFP Process and until award of the Project Agreement, and as a condition of allowing access to the Site or to the facilities or premises of Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services, each of them reserves the right to require Proponents to provide evidence acceptable to them that the Proponent and its Proponent Team Members are registered with the Workers' Compensation Board of British Columbia, where such registration is required by Applicable Law in British Columbia, or if not required to be registered then to provide evidence acceptable to them that the Proponent and its Proponent Team Members have employer's liability insurance in amounts and on terms and conditions acceptable to them.

10.4 Workers Compensation After Award of Project Agreement

From and after award of the Project Agreement, workers compensation insurance shall be provided by Project Co in accordance with the requirements of the Project Agreement.

11. MANDATORY PROPOSAL REQUIREMENTS

11.1 General

To be eligible for consideration, a Proponent must submit an Initial Proposal (a "Base Proposal") which conforms to and includes all of the following requirements (the "Mandatory Requirements"):

- The Base Proposal must use the Proposal Form specified in Appendix 9, and be signed by representatives of the Proponent who are authorized to bind both the Proponent and the shareholders, partners, joint venture members or consortium members, as applicable, of the Proponent.
- The Security Deposit, as prescribed by the Proposal Competition Agreement, must be provided at the time(s) specified in the Proposal Competition Agreement.
- The Base Proposal must be based on and, subject to Sections 11.2 and 11.3, accept all provisions of the Initial Form of Project Agreement, including Schedule 23 – Payment Mechanism and all other schedules to the Initial Form of Project Agreement. The Base Proposal shall include no exception to the Initial Form of Project Agreement (including the Payment Mechanism) other than those specific proposed amendments that may be offered by the Proponent as separate Priced Options in accordance with Section 12 and as further described in Section 11.2.

- A complete, working Financial Model must be submitted with the Proposal, together with the Financial Model specification booklet and Financial Model booklet of assumptions, as described in Schedule 10-4 of the Submission Requirements.
- An Indexation Factor of 0.445 (Proponents may include other Indexation Factors as part of a Priced Option to the Base Proposal).

Proposals that fail to comply with the Mandatory Requirements shall be subject to disqualification pursuant to Section 23.7.

11.2 Initial Form of Project Agreement

The Initial Form of Project Agreement shall be used without amendment by all Proponents as the basis for all Initial Proposals (this applies to both Base Proposals and any and all Alternate Proposals), provided, however that:

- The Proponent may include, as one or more Priced Options to a Proposal, any and all proposed variations or deviations which the Proponent would like to propose to the Initial Form of Project Agreement, in which case acceptance of any such Priced Options shall be at the sole discretion of Health Co. Such Priced Options should include the specific wording of all proposed amendments to the provisions of the Initial Form of Project Agreement. To facilitate the review and consideration of each proposed amendment in a Priced Option to the Initial Form of Project Agreement, where the reason for the proposed amendment is not self-evident Proponents should explain the proposed amendment and provide a summary of the benefits which they believe will accrue to Health Co and the Health Authorities if their Priced Option is accepted by Health Co.
- If a Proponent proposes a substantially and materially different form of Project Agreement altogether, their proposed alternate form of Project Agreement may be submitted as an Alternate Proposal, in which case the Proponent shall bear the sole risk that such Alternate Proposal may be rejected outright without any consideration whatsoever pursuant to Section 13. Due to the time that will likely be required by the Proposal Evaluation Committee, the AHCC Advisors and Health Co to analyze and consider a proposed alternate form of Project Agreement, an Alternate Proposal which proposes an alternate form of Project Agreement is unlikely to be considered. Such Alternate Proposals should clearly demonstrate that Health Co and the Health Authorities are guaranteed to receive significantly better overall value under the alternate form of Project Agreement than they would receive under the Initial Form of Project Agreement (in which case Proponents should include appropriate guarantees of such increased value).

11.3 Output Specifications

For the Base Proposal:

- There should be no departures at all to any provision of the Clinical Output Specifications or Non-Clinical Output Specifications.
- The general scope of all of the FM Services in the FM Output Specifications must be included, but the Proponent may include some departures and deviations from the provisions of the Output Specifications provided that they are clearly set out in the Schedule of Departures.

Any provision of a Proposal which qualifies, varies, amends or otherwise departs from any provision of the Output Specifications and which is not expressly stated and described as a departure from the Output Specifications in the Schedule of Departures shall be deemed for all purposes to be deleted from the Proposal and of no effect whatsoever, and the Proposal shall be deemed to be based on and incorporate only the Output Specifications without such qualification, variation, amendment or other departure from the Output Specifications and without any change to the prices in the Proposal.

12. OPTIONS IN PROPOSALS

12.1 General

Inclusion of Options in Base Proposals and in Alternate Proposals is subject to Sections 12.2 and 12.3, respectively.

Where Options are allowed within a Proposal, each Option must be clearly and separately identified as an Option within that Proposal, and be completely severable from the balance of the Proposal if not accepted by Health Co.

For an Option to be considered by Health Co, Proposals shall provide the following for the Option:

- Full description of the Option.
- The reasons for the Option, if not expressly requested by the RFP.
- The specific provisions of the RFP, Project Agreement and Output Specifications that relate to or may be affected by that Option if it is accepted by Health Co.
- The specific benefits which will accrue to Health Co and the Health Authorities if the Option is accepted by Health Co.
- Any increase or decrease in the prices contained in the Proposal which are applicable to the Proposal if the Option is accepted by Health Co, any changes to the construction schedule and completion date, and any other factors which the

Proponent wishes the Proposal Evaluation Committee and Health Co to consider in evaluating and considering the Option.

During finalization or after award of the Project Agreement, as applicable, Health Co may elect from time to time by written notice, delivered on or before the applicable expiry date indicated in the Proposal or Project Agreement in respect to each Option, to exercise one or more Options.

12.2 Options in Base Proposals

Base Proposals shall not include any Options other than those, if any, expressly requested or referenced in the Submission Requirements or other provisions of the RFP (e.g. pursuant to Section 6.2 of the RFP).

If a Base Proposal includes an Option that is not expressly requested in the Submission Requirements or other provisions of the RFP, that Option will be ignored and not considered by the Proposal Evaluation Committee in the evaluation, scoring and ranking of the balance of that Base Proposal. If the scoring of that Base Proposal results in the Proponent becoming a Final Proponent, however, Health Co at its sole discretion may take the Option into consideration when finalizing the Request for Final Proposals.

12.3 Options in Alternate Proposals

Proponents at their discretion may include Options within an Alternate Proposal whether or not those Options are identified in the RFP, provided each Option is clearly and separately set out.

To facilitate review, evaluation and scoring of Proposals it is requested that Alternate Proposals not include more than two Options. If a Proponent is considering submitting more than two Options as part of an Alternate Proposal, it is requested that this be done through a series of Alternate Proposals such that each Alternate Proposal only has one or two Options.

All Options in Alternate Proposals may be taken into account in the scoring and ranking of Proposals, at the sole discretion of the Proposal Evaluation Committee. The views of the Proposal Evaluation Committee on the desirability or acceptability of any Option, however, shall not bind Health Co to accept that Option.

13. ALTERNATE PROPOSALS

In addition to submitting a Base Proposal, Proponents may submit an Alternate Proposal which, in the Proponent's opinion, will improve the overall value of the Project to Health Co and the Health Authorities.

If a Proponent wishes to submit an Alternate Proposal, the Proponent shall:

- First, submit a Base Proposal. Submission of a Base Proposal is mandatory and no Alternate Proposal will be considered unless a Base Proposal is also submitted.
- Submit a separate Alternate Proposal.

If both a Base Proposal and an Alternate Proposal are submitted, each of those Proposals will be considered to be a separate Initial Proposal from that Proponent.

To be considered and to facilitate the identification and evaluation of Alternate Proposals, each Alternate Proposal should include, in a separate package, all of the following:

- A cover or title page, identifying the Alternate Proposal by Alternate Proposal number and the name of the Proponent.
- A narrative description of the Alternate Proposal.
- A separate and complete schedule of prices for that Alternate Proposal.
- A separate and complete submission for the Alternate Proposal, subject to the following:
 - Those parts of the Base Proposal which are not changed by the Alternate Proposal need not be repeated in the Alternate Proposal. Instead, they can be incorporated by reference through an express statement that, except as expressly amended in the Alternate Proposal, all provisions of the Base Proposal shall be deemed incorporated into and apply to the Alternate Proposal.
 - Those parts of the Base Proposal changed by the Alternate Proposal, including any schedules, tables or any other documents specified in the Submission Requirements to be completed by Proponents, should be completed and submitted as part of the Alternate Proposal.

Each Alternate Proposal should provide the following as part of the narrative description of the Alternate Proposal:

- Full details of the proposed Alternate.
- The reason(s) for the proposed Alternate.
- The specific provisions of the RFP, Project Agreement and Output Specifications that relate to or may be affected by the Alternate Proposal if the Alternate Proposal is acceptable to Health Co.
- The specific benefits which the Proponent believes will accrue to Health Co and the Health Authorities if the Alternate Proposal is acceptable to Health Co.
- Any increase or decrease in the prices contained in the Base Proposal which are affected by the Alternate Proposal if the Alternate Proposal is acceptable to Health Co, any changes to the construction schedule and completion date, and any

other factors which the Proponent wishes the Proposal Evaluation Committee and Health Co to consider in evaluating and considering the Alternate Proposal.

Prior to preparing and submitting an Alternate Proposal, a Proponent should request a written indication from Health Co as to whether the Alternate Proposal may generally be of interest to Health Co or whether the Alternate Proposal would not be of interest and perhaps subject to outright rejection pursuant to Section 23.5.1 without further consideration. In making such a request, which shall be made through the Contact Person, Proponents should provide full details of the proposed Alternate Proposal to Health Co, as well as the potential benefits or value it will provide to Health Co and the Health Authorities. Any confirmation by Health Co shall be subject to such terms and conditions as Health Co at its discretion may require.

If a Proponent believes it has a unique and innovative Alternate for an Alternate Proposal which is unlikely to be known, discovered or considered by other Proponents and if the Proponent wishes Health Co to keep the potential Alternate confidential then, when requesting an indication from Health Co as to whether the Alternate Proposal may be of interest to Health Co, the Proponent must expressly state in its request that it wishes Health Co to treat the inquiry as confidential. If Health Co agrees that the proposed Alternate is unique, innovative and unlikely to be known, discovered or considered by others, then Health Co will use reasonable efforts to preserve its confidentiality but only until the Closing Time for submission of Initial Proposals. If the proposed Alternate is not acceptable to Health Co, Health Co will so advise the Proponent. If Health Co reasonably believes that the proposed Alternate is likely to be known or considered by others and that another Proponent may be considering submitting a similar Alternate Proposal without obtaining a prior indication from Health Co as to its general acceptability, then Health Co at its discretion may advise all Proponents of Health Co's views on such an Alternate Proposal describing the concepts in that proposed Alternate Proposal in general terms. Similarly, if more than one Proponent requests a prior indication of the general acceptability of the same or in Health Co's opinion a similar Alternate Proposal, Health Co may advise all Proponents of Health Co's views on the general acceptability of the proposed Alternate Proposal.

Health Co will be under no obligation or liability whatsoever in relation to the consideration or rejection of any Alternate Proposal.

14. PROPOSAL DELIVERABLES – INITIAL PROPOSAL STAGE

14.1 Initial Proposals

Each Proponent must submit as an Initial Proposal a Base Proposal that complies with and conforms to the Mandatory Requirements specified in Section 11. As stated in Section 12.2, Base Proposals may contain only those Options for which submissions are expressly requested in the Submission Requirements.

In addition to an Initial Proposal which is a Base Proposal that meets the Mandatory Requirements, Proponents may submit one or more Alternate Proposals as described and in accordance with Section 13 (each of which will be considered a separate Initial Proposal).

The Submission Requirements in Appendix 10 apply to Initial Proposals. Proponents are cautioned, however, to carefully review the whole of the RFP to ensure all requested documentation and information is submitted with their Initial Proposals.

The organization and structure of the Submission Requirements generally corresponds to the Evaluation Categories in Appendix 2. To facilitate review and evaluation of Proposals by the Proposal Evaluation Committee, Proponents in their Initial Proposals should provide the information requested in the Submission Requirements under the same headings and numbers as used in the Submission Requirements. If information is relevant to more than one heading or numbered Section in the Submission Requirements Proponents should ensure that either the information is duplicated in each relevant Section or that appropriate cross-references are included to confirm where the information can be found in the Proposal. Otherwise, the Proponent runs the risk that, in evaluating and scoring a particular Evaluation Category, relevant information elsewhere in the Proposal may be overlooked by the Proposal Evaluation Committee and its AHCC Advisors.

Proposals should generally conform to and provide all information requested in the Submission Requirements and the RFP, but it is recognized and accepted that not all information requested will necessarily be submitted. As Proposals are evaluated and scored against each other, it is up to Proponents to submit as much information and details in their Initial Proposals as they consider necessary to demonstrate to the Proposal Evaluation Committee that, in relation to each of the Evaluation Categories, their Initial Proposal is superior to that of other Proponents. Proponents should also demonstrate that they are intimately familiar with the challenges faced by the Project and will be able to successfully complete the Project on schedule and in a manner that is mutually beneficial to all parties concerned.

Although irrelevant and marginally relevant material is discouraged, Initial Proposals should be as complete and comprehensive as reasonably possible. Proponents should not assume that the Proposal Evaluation Committee will refer to or consider the general reputation of Proponents or Proponent Team Members or anything other than what is actually contained within their Proposals, although as described in Section 23.5.4 the Proposal Evaluation Committee at its discretion may consider the results of reference checking, its own knowledge and experience, and the comments and recommendations of the AHCC Advisors.

14.2 EOI Submissions Superseded

14.2.1 General

Subject to Section 14.2.2, the EOI submissions are superseded entirely by the RFP.

Accordingly, even though Proponents may have previously submitted some information requested in the RFP or in the Submission Requirements, this information should be submitted with the Proposal under the appropriate Section and heading in the Submission Requirements.

14.2.2 Use of EOIs by Proposal Evaluation Committee

Notwithstanding that the EOI submissions are superseded by the RFP and the Proposals, the Proposal Evaluation Committee in its evaluation and consideration of Proposals may at its discretion take into account and rely upon any and all of the following:

- Information submitted as part of the EOIs that the Submission Requirements expressly state will be used and relied upon by the Proposal Evaluation Committee and/or Health Co. In such case, Proponents should ensure that if any such EOI information is incorrect or has been superseded that it is corrected and new information is provided as part of the Proposal.
- The EOI Evaluation Committee's views and comments on information in the EOI submissions which may be substantially the same as information submitted by the Proponent as part of its Proposal.
- The results of reference checking of Proponents and Proponent Team Members that was performed during the review and evaluation of EOIs in the EOI Stage.

