



Request for Proposals
Site C Clean Energy Project
Worker Accommodation

RFP #1807

Issued August 29, 2014

SUMMARY OF KEY INFORMATION

RFP TITLE	The title of this RFP is: RFP #1807 Site C Clean Energy Project Worker Accommodation Proponents should use this title on all correspondence.
CONTACT PERSON	The Contact Person for this RFP is: Catherine Silman Email: Catherine.Silman@partnershipsbc.ca Please direct all Enquiries, by email, to the above named Contact Person. No telephone or fax Enquiries please.
ENQUIRIES	Proponents are encouraged to submit Enquiries at an early date: <ul style="list-style-type: none"> ▪ for technical Enquiries - 10 Business Days before the Submission Time for Technical Submissions ▪ for financial Enquiries - 5 Business Days before the Submission Time for Financial Submissions to permit consideration by BC Hydro.
SUBMISSION TIME FOR INTERIM REVIEW SUBMISSIONS	11:00 AM Pacific Time on October 13, 2014
SUBMISSION TIME FOR TECHNICAL SUBMISSIONS AND INITIAL AIRS SUBMISSION	11:00 AM Pacific Time on December 3, 2014
SUBMISSION TIME FOR INTERIM AIRS SUBMISSION	11:00 AM Pacific Time on December 16, 2014
SUBMISSION TIME FOR FINAL AIRS SUBMISSION	11:00 AM Pacific Time on January 15, 2015
SUBMISSION TIME FOR FINANCIAL SUBMISSION	11:00 Pacific Time on January 26, 2015
SUBMISSION LOCATION FOR INITIAL, INTERIM AND FINAL AIRS SUBMISSIONS	The Submission Location is by email to the Contact Person
SUBMISSION LOCATION FOR INTERIM REVIEW SUBMISSIONS	The Submission Location is: 2320 – 1111 West Georgia Street Vancouver, BC V6E 4M3 Attention: Catherine Silman

SUBMISSION LOCATION FOR ALL OTHER SUBMISSIONS	The Submission Location is: Suite 900 – 1285 West Pender Street, Vancouver, BC V6E 4B1 Attention: Catherine Silman
--	---

TABLE OF CONTENTS

SUMMARY OF KEY INFORMATION.....	I
1 INTRODUCTION.....	1
1.1 Purpose of this RFP.....	1
1.2 Eligibility to Participate in this RFP.....	1
2 RFP PROCUREMENT PROCESS.....	2
2.1 Estimated Timeline.....	2
2.2 Site Visits.....	2
2.3 Site inspections.....	3
2.4 Collaborative Meetings.....	3
2.5 Business-to-Business Networking Session.....	5
2.6 Comments on the Project Agreement.....	5
2.7 Data Room and Reference Information.....	6
2.8 Interim Review Submissions.....	6
3 SUMMARY OF PROJECT AGREEMENT.....	8
3.1 Aboriginal Inclusion.....	8
3.2 Design and Construction.....	9
3.3 Facility Size and Phasing.....	9
3.4 Limited Notice to Proceed.....	10
3.5 Furniture, fixtures and Equipment.....	10
3.6 Services.....	10
3.7 Temporary BC Hydro Offices.....	10
3.8 Revenue Opportunities.....	10
3.9 Financing and Payment.....	11
3.10 Term.....	11
3.11 Finance Structure.....	11
3.12 Residual Value Payment.....	12
4 AFFORDABILITY.....	12
4.1 Affordability Threshold.....	12
4.2 Affordability and Evaluation Model.....	13
5 FINANCIAL MATTERS.....	14
5.1 Performance Security.....	14
5.2 Payment for Guest Days.....	15

5.3	Scope Ladder.....	15
6	PROPOSAL REQUIREMENTS	15
6.1	Proposal Form and Content.....	15
6.2	Financing Plan	16
6.3	Interest Rate Benchmarks	16
6.4	Advance Interest Rate Submissions (AIRS).....	16
7	SUBMISSION INSTRUCTIONS	18
7.1	Proposal Submission Times and Submission Location.....	18
7.2	Number of Copies	19
7.3	No Fax or Email Submission	19
7.4	Language of Proposals.....	19
7.5	Receipt of Complete RFP	19
7.6	Enquiries	19
7.7	Electronic Communication	20
7.8	Addenda.....	21
7.9	Intellectual Property Rights	21
7.10	Definitive Record.....	22
7.11	Amendments to or Withdrawals of Proposals.....	22
7.12	Changes to Proponent Teams.....	22
7.13	Validity of Proposals	23
7.14	Material Change After Submission Time for Financial Submissions	23
7.15	Equivalents	24
8	EVALUATION	25
8.1	Mandatory Requirements	25
8.2	Evaluation Committee.....	25
8.3	Evaluation of Proposals	25
8.4	Authority to Reject.....	26
9	SELECTION OF PREFERRED PROPONENT AND AWARD.....	27
9.1	Selection and Award	27
9.2	Final Draft Project Agreement	27
9.3	Preferred Proponent Security Deposit.....	28
9.4	Return of Security Deposit.....	29
9.5	Retention of Security Deposit	29
9.6	Communication Regarding Progress to Financial Close	30

9.7	Changed Funding Arrangements.....	30
9.8	Improvement in Senior Credit Facility Financing Terms	30
9.9	Partial Compensation for Participation in this RFP.....	31
9.10	Debriefs.....	31
10	CONFLICT OF INTEREST AND RELATIONSHIP DISCLOSURE.....	32
10.1	Reservation of Rights to Disqualify.....	32
10.2	Relationship Disclosure	32
10.3	Use or Inclusion of Restricted Parties.....	32
10.4	Restricted Parties.....	33
10.5	Conflict of Interest Adjudicator	33
10.6	Request for Advance Decision	33
10.7	BC Hydro May Request Advance Decisions	34
10.8	Decisions Final and Binding	34
10.9	Shared Use	35
10.10	Exclusivity	35
11	RFP TERMS AND CONDITIONS	37
11.1	No Obligation to Proceed.....	37
11.2	Freedom of Information and Protection of Privacy Act	37
11.3	Cost of Preparing the Proposal.....	37
11.4	Confidentiality of Information	37
11.5	Reservation of Rights.....	38
11.6	No Collusion.....	38
11.7	No Lobbying.....	38
11.8	Ownership of Proposals.....	39
11.9	Disclosure and Transparency	39
11.10	Fairness Advisor	40
11.11	Legal Advisor	40
11.12	Limitation of Damages	40
12	DEFINITIONS AND INTERPRETATION	42
12.1	Definitions	42
12.2	Interpretation.....	49
	APPENDIX A EVALUATION OF PROPOSALS	51
	APPENDIX B PROPOSAL REQUIREMENTS.....	55

APPENDIX C PROPOSAL DECLARATION FORM	56
APPENDIX D RELATIONSHIP DISCLOSURE FORM	59
APPENDIX E PROPONENT COMMENTS FORM.....	62
APPENDIX F INCIDENTAL CHARGES.....	63
APPENDIX G COMMITMENT LETTER TEMPLATE	64
APPENDIX H PREFERRED PROPONENT SECURITY DEPOSIT.....	67
APPENDIX I NOT USED	69
APPENDIX J INITIAL DRAFT PROJECT AGREEMENT.....	70
APPENDIX K ADVANCE INTEREST RATE SUBMISSION.....	71
APPENDIX L INTERIM FINANCIAL COSTS SUMMARY FORM	80
APPENDIX M REQUEST FOR INFORMATION FORM	81

1 INTRODUCTION

1.1 PURPOSE OF THIS RFP

The purpose of this request for proposals (“**Request for Proposals**” or “**RFP**”) is to invite eligible Proponents to prepare and submit Proposals to design, build and partially finance the worker accommodation Facilities for the Site C Clean Energy Project, and to operate and maintain the Facilities for approximately eight years under a long term project agreement (the “**Project Agreement**”).

BC Hydro has identified that attracting and retaining a qualified labour force is an important element to the success of the Site C Clean Energy Project, and that a properly designed and operated accommodation Facilities is key to achieving that element.

The Facilities are anticipated to be constructed in phases, with Phase 1 providing an initial capacity of 500 overnight Guests, and with a maximum capacity of 1,600 overnight Guests.

The Site C Clean Energy Project requires environmental certification, other regulatory permits and authorizations, and approvals before it can proceed to construction.

1.2 ELIGIBILITY TO PARTICIPATE IN THIS RFP

Through a request for qualifications (“**RFQ**”) issued March 4, 2014 by the British Columbia Hydro and Power Authority (“**BC Hydro**”), the following consortia (each, a “**Proponent**”) are qualified to participate in this RFP:

- Peace River Housing Partners;
- Plenary Living; and
- Two Rivers Lodging Group.

Only these three Proponents, subject to changes in Proponent Team membership as permitted by this RFP, may submit Proposals or otherwise participate in this RFP.

2 RFP PROCUREMENT PROCESS

2.1 ESTIMATED TIMELINE

The following is BC Hydro's estimated timeline for the Competitive Selection Process:

Activity	Timeline
Issue RFP and Initial Draft Project Agreement to Proponents	Mid-August
First Collaborative Meeting	Week of September 2
Second Collaborative Meeting	Week of September 29
Submission of Interim Review Submissions	October 13
Third Collaborative Meeting	Week of October 27
Issue Final Draft Project Agreement	Week of November 10
Submission of Technical Submission	December 3
Submission of Initial AIRS	December 3
Submission of Interim AIRS	December 16
Invitation to Submit Financial Submission	January 12, 2015
Submission of Final AIRS	January 15, 2015
Submission of Financial Submission	January 26, 2015
Selection of Preferred Proponent	February 16, 2015
Limited Notice to Proceed	March 16, 2015
Financial Close	May 15, 2015
Proposal Validity Period Expiration	May 29, 2015
Service Commencement (end of Phase 1)	November 2015

This estimated timeline and dates are subject to change at the sole and absolute discretion of BC Hydro.