15. PROPOSAL DELIVERABLES – FINAL PROPOSAL STAGE

The form, content and submission requirements for the Final Proposals will be confirmed in the Request for Final Proposals which is issued to the Final Proponents.

16. PROPOSAL FORMAT

16.1 Initial Proposals - Format and Length

As stated in Section 14.1, Initial Proposals should be organized to correspond to the headings and numbering in the Submission Requirements. If an executive summary or other general narrative text is included with the Initial Proposal, the headings and numbering in that summary or narrative text should also correspond as closely as possible to those in the Submission Requirements.

Initial Proposals should be submitted bound or in 3-ring binder(s) on double spaced, single sided pages on 8.5"x 11" or A4 size paper. For readability, they should not contain text smaller than courier 10 or times roman 12 typeface. Each binder should:

- Be clearly labeled.
- Identify the Proponent.
- Identify the schedules contained in the binder.
- Preferably be numbered sequentially, from the first volume containing the first page of the Initial Proposal through to the last volume containing the last page of the Initial Proposal, or in such other form so that in the event pages are referred to they can be readily identified by a unique number and if removed can be replaced in the correct place in the Initial Proposal. Use of a Bates stamp for consecutively numbering pages in addition to whatever page numbering otherwise appears on the pages is also acceptable.
- Contain a separate table of contents for the binder and for each Section or schedule contained in the binder.

Drawings should be in the sizes indicated in the Submission Requirements, or where no size is indicated for a drawing then in the smallest size that allows all information to be clearly and easily read and dimensions to be scaled from the drawing. For convenience, all drawings can be grouped into one package. In such case, Proponents should ensure appropriate cross-references to specific drawings are expressly included under the applicable headings and sections in the Initial Proposal.

A letter of submittal is not required but a table of contents identifying all parts of the Initial Proposal should be included. If a letter of submittal is provided it should only list the documents submitted as part of the Initial Proposal (e.g. to identify and list oversize drawings which are identified in and form part of the Proposal) and should not attempt to limit, qualify, modify or expand the Proposal in any way. Any transmittal letter shall be deemed not to be incorporated into or form part of the Proposal. All materials which cannot be physically inserted in the bound Proposal document should be clearly identified in the bound Proposal document and should be expressly incorporated by reference in the Proposal.

There is no page limit on Proposals. However, Proponents should avoid inclusion of extraneous or marginally relevant material.

16.2 Initial Proposals – Packaging and Number of Copies

All boxes or other packages containing Initial Proposals should be clearly and legibly identified and marked with terms such as "Proposal for Abbotsford Hospital and Cancer Centre – Package * of *".

Proponents are to submit:

- Ten (10) copies: Base Proposal.
- Ten (10) copies: Alternate Proposal (if applicable).
- Ten (10) copies: Set of CDs containing the entire Base Proposal.
- Ten (10) copies: Set of CDs for each Alternate Proposal.

One copy of each package should be unbound and submitted in a form which will allow reproduction of additional copies by Health Co, if required. The CDs shall allow duplication by Health Co.

The CDs need not be submitted with the Initial Proposal but should be received by Health Co no later than seven (7) calendar days after the Closing Time.

If, due to unforeseen circumstances beyond their reasonable control, Proponents are not able to provide the specified number of copies by the Closing Time, then at least one copy of each package must be delivered prior to the Closing Time and, except for the CDs, the remaining copies must be delivered no later than three (3) calendar days after the Closing Time (or the next business day if the end of the three calendar days falls on a weekend or a holiday when offices are closed in Vancouver).

The CDs shall contain the following files, and in the formats indicated:

- One copy of the original files of everything contained in the Proposal (provided that copies of pre-published brochures and other documents for which no original files are available may be submitted in Adobe Acrobat Portable Document Format or PDF format). These files shall be in one of the following file formats, and shall not be in a read-only or password protected form so that they may be used and edited by the Proposal Evaluation Committee, its AHCC Advisors, Health Co and other advisors to Health Co (but only for purposes of this Project).

File Type

Software Package

Text based documents:	Microsoft Word (Version: '97, 2000 or XP)
Spreadsheet based documents:	Microsoft Excel (Version: '97, 2000 or XP)
Drawing Files:	AutoCAD .PLT files. Drawings may also be submitted as VectorWorks PDF files
Schedules:	Microsoft Project (2000)

- At the Proponent's option, one copy of the entire content of each Base Proposal and Alternate Proposal, in Adobe Acrobat Portable Document Format (PDF). Although not mandatory, submission of this copy would be appreciated.

16.3 Language

Proposals shall be entirely in the English language.

17. BILATERAL MEETING PROCESS

17.1 Initial Proposal Stage

Prior to the Closing Time for submission of Initial Proposals, Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services will make available certain of their personnel, consultants and advisors to participate in bilateral meetings with Proponents in accordance with the Bilateral Meeting Process described in Appendix 4.

The purpose of these bilateral meetings includes, among other things, to provide the personnel, consultants and advisors of and to the Health Authorities and the Ministry of Health Services with advance familiarity of the designs and concepts proposed by Proponents, and to provide Proponents with some comments and feedback on general acceptability to Health Co of particular solutions Proponents may be considering for various aspects of their Proposals.

No statement, consent, waiver, acceptance, approval or anything else said or done in any bilateral meeting by any personnel, consultants or advisors of or to Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services shall amend or waive any provision of the RFP, the Output Specifications or the Project Agreement, or be binding on Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services or their respective personnel, consultants or advisors, or be relied upon in any way by Proponents, except when and only to the extent expressly confirmed in writing by the Contact Person by means of:

- An Addendum to the RFP or the Project Agreement (including the Output Specifications) issued in accordance with Section 26 by Health Co.
- A clarification issued in writing by the Contact Person in accordance with Section 18.1.

In addition to the Bilateral Meeting Process described in Appendix 4, prior to the Closing Time for Initial Proposals Health Co at its discretion may from time to time schedule meetings in person, by videoconference, by telephone conference or by any combination thereof with any one or more Proponents. At the discretion of Health Co such meetings and conference calls may be joint meetings with all Proponents, or may be separate meetings with each Proponent. Where separate meetings or conference calls are held, Health Co will use reasonable efforts to afford to each Proponent an approximately equal opportunity in terms of number of meetings and conference calls, as applicable, but it is up to each Proponent to determine for itself whether and the extent to which they wish to

take advantage of such meetings and conference calls. The agenda for such meetings and conference calls may include, among other things:

- Proposed or contemplated changes, if any, by Health Co to the RFP, Output Specifications or Project Agreement.
- Potential Alternate Proposals or Options which may be raised by Proponents and for which Proponents have requested from Health Co a prior indication of their general acceptability to Health Co and the Health Authorities.
- Such other matters as Proponents or Health Co consider appropriate for the agenda, or which may arise during the meetings or conference calls.

The Process Monitor may be present during some or all of these meetings. Health Co reserves the right to have such personnel, consultants and advisors of and to Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services and others participate in such meetings and conference calls as Health Co at its discretion may require to facilitate discussion or to advise Health Co on the Project.

Health Co reserves and has the right at its sole discretion to issue written guidance notes, directions or an Addendum to the RFP to all Proponents on any matter which may arise during the course of any of meetings, videoconferences or telephone conferences with Proponents, whether pursuant to the above or Appendix 4, in order to provide all Proponents with generally comparable access to relevant information.

17.2 Final Proposal Stage

As noted in Appendix 4, the bilateral meeting process for the Final Proposal Stage will be described in the Request for Final Proposals. It is presently contemplated that the requirements of the bilateral meeting process for the Final Proposal Stage will be similar to the Bilateral Meeting Process described in Appendix 4, but adapted as required by Health Co to address the needs of Health Co and the Final Proponents at that time based on the quality and content of the Initial Proposals received from the Final Proponents.

As part of their Initial Proposals, Proponents may describe the bilateral meeting process which they would like Health Co to consider implementing for the Final Proposal Stage if they are invited to become Final Proponents. This will be taken into consideration by Health Co as it finalizes the Request for Final Proposals.

18. INQUIRIES AND COMMUNICATION PROCESS

18.1 Inquiries and Questions

Except for communications during meetings, videoconferences and telephone conferences established pursuant to the Bilateral Meeting Process in accordance with

Appendix 4 and Section 17 of the RFP, all inquiries, questions and other communications regarding the RFP, the Project Agreement, Output Specifications, or Proposals, shall be directed to the following (the “Contact Person”):

Contact Person: Walter Hiller,
Project Leader, Procurement & Technical Services

Address: Abbotsford Hospital and Cancer Centre
Project Office
34194 Marshall Road
Abbotsford, British Columbia
Canada V2S 5E4

Fax: (604) 556 5077
Email: walter.hiller@partnershipsbc.ca

All written questions, inquiries, requests for information, requests for clarification and other communications with Health Co must be submitted on the RFI Form, a copy of which is attached as a schedule to Appendix 4. The RFI Form is available separately in MS Word for use by Proponents. Although completed RFI Forms should normally be sent by e-mail, Proponents may also send them by fax or mail.

Telephone requests may be accepted in urgent situations, but these are to be promptly confirmed by the Proponent by e-mail, fax or mail using the RFI Form.

The following shall apply to all RFIs:

- Each RFI should give the Proponent’s name and be numbered sequentially, stating the nature of the question, inquiry, request for information, request for clarification or other purpose of the communication, and the date by which a response from Health Co is requested.
- Health Co will endeavour to respond to all RFIs as soon as it reasonably can. Health Co does not guarantee that any RFI submitted within two weeks prior to the Closing Time will be responded to at all or in time for Proponents to consider the response prior to the Closing Time.
- To facilitate and expedite both responses and the tracking of responses to RFIs, where Proponents have a number of questions, requests for information or requests for clarification they are encouraged to break them up by subject matter and submit them as a number of separate and short RFIs.
- Written responses by Health Co to an RFI will not be distributed to all Proponents if the RFI is of a minor or administrative nature that Health Co at its sole discretion considers to relate only to the Proponent who submitted the RFI and as not material to other Proponents.

- Health Co may respond to an RFI from one Proponent by way of a circular to all Proponents. If a Proponent does not want a response to its RFI to be shared with other Proponents, the RFI must be clearly marked “Commercial in Confidence” by the Proponent. If Health Co at its sole discretion considers that Health Co should answer the RFI on a confidential basis, then Health Co will do so. However, if Health Co at its sole discretion for any reason considers that Health Co should not answer the query on a confidential basis, Health Co will notify the Proponent who submitted that RFI marked “Commercial in Confidence” of Health Co’s decision and the Proponent will have the opportunity to withdraw the RFI. If the Proponent does not withdraw the RFI, then Health Co at its sole discretion may provide Health Co’s response to the RFI to all Proponents.
- If Health Co identifies that there is a need for general clarification on an issue and which does not require an Addendum, or if Health Co identifies a matter of substance which Health Co at its sole discretion considers should be formally brought to the attention of all Proponents, a letter of clarification will be sent to all Proponents at the same time.

No communications or responses from Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services in relation to the RFP, Project Agreement, Output Specifications, the RFP Process or the Project may be relied upon by Proponents unless and only to the extent confirmed in writing by an Addendum to the RFP, Project Agreement or Output Specifications, or by a formal written response issued by the Contact Person to an RFI in accordance with this Section 18.1. Any reliance by a Proponent on any information obtained by a Proponent which is not contained in an Addendum to the RFP or in a formal written response issued in accordance with this Section 18.1 by the Contact Person to an RFI shall be at the Proponent’s sole risk and without recourse against Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services, or their respective directors, officers, employees, consultants and agents.

18.2 Arranging Access to Site and MSA Hospital

18.2.1 Access to Site

Proponents are not to access the Site without prior written arrangement in each instance with Health Co.

Proponents wishing to arrange a Site visit for any purpose (other than for a meeting previously arranged by the Contact Person) should submit their request to the Contact Person by RFI in accordance with Section 18.1 and describe the date(s) and time(s) they will be at the Site and the purpose for the visit(s). The RFI should be submitted at least 48 hours in advance of the time for the Site visit(s).

Health Co reserves the right to have a person present during any and all Site visits to monitor the Proponent's activities during the Site visit, particularly if the purpose of the Site visit includes any activities which may disturb the environment or cause damage to any property at or adjacent to the Site.

18.2.2 Access to MSA Hospital

Access to the MSA Hospital requires a sensitive approach by Proponents and Health Co.

Accordingly, except for specific meetings previously agreed to in writing by Health Co, Proponents are not to go on to the site of the MSA Hospital for any reason without first obtaining prior written authorization from Health Co in each instance.

To arrange a visit to the MSA Hospital (other than for a specific meeting previously arranged through and confirmed in writing by Health Co), the following procedure will apply:

- Proponents must submit a request to visit the MSA Hospital by submitting an RFI in accordance with Section 18.1 on an RFI Form to the Contact Person at least 48 hours prior to the time for commencement of the visit, identifying the following:
 - Purpose, date, time(s) and areas of access requested for the proposed visit (with alternate date and time in case the requested date and/or time is not convenient or acceptable to the Health Co or the Health Authorities).
 - Name and other details of the person(s) who will be present on behalf of the Proponent.
- Health Co will use reasonable efforts to accommodate and coordinate all requests, and through the Contact Person will confirm final arrangements for the date and time(s) of the visit.

Once a visit to the MSA Hospital has been arranged and confirmed by the Contact Person to Proponents, unless otherwise expressly indicated in the written confirmation from the Contact Person of the meeting, the following will apply to the visit:

- All authorized visitors, upon their arrival at the facility, must without exception:
 - Report to Plant Services at the MSA Hospital to sign in and collect ID badges.
 - On completion of the visit, return all ID badges to Plant Services.
- All visitors must respect the privacy of patients and staff during their visits. Visitors must ensure that disturbances are minimized by visiting only those specific areas for which authorization has been granted in the notice from the Contact Person confirming the date, time and other details for the visit. Photography is not permitted at these facilities unless expressly authorized in advance through the Contact Person.

- As the MSA Hospital is in use and unforeseen circumstances may arise at any time, Health Co and the Health Authorities reserve the right at all times to postpone the visit, curtail the visit, restrict access to areas previously authorized, or otherwise change any and all aspects of the visit.

18.3 Communications with City and Other Governmental Authorities

Proponents may communicate directly with the City and other Governmental Authorities in respect to their requirements related to the Project. Health Co at its discretion may request representatives from the City and other Governmental Authorities to be present during any one or more of the bilateral meetings with Proponents scheduled pursuant to the Bilateral Meeting Process.

In no event shall Health Co be responsible for any representations, statements, assurances, commitments or agreements which Proponents believe they may have received from the City or any Governmental Authorities. Proponents rely on such representations, assurances, commitments and agreements at their sole risk without recourse against Health Co and if Proponents wish to rely on such representations, assurances, commitments and agreements they are solely responsible for ensuring they are incorporated into binding written agreements between the Proponent and the City or other Governmental Authorities.

19. CHANGES TO PROPONENTS AND PROPONENT TEAM MEMBERS

It is recognized that, due to circumstances beyond the control of a Proponent or a Proponent Team Member, Proponents may require a change in their proposed members, in their proposed Proponent Team Members, or in their proposed contractors, consultants and others from those which Proponents identified in the EOI, or from those which Proponents name in their Initial Proposals or, subsequently, in their Final Proposals.

If, prior to submission of its Initial Proposal or Final Proposal, as applicable, a Proponent discovers or requires a change in its members or shareholders, in its Proponent Team Members, or in any proposed contractors, consultants, advisors or others named in the EOI, or if a Proponent requires a change to any personnel named in the EOI because such personnel are no longer willing or able to participate in the Project, the Proponent shall promptly notify Health Co in writing by email, delivery or facsimile to the Contact Person. Such notification shall clearly identify the proposed substitution and include reasonable documentation to demonstrate that the proposed substitute has, overall, comparable or better qualifications, experience and ability in comparison to the original named entity or person.

The Proponent shall provide such further documentation as may be requested by Health Co at its discretion to satisfy itself as to the qualifications, experience and ability of the proposed substitute. If Health Co considers the proposed substitute to be

acceptable to Health Co, at its sole discretion, Health Co will consent to such substitution. Consent to such substitution, however, may be subject to such terms and conditions as Health Co may require to confirm the qualifications, experience, ability and availability of the proposed substitute. If the proposed substitute is not acceptable to Health Co, the Proponent shall propose an alternate substitute who the Proponent can demonstrate to Health Co's satisfaction does have the requisite qualifications, experience, ability and availability for the proposed role.

If at or after the submission of an Initial Proposal or Final Proposal and prior to execution of the Project Agreement there is an actual or proposed addition, deletion, substitution or other change in the membership or effective control of the Proponent, of any member of a Proponent, or of any Proponent Team Member, or if there is a material adverse change in circumstances that may adversely affect a Proponent, the members of the Proponent, or any Proponent Team Member in a way which could impair the Proponent's or their ability to perform their respective obligations under the Project Agreement, then the Proponent shall promptly notify Health Co in writing by email, delivery or facsimile to the Contact Person. Such a change, even if after the applicable Closing Time, shall not automatically disqualify a Proponent.

Health Co reserve the right at its sole discretion to allow a proposed or actual change on such terms and conditions (if any) as it may require, to disallow any proposed change, and in the case of an actual change previously made without consent by Health Co to disqualify the Proponent and terminate its continued involvement, or allow the Proponent to continue under such terms and conditions as Health Co at its discretion may require. In exercising its discretion, Health Co will take into account the extent to which the addition, deletion, substitution or other change has or may have, in the sole opinion of Health Co, a material adverse impact on the Proponent and its ability, if ultimately awarded a contract for the Project, to successfully complete the Project on schedule and budget. If a change or substitution is allowed by Health Co, the Proposal Evaluation Committee may request additional information to form part of the Proposal and to be taken into account in the evaluation process, all as described in Section 23.

20. AMENDMENTS TO PROPOSALS PRIOR TO CLOSING TIME

Prior to the Closing Time, Proponents may amend their Initial Proposals which may have already been submitted. All amendments prior to the Closing Time may only be made in writing and must be received by Health Co prior to the Closing Time, at the place for delivery of Proposals.

Prior to the Closing Time, amendments (but not the original Proposal) may be submitted by delivery or by fax, provided that if submitted by fax it is subject to the following conditions:

- The fax must:
 - Be sent to Fax No.: (604) 556-5077.
 - Be addressed to the Contact Person.
 - Identify the name of the Proponent.
 - Include confirmation that it is sent by a representative of the Proponent authorized to make the amendment on behalf of the Proponent and to bind the Proponent.
 - Clearly state that it is an amendment to a Proposal.
- Proponents intending to transmit fax amendments should advise the Contact Person as soon as possible in advance of transmitting the fax, and after completion of transmission should call the Contact Person to confirm whether the fax was actually received.
- Proponents assume the entire risk of failure of Health Co for any reason whatsoever to receive the fax prior to the Closing Time. Without limiting the generality of the foregoing, Proponents bear the entire risk without recourse that the fax equipment at the receiving number may be busy prior to the Closing Time, may be malfunctioning or inoperative, may not be set to the correct time. Proponents also bear the entire risk that the fax when received may be misplaced or lost. For purposes of the foregoing, if the fax is received and printed on the receiving fax machine, the time of receipt printed on the first page of the fax as received by the receiving fax machine shall be deemed to be the time of receipt.
- Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Service, and their respective employees, consultants and agents, assume no risk, responsibility or liability whatsoever that any fax will be received either as transmitted or at all, and shall not be liable to any Proponent or to anyone else if, for any reason, a fax is not properly received prior to the Closing Time.

Amendments to Proposals prior to the Closing Time submitted by email will not be accepted.

21. CLOSING TIME AND PLACE FOR INITIAL PROPOSALS

Initial Proposals must be received at the following address, addressed to the Contact Person, on or before 4:00 p.m. local Vancouver, B.C. time on the date identified in Section 1.7 for Submission of Initial Proposals (the “Closing Time”):

DATE: Refer to Section 1.7.

TIME: 4:00 P.M. (local Vancouver, B.C. time)

PLACE: Abbotsford Hospital and Cancer Centre Project Office
c/o Partnerships British Columbia Inc.
Suite 1250
999 West Hastings St.
Vancouver, B.C. V6C 2W2

Attention: Walter Hiller

Faxed or electronic Proposals will not be accepted in response to this RFP.

Initial Proposals received after the Closing Time will not be considered and will be returned unopened.

Health Co reserves the right from time to time by notice to Proponents to amend the Closing Time. Without limiting the foregoing, if within the 24 hour period prior to the Closing Time a Proponent who has already couriered all or major parts of its Proposal to Vancouver discover there is a risk that their couriers may be delayed as a result of strikes, bankruptcies, weather or other conditions which delay or could delay their courier shipment to Vancouver, B.C., then the Proponent shall immediately notify the Contact Person. If the potential for such delays is confirmed by the Contact Person, Health Co reserves the right to extend the Closing Time immediately prior to the Closing Time by a reasonable period of time to allow courier shipments already enroute to Vancouver to be delivered to Vancouver and then to Health Co.

It is the sole responsibility of Proponents to ensure that Initial Proposals are received on or before the Closing Time and that they obtain confirmation from Health Co as to whether their Initial Proposal was received prior to the Closing Time.

22. VALIDITY OF INITIAL PROPOSALS

With the exception of an adjustment for change in the relevant reference interest rate as described in Schedule 10-4 of the Submission Requirements, all Proposals and all prices in Proposals shall remain valid until three months after the last day of the month projected for Financial Close in Section 1.7 of the RFP. Proponents should indicate in their Proposal the change in the price monthly thereafter.

23. REVIEW AND EVALUATION OF INITIAL PROPOSALS

23.1 Introduction

Initial Proposals will be reviewed, evaluated and scored as described in this Section 23.

Final Proposals will be reviewed, evaluated and scored as described in the Request for Final Proposals.

Although it is presently contemplated that the methodology and the composition of the Proposal Evaluation Committee for reviewing, evaluating and scoring Final Proposals will be similar to that for Initial Proposals, for the Request for Final Proposals Health Co reserves the right at its sole discretion to amend the composition of the Proposal Evaluation Committee and to amend the methodology for reviewing, evaluating and scoring Final Proposals to assist Health Co to achieve its objectives and obtain the best overall value for Health Co and the Health Authorities.

23.2 Proposal Evaluation Committee

Initial Proposals will be evaluated by a committee (the “Proposal Evaluation Committee”) established for that purpose by Health Co. The size and composition of the Proposal Evaluation Committee is at Health Co’s sole discretion and appointments to the Proposal Evaluation Committee will include, among others, personnel from Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services.

Except where otherwise prescribed by the RFP, the Proposal Evaluation Committee has the authority to establish its own methods and procedures for the review, evaluation and scoring of Proposals.

23.3 AHCC Advisors

The Proposal Evaluation Committee may be assisted by and consult with various technical consultants and advisors (each an “AHCC Advisor”), including engineering, architectural, financial, legal, operating, marketing and other consultants and advisors, and other personnel from Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services, in respect to any and all parts of the Initial Proposals. The Proposal Evaluation Committee will appoint the AHCC Advisors in relation to any and all aspects of Proposals as the Proposal Evaluation Committee determines at its sole discretion.

The AHCC Advisors will also assist the Proposal Evaluation Committee by reviewing Proposals with respect to their general compliance with the RFP and Project Agreement (including the Payment Mechanism and Output Specifications). If, in undertaking this review, the AHCC Advisors identify material and substantial deficiencies or deviations from the Output Specifications or requirements of the RFP, they will advise the Proposal Evaluation Committee.

In its evaluation and scoring of Initial Proposals, the Proposal Evaluation Committee may consider any and all reports, comments and recommendations from and by the AHCC Advisors in relation to any and all parts of the Initial Proposals. Without limiting the ability of the Proposal Evaluation Committee to establish its own procedures for the review, evaluation and scoring of Proposals, the Proposal Evaluation Committee may utilize the AHCC Advisors in any way that the Proposal Evaluation Committee at its sole discretion considers will be of assistance to the Proposal Evaluation Committee. Final

scoring of each Evaluation Category, however, will be performed only by the Proposal Evaluation Committee.

23.4 Process Monitor

Health Co will appoint a process monitor (the “Process Monitor”) to monitor the evaluation process undertaken by the Proposal Evaluation Committee, the ranking of the Proposals, and the selection of the Final Proponents. The Process Monitor will report only to Health Co.

23.5 Evaluation Process for Initial Proposals

23.5.1 Preliminary Review and Initial Affordability Confirmation

All Initial Proposals will first be reviewed by the Proposal Evaluation Committee to confirm whether their proposed Annual Service Payment exceeds the ASP Affordability Threshold specified in Section 6.1. If the ASP Affordability Threshold is exceeded in a Proposal, that Proposal may be rejected by the Proposal Evaluation Committee without further consideration or, alternatively, the Proposal Evaluation Committee may decide to review and evaluate that Proposal nevertheless in case other aspects of the Proposal may demonstrate to the Proposal Evaluation Committee that Health Co and the Health Authorities may realize indirect annual financial savings which off-set the amount by which the proposed Annual Service Payment exceeds the ASP Affordability Threshold.

Base Proposals will initially be reviewed on a preliminary basis by the Proposal Evaluation Committee and the AHCC Advisors to determine whether they comply with the Mandatory Requirements specified in Section 11. Base Proposals which do not, in the opinion of the Proposal Evaluation Committee, comply with the Mandatory Requirements will be rejected and not considered further in the evaluation process.

Each Alternate Proposal will then initially be reviewed by the Proposal Evaluation Committee to determine the following:

- Whether the Proponent who submitted that Alternate Proposal submitted a Base Proposal that met the Mandatory Requirements for Base Proposals as specified in Section 11. If a Base Proposal meeting the Mandatory Requirements was not submitted by that same Proponent, the Alternate Proposal will be rejected and not considered further in the evaluation process.
- Whether the Alternate Proposal is substantially in compliance with the requirements of the RFP for Alternate Proposals. If not, in the opinion of the Proposal Evaluation Committee, then at the sole discretion of the Proposal Evaluation Committee it may be rejected and not considered further in the evaluation process.

Following this initial review of Alternate Proposals, to mitigate delays, cost and expense to Health Co and the Proponents resulting from the Proposal Evaluation Committee reviewing and evaluating Alternate Proposals that would not under any circumstances be acceptable to Health Co, Health Co and the Proposal Evaluation Committee will meet to review those Alternate Proposals not already rejected by the Proposal Evaluation Committee. If such review confirms that:

- The Alternate Proposal is one for which, pursuant to Section 13, Health Co previously confirmed in writing such an Alternate Proposal may potentially be of interest to Health Co, then such Alternate Proposal will be reviewed and evaluated by the Proposal Evaluation Committee together with all other Proposals.
- The Alternate Proposal is one for which the Proponent did not obtain prior confirmation of potential interest from Health Co pursuant to Section 13, Health Co will determine whether the Alternate Proposal is of sufficient potential interest to Health Co to warrant submission to the Proposal Evaluation Committee for review and evaluation together with other Proposals. If Health Co determines at its sole discretion that:
 - The Alternate Proposal is of potential interest to Health Co, then such Alternate Proposal will be reviewed and evaluated by the Proposal Evaluation Committee together with all other Proposals.
 - Health Co would not, under any reasonable circumstances, be prepared to consider and accept that Alternate Proposal, regardless of how it may ultimately be ranked by the Proposal Evaluation Committee if reviewed and evaluated, then such Alternate Proposal will be rejected and will not be reviewed and evaluated further. Prior to rejecting any such Alternate Proposal, however, Health Co may (through the Contact Person or by meeting with the Proponent) request the Proponent to clarify the Alternate Proposal or submit additional information as may be required by Health Co to understand the Alternate Proposal to determine whether the Alternate Proposal may potentially be of interest to Health Co.

After completion of this preliminary review of Initial Proposals, those Initial Proposals not rejected through this preliminary review will be reviewed and evaluated by the Proposal Evaluation Committee as described in Section 23.5.4.

If the Proposal Evaluation Committee subsequently determines, either on its own or based on advice received from the AHCC Advisors, that an Initial Proposal contains such material and substantial omissions, defects, deficiencies or deviations from the requirements of the RFP that the Proposal can not be effectively evaluated for all Evaluation Categories and thus will inevitably be the lowest ranked of all Proposals, the Proposal Evaluation Committee at its discretion may recommend to Health Co that such Initial Proposal be rejected outright without further review or consideration. Health Co, at its sole discretion, may accept that recommendation and immediately reject the Initial

Proposal or, alternatively, instruct the Proposal Evaluation Committee to continue evaluating that Initial Proposal.

As described in Section 23.6, from time to time after the Closing Time one or more Proponents may be requested to meet with the Proposal Evaluation Committee and/or one or more AHCC Advisors to clarify their Proposals and to provide such additional information as may requested by the Proposal Evaluation Committee or the AHCC Advisors.

23.5.2 Interviews and Meetings During Evaluation Process

(a) Interview by Proposal Evaluation Committee

An interview will be scheduled separately for each Proponent with the Proposal Evaluation Committee, at a time and location to be determined by the Proposal Evaluation Committee. The interview will be established by the Proposal Evaluation Committee for such a length of time as it considers appropriate, which will be not less than one-half day and not more than one day.