2.2 SITE VISITS

BC Hydro invited the shortlisted Respondents, selected under the RFQ, to attend a site visit of the area of the Worker Accommodation Area in the week of July 28, 2014. As a condition of attending the site visit a the shortlisted Respondents were required to agree to:

- (a) comply with, and cause all of its representatives, including its directors, officers, employees and agents, and its team members to comply with all Site rules and regulations, as may be established by BC Hydro;
- (b) sign an "acknowledgement, waiver and indemnity" form as may be required by BC Hydro; and

- (c) accept full responsibility for any and all events arising from the Proponent's access to, and activities at, the site.

BC Hydro may, as it may decide, conduct additional site visits from time to time, including visits with each Proponent separately, in which event such visit will be conducted as a Collaborative Meeting.

2.3 SITE INSPECTIONS

Proponents should conduct inspections of the Worker Accommodation Project area only with the prior arrangements with the Contact Person. Proponents should not communicate in any way with any of the owners of property in the area of the Site C Clean Energy Project with respect to the Site C Clean Energy Project or this RFP.

2.4 COLLABORATIVE MEETINGS

BC Hydro will make available representatives, consultants and advisors (the "**BC Hydro Representatives**") to participate in collaborative meetings (the "**Collaborative Meetings**") with the Proponents. BC Hydro expects the Collaborative Meetings to take place as follows:

- (a) the purpose of the Collaborative Meetings is to provide a process that will assist the Proponents to develop optimal solutions for the Worker Accommodation Project while minimizing the risk that a Proponent's solution is unresponsive to BC Hydro's requirements, this RFP or is above the Affordability Threshold, and in particular:
 - (1) to permit the Proponent's representatives to provide BC Hydro's representatives with comments and feedback on major issues such as affordability, phasing or unacceptable provisions of the Initial Draft Project Agreement; and
 - (2) to permit a Proponent to discuss with BC Hydro potential solutions and approaches that the Proponent may be considering for various aspects of its Proposal;
- (b) at least 5 Business Days in advance of each Collaborative Meeting (10 Business Days in the case of any Collaborative Meeting with respect to insurance matters), each Proponent should provide BC Hydro with a proposed meeting agenda, a list of prioritized issues it would like to discuss, and any materials relevant to such issues. BC Hydro may provide Proponents with comments on the agenda and add items that BC Hydro would like to discuss;
- (c) BC Hydro will determine which BC Hydro Representatives will be present at any Collaborative Meeting;
- (d) except as may be expressly stated otherwise in this RFP, including Section 11.2, BC Hydro will retain all information received from a Proponent during a Collaborative Meeting(s) as strictly confidential, and will not disclose such information to the other Proponents or any third

- party. BC Hydro may disclose such information to its consultants and advisors who are assisting or advising BC Hydro with respect to the Worker Accommodation Project;
- (e) at each Collaborative Meeting, a Proponent may have such officers, directors, employees, consultants and agents of the Proponent and the Proponent Team members present as the Proponent considers reasonably necessary for effective communication with BC Hydro and to fulfill the objectives of the Collaborative Meeting provided that BC Hydro may, in its discretion, limit the number of participants at any one meeting. Participation in Collaborative Meetings is in person only, unless otherwise permitted at the discretion of BC Hydro;
 - (f) to facilitate free and open discussion at the Collaborative Meetings, comments provided by or on behalf of BC Hydro or a Proponent during any Collaborative Meeting, including in respect of any particular matter raised by a Proponent or which is included in any documents or information provided by a Proponent prior to or during the Collaborative Meeting, and any positive or negative views, encouragement or endorsements expressed by or on behalf of one party during the Collaborative Meetings to anything said or provided by the other, will not in any way bind a party and with respect to BC Hydro will not be deemed or considered to be an indication of a preference by BC Hydro even if adopted by the Proponent;
 - (g) if, for the purposes of the preparation of its Proposal, a Proponent wishes to be able to rely on any information or clarification given by a BC Hydro Representative at a Collaborative Meeting, or arising out of a Collaborative Meeting, that is not included in this RFP (which includes the Initial Draft Project Agreement and the Final Draft Project Agreement), then:
 - (1) the Proponent may submit an Enquiry requesting the issuance of an Addendum to this RFP so as to include such information; and
 - (2) as provided by Section 7.8 of this RFP, no written or oral communication by a BC Hydro Representative as part of the Collaborative Meetings will amend this RFP (including the Initial Draft Project Agreement and the Final Draft Project Agreement) or may be relied upon by a Proponent unless included in this RFP by way of written Addendum;
 - (h) by participating in the Collaborative Meetings a Proponent confirms its agreement with these procedures and acknowledges that the Collaborative Meetings are an integral part of the Competitive Selection Process as described in this RFP and are in the interests of all parties;
 - (i) BC Hydro anticipates holding three or more Collaborative Meetings with each Proponent. Following the release of the RFP, BC Hydro will consult with each Proponent to confirm specific dates for Collaborative Meetings. If BC Hydro considers it desirable or necessary to schedule additional or fewer Collaborative Meetings, BC Hydro may, in its discretion, amend the anticipated schedule;

- (j) Proponents may request that BC Hydro schedule additional Collaborative Meetings on specific topics by providing the request in writing to the Contact Person with proposed dates and details of the topic or topics to be discussed; and
- (k) it is expected that Collaborative Meetings will be held in Vancouver, B.C.

2.5 BUSINESS-TO-BUSINESS NETWORKING SESSION

BC Hydro arranged a session with the shortlisted Respondents and local contractors, suppliers and Aboriginal businesses (“**Business-to-Business Networking Session**”) to provide an opportunity for:

- (a) local contractors, suppliers, Aboriginal businesses and potential employees who might be interested in working with, or providing products and services to, the Preferred Proponent to meet the shortlisted Respondents; and
- (b) shortlisted Respondents to enhance their knowledge, understanding and awareness of local goods, labour pool and services and to build relationships with local contractors, suppliers and businesses.

2.6 COMMENTS ON THE PROJECT AGREEMENT

Each Proponent should review the Initial Draft Project Agreement for the purpose of identifying any issues or provisions that the Proponent would like to see clarified or amended. Following such review:

- (a) BC Hydro will invite Proponents as part of the Collaborative Meeting process to discuss possible clarifications or amendments to the Initial Draft Project Agreement, including with respect to commercial, legal, design and construction, and facility operational matters;
- (b) at least 5 Business Days in advance of each Collaborative Meeting at which a Proponent wishes to discuss the Initial Draft Project Agreement, each Proponent should provide BC Hydro with a prioritized list of requested changes, if any, to the Initial Draft Project Agreement using the Proponent Comments Form attached as Appendix E, together with the agenda and issues list described in this Section 2.6(b); and
- (c) BC Hydro will consider all comments and requested clarifications or amendments received from the Proponents in the Collaborative Meetings and may, by way of Addendum, amend the Initial Draft Project Agreement as BC Hydro may determine in its discretion.

Prior to the Submission Time for Technical Submissions, BC Hydro intends to issue by Addendum one or more revised drafts of the Project Agreement, including a final one that will be identified as the Final Draft Project Agreement. The Final Draft Project Agreement will be the common basis for the preparation of all Proposals.

2.7 DATA ROOM AND REFERENCE INFORMATION

BC Hydro has established a website to be used as an electronic data room (the “**Data Room**”) in which it has placed documents and information in the possession of BC Hydro (collectively, “**Reference Information**”) that BC Hydro has identified as may be relevant to the Worker Accommodation Project and useful to Proponents. None of the Reference Information is included as part of this RFP, except as may be expressly set out in this RFP. BC Hydro does not make any representation as to the relevance, accuracy or completeness of any of the Reference Information except as BC Hydro may expressly set out in this RFP with respect to a specific document, and each Proponent has the full responsibility to form its own judgment as to the use of any Reference Information. BC Hydro will grant Proponents access to the Data Room and will require Proponents to execute an agreement to keep all information contained in the Data Room confidential.

The Reference Information may be supplemented or updated from time to time. Although BC Hydro will attempt to notify Proponents of all updates, Proponents are solely responsible for ensuring they check the Data Room frequently for updates.