The agenda and procedure for the interview is at the sole discretion of the Proposal Evaluation Committee. At the discretion of the Proposal Evaluation Committee, during the time allotted for the interview the Proposal Evaluation Committee may hold separate interviews with only those representatives of Proponents who will be responsible for specific aspects of the Project, such as for the design and construction, for the provision of FM Services, and for the management of procurement of equipment, to assist the Proposal Evaluation Committee to consider their understanding of and commitment to the Project and the terms of the Project Agreement, including the Payment Mechanism and Output Specifications.

The Proposal Evaluation Committee at its discretion may take the results of the interview into account in the evaluation and scoring of the Evaluation Categories in Appendix 2. There will be no separate score for the results of this interview.

At the beginning of its interview, the Proponent will be invited to make a short presentation to the Proposal Evaluation Committee to highlight key aspects of its Proposal. The presentation part of the interview will be limited to one hour and to the materials submitted in the Proposal.

Without limiting the discretion of the Proposal Evaluation Committee to establish its own agenda and procedure, the balance of the interview time with each Proponent may include a question and answer process during which Proponents may be asked questions on any and all aspects of their Proposal, including in relation to some or all of the Major Evaluation Criteria in Appendix 2, design and life cycle cost aspects of Proposals, perceived advantages and disadvantages of

Proposals to Health Co and the Health Authorities over the life of the Project Agreement, and such other matters as the Proposal Evaluation Committee at its discretion may consider appropriate to understand the Proposal and to assess the Proponent's background, experience, abilities and long term commitment to the Project and to working in a long-term partnering type relationship with Health Co and the Health Authorities to meet all the Project Vision and Guiding Principles.

The Proposal Evaluation Committee may require Proponents to provide Health Co with confirmation in writing as to any specific assurances or commitments which Proponents make during the interview, in which case any such written assurances and commitments shall then be deemed to be part of the Proposal and may be considered and relied upon by the Proposal Evaluation Committee and Health Co.

The Proposal Evaluation Committee has the right, at its sole discretion, to consider how to use the results of the interview in the evaluation, scoring and ranking of Proposals.

(b) Meetings with AHCC Advisors

To assist the AHCC Advisors in their review and understanding of particular aspects of Proposals, the Proposal Evaluation Committee may at its sole discretion at any time and from time to time direct that the AHCC Advisors meet separately with representatives of Proponents. The agenda and procedure for such meetings will be prepared by the AHCC Advisors and is subject to review and approval by the Chair of the Proposal Evaluation Committee. Such meetings will be scheduled at mutually agreeable times with Proponents, using the process established pursuant to Appendix 4.

At the sole discretion of the Proposal Evaluation Committee, during any one or more meetings between Proponents and AHCC Advisors the Proposal Evaluation Committee may request or allow any one or more of the following to be present:

- One or more members of the Proposal Evaluation Committee.
- One or more senior representatives of one or more of the Health Authorities and the Ministry of Health Services, in which case those persons will be present in the role of and participate at the meeting as AHCC Advisors so that they may as AHCC Advisors, when requested by the Proposal Evaluation Committee, provide their comments to the Proposal Evaluation Committee on the potential for the Health Authorities to work cooperatively and in coordination with the Proponent over the whole of the Project Term of the Project Agreement, which comments the Proposal Evaluation Committee may take into account in its evaluating and scoring the "Partnering Relationship" Evaluation Category in Appendix 2.

During such meetings, Proponents will discuss and clarify their Proposals and respond to questions from the AHCC Advisors. Proponents, however, will not be allowed to submit new materials to supplement or add to their Proposals except when expressly requested by the Proposal Evaluation Committee, through the Contact Person, to submit that information.

23.5.3 Right to Verify

The Proposal Evaluation Committee at its sole discretion may, itself or through the AHCC Advisors:

- Independently verify any information contained in any Proposal (including conducting credit, reference and other checks).
- Independently verify any statements or information presented during the interviews and meetings described in Section 23.5.2.
- Obtain references from other than those references listed by Proponents in their Proposals.

23.5.4 Scoring by Proposal Evaluation Committee

The Proposal Evaluation Committee will score Proposals in accordance with the Evaluation Categories listed and described in Appendix 2.

The maximum point score available for each Evaluation Category is specified in Appendix 2.

Scoring of Evaluation Categories will be based entirely on the subjective evaluation of Proposals by the Proposal Evaluation Committee. In determining whether any points should be awarded for any particular Evaluation Category and, if so, the number of points, the Proposal Evaluation Committee will compare the contents of every Base Proposal, and every Alternate Proposal (if any), to the contents of all other Base Proposals and Alternate Proposals in relation to that Evaluation Category. In such evaluation, the Proposal Evaluation Committee at its discretion may create additional sub-criteria to the Major Evaluation Criteria in Appendix 2 and may, among other things, take into account its subjective assessment of:

- The results of interviews and meetings described in Section 23.5.2,
- Any additional information and clarifications that may have been specifically requested by the Proposal Evaluation Committee and provided by the Proponent, including during and following the interview described in Section 23.5.2(a).
- Comments received by the Proposal Evaluation Committee from:

- The AHCC Advisors (including those AHCC Advisors who are senior representatives of Health Co, the Health Authorities and the Ministry of Health Services as described in Section 23.5.2(b)).
- The City, in response to specific requests for comments by the Proposal Evaluation Committee to confirm the validity of any statements or positions attributed (expressly or by implication) to the City or any City staff member in a Proposal
- Results of reference checking, both during the EOI Stage and following receipt of Proposals.
- Options in Base Proposals which were expressly requested in the Submission Requirements or other parts of the RFP, as described in and subject to Section 12.2.
- Options in Alternate Proposals, as described in and subject to Section 12.3

For each Evaluation Category, the lowest ranked Proposal for that Evaluation Category will receive zero points and form the base for comparison and scoring of that category for the remainder of the Proposals. Other Proposals will receive points based on the Proposal Evaluation Committee's subjective determination as to the extent to which the Proposal Evaluation Committee believes that such other Proposals provide superior overall benefits or value, both quantitative and qualitative, to Health Co and the Health Authorities in relation to that Evaluation Category (for example, if one Proposal provides for wholly independent quality control and quality assurance for some or all parts of the design and construction during the construction phase and up to issuance of the Practical Completion Certificate, and a second Proposal relies upon the Proponent Team Members to provide their own internal quality control and quality assurance for those same parts of the work, and if all other things are equal, the Proposal Evaluation Committee at its discretion may award some points to the Proposal providing for wholly independent quality control and quality assurance.)

The Proposal Evaluation Committee will use the following general guidelines for awarding points to a Proposal for each Evaluation Category:

- After initially ranking the Proposals in order of preference for an Evaluation Category the Proposal Evaluation Committee will determine whether, in comparison to the lowest ranked Proposal for that Evaluation Category, each of the other Proposals is:
 - Comparable to the lowest ranked Proposal.
 - Better than the lowest ranked Proposal.
 - Much better than the lowest ranked Proposal.
 - Superior in all respects to the lowest ranked Proposal.

- The maximum available points for an Evaluation Category will be broken into four approximately equal amounts, and these will be used to set the band for awarding points to Proposals for that Evaluation Category. For example, if the maximum number of available points in Appendix 2 for an Evaluation Category is 20 points (e.g. for the “Financial” Evaluation Category), the bands will be set at 5, 10, 15 and 20 points. The Proposal Evaluation Committee will award a Proposal zero points for that Evaluation Category if it is the Proposal ranked lowest by the Proposal Evaluation Committee for that category. It will then award points to each of the other Proposals in accordance with the following general guideline:

Point Range**General Considerations**

- | | |
|-------|---|
| 0 | Overall, the Proposal has no material net advantages over the lowest ranked Proposal. |
| 0-5 | The Proposal has some material net advantages over the lowest ranked Proposal, but overall is not considered to be better in any significant and material aspect. |
| 5-10 | The Proposal is considered to be better in a significant and material aspect to the lowest ranked Proposal. |
| 10-15 | The Proposal is considered to be much better in a number of significant and material aspects to the lowest ranked Proposal. |
| 15-20 | The Proposal is considered to be superior in all aspects to the lowest ranked Proposal. |
- All Proposals will receive zero points for an Evaluation Category if, for that category, Proposals are considered by the Proposal Evaluation Committee at its sole discretion to be generally comparable such that they do not demonstrate to the Proposal Evaluation Committee’s satisfaction that, when considered on an overall basis, the differences between Proposals are sufficiently significant or material for the Proposal Evaluation Committee to have a preference for one Proposal over another. In reaching this conclusion, the Proposal Evaluation Committee can take into account any clarifications and other information which were obtained as a result of requests from the Proposal Evaluation Committee pursuant to Section 23.6 or during the interviews and meetings with Proponents pursuant to Section 23.5.2.

Accordingly, Proponents should use the Submission Requirements as general guidelines only and should provide, in a clear, concise and compelling form, any and all additional information, data, current references, representations and commitments in their Proposals that they consider necessary to demonstrate to the Proposal Evaluation Committee’s satisfaction that their Proposals contain features which are superior to those that may be

included in other Proposals. Further, Proponents should ensure that they adequately and clearly highlight and explain any unique or innovative features of their Proposals to ensure they are recognized and considered by the Proposal Evaluation Committee. At Health Co's sole discretion, any such information, data, representations and commitments may ultimately be included in the Project Agreement with that Proponent as binding obligations of Project Co.

23.5.5 Preliminary Ranking of Initial Proposals

All Initial Proposals (both Base Proposals and Alternate Proposals) not rejected at the outset pursuant to Section 23.5.1 and thus evaluated and scored by the Proposal Evaluation Committee against the Evaluation Categories in Appendix 2 will be ranked, on a preliminary basis, according to their total score as awarded by the Proposal Evaluation Committee, with the highest overall score ranked as the highest Initial Proposal. The preliminary rankings and any written comments and recommendations of the Proposal Evaluation Committee relating to the Initial Proposals will then be forwarded to Health Co.

If two Initial Proposals have exactly the same overall score, that Proposal with the highest score in the Evaluation Category designated "Financial" will be ranked higher.

23.5.6 Affordability, Final Ranking and Final Proponent Identification

Concurrently with and as part of the evaluation, scoring and preliminary ranking of Proposals by the Proposal Evaluation Committee, financial analyses will be performed by the Proposal Evaluation Committee and the AHCC Advisors on each Proposal. These analyses will be to confirm whether the Annual Service Payment is below the ASP Affordability Threshold and, particularly where it is not but where the Proposal Evaluation Committee at its discretion nevertheless decided to evaluate and score the Proposal pursuant to Section 23.5.1, whether the Proposal demonstrate to the Proposal Evaluation Committee's satisfaction that Health Co and the Health Authorities may realize indirect annual financial savings which off-set the amount by which the proposed Annual Service Payment exceeds the ASP Affordability Threshold. Solely for purposes of determining whether the ASP Affordability Threshold has been met, the Proposal Evaluation Committee may notionally adjust the Annual Service Payment in the Proposal by the Proposal Evaluation Committee's estimate of the net annual financial savings, if any, which Health Co and the Health Authorities may realize from that Proposal when it is compared to all other Proposals which have been evaluated.

The financial analyses for affordability may include, among other things:

- An assessment of the net present value of the payment schedules in the Proposals, using the Annual Service Payment and other prices in each Proposal.
- Sensitivity analyses to take into account such factors as Health Co and the AHCC Advisors at their sole discretion may consider appropriate.

- Estimated net present value of projected future savings, if any, to the Health Authorities for the provision of Clinical Services and Non-Clinical Services, but only if a Proposal contains unique and innovative features which Health Co and the Health Authorities at their sole discretion believe provide them some additional efficiencies which may not be provided by other Proposals.

It is recognized that differences of opinion may exist as to the manner and method of performing financial analyses for each Proposal, but the decisions of and analyses by the Proposal Evaluation Committee and the AHCC Advisors shall be final and not subject to dispute or review by Proponents.

Those Proposals, if any, for which the proposed Annual Service Payment (as submitted or as notionally adjusted by the Proposal Evaluation Committee in accordance with the foregoing) exceeds the ASP Affordability Threshold will be discarded from the preliminary ranking by the Proposal Evaluation Committee and rejected.

After rejecting those Proposals that fail to meet the ASP Affordability Threshold, Health Co will review each Alternate Proposal, if any, remaining in the preliminary ranking of Proposals and consider whether that Alternate Proposal is generally acceptable to Health Co, at its sole discretion, as forming the basis of a Final Proposal and as the basis for finalizing a Project Agreement (assuming that Alternate Proposal would ultimately become the Preferred Proposal in the Final Proposal Stage). If not considered acceptable, the Alternate Proposal will be discarded from further consideration and rejected.

Whether an Alternate Proposal is acceptable to Health Co in accordance with the preceding paragraph is at Health Co's sole discretion, and Health Co is entitled to reject any Alternate Proposal at any time without further analysis or consideration, and without giving any reasons for such rejection. In considering whether an Alternate Proposal is generally acceptable to Health Co, Health Co may take into account any factors which it considers relevant to itself and to the Health Authorities and the weight to be given to those factors, including among other things:

- Perceived increased risks to Health Co and the Health Authorities if any changes are required to the Form of Project Agreement, particularly to the Payment Mechanism and the Output Specifications.
- Whether any design and life cycle cost elements are not acceptable to Health Co.
- Whether changes may be required to Sections 2 or 3 of the Output Specifications in relation to the type, manner or method of Clinical Services and Non-Clinical Services which will be provided by the Health Authorities at the AHCC.
- Any potential delay in finalizing and awarding the Project Agreement if changes are required to zoning or if additional Permits, Licences and Approvals are required.

- Comments from and opinions of the Proposal Evaluation Committee, the AHCC Advisors, the Process Monitor, and other consultants and personnel of Health Co and the Health Authorities.

After Health Co, for each Alternate Proposal, has determined whether that Alternate Proposal is rejected or is generally acceptable to Health Co as forming the basis of a Final Proposal, the preliminary ranking of Proposals by the Proposal Evaluation Committee will be amended and finalized so as to eliminate all Base Proposals and Alternate Proposals rejected in accordance with the foregoing.

Based on the final ranking of Proposals, the Proponents who submitted the two highest ranked Proposals will be identified as the Final Proponents. If, however, the two highest ranked Proposals were submitted by the same Proponent (e.g. if a Base Proposal and an Alternate Proposal from the same Proponent were the two highest ranked Proposals), the Proponent who submitted the next highest ranked Proposal will be the second Final Proponent.

The Final Proponents will base their Final Proposals on the Proposal which resulted in them being identified and selected as the Final Proponent. Provided, however, that if the Final Proponent who submitted the highest ranked Proposal also submitted other Proposals which, on the final ranking of Proposals, ranked higher than the Proposal of the second Final Proponent, then the first Final Proponent can at its discretion also submit a separate Final Proposal for each of its Proposals ranked higher than the Proposal of the second Final Proponent.

If the difference in scores between the Proposals of the two Final Proponents is in Health Co's opinion so great that the difference can not possibly be overcome by the second Final Proponent during the Final Proposal Stage, Health Co reserves the right to amend the RFP pursuant to Section 26 to proceed to the Final Proposal Stage with only one Final Proponent. In such case, however, Health Co at its sole discretion may still proceed with two Final Proponents for the Final Proposal Stage since there is no guarantee that the highest ranked Proponent will necessarily be able to finalize a Project Agreement with Health Co or achieve Financial Close.

23.6 Clarifications and Additional Information

If a Proposal appears unclear, deficient or to have an omission in one or more material or substantial respects, the Proposal Evaluation Committee at its sole discretion has the option to and may request clarifications and additional information from the Proponent from time to time after the Closing Time and prior to the completion of the scoring of Initial Proposals by the Proposal Evaluation Committee. In addition, the Proposal Evaluation Committee at its sole discretion may also from time to time request a Proponent to submit additional information relating to any aspect of its Proposal which the Proposal Evaluation Committee would like to have to assist it to understand and evaluate the Proposal. Without limiting the generality of the foregoing, such requests

may be made for information that has been partially or wholly omitted from a Proposal, and whether such omission would otherwise render the Proposal void.

If the Proposal Evaluation Committee requests clarifications or additional information, such requests will be made in writing and submitted to the applicable Proponent by the Contact Person on behalf of and for the Proposal Evaluation Committee. The Proposal Evaluation Committee may consider and take into account in the evaluation and scoring of Proposals any and all clarifications and additional information provided by Proponents in response to such written requests, in the same manner, for the same purposes and to the same extent as if those clarifications and additional information were originally part of the Proposal and submitted prior to the Closing Time.

If, during any interviews of Proponents by the Proposal Evaluation Committee or if, during any meetings between Proponents and AHCC Advisors, Proponents are orally requested any clarifications or for additional information and those clarifications or additional information can not be provided immediately, such clarifications and additional information are not to be provided after the interview or meeting unless expressly requested in writing by the Proposal Evaluation Committee in accordance with the foregoing paragraph of this Section 23.6.

Any clarifications or information provided after the Closing Time that are not given orally during interviews and meetings or not given in response to an express written request in accordance with the foregoing will not be considered by the Proposal Evaluation Committee or the AHCC Advisors.

23.7 Non-Conforming and Qualified Proposals

23.7.1 Base Proposals

It is the intent of Health Co to receive Base Proposals that meet all of the Mandatory Requirements specified in Section 11. Any Base Proposal that fails to meet all Mandatory Requirements will be rejected and not considered. In such case, in accordance with the Proposal Competition Agreement, the Security Deposit will be realized and paid to Health Co and the Proponent will not receive any of the Partial Funding.

23.7.2 Alternate Proposals

If a Proponent's Base Proposal is rejected pursuant to Section 23.7.1, the Proponent will be disqualified from further participation and any Alternate Proposal submitted by that same Proponent will also be rejected and not considered.

It is the intent of Health Co to receive Alternate Proposals that materially meet and conform to the requirements for Alternate Proposals described in Section 13 and other provisions of the RFP. Any failure of an Alternate Proposal to meet the requirements of

the RFP, including Section 13, in a material and substantial way may be rejected at the sole discretion of Health Co. Alternatively, pursuant to Section 23.7.3, Health Co at its sole discretion may waive any and all such non-conformities and failures of an Alternate Proposal to comply with and conform to the requirements of the RFP, including Section 13.

23.7.3 Waiver of Non-Conformities and Qualifications

Subject only to the requirement in Sections 11 and 23.7.1 that Base Proposals meet and satisfy the Mandatory Requirements, notwithstanding any other provision of the RFP to the contrary, and without limiting but in addition to the provisions of Sections 23.5.4 and 23.6, if any Proposal is received which fails to conform or includes qualifications to the requirements of the RFP, which in the opinion of Health Co is materially incomplete, obscure or irregular, which contains exceptions or variations not acceptable to Health Co, or which omit any material information required to be submitted by the RFP, then Health Co at its sole discretion reserves the right to waive such non-conformance with or qualifications to the requirements of the RFP on such terms and conditions as Health Co may consider appropriate, even if any such non-conformance, qualification or failure to comply with the requirements of this RFP would otherwise render the Proposal null and void, and submit the Proposal to the Proposal Evaluation Committee for review and evaluation and, ultimately, for consideration by Health Co in the same manner as for Proposals that conform to the requirements of the RFP.

Further, if an Alternate Proposal is received with deviations from, exceptions to or qualifications of the Output Specifications, the Payment Mechanism or the Project Agreement, as applicable, and if only some of the proposed deviations, exceptions or qualifications are not acceptable to Health Co at its sole discretion but the balance of the Alternate Proposal is generally of interest to Health Co, then Health Co at its sole discretion and at any time may meet with the Proponent and provide the Proponent with an opportunity to withdraw those deviations, exceptions or qualifications from the Alternate Proposal which are not acceptable to Health Co, or to otherwise modify the Alternate Proposal in such a manner as will make it initially generally acceptable to Health Co. If the Proponent fails to do so, the Alternate Proposal will be rejected at that time without further consideration. If the Proponent makes the changes requested, the Alternate Proposal may be reviewed and considered by the Proposal Evaluation Committee and by Health Co, but Health Co nevertheless at all times reserves the right to reject the Alternate Proposal at any time thereafter if, after further review of the Alternate Proposal as so amended, Health Co determines the Alternate Proposal is not of further interest or acceptable to Health Co.

23.8 Debriefing

During the Initial Proposal Stage, Proponents will be advised only whether they have been selected as the Final Proponents. They will not be advised of the number of points

earned by their Initial Proposals, the point difference between Initial Proposals, or any other aspect of the evaluation, scoring and ranking of Initial Proposals.

Once the Final Proponents have been identified and confirmed in writing by Health Co, representatives of Health Co and the Proposal Evaluation Committee, together with the Process Monitor, will be prepared to meet with the unsuccessful Proponents to provide them with a very general de-briefing. During such a de-briefing, the scores awarded to any Initial Proposal, the pricing of any Initial Proposal, and the order of ranking of Initial Proposals will not be disclosed. During the de-briefing with unsuccessful Proponents, only the relative strengths and weaknesses of their Initial Proposals, in general terms, will be disclosed and discussed.

24. FINAL PROPOSAL STAGE

The submission requirements for Final Proposals, and the evaluation, scoring and ranking of Final Proposals, will be finalized in the Request For Final Proposals after Initial Proposals are submitted and shortly after the Final Proponents are identified. The Request for Final Proposals will be issued to the Final Proponents at the commencement of the Final Proposal Stage.

25. CONTRACT FINALIZATION STAGE

25.1 General

This Section 25 provides an overview of the Contract Finalization Stage, which will be described in further detail in the Request for Final Proposals.

Health Co intends to try to finalize and award the Project Agreement to the Preferred Proponent identified through the Request for Final Proposals, and based on the Preferred Proposal. Finalization of the Project Agreement will not commence, however, until after Health Co has confirmed the overall viability and financeability of the Project based on the Preferred Proposal.

25.2 Project Agreement Finalization

If, after reasonable attempts at finalizing the Project Agreement with the Preferred Proponent, Health Co believes further efforts are unlikely to achieve its stated objective of maximizing the overall value of the Project to Health Co and the Health Authorities, then Health Co may break off the process for finalizing the Project Agreement with that Preferred Proponent and instead commence the process for finalizing a Project Agreement with the Proponent who submitted the next highest ranked Final Proposal, who will then become the Preferred Proponent.

25.3 Project Agreement Award

Award of the Project Agreement is subject to Health Co obtaining all necessary governmental authorizations and approvals required for award of the Project Agreement, as described in Section 3.2 of the RFP.

If the process for finalizing the Project Agreement with a Preferred Proponent is successful and the resulting Project Agreement is acceptable to Health Co, Health Co intends to award the Project Agreement to that Preferred Proponent.

To allow for early award, the Project Agreement may contain conditions precedent to address the requirement for the Health Authorities to obtain all required governmental and other external and internal approvals, including those specified in Section 3.2 of the RFP, and to address the requirement for Project Co to obtain final written confirmation from its Funders that all conditions precedent in all agreements with Funders have been satisfied or waived.

25.4 Delay in Project Agreement Award

If it appears to Health Co, in Health Co's sole opinion, that the Project Agreement may not be finalized and awarded to a Preferred Proponent until after the date which is 45 calendar days prior to the expiry date of Final Proposals, Health Co may at its sole and absolute discretion and without liability immediately terminate all further negotiations and attempts to finalize the Project Agreement with that Preferred Proponent and immediately thereafter commence the process of finalizing the Project Agreement with the Final Proponent having the next highest ranked Final Proposal.

If a Project Agreement is not awarded within 6 months after the Closing Time for Final Proposals, and if Health Co and the Preferred Proponent wish thereafter to continue the process of finalizing a Project Agreement with Health Co, as a condition of continuing such negotiations the Preferred Proponent may request equitable adjustments to the prices in the Project Agreement and to the schedule for completion of the Project to the extent it can demonstrate they result solely from such delay and would not otherwise have been incurred.

26. HEALTH CO'S RIGHT TO AMEND OR CANCEL RFP

Health Co reserves the right at its sole discretion at any time and for whatever reason, and without liability to the Proponents or anyone else, by Addenda to modify, amend or otherwise change, to extend any schedule or time periods (including the Closing Time and the schedule for implementation of the Project) specified within, and to suspend, postpone or cancel, any part or all of this RFP or the Project Agreement (including its Output Specifications and Payment Mechanism). All such Addenda shall be issued by Health Co in writing and shall be expressly identified as an Addendum to this RFP.

Although it is the intent of Health Co to award a Project Agreement if Health Co receives a Base Proposal that meets all the Mandatory Requirements, has an Annual Service Payment less than the ASP Affordability Threshold, takes no exception to the Final Form of Project Agreement (including to any provision of the Output Specifications) and for which the required approvals are obtained as described in Section 3.2, Health Co reserves the right to cancel this RFP and issue a new request for proposals for any or all parts of the Project if such conditions are not fully satisfied. In such case, Health Co may proceed with the Project in such manner as Health Co at its discretion considers appropriate to obtain the best overall value for Health Co and the Health Authorities, including by using some or all of the Proponents' ideas and concepts and by proceeding through a traditional design-bid-build or other procurement model rather than the Public-Private-Partnership procurement model contemplated by the RFP.

If Health Co cancels the RFP and then elects to proceed with the Project through a conventional procurement process, Health Co shall be entitled to contract directly with one or more of the Proponent Team Members or any one or more of the contractors, consultants, advisors and others engaged by or through the Proponent or its Proponent Team Members, for any all matters related to the Project. Without limiting the generality of the foregoing, in such case Health Co may contract directly with the architects and other designers engaged by or through a Proponent to provide a design for the Project which Health Co can then issue a request for tenders, including on a conventional design-bid-build basis or a design-build basis.

If Health Co does not receive an Initial Proposal from at least two different Proponents, Health Co may at its sole discretion at any time and without liability to any Proponent modify or cancel the RFP, or abandon the RFP process, and either:

- Negotiate with the Proponent who submitted the most complete Proposal and attempt to finalize a Project Agreement with that Proponent on terms, conditions and with scope acceptable to Health Co; or
- Negotiate with anyone else whom Health Co considers appropriate, and who Health Co at its discretion considers may be able to complete the Project for a price and on terms and conditions acceptable to Health Co.

27. HEALTH CO'S RIGHT TO REJECT ANY AND ALL PROPOSALS

Health Co reserves the right at its sole discretion to reject any Base Proposal that does not meet all the Mandatory Requirements, has an Annual Service Payment that is more than the ASP Affordability Threshold, takes exception to and requires any amendments to the Initial Form of Project Agreement (including to any provision of the Output Specifications), or for which the necessary approvals described in Section 3.2 can not be obtained.

Health Co also reserves the right at its sole discretion to reject any and all Alternate Proposals for whatever reasons Health Co at its sole discretion deems appropriate and to be solely in the best interest of Health Co and the Health Authorities, including to obtain higher overall value to Health Co and the Health Authorities as determined by Health Co, and notwithstanding any custom of the trade to the contrary nor anything contained elsewhere in the RFP. Without limiting but in addition to the foregoing, Health Co reserves the right at its discretion to refuse to consider, to remove from the evaluation process entirely, and to reject outright any Proposal which in the opinion of the Proposal Evaluation Committee is materially incomplete, obscure or irregular, which contains exceptions or variations not acceptable to the Proposal Evaluation Committee and Health Co, or which omits any material information required to be submitted by the RFP.

As described in Section 29.13, Health Co shall not, under any circumstances, be responsible to any Proponent for any costs incurred or damages suffered by a Proponent in relation to the RFP (including in relation to the preparation of, review or evaluation of a Proposal) other than to pay, in accordance with and subject to the Proposal Competition Agreement, the Partial Funding up to the Maximum Payment.

28. PARTIAL FUNDING

28.1 Proposal Competition Agreement

In accordance with and subject to the provisions of the Proposal Competition Agreement, Proponents who submit Proposals in conformance with both the RFP and the Proposal Competition Agreement will be paid Partial Funding by Health Co, in an amount up to but not exceeding the Maximum Payment specified in the Proposal Competition Agreement. Such Partial Funding will be for partial reimbursement of the actual direct costs incurred by the Proponent for participating in the Proposal Competition and providing a Proposal in conformance with the provisions of the RFP and Proposal Competition Agreement.

The terms under which the Proponent is entitled to receive some or all of the Partial Funding are specified in and governed by the provisions of the Proposal Competition Agreement.

If a contract is not awarded for the Project within 6 months of the Closing Time for Final Proposals, or within such extended period as may be agreed upon by Health Co and any one or more Proponents, then all Proponents who submitted a Proposal in conformance with both the RFP and the Proposal Competition Agreement will, in accordance with and subject to the provisions of the Proposal Competition Agreement, be paid Partial Funding by Health Co, in an amount up to and not exceeding the applicable Maximum Payment, as partial reimbursement of the actual direct costs incurred by the Proponent for participating in the Proposal Competition and providing a Proposal.

28.2 Proponent's Expenses

Except for the Partial Funding as provided in and subject to the Proposal Competition Agreement, Proponents are solely responsible and without recourse to any one or more of Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services, for their own expenses in preparing and submitting a Proposal, and for participating in the Proposal Stage, including but not limited to attending any interviews by the Evaluation Committee, attending meetings with the AHCC Advisors, and providing any clarifications and additional information that may be requested by the Proposal Evaluation Committee or Health Co.