2.8 INTERIM REVIEW SUBMISSIONS

It is in the interests of BC Hydro and all Proponents to identify at an early stage of the Competitive Selection Process whether the Worker Accommodation Project, as defined in this RFP, is affordable within the limits set out in Section 4, and whether Proponents are preparing Proposals that generally will provide the accommodation for the Guests as BC Hydro requires. Accordingly, in addition to the Collaborative Meetings, and in addition to the requirements for submission of Proposals, Proponents should prepare and submit two interim submissions as follows:

(a) Interim Financial Review:

- (1) to give early warning of any difficulty a Proponent is having in staying within the Affordability Threshold, and to permit BC Hydro and the Proponents to consider and implement steps so that the Competitive Selection Process can proceed with confidence that Proposals will be within the Affordability Threshold each Proponent should submit an interim submission (an “**Interim Financial Review Submission**”) that includes:
 - i. a breakdown of the Proponent’s preliminary capital and operating cost assumptions (nominal) by reference to the cost categories specified in and by completing Appendix L;
 - ii. the Proponent’s best estimate of the anticipated Proposal Net Present Cost to BC Hydro using the Affordability and Evaluation Model as described in Section 4.2 based upon its expected funding terms; and

- iii. the Proponent's anticipated financing structure and a summary of the proposed Financing Plan containing the high-level aspects of information as contemplated in Section 8.5.1 of Appendix B;
 - iv. a description of how the Proponent intends to meet the proposed performance security requirements including updated financial statements (interterm or year-end) for the Design Builder and Service Provider; and
 - v. a discussion demonstrating and providing justification for any proposed Bid Residual Value Amount;
- (2) an Interim Financial Review Submission should be submitted prior to the Submission Time for Interim Review Submissions;
 - (3) while not prescribing the exact form of the Interim Financial Review Submission, BC Hydro is expecting it to be no more than 10 pages in length and to include cost and input assumptions in sufficient detail to allow BC Hydro to understand the Proponent's cost base (with at least all major cost headings included);
 - (4) BC Hydro will retain each of the Interim Financial Review Submissions as strictly confidential, and may invite each Proponent to participate in a Collaborative Meeting to discuss any aspect of its Interim Financial Review Submission, including any recommendations for amendment of the Draft Project Agreement if a Proponent determines it may have difficult meeting requirements of the Project Agreement with the Affordability Threshold;
 - (5) unless expressly referred to or included by reference in its Proposal, a Proponent's Interim Financial Review Submission will not be considered part of its Proposal and BC Hydro will not consider or evaluate it as to adequacy, quality, content or otherwise as part of the evaluation of the Proponent's final Proposal; and
 - (6) the values and prices included in a Proponent's Interim Financial Review Submission are not commitments by the Proponent and that all aspects could change in the Proponent's final Proposal; and
- (b) Interim Services Review:
- (1) to give an opportunity for Proponents to have confidence that the Proponent's focus, in preparing its Proposal, is generally in keeping with BC Hydro's objectives for the Facility, with particular reference to design and the operation of the Facilities, and the services to be provided to users of the Facilities, each Proponent should submit an interim submission (an "**Interim Services Review Submission**") that includes:

- i. the purpose will also include a review to assess and provide preliminary feedback on the proposed Services plan;
 - ii. general approach to design of the Facilities, including identification of the main spaces as listed in the Functional Program as included in the Draft Project Agreement;
 - iii. general approach to phasing the construction of the Facilities; and
 - iv. general approach and strategy to providing the required services during the operation of the Facilities, including outline of anticipated services plans for meal planning, reservations and recreation;
- (2) an Interim Services Submission should be submitted prior to the Submission Time for Interim Review Submissions;
 - (3) while not prescribing the exact form of the Interim Services Review Submission, BC Hydro is expecting it to be no more than 15 pages in length and to include sufficient detail to allow BC Hydro to understand the Proponent's intent;
 - (4) BC Hydro will retain each of the Interim Services Review Submissions as strictly confidential, and will invite each Proponent, as part of a Collaborative Meeting; and
 - (5) unless expressly referred to or included by reference in its Proposal, a Proponent's Interim Services Review Submission will not be considered part of its Proposal and BC Hydro will not consider or evaluate it as to adequacy, quality, content or otherwise as part of the evaluation of the Proponent's final proposal.

BC Hydro understands that the information indicated in a Proponent's Interim Services Review Submission are not a commitment and that all aspects could change in the final Proposal.

3 SUMMARY OF PROJECT AGREEMENT

The Project Agreement will set out all the requirements for the Worker Accommodation Project. The following is a summary which is meant for convenience only. Nothing in this summary will be referred to in any interpretation of the Project Agreement. If there are any inconsistencies between the terms of the Project Agreement and the description or overview of those terms set out in this RFP then the terms of the Project Agreement will prevail.

3.1 ABORIGINAL INCLUSION

Project Co will be required to provide designated opportunities for Aboriginal Businesses and Aboriginal persons, as defined in Schedule 16 [Aboriginal Inclusion and Reporting Requirements] to the Project Agreement.

3.2 DESIGN AND CONSTRUCTION

Project Co will be responsible for all aspects of Design and Construction of the Facility, which at a high-level include:

- (a) obtaining all permits and approvals necessary for the design and construction of the Facility, excluding the approvals that are already in place or will be obtained by BC Hydro;
- (b) Design and Construction of utilities to service the Facility and the Worker Accommodation Area; and
- (c) decommissioning of the Worker Accommodation Area at the end of the Term.

3.3 FACILITY SIZE AND PHASING

As described in Schedule 2 [Design and Construction Protocols] of the Initial Draft Project Agreement, the Facility will, as described in the Functional Program:

- (a) have a Base Capacity to accommodate 1600 Guests;
- (b) have an Ultimate Capacity to accommodate 2200 Guests;
- (c) include sufficient Rooms to meet the specified capacity, allowing for turnarounds and Rooms that, for normal operating reasons, are unavailable for occupation by a Guest such as because of required maintenance and repair; and
- (d) include sufficient sleeping and other facilities required for the Services Personnel that are needed to provide the Services in accordance with the terms of this Agreement to the Guests.

Project Co will, as described in Schedule 2 [Design and Construction Protocols] of the Initial Draft Project Agreement, construct the Facility in Phases as follows:

- (e) Phase 1 will be completed no later than October 31, 2015 and will include Rooms and the portion of the Core Functions required to provide all Services for 500 Guests;
- (f) Phase 2 will be completed no later than February 28, 2016 and will include additional Rooms and provision of Services for an additional 700 Guests, and completion of the Core Functions; and
- (g) Phase 3 will be completed no later than April 30, 2016 and will include additional Rooms and provision of Services for an additional 400 Guests.

For each Phase, Project Co will be responsible for providing additional accommodation and space required for Services Personnel as required to provide the Services to the Facility with the capacity set out for each Phase.

3.4 LIMITED NOTICE TO PROCEED

In order to meet the Project milestones it may be necessary for the Preferred Proponent to proceed with the design and purchase of fabrication of modular units prior to Financial Close. A Limited Notice to Proceed will include a formal preliminary written agreement outlining the parties' rights and obligations with respect to such early commitments.

3.5 FURNITURE, FIXTURES AND EQUIPMENT

Project Co will be responsible for designing the Facilities to accommodate the installation, operation, repair and maintenance of all furniture, fixtures and equipment required as part of the use and operation of the Facility.

3.6 SERVICES

Project Co will be responsible for operating the Facility which will include provision of the following services:

- (a) food and dining services;
- (b) recreation, leisure, sports and other guest services;
- (c) housekeeping, laundry and waste management services;
- (d) Facility maintenance, repair and utility services;
- (e) roads, grounds and maintenance services;
- (f) security and surveillance services; and
- (g) administrative and help desk services.

3.7 TEMPORARY BC HYDRO OFFICES

BC Hydro intends to issue by way of Addendum additional design and construction specifications and drawings and services protocols and specifications for 'Temporary BC Hydro Offices'. BC Hydro anticipates these offices will be built on land adjacent to the Worker Accommodation Area. It is intended that Project Co will be responsible for building and operating these offices. Various provisions of the Project Agreement will also be revised to incorporate this additional scope of work.

3.8 REVENUE OPPORTUNITIES

Project Co will have the opportunity to earn revenue through proceeds from commissary, lounge and certain personal services. Pricing of items or services will be subject to BC Hydro approval.

Project Co will not be permitted to rent space in the Facility to a third party.

3.9 FINANCING AND PAYMENT

3.9.1 Construction Payments:

BC Hydro will make Construction Payments to Project Co at:

- (a) Service Commencement (Substantial Completion of Phase 1 and the Core Requirements);
- (b) Substantial Completion of each subsequent Phase.

3.9.2 Amount of Construction Payment and Performance Security Holdback:

Construction Payments will be the amounts from the Preferred Proponent's Proposal in respect of the capital cost to the Proponent of the relevant Phase (including financing) payable.

BC Hydro will retain a Performance Security Holdback from the Phase 1 Construction Payment in an amount equal to the greater of:

- (a) \$30 million; and
- (b) the Proponent's Bid Residual Value Amount for the Worker Accommodation Buildings.

BC Hydro will not retain any performance security from the Construction Payments for subsequent Phases.

3.9.3 Monthly Service Payments

Monthly Service Payments will be at rates proposed by Project Co in its Proposal, subject to adjustment for Service Failures as set out in Schedule 11 [Prices and Payments] of the Project Agreement. BC Hydro will provide periodic estimates and commitments of the number of Guests for Project Co to accommodate in the Facility. As described in Section 5.2, BC Hydro will pay Project Co for overnight Guests stated in the 72 hour forecast, with a minimum "take or pay" commitment on any day of 250 Guests.

3.10 TERM

The Term of the Project Agreement is 8 years, with right to two one-year extensions.

3.11 FINANCE STRUCTURE

This Project Agreement has been structured for a project finance solution.

BC Hydro may permit a corporate finance solution.

3.12 RESIDUAL VALUE PAYMENT

The Worker Accommodation Buildings will be owned by BC Hydro throughout the Term. Project Co will provide a commitment as to the residual value of the Worker Accommodation Buildings as of the end of the Term, which it agrees it will pay to BC Hydro for the Worker Accommodation Buildings at the end of the Term.

3.12.1 Residual Value Options

Proponents will be able to select one of two options with respect to the residual value it agrees it will pay as follows:

- (a) Option 1 – the Residual Value Payment will be the Proponent’s Bid Residual Value Amount (subject to excess residual value sharing), i.e., no residual value risk sharing with BC Hydro; or
- (b) Option 2 – the Residual Value Payment will be the Proponent’s Bid Residual Value Amount adjusted by $\pm 50\%$ of the gain / loss between the Bid Residual Value Amount and the actual market value of the Worker Accommodation Buildings at the end of the Term (subject to BC Hydro’s right of first refusal), i.e., BC Hydro shares in 50% of any loss and 50% of any gain.

3.12.2 Excess Residual Value Sharing

If a Proponent selects Option 1, and the actual market value of the Worker Accommodation Buildings at the end of Term exceeds the Bid Residual Value Amount by more than [50%], then the Residual Value Payment payable to BC Hydro will be increased by 50% of the amount by which the actual market value at the end of Term exceeds the Bid Residual Value Amount.

Excess residual value sharing does not apply to Option 2.

3.12.3 BC Hydro Right of First Refusal

If a Proponent elects Option 2, and BC Hydro determines that the Residual Value Payment is materially less than the market value of the Worker Accommodation Buildings, then BC Hydro may, at its election, decline the Residual Value Payment and retain ownership of the Worker Accommodation Buildings.

BC Hydro’s right of first refusal does not apply to Option 1.

4 AFFORDABILITY

4.1 AFFORDABILITY THRESHOLD

BC Hydro intends that the Competitive Selection Process will include an affordability threshold (the “**Affordability Threshold**”) that reflects BC Hydro’s budget for the Worker Accommodation Project. BC

Hydro will invite Proponents to Collaborative Meetings to have discussions to establish an Affordability Threshold that is realistic, considering the scope of the Worker Accommodation Project, BC Hydro's needs and budgets.

The Affordability Threshold will be an identified upper limit to the partially adjusted net present cost of a Proposal (the "**Partially Adjusted Proposal Net Present Cost**"), calculated using the Affordability and Evaluation Model using the net present cost of the Substantial Completion Payments, Service Payments, Performance Security Holdback Payment and the Energy Adjustment and Residual Value Adjustment, based on the Proponent's Proposal.

For the purpose of including the Residual Value Adjustment in the calculation of a Proposal's Partially Adjusted Proposal Net Present Cost, the Bid Residual Value Amount for Option 1 will be valued at 100% and the Bid Residual Value Amount of Option 2 will be valued at 75%.

4.2 AFFORDABILITY AND EVALUATION MODEL

BC Hydro has developed a financial model (the "**Affordability and Evaluation Model**") for the Proponents to use to calculate their Partially Adjusted Proposal Net Present Cost in relation to the Affordability Threshold. BC Hydro will use the Affordability and Evaluation Model in the evaluation of Proposals.

Proponents should incorporate the Affordability and Evaluation Model into their Financial Model such that inputs to the Affordability and Evaluation Model are consistent with the outputs from the Financial Model.

The Affordability and Evaluation Model is available in the Data Room, and includes instructions on how it is to be populated and run. The Affordability and Evaluation Model should be completed by linking to the appropriate outputs from the Proponent's Financial Model. BC Hydro reserves the right to recalculate or make such adjustments to the Affordability and Evaluation Model as may be required by BC Hydro in its analysis.

Pursuant to Section 7.6 of this RFP, a Proponent may request information on any aspect of the Affordability and Evaluation Model so as to permit the Proponent to fully understand the Affordability and Evaluation Model makeup and operation. If a Proponent discovers any error in the Affordability and Evaluation Model the Proponent should immediately notify the Contract Person. In no event will a Proponent be entitled to make a Claim on the basis of the operation or application of the Affordability and Evaluation Model.

5 FINANCIAL MATTERS

5.1 PERFORMANCE SECURITY

Prescribed levels of performance security for Design, Construction and Services are required as part of the Financial Submission as follows:

1. Construction Period:

During the Construction Period (including each Phase) performance security for performance of Design and Construction in the amount of a minimum of 35% of capital costs will be required with a minimum \$10 million being provided in the form of a letter of credit. The balance of the performance security can be made up of other forms of guarantee valued as follows:

- (a) letter of credit: 100 cents on the dollar
- (b) bonding: 50 cents on the dollar
- (c) parent company guarantees: 50 cents on the dollar

Following Substantial Completion of Phase 2 the requirement for Construction Period performance security will step down to 10% of capital costs and will be released following Substantial Completion of Phase 3.

2. Operating Period

During the Operating Period performance security for the performance of the Services will be required as follows:

- (a) A \$5 million letter of credit as of the start of year 1 of the Term through until the end of year 9; plus
- (b) \$12 million security in the form of a parental company guarantee or bond, or combination, as of the start of year 1, reducing by \$1.5 million each year starting in year 2 and ending in year 9 (for a total of 8 reductions of \$1.5 million each), with reductions to occur November 1 of the relevant year.

(For certainty, no discount will be applied to the valuation of bonding or parent company guarantees provided during the Operating Period.)

3. General

An entity providing a parental company guarantee will be at least “investment grade” or otherwise an entity acceptable to BC Hydro.

A bond or letter of credit will have to be in a form that meets BC Hydro’s standard requirements.

BC Hydro will have the right to negotiate additional performance security with the Preferred Proponent at BC Hydro's cost as BC Hydro may decide.

5.2 PAYMENT FOR GUEST DAYS

As described in Schedule 21 [Services Protocols and Specifications] of the Initial Draft Project Agreement, during the Operating Period, BC Hydro anticipates delivering to Project Co written reports as follows:

- (a) 30 days prior to the commencement of each month in a calendar year of the Operating Period (or such portion of a quarter as may apply as of Service Commencement) a forecast of the number of Guests and the number of Visitors to be accommodated at the Facility on each calendar day in the quarter;
- (b) no later than 10 calendar days in advance, for each calendar day an update of the forecast of the number of Guests and the number of Visitors to be accommodated at the Facility, provided that any increase in Guests will not exceed 50; and
- (c) no later than 72 hours in advance, for each calendar day a confirmation of the number of Guests and the number of Visitors to be accommodated at the Facility on a given calendar day, provided that any increase in Guests will not exceed 10.

BC Hydro will pay Project Co for overnight Guests stated in the 72 hour forecast, with a minimum "take or pay" commitment on any day of 250 Guests.

BC Hydro intends that it will include provisions in its agreement with the Project contractors to prevent them from permitting their workers from living in temporary accommodation that competes with the Facility.

5.3 SCOPE LADDER

BC Hydro may issue an Addendum to incorporate a scope ladder (the "**Scope Ladder**") to provide a method by which Proponents may be able to adjust the scope of the Facilities or the delivery of Services if, and to the extent, a Proponent is unable to prepare a Proposal that is within the Affordability Threshold. BC Hydro anticipates inviting discussion and comments from Proponents on the matter following the receipt of the Interim Financial and Services Submissions as described in Section 2.8.

6 PROPOSAL REQUIREMENTS

6.1 PROPOSAL FORM AND CONTENT

Proposals should be in the form and include the content described in Appendix B. Each Proponent may only submit one Technical Submission and, if invited to do so, one Financial Submission.

6.2 FINANCING PLAN

Proponents should include, in their Financial Submission, a Financing Plan as contemplated in Section 8.5.1 of Appendix B.

6.3 INTEREST RATE BENCHMARKS

Benchmarks are available (the “**Benchmarks**”) to adjust the Senior Credit Facility Base Rate between Financial Submission and Financial Close, at the Proponent’s option. To facilitate the rate setting process, an Advance Interest Rate Submission process will be used over the course of the RFP prior to the selection of a Preferred Proponent. Once a Preferred Proponent is selected, detailed base rate setting protocols will be developed in conjunction with the Preferred Proponent.

Benchmarks are:

- (a) Senior Debt Base Rate Benchmark: established by reference to Government of Canada benchmark bonds (the “**Senior Debt Base Rate Benchmark**”).

This Benchmark is used to establish the Senior Debt base rate for the Proponent’s Financial Submission and to establish the calculation for determining the relevant base rate at Financial Close.

- (b) Swapped Senior Debt Base Rate Benchmark: established by reference to CAD swap yields and CAD basis swap yields (the “**Swapped Senior Debt Base Rate Benchmark**”).

This Benchmark is used to establish the Senior Debt swapped base rate for the Proponent’s Financial Submission and to establish the calculation for determining the relevant swapped base rate at Financial Close.

Benchmarks may be applied to any Senior Credit Facility that is designated by a Proponent during the Advance Interest Rate Submission process as an Adjustment Credit Facility. Any Senior Credit Facility not so designated will not be adjusted following the Financial Submission.

6.4 ADVANCE INTEREST RATE SUBMISSIONS (AIRS)

There are three advance interest rate submissions (“**Advance Interest Rate Submission**” or “**AIRS**”) to determine the method for calculating the Benchmarks and their values: Initial AIRS, Interim AIRS and Final AIRS. Details and submission requirements relating to each of these AIRS are contained in Appendix K.

- (a) Senior Debt Base Rate Fluctuation Risk

If a Proponent submits all of an Initial AIRS, an Interim AIRS and a Final AIRS with respect to Base Rates (including swapped Base Rates) in accordance with the provisions of this RFP,

and BC Hydro has advised the Proponent that such AIRS are acceptable to BC Hydro, then subject to the provision of this RFP BC Hydro will assume the risk of any changes (both up and down) in base rates (including swapped base rates) affecting the relevant Adjustment Credit Facilities only, in respect of the period commencing from and including the date BC Hydro provides the information with respect to the Final AIRS (as contemplated in the section titled “Information to be Provided by BC Hydro” in Appendix K) up to and including the date of Financial Close.

(b) Interest Rate Assumptions in the Financial Submission Financial Model

If a Proponent submits all of an Initial AIRS, an Interim AIRS and a Final AIRS with respect to base rates in accordance with the provisions of this RFP, and BC Hydro has advised the Proponent that all three such AIRS are acceptable to BC Hydro, then subject to the provision of this RFP the Proponent is to use the base rate agreed during the Final AIRS process for the relevant Adjustment Credit Facilities in its Financial Model submitted as part of its Financial Submission.