29. GENERAL MATTERS

29.1 Conflicts in Documents

If there is any provision in any part of the Output Specifications, the Project Agreement or any part of the RFP which a Proponent considers to be in conflict with and which may prevent the Health Authorities from achieving and satisfying all clinical functionality described in Section 2 – Clinical Services of the Output Specifications and all functionality described in Section 3 – Non-Clinical Services, prior to submitting its Initial Proposal the Proponent shall notify the Contact Person in writing in accordance with Section 18.1, giving the details of such apparent conflict and seeking clarification. If notice of apparent conflict is not given by a Proponent in accordance with the foregoing, the provision which will provide the higher overall value and higher clinical and non-clinical functionality to the Health Authorities, in the opinion of Health Co, shall govern and take precedence.

Subject to the foregoing, in the event of conflict or inconsistencies between or among any of the documents listed in Section 1.5 of the RFP, the documents shall govern in the following order of precedence, with the first listed taking precedence over those listed after them:

- RFP, excluding appendices
- Appendix 5 - Site Development
- Appendix 1 - Definitions
- Form of Project Agreement, including the Output Specifications
- Appendix 2 – Evaluation Categories and Major Evaluation Criteria
- Appendix 4 - Bilateral Meeting Process
- Appendix 9 - Proposal Form
- Appendix 10 - Submission Requirements
- Appendix 3 - Site Plan

- Appendix 7 - Bed Occupancy Scenarios
- Appendix 6 - Background Information

If there is a conflict between one of the above documents as issued to Proponents in paper form and the same document as issued to Proponents in digital, electronic or other computer readable form, the paper form shall govern and take precedence. If there is a conflict between any of the above documents as issued to Proponents in paper form and the same document in the Data Room, the document as issued to Proponents in paper form shall govern. As noted in Section 9.1, if there is a conflict between anything in the electronic Data Room and the physical Data Room, the version in the physical Data Room shall govern and take precedence.

29.2 Conflicts of Interest

If Proponents, prior to or following submission of their Proposals, discover any potential or actual conflicts of interest or any existing business relationships they may have with any one or more of Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services, or any of their board members, the Proponent shall promptly disclose the conflict to Health Co in writing through the Contact Person.

Proponents shall also, in their Proposal, disclose potential and actual conflicts of interest, and any existing business relationships, they may have with any one or more of Health Co, the Health Authorities, Partnerships BC and the Ministry of Health Services, or any of their board members.

At the time of disclosure of the potential or actual conflict of interest or existing business relationship, the Proponent shall provide Health Co with the Proponent's proposed means to mitigate and minimize to the greatest extent practicable such conflict. The Proponent shall submit such additional information to Health Co as Health Co may require to consider the conflict.

Health Co reserves the right to waive any and all potential or actual conflicts, whether arising out of existing business relationships or otherwise. Any waiver may be upon such terms and conditions as Health Co at its discretion may require to satisfy itself that the conflict has been appropriately managed, mitigated and minimized, including requiring the Proponent and affected entities to put into place such policies, procedures, measures and other safeguards as may be required by and be acceptable to Health Co at its discretion to mitigate the impact of such conflict or existing business relationship and to ensure that any and all confidential information the Proponent may have continues to be kept confidential and not disclosed or used except as expressly allowed by Health Co. Without limiting the generality of the foregoing, Health Co may at its discretion require the Proponent or Proponent Team Member to substitute a new person or entity for the person or entity giving rise to the conflict or has the existing business relationship. Proponents are encouraged to bring all such potential conflicts and existing business

relationships to the attention of Health Co prior to the submission of Proposals so that Health Co may be able to advise them of whether a waiver will be granted and, if so, the terms and conditions (if any) that may be imposed by Health Co as a condition of granting a waiver.

29.3 Confidentiality

Health Co reserves the right to require Proponents to execute a separate confidentiality agreement. In addition and in any event, and without limiting any other confidentiality obligations imposed on a Proponent, the Proponent shall at all times hold all Confidential Information in confidence and shall not use or disclose (except as and only to the extent necessary for the preparation of its Proposal and, if awarded to the Proponent, for the performance of the Project Agreement), any Confidential Information to anyone without Health Co's prior written approval. Whenever requested by Health Co, the Proponent shall execute and deliver to Health Co, and shall cause its personnel and advisors and its Proponent Team Members and their personnel and advisors, to execute and deliver to Health Co a confidentiality agreement in a form prescribed by and with terms and conditions acceptable to Health Co at its discretion.

Proposals, and all information submitted by Proponents to Health Co, the Proposal Evaluation Committee and the AHCC Advisors, shall become the property of Health Co upon their submission.

The confidentiality obligations of the Proponent shall not apply to any information which falls within any one or more of the following exceptions:

- Information which is lawfully in the public domain at the time of first disclosure to the Proponent, or which after disclosure to the Proponent becomes part of the public domain other than by a breach of the foregoing confidentiality obligations by the Proponent or by any act or fault of the Proponent.
- Information which was in the Proponent's possession prior to its disclosure to the Proponent by Health Co, and provided that it was not acquired by the Proponent under an obligation of confidence.
- Information which was lawfully obtained by the Proponent from a third party without restriction of disclosure, provided such third party was at the time of disclosure under no obligation of secrecy with respect to such information.

Health Co will use reasonable efforts to maintain the confidentiality of Proposals but only so far as the consultation, evaluation, scoring and approval processes for proceeding to the next stage of the Project Implementation Process will allow, having regard to the involvement of third parties including the City in such processes.

29.4 No Collusion

Proponents and Proponent Team Members shall not discuss or communicate, directly or indirectly, with any other Proponent or any director, officer, employee, consultant, agent or representative of any other Proponent (including any Proponent Team Member of such other Proponent) regarding the preparation or presentation of their Proposals. Proposals shall be submitted without any connection, knowledge, comparison of information, or arrangement, with any other Proponent or any director, officer, employee, consultant, agent or representative of any other Proponent (including of any Proponent Team Member of such other Proponent).

29.5 No Lobbying

Proponents and Proponent Team Members will not in relation to the Project engage in any form of political or other lobbying whatsoever to influence the outcome of the RFP, Proposal Stage or the Final Proposal Stage. Further, other than as expressly directed or allowed by this RFP in relation to the Bilateral Meeting Process or the Proposal Evaluation Committee, no such person shall attempt to communicate or communicate in relation to the Project and the RFP, directly or indirectly, with any representative of Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services, any Minister or Deputy Minister of the Province, the Proposal Evaluation Committee, or the AHCC Advisors, or any director, officer, employee, agent, consultant or representative of any of the foregoing, before or after the Closing Time, including:

- Commenting on or attempting to influence views on the merits of the Proponent's Initial Proposals or Final Proposals in preference to Initial Proposals and Final Proposals of other Proponents.
- Influencing, or attempting to influence, through outside pressures, the scoring and ranking by the Proposal Evaluation Committee of Initial Proposals, the selection of Final Proponents, the scoring and ranking of Final Proposals, the identification of the Preferred Proponent, or any negotiations between Health Co and the Preferred Proponent.
- Promoting the Proponent or its interests in the Project in preference to that of other Proponents.
- Criticizing aspects of the RFP, Form of Project Agreement or the Output Specifications in a manner, which may give the Proponent a competitive or other advantage over other Proponents.
- Criticizing the Initial Proposals or Final Proposals of other Proponents.

In the event of any lobbying or communication in contravention of the foregoing:

- Health Co at its sole discretion may at any time, but will not be required to, reject any and all Proposals submitted by that Proponent without further consideration and, at Health Co's sole discretion, either terminate that Proponent's right to

continue participating in the Initial Proposal Stage or any subsequent stages of the Project Implementation Process, or impose such conditions on that Proponent's continued participation in the Initial Proposal Stage and the Project Implementation Process as Health Co at its sole discretion may consider in the public interest or otherwise appropriate.

- If as a result Health Co at its sole discretion rejects all Proposals from that Proponent, or terminates that Proponent's continued participation in the Initial Proposal Stage or any subsequent stages of the Project Implementation Process, Health Co will be entitled to realize upon and retain for its own benefit the Security Deposit of that Proponent.
- The Proponent will no longer be eligible for, or receive, the Partial Funding.

29.6 Public Announcements and Publicity

Proponents should be aware of and be prepared to accept the Province's commitment to openness and transparency in relation to the RFP and this Project. Health Co is bound by this public policy commitment and Proponents shall cooperate and extend all reasonable accommodation to assist Health Co to meet this public policy commitment.

To ensure that all publicity originating from or directed to Proponents and their Proponent Team Members is fair and accurate and will not inadvertently or otherwise influence the outcome of the RFP or Project Implementation Process, all publicity in relation to the Project, including communications with the press, the media and the public, by or from Proponents or their Proponent Team Members (or their respective directors, officers, employees, consultants and agents) shall be coordinated with and are subject to the prior written approval of Health Co or Partnerships BC, not to be unreasonably withheld.

No press releases shall be issued by any Proponent or Proponent Team Member in relation to the Project without first submitting same to Health Co or Partnerships BC for review and approval, acting reasonably. Proponents and their Proponent Team Members shall promptly notify Health Co of requests for information or interviews from the press and media. The subject and content of all responses to such information requests and to interviews shall be reviewed and coordinated in advance with Health Co in the same manner as press releases to provide fair and accurate release of information in a coordinated fashion. Proponents shall use all reasonable efforts to ensure all of its Proponent Team Members and others associated with the Proponent comply with these requirements.

29.7 Freedom of Information and Protection of Privacy Act

All documents and other records in the custody of or under the control of some or all of Health Co, Partnerships BC, the Province, and the Health Authorities may be subject to the *Freedom of Information and Protection of Privacy Act*.

Subject to the limitations of the *Freedom of Information and Protection of Privacy Act*, all Proposals and all other documents and other records submitted by a Proponent in connection with the RFP will be considered confidential.

So that no Proponent or Proponent Team Member will obtain a competitive advantage over any other Proponent, every Proponent and Proponent Team Member, by participating in the Proposal Stage and submitting a Proposal, agrees with each other and with Health Co that if Health Co at its sole discretion believe the motive for any request for information under the *Freedom of Information and Protection of Privacy Act* is to obtain information not already distributed or readily available to other Proponents, or to gain a competitive advantage over any other Proponent, Health Co may without liability either terminate at any time that Proponent's continued participation in the Proposal Stage or alternatively impose such conditions on that Proponent's continued participation in the Proposal Stage or the Project Implementation Process as Health Co at its sole discretion may consider in the public interest or otherwise appropriate.

29.8 Copyright and Use of Information in Proposals

Proponents shall not use or incorporate into their Proposals any concepts, products or processes which are subject to copyright, patents, trademarks or other intellectual property rights of third parties unless Proponents have, or will procure through licensing without cost to Health Co, the right to use and employ such concepts, products and processes in and for the Project.

Unless Health Co otherwise agrees in writing, Health Co shall be entitled to retain and use, without compensation to any Proponent or anyone else, all Proposals and any additional information submitted by or through Proponents in connection with their Proposals, including any concept, element, idea or other information disclosed in or evident from the foregoing or which may be revealed during any meetings or interviews with Proponents. It is a fundamental condition of the Proponent's receipt of the RFP and participation in the RFP process that Health Co shall have and shall be deemed to be granted a royalty free licence without restriction to use for the AHCC and for the Project (including without limitation to use for any one or more of negotiations with a Preferred Proponent, negotiations with third parties if Preferred Proponent negotiations are unsuccessful, and/or any contract in relation to the subject matter of the Project or the AHCC), and that Health Co shall have the right to grant royalty free sub-licenses to any and all Health Authorities and the Ministry of Health Services for other projects, all of the foregoing and including the following:

- All information contained in a Proposal or which is disclosed by or through a Proponent to Health Co during the evaluation of Proposals or during the process of finalizing a Project Agreement.
- Any and all ideas, concepts, products, alternatives, processes, recommendations and suggestions developed by or through a Proponent and revealed to or discovered by Health Co, including any and all those which may be connected in

any way to the preparation, submission, review or negotiation of any Initial Proposal, Final Proposal or Project Agreement (including the Payment Mechanism and the Output Specifications).

Proponents shall ensure that all intellectual property rights associated with any and all of the foregoing (including copyright and moral rights but excluding patent rights) provide for and give Health Co the aforesaid rights. It is expressly understood and agreed that any actual or purported restriction in the future on Health Co's ability to use any of the above ideas, concepts, products, alternatives, processes, recommendations, suggestions, other information or anything else obtained by or through Proponents shall be absolutely null and void and unenforceable as against Health Co and the Health Authorities, and that the provisions of this Section 29.8 of the RFP shall take precedence and govern.

29.9 Ineligible Proponent Team Members and Advisors

As a result of their involvement in the AHCC in some capacity, the following parties are not eligible to participate as members of or advisors to a Proponent or a Proponent Team Member:

- Alexander Holburn Beaudin and Lang
- Bevan Ashford
- BTY Group
- Bull Housser Tupper
- Bush Bohlman and Partners
- Capital Works Inc.
- CitiWest Consulting Ltd.
- CIBC World Markets (but this does not preclude CIBC from being a Funder)
- Clayton Utz
- Corporate Performance Systems Inc.
- Ernst & Young
- Fasken Martineau DuMoulin LLP
- Field and Martin
- Infrastructure Project Partners
- Mechanical and Engineering group of Keen Engineering Ltd. (the ineligibility does not extend to other groups within Keen Engineering Ltd.)
- Network Management Corporation
- Partnerships U.K.
- RPG - Resource Planning Group Inc.
- Stantec Architecture Ltd.
- Electrical Engineering group of Stantec Consulting (the ineligibility does not extend to other groups within Stantec Consulting)
- Team One Management Inc.
- Thorsteinssons

Certain consultants (such as Stantec Consulting and Keen Engineering Ltd.) previously provided work and services to or on behalf of the Health Authorities in connection with earlier phases of the Project. Such consultants have undertaken to implement internal policies and procedures to protect and/or to return or destroy, all confidential information which they obtained from or through the Health Authorities in the performance of such work and services, and to abide by all confidentiality obligations previously imposed on them in relation to such confidential information, work and services. Subject to these consultants abiding by such internal policies and procedures and by their confidentiality obligations, notwithstanding any conflict that otherwise may exist these consultants (e.g. the other groups within Stantec Consulting and Keen Engineering) are eligible to participate as a Proponent Team Member, or as a consultant or advisor to a Proponent or Proponent Team Member.

Health Co at its discretion may waive the foregoing ineligibility for any one or more of the above listed entities on such terms and conditions as Health Co at its discretion may require, including requiring that the Proponent or entity put into place adequate safeguards to mitigate the impact of such conflict and to ensure that any and all confidential information it may have continues to be kept confidential and not disclosed or used except as expressly allowed by Health Co.