(c) Dry Runs

If the Preferred Proponent is a Proponent that submitted an Initial AIRS, an Interim AIRS and a Final AIRS in accordance with the provisions of this RFP, and BC Hydro has advised the Proponent that such AIRS were acceptable to BC Hydro, then prior to Financial Close the Preferred Proponent will undertake several “dry runs” with BC Hydro so that the parties are familiar with, and agree on, the technical process for determining the base rates and incorporating the results into the Financial Model to be included in Schedule 26 [Financial Model] of the Project Agreement.

7 SUBMISSION INSTRUCTIONS

7.1 PROPOSAL SUBMISSION TIMES AND SUBMISSION LOCATION

With respect to the delivery of Proposals:

- (a) **Technical Submission:** Proponents must submit the technical portion of the Proposal to the Submission Location by the Submission Time for Technical Submissions. The Technical Submission should be made up of the Proposal Requirements described in Section 2 of Appendix B.
- (b) **Advance Interest Rate Submission:** If a Proponent intends to submit an Advance Interest Rate Submission, the Proponent must submit the Advance Interest Rate Submission in accordance with the provisions of this RFP, including Section 3 of Appendix B and Appendix K.
- (c) **Financial Submission:** If invited to do so pursuant to Section 1 of Appendix A, Proponents must submit the financial portion of the Proposal to the Submission Location by the Submission Time for Financial Submissions. The Financial Submission should be made up of the following:
 - (1) a completed Proposal Declaration Form in the form attached as Appendix C;
 - (2) the cover letter (and all attachments) to the Financial Submission as described in the Financial Submission Section 4 of Appendix B;
 - (3) one or more commitment letters, substantially in the form of Appendix G, which should include confirmation of the Credit Spread that will be applicable to such facility;
 - (4) the Proposal Requirements described in Section 4 of Appendix B;
 - (5) the completed Pricing Forms as described in Appendix B;
 - (6) if and to the extent required in order to keep the Partially Adjusted Proposal Net Present Cost from exceeding the Affordability Threshold, written descriptions of:
 - i. proposed amendments to the scope of the Worker Accommodation Project, made in accordance with Section 5.3; and
 - i. amendments to its Technical Submission if reasonably required as a direct result of such scope changes; and
 - (7) an independent Financial Model audit, for the benefit of, and reliance by, BC Hydro.

7.2 NUMBER OF COPIES

For its Technical Submission, a Proponent should submit four (4) hard copies (three bound copies numbered 1 through 3; plus one unbound copy marked as “Master”) and one electronic copy on a USB flash drive in PDF format, with a label on each describing the contents and appropriately packaged and clearly marked “Request for Proposals Site C Clean Energy Project Worker Accommodation.”

For its Financial Submission, a Proponent should submit four (4) hard copies (three bound copies numbered 1 through 3; plus one unbound copy marked as “Master”) and one electronic copy on a USB flash drive in PDF format, with a label on each describing the contents and appropriately packaged and clearly marked “Request for Proposals Site C Clean Energy Project Worker Accommodation”, except the Financial Model which should be submitted in Microsoft Excel 2003 or 2007 on a USB flash drive only.

7.3 NO FAX OR EMAIL SUBMISSION

Proposals submitted by fax or email will not be accepted, except for the Initial AIRS, Interim AIRS and Final AIRS-related submission items which can be submitted by email.

7.4 LANGUAGE OF PROPOSALS

Proposals should be in English. Any portion of a Proposal that is not in English may, at BC Hydro’s election, be disregarded in the evaluation of the Proposal.

7.5 RECEIPT OF COMPLETE RFP

Proponents are responsible to ensure that they have received the complete RFP. BC Hydro accepts no responsibility for any Proponent lacking any portion of this RFP.

7.6 ENQUIRIES

Proponents are encouraged to submit enquiries (“**Enquiries**”) by submitting an Enquiry Request for Information Form (Appendix M) to the Contact Person by email, and the following will apply:

- (a) all Enquiries regarding any aspect of this RFP should be directed to the Contact Person by email;
- (b) submit Enquiries at an early date to permit consideration by BC Hydro:
 - (1) for Enquiries of a technical nature: prior to 16:00 Pacific Time on the day that is 10 Business Days before the Submission Time for Technical Submissions; and
 - (2) for Enquiries of a financial nature: prior to 16:00 Pacific Time on the day that is 5 Business Days before the Submission Time for Financial Submissions.

- (c) the Contact Person will give any responses in writing;
- (d) Enquiries to, and responses from the Contact Person, will be recorded by BC Hydro;
- (e) a Proponent may request that an Enquiry and the response to an Enquiry be kept confidential if the Proponent considers the Enquiry to be commercially sensitive; and if BC Hydro decides that an Enquiry or the response or both should be distributed to all Proponents, then, subject to Section 8.6(d), BC Hydro will permit the enquirer to withdraw the Enquiry rather than receive a response, or to confirm the Enquiry, with the response being distributed to all Proponents;
- (f) any Enquiry and the response may, in BC Hydro's discretion, be distributed to all Proponents, if BC Hydro in its discretion considers the matter should be brought to the attention of all Proponents for purposes of fairness in, or maintaining the integrity of, the Competitive Selection Process. BC Hydro may keep either or both the Enquiry and response confidential if in the judgment of BC Hydro it is fair or appropriate to do so; and
- (g) BC Hydro may, in its discretion, decline to respond to an Enquiry.

7.7 ELECTRONIC COMMUNICATION

Proponents should only communicate with the Contact Person by email.

The following provisions will apply to any email communications with the Contact Person, or the delivery of documents to the Contact Person by email where such email communications or deliveries are permitted by the terms of this RFP:

- (a) BC Hydro does not assume any risk or responsibility or liability whatsoever to any Proponent:
 - (1) for ensuring that any electronic email system being operated for BC Hydro or Partnerships BC is in good working order, able to receive transmissions, or not engaged in receiving other transmissions such that a Proponent's transmission cannot be received; or
 - (2) if a permitted email communication or delivery is not received by BC Hydro or Partnerships BC, or received in less than its entirety, within any time limit specified by this RFP; and
- (b) all permitted email communications with, or delivery of documents by email to, the Contact Person will be deemed as having been received by the Contact Person on the dates and times indicated on the Contact Person's electronic equipment.

7.8 ADDENDA

BC Hydro may, in its sole and absolute discretion, amend this RFP at any time by issuing a written Addendum through the Contact Person. Written Addenda are the only means of amending or clarifying this RFP, and no other form of communication whether written or oral, including written responses to Enquiries as provided by Section 7.6, will be included in, or in any way amend, this RFP. Only the Contact Person is authorized to amend or clarify this RFP by issuing an Addendum. No other employee or agent of BC Hydro is authorized to amend or clarify this RFP. BC Hydro will provide a copy of all Addenda to all Proponents.

7.9 INTELLECTUAL PROPERTY RIGHTS

(a) Grant of Licence

Subject to Section 7.9 (b), by submitting a Proposal, each Proponent will, and will be deemed to have:

- (1) granted to BC Hydro a royalty-free licence without restriction to use for this Worker Accommodation Project any and all of the information, ideas, concepts, products, alternatives, processes, recommendations, suggestions and other intellectual property or trade secrets (collectively the “**Intellectual Property Rights**”) contained in the Proponent’s Proposal, or that are otherwise disclosed by the Proponent to BC Hydro; and
- (2) waived or obtained, in favour of BC Hydro, a waiver of all moral rights contained in the Proposal.

Proponents will not be responsible or liable for any use by BC Hydro or any sub-licensee or assignee of BC Hydro of any Intellectual Property Rights contained in a Proposal.

(b) Exceptions to Licence

The licence granted under Section 7.9 (a) does not extend to Third Party Intellectual Property Rights to non-specialized third-party technology and software that are generally commercially available. By submitting a Proposal, each Proponent represents to BC Hydro that it owns or has, and will continue to own or have at the Submission Time for Technical Submissions, all necessary rights to all Third Party Intellectual Property Rights contained in its Proposal or otherwise disclosed by the Proponent to BC Hydro and, subject to the foregoing exceptions, has the right to grant a licence of such Third Party Intellectual Property Rights in accordance with Section 7.9 (a).

7.10 DEFINITIVE RECORD

If there is any inconsistency between the paper form of a document and the digital, electronic or other computer readable form, the electronic conformed version of the document in the custody and control BC Hydro will prevail.

7.11 AMENDMENTS TO OR WITHDRAWALS OF PROPOSALS

A Proponent may:

- (a) amend any aspect of its Technical Submission by delivering written notice, or written amendments, to the Submission Location prior to the Submission Time for Technical Submissions;
- (b) amend any aspect of its Financial Submission by delivering written notice, or written amendments, to the Submission Location prior to the Submission Time for Financial Submissions; and
- (c) in its Financial Submission, amend its Technical Submission as contemplated in Section 7.1 (c).

A Proponent may not amend any aspect of its Proposal except as set out above.

Submitted Proposals may be withdrawn in writing, provided such written withdrawal is received by BC Hydro at the Submission Location prior to, but not after, the Submission Time for Financial Submissions. Oral or emailed or faxed amendments or withdrawals will not be considered or accepted.

7.12 CHANGES TO PROPONENT TEAMS

If for any reason a Proponent wishes or requires to add, remove or otherwise change a member of its Proponent Team, as shortlisted under the RFQ, or there is a material change in ownership or control of a member of the Proponent Team, or there is a change to the legal relationship among any or all of the Proponent and its Proponent Team members, then the Proponent should submit a written application to BC Hydro for approval, including supporting information that may assist BC Hydro in evaluating the change. BC Hydro, in its discretion, may grant or refuse an application for a change to a Proponent team, and in exercising its discretion BC Hydro will consider the objective of achieving a Competitive Selection Process that is not unfair to the other Proponents. For clarity:

- (a) BC Hydro may refuse to permit a change to the membership of a Proponent Team if the change would, in BC Hydro's judgment, result in a weaker team than was originally shortlisted;
- or

- (b) BC Hydro may, in the exercise of its discretion, permit any change to a Proponent Team, including changes as may be requested arising from changes in ownership or control of a Proponent or a Proponent Team member, or changes to the legal relationship among the Proponent and/or Proponent Team members, such as the creation of a new joint venture or other legal entity or relationship in place of the Proponent Team originally shortlisted.

BC Hydro's approval may include such terms and conditions as BC Hydro may consider appropriate.

7.13 VALIDITY OF PROPOSALS

By submitting a Proposal, a Proponent represents and agrees that:

- (a) its Proposal, including all prices and input costs (with the exception of permitted adjustments to interest rates and credit margins in accordance with the terms of this RFP), will remain fixed and irrevocable from the Submission Time for Financial Submissions until midnight at the end of the 90th Business Day following the Submission Time for Financial Submissions (the "**Proposal Validity Period**");
- (b) after the expiry of the Proposal Validity Period, all prices and input costs (except senior debt margins) in its Proposal may not be adjusted unless the Proponent provides notice in writing to BC Hydro of any proposed adjustment and demonstrates to the satisfaction of BC Hydro that the Proponent has used its best efforts to continue to maintain the prices and input costs firm and valid, but that despite such best efforts, the specified adjustments to the prices and input costs are required solely as a direct result of one or more events that:
 - (1) are external to the Proponent and the Proponent Team members;
 - (2) could not have been prevented by, and are beyond the control of, the Proponent and any of its Proponent Team members; and
 - (3) constitute a material adverse change to the conditions underlying the prices and input costs that are subject to the adjustment; and
- (c) a Proponent may indicate in its Proposal a Proposal Validity Period that exceeds 90 Business Days.

7.14 MATERIAL CHANGE AFTER SUBMISSION TIME FOR FINANCIAL SUBMISSIONS

A Proponent will give immediate written notice to BC Hydro of any material change that occurs to a Proponent after the Submission Time for Financial Submissions, including a change to its membership or its ownership or a change to the Proponent's financial capability.

7.15 EQUIVALENTS

The Specifications are intended to generally be performance-based, but in some instances include specifically required elements of design and construction, such as design features, products, materials, equipment and systems, that BC Hydro considers are important to meet BC Hydro's objectives.

A Proponent may as an Enquiry, in accordance with Section 7.6, request in writing approval for a substitution of an element of a Performance Specification on the basis that the substitution is equivalent to, or better than, the Performance Specification, and the following will apply:

- (a) BC Hydro may, in its discretion, respond to indicate that the proposed equivalent is, or is not, acceptable, and BC Hydro's decision will be final;
- (b) BC Hydro will keep requests for approval of equivalents confidential, subject to its discretion as described in Section 7.6;
- (c) the provisions of Section 7.6 relating to "Commercial-in-Confidence" Enquiries will apply, including with respect to withdrawal of an Enquiry, and BC Hydro will keep requests for approval of equivalents confidential subject to BC Hydro's determination that the request raises a matter that should be brought to the attention of all Proponents;
- (d) if BC Hydro indicates that the proposed equivalent is acceptable, a Proponent may include the approved equivalent in its response, and such substitution will be accepted as meeting the requirements of the Performance Specification;
- (e) BC Hydro will be under no obligation to provide the indication of acceptability of the proposed equivalent to the Proponent or to any other Proponent; and
- (f) approval of an equivalent will not be interpreted as amending the Project Agreement in any other way, or relieving the Proponent of otherwise fully complying with the terms of the Project Agreement.

8 EVALUATION

8.1 MANDATORY REQUIREMENTS

BC Hydro has determined that the following are the Mandatory Requirements:

- (a) the Technical Submission must be received at the Submission Location before the Submission Time for Technical Submissions; and
- (b) if invited, the Financial Submission must be received at the Submission Location before the Submission Time for Financial Submissions.

8.2 EVALUATION COMMITTEE

The evaluation of Proposals will be carried out by a committee of one or more persons appointed by BC Hydro (the “**Evaluation Committee**”) with assistance from other persons as the Evaluation Committee may decide it requires, including technical, financial, legal and other advisors or employees of BC Hydro or Partnerships BC.

8.3 EVALUATION OF PROPOSALS

The Evaluation Committee will evaluate Proposals as set out in Appendix A.

To assist in evaluation of the Proposals, the Evaluation Committee may, in its sole and absolute discretion, but is not required to:

- (a) seek clarification of a Proposal, or any part of a Proposal, including Technical Submission or a Financial Submission, from the Proponent and consider such supplementary information in the evaluation of the Proposal;
- (b) conduct reference checks relevant to the Worker Accommodation Project with any or all of the references cited in a Proposal and with any other persons (including persons other than those listed in a Proponent’s Proposal) to verify information regarding a Proponent, inclusive of its directors/officers and Key Individuals, and to conduct any background investigations that the Evaluation Committee considers necessary, and rely on and consider any relevant information in the evaluation of Proposals;
- (c) request interviews / presentations with any, some, or all, of the Proponents to obtain clarification of a aspect of a Proposal and consider such supplementary information received from any interviews / presentations in the evaluation of the Proposal;
- (d) waive any such defect, ambiguity, alteration, qualification, omission, inaccuracy, misstatement or failure to satisfy except in respect of Mandatory Requirements;

- (e) conduct any other reference checks (including sources internal to BC Hydro); and
- (f) conduct credit, criminal record, litigation, bankruptcy, taxpayer information and other checks.

The review and evaluation, including the ranking, of any Proposal may rely on, take into account and include any information and documentation, including any clarification, more complete, supplementary and additional or replacement information or documentation, including information and documentation obtained through any of the above-listed investigations, research, analyses, checks, and verifications.

Proponents may not submit any clarifications, supplementary information or supplementary documentation in respect of:

- (g) the Technical Submission after the Submission Time for Technical Submissions; and
- (h) the Financial Submission after the Submission Time for Financial Submissions,

without the prior written approval invitation or request of the Evaluation Committee.

The Evaluation Committee is not bound by industry custom or practice in taking any of the steps listed above, in exercising any of its discretions, in formulating its opinions and considerations, exercising its discretions in making any decisions and determinations, or in discharging its functions under or in connection with this RFP, or in connection with any Proponent, Proposal, or any part of any Proposal, including any Technical Submission or Financial Submission.

8.4 AUTHORITY TO REJECT

Without limiting the foregoing or Appendix A, the Evaluation Committee may, in its discretion (and without further consultation with the Proponent), reject any Proposal which in the opinion of the Evaluation Committee is:

- (a) materially incomplete or irregular;
- (b) contains omissions, exceptions or variations (including any modifications, changes or additions to the Final Draft Project Agreement, other than as provided for in Section 5.3 or Section 9.2, that are not acceptable to BC Hydro;
- (c) contains any false or misleading statement, claims or information; or
- (d) for which background investigations reveal any false statements, criminal affiliations or activities by a Proponent or Proponent Team member.

9 SELECTION OF PREFERRED PROPONENT AND AWARD

9.1 SELECTION AND AWARD

If BC Hydro selects a Preferred Proponent in accordance with this RFP, BC Hydro will invite the Preferred Proponent to enter into final discussions to settle all terms of the Project Agreement, based on the Preferred Proponent's Proposal, including any clarifications that the Preferred Proponent may have provided during the evaluation of Proposals.

If at any time for any reason BC Hydro determines that it is unlikely that BC Hydro will reach a final agreement with the Preferred Proponent, then BC Hydro may terminate the discussions with the Preferred Proponent and proceed in any manner that BC Hydro may decide, in consideration of its own best interests, including:

- (a) terminating the Competitive Selection Process entirely and proceeding with some or all of the Worker Accommodation Project in some other manner, including using other contractors; or
- (b) inviting one of the other Proponents to enter into discussions to reach final agreement for completing the Worker Accommodation Project.

Any final approvals required by BC Hydro will be conditions precedent to the final execution or commencement of the Project Agreement.

9.2 FINAL DRAFT PROJECT AGREEMENT

BC Hydro anticipates that:

- (a) any issues with respect to the Initial Draft Project Agreement will be discussed during the Collaborative Meetings and fully considered prior to issuance of the Final Draft Project Agreement; and
- (b) once issued, the Final Draft Project Agreement will not be further substantively modified and will be executed by the Preferred Proponent without further substantive amendment, except for changes, modifications and additions:
 - (1) relating to the determination by BC Hydro, in its discretion, of which:
 - i. parts, if any, of the Proposal are to be incorporated by reference or otherwise, into the Project Agreement or otherwise pursuant to express provisions of the Project Agreement; or
 - ii. modifications, changes or additions, if any, requested by a Proponent pursuant to Section 5.3 that are acceptable to BC Hydro;

- (2) to those provisions or parts of the Final Draft Project Agreement that are indicated as being subject to completion or finalization, or which BC Hydro determines in its discretion require completion or finalization, including provisions that require:
 - i. modification or the insertion or addition of information relating to the Proponent's formation (e.g., corporate, partnership or trust structure) and funding structure; and
 - ii. modification or the insertion or addition of information in order to reflect accurately the nature of the Proponent's relationships with its principal subcontractors (including each of the project contractors);
- (3) required by BC Hydro to complete, based on the Proposal, any provision of the Final Draft Project Agreement, including changes, modifications and additions contemplated in or required under the terms of the Final Draft Project Agreement;
- (4) that are necessary to create or provide for a legally complete, enforceable and binding agreement;
- (5) that enhance clarity in legal drafting;
- (6) that reflect acceptable equivalents in accordance with Section 7.15; or
- (7) that may be required as a consequence of Changed Funding Arrangements.