29.10 No Reliance on Background Information or Other Information

Subject to Project Co's ability to rely on the disclosure of Contamination at the Site as described in Sections 8.1.1 and 8.1.3 and as provided for in the Project Agreement, Health Co does not represent or warrant the accuracy or completeness of any information set out in the RFP (or its appendices) or made available to Proponents in the Data Room, or of any other background or reference information or documents prepared by third parties and which may be made available to Proponents by or through Health Co or any of the Health Authorities, Partnerships BC or the Ministry of Health Services. Proponents shall make such independent assessments as they consider necessary to verify and confirm the accuracy and completeness of all such information as any use of or reliance by Proponents on any and all of such information shall be at the Proponent's sole risk and without recourse against Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services or the Province.

Without limiting the generality of the foregoing:

- Any and all use of or reliance upon Background Information or anything in the Background Information by Proponents shall be and is subject to all express disclaimers of liability in the Background Information, as well as all disclaimers of liability in the Project Agreement.
- Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services and the Province do not warrant and are not responsible in any way for the scope, completeness, appropriateness or accuracy of the Background Information, or any information, representations, statements, assumptions,

opinions, interpretations in the Background Information, including in relation to any one or more of: descriptions of site, geological or subsurface conditions; dewatering; opinions or interpretations based on existing or assumed information; previous studies or optimization; conceptual designs or layouts, statements or estimates of quantities of any part of the work; assumptions or descriptions as to construction means or methods; availability and quality of construction materials; spoil disposal; requirements of the City, requirements of other Governmental Authorities, or for any assumptions or interpretations made by Proponents based on any information contained in any of the Background Information. any interpretations, conclusions, opinions or assumptions reached or made by Proponents based on anything in the Background Information, Documents

- Where investigations and information relating to site conditions, including to subsurface conditions, has been performed or obtained by Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services and produced or made available to Proponents, such investigations and information are of a preliminary nature only and are not to be relied upon by Proponents except at their sole risk. Proponents are cautioned that any bore hole logs or test pit logs provided with any geotechnical information record only the observations which were made at the specific locations described and at the specific times recorded, and may not be representative of conditions encountered either at locations immediately adjacent thereto or, with respect to groundwater and other conditions, at any other times. Data shown for bore hold logs and test pit logs may not necessarily be representative of anticipated conditions. Proponents shall perform such additional geotechnical and other investigations as they consider necessary and shall obtain and rely on their own geotechnical consultants for all interpretation and opinions, including based on any bore hole logs and test pit logs made available through Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services and others.

By submitting a Proposal, each Proponent acknowledges, represents and warrants that its Proposal is based on and relies solely upon the Proponent's own examination, knowledge, information, judgment and investigations and not upon any statement, representation or information made, furnished or given by or on behalf of any of Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services or their directors, officers, employees, consultants or agent, except where expressly made in the body of the RFP (excluding the appendices to the RFP and other documents which may be incorporated by reference into the RFP) and warranted in the body of the RFP to be accurate by Health Co for purposes of reliance by the Proponent.

29.11 No Contract

By submitting a Proposal and participating in the RFP process as outlined in this RFP, Proponents expressly agree that no contract of any kind whatsoever is formed under, or arising from, this RFP save and except only the Proposal Competition Agreement.

29.12 Proponent Team Members and Subcontractors

Proponents shall ensure that all their Proponent Team Members, Subcontractors, suppliers, manufacturers and subconsultants, and everyone associated with or related to the foregoing, are subject to and comply with the provisions of this RFP, particularly the provisions of Sections 29.2, 29.3, 29.4, 29.5, 29.6 and 29.8 of the RFP.

29.13 No Liability

Save and except only Proponent's entitlement to receive the Partial Funding up to the applicable Maximum Payment pursuant to the Proposal Competition Agreement, it is a fundamental condition of this RFP and the participation of Proponents and everyone engaged by or through Proponents in the Project Implementation Process (including in connection with this RFP and any Proposals submitted in response to the RFP) that Health Co, the Health Authorities, Partnerships BC, the Ministry of Health Services and the Province, and their respective directors, officers, employees, consultants and agents, shall not under any circumstances, including pursuant to contract, tort, statutory duty, law, equity or otherwise, or any actual or implied duty of fairness, be responsible or liable for any costs, expenses, loss of opportunities, claims, losses, damages or any other liabilities (collectively and individually any and all of the foregoing referred to in this Section 29.13 as "Claims") to anyone, including to any Proponent, member of a Proponent, Proponent Team Member and their contractors, consultants and agents, arising out of or in any way related to any one or more of: the RFP; the Project Implementation Process; attendance at any meetings with Health Co or the Evaluation Committee or the AHCC Advisors; the preparation, negotiation, acceptance or rejection of any Proposal (whether conforming or non-conforming and whether otherwise valid or void); the amendment, cancellation, suspension or termination of the RFP, the Project Implementation Process or the Project; or the issue by Health Co or receipt by the Proponent of the RFP, the Background Information, the Form of Project Agreement, Output Specifications or any other documents and information in connection with the Project, including any supplemental documents, amendments or changes thereto issued by Health Co prior to the Closing Date by Addenda or otherwise. By accepting the RFP and by submitting a Proposal, the Proponent shall be conclusively deemed to have waived and released all of the following (collectively and individually any and all of the foregoing referred to in this Section 29.13 as "Releasees") from any and all Claims: Health Co, Health Authorities, Partnerships BC, the Ministry of Health Services, the Province and their respective directors, officers, employees, consultants and agents.

In consideration of the Proponent receiving the RFP and being invited to submit a Proposal for review and evaluation by Health Co, the Proponent shall indemnify and hold harmless Health Co and the other Releasees from and against any and all Claims brought by third parties (including Members of Proponent Teams) against them arising out of or related to the RFP, the participation of the Proponent in the Project Implementation Process, or the preparation, submission, negotiation, acceptance or rejection of any Proposal. Without limiting the generality of the foregoing, it is expressly understood and

agreed that Health Co shall not be under any obligation whatsoever to award the Project Agreement to the Proponent or anyone else and may cancel the RFP at any time for whatever reasons Health Co in its sole discretion considers to be in the best interests of Health Co and the Health Authorities.

APPENDIX 1 DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In the RFP, the following definitions apply:

- 1.1** “Abbotsford Hospital and Cancer Centre” means the new 300 bed regional hospital and cancer treatment centre to be built in Abbotsford, British Columbia which is contemplated by this RFP, and when completed will include:
- The Facility.
 - Ongoing Facility operation, repair, maintenance and replacement.
 - Clinical Services and FM Services for the Facility.
- 1.2** “Addendum” means a written addendum to the RFP or the Project Agreement, including the Output Specifications, which is expressly identified as an addendum and issued by Health Co to Proponents prior to the Closing Time for the submission of Proposals.
- 1.3** “Additional Lands” has the meaning given to it in Section 8.1.3 of the RFP.
- 1.4** “AHCC” means the proposed Abbotsford Hospital and Cancer Centre.
- 1.5** “AHCC Advisor” has the meaning given to it in Section 23.3 of the RFP.
- 1.6** “Alternate Proposal” means a Proposal submitted in addition to the Base Proposal and which contains Alternates to the Base Proposal.
- 1.7** “Alternate” means a change or alternate proposed by a Proponent to some aspect of a Base Proposal and the result of which is the submission by the Proponent of an Alternate Proposal, including a change or alternate to any one or more of the general arrangement and concepts specified or indicated in the Output Specifications, to the design, location, construction or operation of the Project, or to the standards, specifications, materials, equipment, labour, services, concepts or methods proposed for the Base Proposal.
- 1.8** “Annual Service Payment” has the meaning given to it in the Project Agreement.
- 1.9** “Annual Utility Target” has the meaning given to it in the Project Agreement.
- 1.10** “Applicable Law” has the meaning given to it in the Project Agreement.
- 1.11** “ASP Affordability Threshold” has the meaning given to it in Section 6.1.
- 1.12** “Availability Factor” has the meaning given to it in the Project Agreement.

- 1.13** “Authority Having Jurisdiction”, “Authorities Having Jurisdiction” and similar terms, whether capitalized or not, mean Governmental Authority.
- 1.14** “Background Information” means any and all drawings, reports, studies, data, documents or other information which are given or made available to Proponents by or through Health Co, Partnerships BC or any of the Health Authorities, including those in the Data Room, or which are obtained by Proponents from or through any other sources, such as the Project web page, prior to the Closing Time and related in any way to the RFP, a Proposal or to the Project, but do not include the main body of the RFP, the appendices to the RFP (other than Appendix 6, which shall form part of the Background Information), the Project Agreement and the Output Specifications.
- 1.15** “Base Proposal” has the meaning given to it in Section 11 of the RFP.
- 1.16** “Base Site” has the meaning given to it in Section 8.1.2 of the RFP.
- 1.17** “BCCA” means the British Columbia Cancer Agency.
- 1.18** “Bilateral Meeting Process” means the process for bilateral meetings between Proponents and Health Co, and as appropriate between personnel from Proponent Team Members and personnel from Health Co, the Health Authorities and others, as described in Appendix 4.
- 1.19** “Bonus Payment” has the meaning given to it in the Project Agreement.
- 1.20** “*Canada Health Act*” means the Canada Health Act, Consolidated Statutes of Canada c. C-6.
- 1.21** “CCRA” means Canada Customs and Revenue Agency.
- 1.22** “City” means the City of Abbotsford, British Columbia.
- 1.23** “Clinical Planner” means the Proponent Team Member who will be the primary clinical advisor responsible for advising the Proponent, Prime Architect and other Proponent Team Members on matters related to the planning and design of facilities from a clinical and health care service perspective.
- 1.24** “Clinical Output Specifications” means Section 2 of the Output Specifications.
- 1.25** “Clinical Services” means the Outpatient Services, the Inpatient Services and, unless otherwise expressly indicated, the Clinical Support Services, all as described in Section 2A, Section 2B and Section 2C, respectively, of the Output Specifications.
- 1.26** “Clinical Support Services” means those services described in Section 2C of the Output Specifications.

- 1.27** “Closing Date” and “Closing Day” mean the Closing Time.
- 1.28** “Closing Time” has the meaning given to it in Section 21.
- 1.29** “Confidential Information” means all information which the Proponent directly or indirectly receives or acquires from or through any or more of Health Co, the Health Authorities, Partnerships BC or the Ministry of Health Services, either in writing, orally or through observation at the Site or at any facilities of Health Co or the Health Authorities, relating to the financing, design, development, equipment procurement, construction, commissioning, FM Services or any other aspect of the Project, including: information in the Data Room; trade secrets; designs and design concepts; design data; calculations; operating and maintenance parameters, procedures and manuals; specifications; drawings, plans and sketches; reports; surveys; source codes; object codes; and any information which by written notice from Health Co at the time of disclosure to the Proponent is required to be kept confidential by the Proponent. Confidential Information also includes all information prepared by the Proponent and submitted in its Proposal.
- 1.30** “Constructor” means the Proponent Team Member who will be responsible for all construction aspects of the Project and, if a design-build contractor, both the design and construction of the Project.
- 1.31** “Contact Person” has the meaning given to it in Section 18.1 or is such other person appointed from time to time by Health Co, and includes someone to whom the Contact Person by notice in writing to Proponents designates as the Contact Person for the limited purposes specified in that notice.
- 1.32** “Contamination” has the meaning given to it in the Project Agreement.
- 1.33** “Contract” means the Project Agreement.
- 1.34** “Contract Day” has the meaning given to it in the Project Agreement.
- 1.35** “Contract Finalization and Financial Close Stage” has the meaning given to it in Section 3.1.4 of the RFP.
- 1.36** “Contract Year” has the meaning given to it in the Project Agreement.
- 1.37** “Cottage Pavilion” means the long term care facility designated as such by FHA and located at or adjacent to the MSA Hospital.
- 1.38** “CTB” means the BC Consumer Taxation Branch.
- 1.39** “Customer Satisfaction Survey” has the meaning given to it in the Project Agreement or, if not therein defined, means the Quality Satisfaction Surveys as defined in the Output Specifications.

- 1.40** “Data Room” means, as applicable, the electronic depository or physical space at the AHCC project office in which, among other things, the Background Information, the RFP and the appendices to the RFP will be made available to Proponents. Except where Proponents are otherwise notified, information in the physical data room will be posted to the electronic data room at about the same time as it is placed in the physical data room.
- 1.41** “Design Control Covenant” means the design control covenant between FHA and the City which is registered against title to the Site, and a copy of which is attached as part of Appendix 5.
- 1.42** “Design Team” means the Proponent Team Members who are responsible for the design of the Facility and includes but is not limited to the Prime Architect, Clinical Planner, Engineer and other architectural (including landscape), engineering, clinical and other consultants and advisors (including to the extent applicable the Equipment Program Manager and the IT Provider/Manager/Consultant).
- 1.43** “Development Agreement” means the development agreement between FHA and the City which is registered against title to the Site, and a copy of which is attached as part of Appendix 5.
- 1.44** “Draft Form of Project Agreement” has the meaning given to it in Section 7.2 of the RFP.
- 1.45** “Engineer” means the Proponent Team Member who is responsible for all engineering and engineering design of the Project, and where the engineering and engineering design is provided by separate engineering firms for among other things electrical, mechanical, civil, structural and geotechnical means each of those firms.
- 1.46** “EOI” means the written expression of interest previously submitted by Proponents on April 7, 2003 to Partnerships BC in response to the Request for Expressions of Interest, including as such expressions of interest may be supplemented as described in the Request for Expressions of Interest during the evaluation of the expressions of interest.
- 1.47** “EOI Stage” has the meaning given to it in Section 3.1.1 of the RFP.
- 1.48** “Equipment List” means the list of equipment contained in Section 7 of the Output Specifications.
- 1.49** “Equipment Program Manager” means the provider, manager, consultant or other entity who will provide, coordinate, advise on or otherwise participate in the Project with the Proponent in respect of facilities or medical equipment procurement, supply, operation and maintenance, including the integration of such equipment into the design and construction of the Facility, and who may also be identified as an FM Service Provider to provide some or all of the FM Services.
- 1.50** “Essential Amendment” has the meaning given to it in Section 7.3 of the RFP.

- 1.51** “Evaluation Category” has the meaning given to it in Appendix 2.
- 1.52** “Evaluation Committee” means the Proposal Evaluation Committee.
- 1.53** “Existing Hospital” means the existing MSA Hospital.
- 1.54** “Expression of Interest” means EOI.
- 1.55** “Expression of Interest Stage” means EOI Stage.
- 1.56** “Facility” has the meaning given to it in the Project Agreement.
- 1.57** “Facility Management Services” means the services described in and required by Section 4 of the Output Specifications.
- 1.58** “Failure Event” has the meaning given to it in the Project Agreement.
- 1.59** “Failure Event Category” has the meaning given to it in the Project Agreement.
- 1.60** “FH” and “FHA” mean the Fraser Health Authority.
- 1.61** “Final Form of Project Agreement” means the final form of agreement which is issued by Health Co to Proponents as part of the Request for Final Proposals, and expressly designated as the Final Form of Project Agreement in accordance with Section 7.4 of the RFP.
- 1.62** “Final Proponent” has the meaning given to it in Section 3.1.2.
- 1.63** “Final Proposal” has the meaning given to it in Section 3.1.3.
- 1.64** “Final Proposal Stage” has the meaning given to it in Section 3.1.3 of the RFP.
- 1.65** “Financial Close” means the date at which the financing arrangements contemplated by the Project Agreement are completed and all conditions precedent to the draw down of funds under such arrangements are satisfied and such funds are available to be drawn down.
- 1.66** “Financial Model” prior to award of the Project Agreement means the financial model prepared and submitted pursuant to Appendix 10 of the RFP by the Proponent as part of its Proposal and proposed for use with the Project Agreement and, following award of the Project Agreement, has the meaning given to it in the Project Agreement.
- 1.67** “Fiscal Year” means the period from April 1 of one calendar year to March 31 of the immediately following calendar year.
- 1.68** “FM Output Specifications” means Section 4 of the Output Specifications.