BC Hydro also reserves the right in its discretion to negotiate changes to the Final Draft Project Agreement and to the Preferred Proponent's Proposal.

Upon Financial Close, the Project Agreement, and the instruments and documents to be executed and delivered pursuant to it, supersede (except as expressly incorporated therein) the RFP and the Proposal submitted in respect of Project Co.

9.3 PREFERRED PROPONENT SECURITY DEPOSIT

Subject to the terms of this RFP:

- (a) BC Hydro will invite the Preferred Proponent to deliver the Preferred Proponent Security Deposit on or before the date and time specified by BC Hydro, such date not to be earlier than 5 Business Days after notification of the appointment of the Preferred Proponent; and
- (b) the Preferred Proponent's eligibility to remain the Preferred Proponent is conditional upon the Preferred Proponent delivering the Preferred Proponent Security Deposit to BC Hydro on or before the date and time specified by BC Hydro.

9.4 RETURN OF SECURITY DEPOSIT

Subject to Section 9.5, BC Hydro will return the Preferred Proponent Security Deposit to the Preferred Proponent:

- (a) within 10 Business Days after receipt by BC Hydro of notice of demand from the Preferred Proponent, if:
 - (1) BC Hydro exercises its right under Section 11.1 to terminate this RFP prior to entering into the Project Agreement for reasons unrelated to the Preferred Proponent or any member of the Preferred Proponent's Proponent Team; or
 - (2) BC Hydro fails, within the Proposal Validity Period, to execute and deliver an agreement substantially in the form of the Final Draft Project Agreement finalized by BC Hydro in accordance with Section 9.2, provided that such failure is not the result of:
 - i. the failure of the Preferred Proponent to satisfy any conditions set out in the Final Draft Project Agreement; or
 - ii. any extensions to the Proposal Validity Period arising from any agreement by BC Hydro to negotiate changes to the Final Draft Project Agreement pursuant to Section 9.2; or
- (b) within 10 Business Days after Financial Close with such Preferred Proponent.

9.5 RETENTION OF SECURITY DEPOSIT

Notwithstanding any receipt by BC Hydro of the notice described in Section 9.4, BC Hydro may, in its discretion, draw on, retain and apply the proceeds of the Preferred Proponent Security Deposit for BC Hydro's own use as liquidated damages, if:

- (a) the Proponent or any Proponent Team member is in material breach of any term of this RFP or the Participation Agreement; or
- (b) after receipt of written notice from BC Hydro:
 - (1) the Preferred Proponent fails to execute and deliver an agreement substantially in the form of the Final Draft Project Agreement finalized by BC Hydro in accordance with Section 9.2; or
 - (2) Financial Close fails to occur within 20 Business Days (or such longer period as the parties may agree) of receipt of such notice from BC Hydro,

unless:

- (3) any such failure was the result of a significant event which could not have been reasonably prevented by, or was beyond the reasonable control of, the Preferred Proponent; and
- (4) the Preferred Proponent demonstrates to BC Hydro's satisfaction, acting reasonably, that the occurrence of such significant event would materially frustrate or render it impossible for the Preferred Proponent to perform its obligations under the Project Agreement for a continuous period of 125 Business Days as if the Project Agreement was in force and effect.

9.6 COMMUNICATION REGARDING PROGRESS TO FINANCIAL CLOSE

Between selection as Preferred Proponent and Financial Close, the Preferred Proponent will communicate regularly with BC Hydro with respect to progress towards Financial Close and also keep BC Hydro fully apprised on any credit market issues or other circumstances that could lead to material changes in Base Rates.

9.7 CHANGED FUNDING ARRANGEMENTS

Without limiting BC Hydro's rights under this RFP, if at any time after selection of the Preferred Proponent the Partially Adjusted Proposal Net Present Cost exceeds the Affordability Threshold, BC Hydro may request the Preferred Proponent to seek alternative funding arrangements, subject to the review and approval of BC Hydro; or BC Hydro may obtain additional or other funding; or BC Hydro and the Preferred Proponent may together seek any alternative funding arrangements (collectively, the "**Changed Funding Arrangements**"), and the parties may negotiate the Changed Funding Arrangements and any related matter.

9.8 IMPROVEMENT IN SENIOR CREDIT FACILITY FINANCING TERMS

With respect to Senior Credit Facilities, if the Preferred Proponent or any affiliate (the "**Affiliated Persons**") of the Preferred Proponent is able to secure financing for the Worker Accommodation Project on terms more favourable than the terms submitted at the Submission Time for Financial Submissions (but excluding variations resulting from movements in the Base Rate contemplated in Section 6.3), the resulting gain (the "**Improved Financing Gain**") will accrue 50 per cent to the Preferred Proponent and 50 per cent to BC Hydro.

BC Hydro will receive its share of the Improved Financing Gain as a reduction in the Capital Payment. The Capital Payment will be calculated with and without with the full Improved Financing Gain by reoptimizing the Financial Model. The Capital Payment shall then be set at an amount equal to the average of the Capital Payment before the inclusion of the full Improved Financing Gain and the Capital Payment after the inclusion of the full Improved Financing Gain.

9.9 PARTIAL COMPENSATION FOR PARTICIPATION IN THIS RFP

Upon execution of the Project Agreement, BC Hydro will pay \$200,000 (inclusive of any taxes payable) to each unsuccessful Proponent that:

- (a) complied with the Mandatory Requirements;
- (b) received an invitation to submit a Financial Submission;
- (c) submitted a bona fide Financial Submission;
- (d) has not withdrawn from the Competitive Selection Process or been disqualified by BC Hydro in accordance with the terms of this RFP; and
- (e) provides to BC Hydro written acknowledgment of:
 - (1) the disclaimers, limitations and waivers of liability and claims contained in this RFP, including Section 11.12; and
 - (2) the grant of Intellectual Property Rights to BC Hydro and waiver of moral rights pursuant to Section 7.9.

If BC Hydro exercises its right under Section 11.1 to terminate the RFP process prior to entering into the Project Agreement with a Proponent, BC Hydro will pay to each Proponent that satisfies the requirements (to the extent applicable) set out in (a) – (d) above the lesser of:

- (f) \$200,000 (inclusive of any taxes payable); and
- (g) the substantiated out-of-pocket costs reasonably incurred by the Proponent in preparing its Proposal,

provided that if BC Hydro exercises such rights after the selection of a Preferred Proponent, the Preferred Proponent must have delivered the Preferred Proponent Security Deposit in accordance with Section 9.3 to be entitled to receive any such payment.

9.10 DEBRIEFS

BC Hydro will, following Financial Close, upon request from a Proponent within 40 Business Days of Financial Close, conduct a debriefing for that Proponent.

10 CONFLICT OF INTEREST AND RELATIONSHIP DISCLOSURE

10.1 RESERVATION OF RIGHTS TO DISQUALIFY

BC Hydro reserves the right to disqualify any Proponent that in BC Hydro's opinion has a conflict of interest or an unfair advantage (including access to any confidential information not available to all Proponents), whether real, perceived, existing now or likely to arise in the future, or may permit the Proponent to continue and impose such conditions as BC Hydro may consider to be in the public interest or otherwise required by BC Hydro.

10.2 RELATIONSHIP DISCLOSURE

Each Proponent, including each member of the Proponent Team, should fully disclose all relationships they may have with BC Hydro, any Restricted Party, or any other person providing advice or services to BC Hydro with respect to the Worker Accommodation Project or any other matter that gives rise, or might give rise, to a conflict of interest or an unfair advantage:

- (a) by submission of completed Relationship Disclosure Forms with its Proposal; and
- (b) at any time during the Competitive Selection Process by written notice addressed to the Contact Person promptly after becoming aware of any such relationship.

At the time of such disclosure, the Proponent will include sufficient information and documentation to demonstrate that appropriate measures have been, or will be, implemented to mitigate, minimize or eliminate the actual, perceived or potential conflict of interest or unfair advantage, as applicable. The Proponent will provide such additional information and documentation and implement such additional measures as BC Hydro or the COI Adjudicator may require in its discretion in connection with BC Hydro's consideration of the disclosed relationship and proposed measures.

10.3 USE OR INCLUSION OF RESTRICTED PARTIES

BC Hydro may, in its discretion, disqualify a Proponent, or may permit a Proponent to continue and impose such conditions as BC Hydro may consider to be in the public interest or otherwise required by BC Hydro, if the Proponent is a Restricted Party, or if the Proponent uses a Restricted Party:

- (a) to advise or otherwise assist the Proponent respecting the Proponent's participation in the Competitive Selection Process; or
- (b) as a Proponent Team member or as an employee, advisor or consultant to the Proponent or a Proponent Team member.

Each Proponent is responsible to ensure that neither the Proponent nor any Proponent Team member uses or seeks advice or assistance in relation to the Worker Accommodation Project from any Restricted Party, or includes any Restricted Party in the Proponent Team.