- 1.69** “FM Service Provider” means the entity or entities who will provide the FM Services.
- 1.70** “FM Services” means the Facility Management Services.
- 1.71** “FM Specifications” means the FM Output Specifications.
- 1.72** “Form of Project Agreement” means, initially, the Draft Form of Project Agreement. Once the Initial Form of Project Agreement is issued by Health Co, it means the Initial Form of Project Agreement. Once the Final Form of Project Agreement is issued by Health Co, it means the Final Form of Project Agreement.
- 1.73** “Fraser Health” means Fraser Health Authority.
- 1.74** “Fraser Health Authority” means the health authority established under and pursuant to the regulations to the *Health Authorities Act*, R.S.B.C. 1996, c 180.
- 1.75** “Fraser Valley Regional District” means the regional district established and governed by British Columbia’s *Local Government Act*, R.S.B.C. 1996, c. 323.
- 1.76** “Fraser Valley Regional Hospital District” means the regional hospital district established and governed by British Columbia’s *Hospital District Act*, R.S.B.C. 1996, c. 202.
- 1.77** “Functional Unit” has the meaning given to it in the Project Agreement.
- 1.78** “Funders” means all or any of the persons who have or will provide financing or funding to Project Co in respect of the performance of the Project Agreement by Project Co, but does not include the shareholders of Project Co who inject equity into Project Co unless such shareholders also provide financing to Project Co and, unless the context otherwise requires, does not include the Fraser Valley Regional Hospital District’s financial contribution towards the construction of the AHCC, and after award of the Project Agreement has the meaning given to it in the Project Agreement.
- 1.79** “Funders Direct Agreement” has the meaning given to it in the Project Agreement.
- 1.80** “Good Industry Practice” has the meaning given to it in the Project Agreement.
- 1.81** “Governmental Authority” has the meaning given to it in the Project Agreement.
- 1.82** “GST” has the meaning given to it in the Project Agreement.
- 1.83** “Hazardous Substance” has the meaning given to it in the Project Agreement.
- 1.84** “Health Authority” means, for the purposes of the RFP, any of FHA, PHSA, BCCA and any other health care or service authority or agency designated from time to time in writing by Health Co to Project Co, and their respective successors and assigns, and Health Authorities, for purposes of the RFP, means any one or more of them.

- 1.85** “Health Co” means Abbotsford Hospital and Cancer Centre Inc., a company incorporated under the British Columbia *Company Act*, R.S.B.C. 1996, c. 62.
- 1.86** “Highland Park” is the area designated with shading and labelled as “Highland Park” in Appendix 3.
- 1.87** “Indexation Factor” has the meaning given to it in the Project Agreement.
- 1.88** “Initial Form of Project Agreement” means the form of agreement which is issued by Health Co to Proponents and expressly designated as the Initial Form of Project Agreement in accordance with Section 7.3 of the RFP after Health Co has received comments from Proponents on the Draft Form of Project Agreement and amended the Draft Form of Project Agreement as described in Section 7.3 of the RFP.
- 1.89** “Initial Proposal” means the Proposal submitted by Proponents prior to the Closing Time for submitting Initial Proposals during the Initial Proposal Stage.
- 1.90** “Initial Proposal Stage” has the meaning given to it in Section 3.1.2 of the RFP.
- 1.91** “Inpatient Services” means the services described in and required by Section 2B of the Output Specifications.
- 1.92** “IT Provider/Manager/Consultant” means the provider, manager, consultant or other entity who will provide, coordinate, advise on or otherwise participate in the Project with the Proponent in respect of information technology and management services, and who may also be identified as an FM Service Provider to provide some or all of the FM Services
- 1.93** “Major Evaluation Criteria” has the meaning given to it in Appendix 2.
- 1.94** “Mandatory Requirements” has the meaning given to it in Section 11 of the RFP.
- 1.95** “Maximum Payment” has the meaning given to it in the Proposal Competition Agreement.
- 1.96** “MSA” and “MSA Hospital” mean the existing Matsqui-Sumas-Abbotsford Hospital, located in Abbotsford, British Columbia.
- 1.97** “NHS” means the National Health Service Trust of the UK.
- 1.98** “Non-Clinical Output Specifications” means Section 3 – Non-Clinical Services of the Output Specifications.
- 1.99** “Non-Clinical Services” means the non-clinical services described in and required by Section 3 of the Output Specifications.

- 1.100** “Option” means an option expressly requested by Health Co in the Submission Requirements or which is expressly offered and identified as such by a Proponent in its Proposal, and which is exercisable by Health Co at the sole option and discretion of Health Co.
- 1.101** “Outpatient Services” means those services described in and required by Section 2A of the Output Specifications.
- 1.102** “Output Specifications” means the document entitled as such and issued by Health Co to Proponents prior to the submission of Proposals, as amended by Addenda issued in accordance with the provisions of the RFP, and which document forms Schedule 18 to the Project Agreement.
- 1.103** “P3” means Public-Private-Partnership.
- 1.104** “Park” means Highland Park.
- 1.105** “Partial Funding” has the meaning given to it in the Proposal Competition Agreement.
- 1.106** “Partnerships BC” means Partnerships British Columbia Inc.
- 1.107** “Payment Commencement Date” has the meaning given to it in the Project Agreement.
- 1.108** “Payment Mechanism” has the meaning given to it in the Project Agreement.
- 1.109** “Payment Periods” has the meaning given to it in the Project Agreement.
- 1.110** “PBC” means Partnerships British Columbia Inc.
- 1.111** “Periodic” has the meaning given to it in the Project Agreement.
- 1.112** “Periodic Service Payment” has the meaning given to it in the Project Agreement.
- 1.113** “Periodic Utility Payment” has the meaning given to it in the Project Agreement.
- 1.114** “Permits, Licences and Approvals” has the meaning given to it in the Project Agreement.
- 1.115** “PHSA” means the Provincial Health Services Authority.
- 1.116** “PPP” means Public-Private Partnership.
- 1.117** “Practical Completion Certificate” has the meaning given to it in the Project Agreement.
- 1.118** “Preferred Proponent” has the meaning given to it in Section 3.1.3.
- 1.119** “Preferred Proposal” has the meaning given to it in Section 3.1.3.

- 1.120** “Priced Option” is an Option in a Proposal for which a Proponent has stated a price, either as an amount or as a proposed variation to other prices stated in the Proposal.
- 1.121** “Prime Architect” means the architectural firm with overall responsibility for the provision and coordination of all architectural services and for the overall design of the Project.
- 1.122** “Process Monitor” has the meaning given to it in Section 23.4.
- 1.123** “Project” means that part of the AHCC to be provided by Project Co pursuant to this RFP and in accordance with the Project Agreement, and includes the financing, design, development, construction, equipping, operation, provision of FM Services, and maintenance of the Facility but excludes the provision of Clinical Services.
- 1.124** “Project Agreement” means, prior to Health Co awarding a contract for the Project to the Successful Proponent and execution of that contract, the Form of Project Agreement and, after execution of a contract by Health Co and the Successful Proponent for the Project, means the contract for the Project as executed by Health Co and the Successful Proponent, and references to the Project Agreement include the Output Specifications unless otherwise expressly indicated.
- 1.125** “Project Co” is the term used for the party with whom Health Co contracts for the Project under the Project Agreement.
- 1.126** “Project Development Stage” has the meaning given to it in Section 3.1.5 of the RFP.
- 1.127** “Project Implementation Process” has the meaning given in Section 3.1 of the RFP.
- 1.128** “Project Vision and Guiding Principles” has the meaning given to it in Section 2.2 of the RFP.
- 1.129** “Proponent” means a Respondent selected through the REOI Stage by Partnerships BC on behalf of Health Co to receive the RFP, execute the Proposal Competition Agreement, submit a Proposal in response to the RFP and, if successful, to execute the Project Agreement for delivery of the Project. The Proponent may be a single entity, such as a corporation, joint venture, consortium, partnership or other entity, or may be comprised of a group of entities who have formed together for purposes of submitting a Proposal and who, in the Proposal, have identified the legal structure that they will enter into if selected to become the Preferred Proponent.
- 1.130** “Proponent Team Member” means a corporation, partnership, joint venture, consortium or other entity that will work either as a member of the Proponent (if a consortium or joint venture) or as a subcontractor to the Proponent, if the Proponent is ultimately awarded the Project Agreement for the Project.

- 1.131** “Proposal” means an Initial Proposal submitted by a Proponent in response to the RFP, and after the Request for Final Proposals is issued means a Final Proposal submitted in response to the Request for Final Proposals, and except where the context otherwise requires includes both Base Proposal and Alternate Proposal.
- 1.132** “Proposal Competition Agreement” means the agreement between Health Co and each of the Proponents pursuant to which each of the Proponents receives the RFP and agrees to provide their respective Initial Proposals and, if identified and selected by Health Co as a Final Proponent, agrees to provide their respective Final Proposals.
- 1.133** “Proposal Evaluation Committee” has the meaning given to it in Section 23.2
- 1.134** “Proposal Form” means the form included in Appendix 9 and which is to be completed and executed by Proponents and submitted with and as part of their Proposals.
- 1.135** “Province” means the Province of British Columbia.
- 1.136** “PST” has the meaning given to it in the Project Agreement.
- 1.137** “Public-Private Partnership” means a form of arrangement between the public and private sectors for the delivery of a project, and may include but is not limited to some combination of ownership, design, construction, financing, operation and/or maintenance of public capital assets and which typically relies on user fees or alternative sources of revenue to recover all or part of the related capital (debt servicing and return on equity if applicable), operation and capital maintenance costs.
- 1.138** “Quality Failure” has the meaning given to it in the Project Agreement.
- 1.139** “Quality Failure Category” has the meaning given to it in the Project Agreement.
- 1.140** “Quality Satisfaction Failures” has the meaning given to it in the Project Agreement.
- 1.141** “Regional Hospital District” means the Fraser Valley Regional Hospital District, except where by the context is used in a general sense to mean all regional hospital districts in British Columbia.
- 1.142** “REOI” means Request for Expressions of Interest.
- 1.143** “Requested Amendment” has the meaning given to it in Section 7.3 of the RFP.
- 1.144** “Request for Expressions of Interest” means the request for expressions of interest issued by Partnerships BC dated January 23, 2003 for the Project.
- 1.145** “Request for Final Proposals” means the request for Final Proposals to be issued by Health Co to the Final Proponents.

- 1.146** “Request for Proposals” means this request for proposals issued by Health Co to those Respondents selected through the REOI Stage to be Proponents.
- 1.147** “Residential Lots” has the meaning given to it in Section 8.1.3 of the RFP.
- 1.148** “Respondent” means a party or consortium of parties who submitted an EOI in response to the Request for Expressions of Interest.
- 1.149** “RFI” means a written question, inquiry, request for information, request for clarification or other communication submitted to Health Co on an RFI Form.
- 1.150** “RFI Form” means the form to be used by Proponents for the submission of written questions, inquiries, requests for information, requests for clarification and other communications with Health Co, and which form is attached as a schedule to Appendix 4.
- 1.151** “RFP” means Request for Proposals.
- 1.152** “RHD” means the Fraser Valley Regional Hospital District.
- 1.153** “Road” has the meaning given to it in Section 8.1.3 of the RFP.
- 1.154** “Scheduled Practical Completion Date” has the meaning given to it in the Project Agreement.
- 1.155** “Schedule of Departures” means the schedule entitled as such in the Submission Requirements.
- 1.156** “Service Provider” means an FM Service Provider.
- 1.157** “Services” has the meaning given to it in the Project Agreement.
- 1.158** “Site” means the Base Site and, if and when some or all of the Additional Lands are obtained, both the Base Site and those portions of the Additional Lands which are obtained and made available to Proponents by Addenda to the RFP.
- 1.159** “Submission Requirements” means Appendix 10.
- 1.160** “Substantial Completion” has the meaning given to it in the Project Agreement.
- 1.161** “Successful Proponent” means the Preferred Proponent who is awarded the Project Agreement and who executes the Project Agreement with Health Co.
- 1.162** “Technical Advisor” means AHCC Advisor.

- 1.163** “Technical Output Specification” means Section 1 - Key Site and Building Design Criteria, Section 5 – Design and Technical, Section 6 – IT/Tel Services and Section 7 – Equipment of the Output Specifications.
- 1.164** “UK” means the United Kingdom.
- 1.165** “Utility Threshold” has the meaning given to it in the Project Agreement.
- 1.166** “Variation” has the meaning given to it in the Project Agreement.
- 1.167** “Worthington Pavilion” means the long-term care facility designated as such by FHA and located at or adjacent to the MSA Hospital.
- 1.168** “Worthington and Cottage Pavilions” means the Worthington Pavilion and the Cottage Pavilion.

2. INTERPRETATION

- 2.1** Terms and abbreviations used in the RFP which have a well-recognized and accepted technical or trade meaning in the health care industry are used in the RFP in accordance with such recognized and accepted meaning, unless the context otherwise requires.
- 2.2** References to the RFP, the Output Specifications or the Form of Project Agreement, or to the documents which make up the appendices to the RFP or the Form of Project Agreement, or to any part of those 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 Health Co to Proponents.
- 2.3** References to a section, without a further reference to another document or to a specific Appendix to the RFP, shall be deemed to be references to that Section of the RFP exclusive of appendices, unless the context otherwise expressly requires.
- 2.4** References to an appendix by number in the RFP or in an appendix to the RFP shall be deemed to be a reference to an appendix of the RFP unless the context otherwise expressly indicates.
- 2.5** 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.
- 2.6** The terms “include”, “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.”

- 2.7** References to “at its discretion” or “at its sole discretion” and terms of similar import when used in reference to Health Co or the Proposal Evaluation Committee shall be deemed to mean and be interpreted as “at Health Co’s sole and absolute discretion” or “at the Proposal Evaluation Committee’s sole and absolute discretion”, as applicable.
- 2.8** 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.

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