10.4 RESTRICTED PARTIES

At this RFP stage, and without limiting the definition of Restricted Parties, BC Hydro has identified the following persons as Restricted Parties:

- (a) Dentons Canada LLP (formerly Fraser Milner Casgrain LLP);
- (b) Pacific Meridian Consulting;
- (c) KPMG LLP (Canada);
- (d) R. Radloff & Associates Inc;
- (e) Tom Dougless;
- (f) Resource Planning Group Inc.;
- (g) Jane Shackell, Q.C. (Miller Thomson);
- (h) Marsh Canada Ltd (for insurance advisory service only);
- (i) SNC Lavalin Inc.;
- (j) Klohn Crippen Berger Ltd.;
- (k) Spiegel Skillen and Associates Ltd.; and
- (l) BC Hydro and Partnerships BC, including their former and current employees who fall within the definition of Restricted Party.

This is not an exhaustive list of Restricted Parties. Additional persons, firms or organizations may be added to, or deleted from, the list during any stage of the Competitive Selection Process through an Addendum.

10.5 CONFLICT OF INTEREST ADJUDICATOR

BC Hydro has appointed a Conflict of Interest Adjudicator (the “**COI Adjudicator**”) to provide decisions on conflicts of interest, unfair advantage or exclusivity issues, including whether any person is a Restricted Party. BC Hydro may, at its discretion, refer matters to the COI Adjudicator.

10.6 REQUEST FOR ADVANCE DECISION

A Proponent or a prospective member or advisor of a Proponent who has any concerns regarding whether a current or prospective employee, advisor or member of that Proponent is, or may be, a

Restricted Party, or has a concern about any conflict or unfair advantage it may have, is encouraged to request an advance decision by submitting to the Contact Person, not less than 10 Business Days prior to the Submission Time for Technical Submissions, by email, the following information:

- (a) names and contact information of the Proponent and the person for which the advance opinion is requested;
- (b) a description of the relationship that raises the possibility or perception of a conflict of interest or unfair advantage;
- (c) a description of the steps taken to date, and future steps proposed to be taken, to mitigate the conflict of interest or unfair advantage, including the effect of confidential information; and
- (d) copies of any relevant documentation.

BC Hydro may make an advance decision or may refer the request for an advance decision to the COI Adjudicator. If BC Hydro refers the request to the COI Adjudicator, BC Hydro may make its own submission to the COI Adjudicator.

If a Proponent or prospective team member or advisor becomes a Restricted Party, it may be listed in an Addendum or in subsequent Competitive Selection Process documents as a Restricted Party.

10.7 BC HYDRO MAY REQUEST ADVANCE DECISIONS

BC Hydro may also independently make advance decisions, or may seek an advance decision from the COI Adjudicator, where BC Hydro identifies a potential conflict, unfair advantage, or a person who may be a Restricted Party. BC Hydro will, if it seeks an advance decision from the COI Adjudicator, provide the COI Adjudicator with relevant information in its possession. If BC Hydro seeks an advance decision from the COI Adjudicator, BC Hydro will give notice to the Proponent, and may give notice to the possible Restricted Party so that it may make its own response to the COI Adjudicator.

The onus is on the Proponent to clear any potential conflict, unfair advantage, or Restricted Party, or to establish any conditions for continued participation, and BC Hydro may require that the Proponent make an application under Section 10.6.

10.8 DECISIONS FINAL AND BINDING

The decision of BC Hydro or the COI Adjudicator, as applicable, is final and binding on the persons requesting the ruling and all other parties including Proponents, Proponent Team members and BC Hydro. BC Hydro or the COI Adjudicator, as applicable, has discretion to establish the relevant processes from time to time, including any circumstances in which a decision may be amended or supplemented.

BC Hydro may provide any decision by BC Hydro or the COI Adjudicator regarding conflicts of interest to all Proponents if BC Hydro, in its discretion, determines that the decision is of general application.

10.9 SHARED USE

A shared use person (a “**Shared Use Person**”) is a person identified by BC Hydro as eligible to do work for more than one Proponent, including a person who has unique or specialized information or skills such that BC Hydro considers in its discretion their availability to all Proponents to be desirable in the interests of the Competitive Selection Process. Any Shared Use Person will be required to agree not to enter into exclusive arrangements with any Proponent.

As of the date of this RFP, no Shared Use Persons have been identified.

10.10 EXCLUSIVITY

Unless permitted by BC Hydro in its discretion or permitted as a Shared Use Person, each Proponent will ensure that no member of its Proponent Team, or any Affiliated Person of any member of its Proponent Team, participates as a member of any other Proponent Team.

If a Proponent contravenes the foregoing, BC Hydro reserves the right to disqualify the Proponent or may permit the Proponent to continue and impose such conditions as may be required by BC Hydro. Each Proponent is responsible, and bears the onus, to ensure that the Proponent, its Proponent Team members and their respective Affiliated Persons do not contravene the foregoing.

A Proponent or a prospective Proponent Team member who has any concerns regarding whether participation does or will contravene the foregoing is encouraged to request an advance decision in accordance with this Section through the following process:

- (a) to request an advance decision on matters related to exclusivity, the Proponent or prospective Proponent Team member should submit to the Contact Person, not less than 10 Business Days prior to the Submission Time for Technical Submissions by email, the following information:
 - (1) names and contact information of the Proponent or prospective Proponent Team member making the disclosure;
 - (2) a description of the relationship that raises the possibility of non-exclusivity;
 - (3) a description of the steps taken to date, and future steps proposed to be taken, to mitigate any material adverse or potential material adverse effect of the non-exclusivity on the competitiveness or integrity of the Competitive Selection Process; and
 - (4) copies of any relevant documentation.

BC Hydro may require additional information or documentation to demonstrate to the satisfaction of BC Hydro in its discretion that no such non-exclusivity exists or, if it does, that measures satisfactory to BC

Hydro in its discretion have been or will be implemented to eliminate or mitigate any risk to the competitiveness or integrity of the Competitive Selection Process.

10.10.1 Exclusivity – BC Hydro May Request Advance Decisions

BC Hydro may also independently make advance decisions, or may seek an advance decision from the COI Adjudicator, where BC Hydro identifies a matter related to exclusivity. BC Hydro will, if it seeks an advance decision from the COI Adjudicator, provide the COI Adjudicator with relevant information in its possession. If BC Hydro seeks an advance decision from the COI Adjudicator, BC Hydro will give notice to the Proponent so that it may make its own response to the COI Adjudicator.

The onus is on the Proponent to clear any matter related to exclusivity or to establish any conditions for continued participation, and BC Hydro may require that the Proponent make an application under Section 10.10.

10.10.2 Exclusivity – Decisions Final and Binding

The decision of BC Hydro or the COI Adjudicator, as applicable, is final and binding on the persons requesting the ruling and all other parties including Proponents, Proponent Team members and BC Hydro. BC Hydro or the COI Adjudicator, as applicable, has discretion to establish the relevant processes from time to time, including any circumstance in which a decision may be amended or supplemented.

BC Hydro may provide any decision by BC Hydro or the COI Adjudicator regarding matters related to exclusivity to all Proponents if BC Hydro, in its discretion, determines that the decision is of general application.

11 RFP TERMS AND CONDITIONS

11.1 NO OBLIGATION TO PROCEED

This RFP does not commit BC Hydro to select a Preferred Proponent or enter into a Project Agreement, and BC Hydro reserves the complete right to at any time reject all Proposals, and to terminate this RFP and the Competitive Selection Process and proceed with the Worker Accommodation Project in some other manner.

11.2 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

All documents and other records in the custody of, or under the control of, BC Hydro are subject to the *Freedom of Information and Protection of Privacy Act* (“**FOIPPA**”) and other applicable legislation.

By submitting a Proposal, the Proponent represents and warrants to BC Hydro that the Proponent has complied with applicable Laws, including by obtaining from each person any required consents and authorizations to the collection of information relating to such individual and to the submission of such information to BC Hydro and the use, distribution and disclosure of such information as part of the Proposal for the purposes of, or in connection with, this RFP and the Competitive Selection Process.

11.3 COST OF PREPARING THE PROPOSAL

Subject to Section 0, each Proponent is solely responsible for all costs it incurs in the preparation of its Proposal, including all costs of providing information requested by BC Hydro, attending meetings and conducting due diligence.

11.4 CONFIDENTIALITY OF INFORMATION

All information pertaining to the Worker Accommodation Project received by any Proponent or Proponent Team member through participation in this RFP is confidential and may not be disclosed without written authorization from the Contact Person, and in no event will a Proponent discuss the Worker Accommodation Project with any member of the public or the media without the prior written approval of BC Hydro. Except as expressly stated in this RFP, and subject to FOIPPA or other applicable legislation, all documents and other records submitted in response to this RFP will be considered confidential.

BC Hydro has engaged Partnerships BC. Partnerships BC has been and continues to be involved in other projects, and BC Hydro may receive information in respect of other projects which may be relevant to the Worker Accommodation Project. Subject to the terms of this RFP, including limitations on “Commercial-in-Confidence” information under Section 2.2 (Collaborative Meetings) and Section 6.6 (Enquiries) BC Hydro may in its discretion disclose information that is available from this Worker

Accommodation Project to Partnerships BC and other projects and may obtain information from other projects.

11.5 RESERVATION OF RIGHTS

BC Hydro reserves the right, in its discretion, to:

- (a) amend the scope of the Worker Accommodation Project and/or modify, cancel or suspend the Competitive Selection Process at any time for any reason;
- (b) accept or reject any Proposal based on BC Hydro's evaluation of the Proposals in accordance with Appendix A, and in particular BC Hydro is not obliged to select the Proposal with the lowest Proposal Net Present Cost;
- (c) disqualify a Proposal that fails to meet the Mandatory Requirements;
- (d) reject, disqualify or not accept any or all Proposals without any obligation, compensation or reimbursement to any Proponent or any of its team members subject to any payment required pursuant to Section 9.9;
- (e) negotiate any aspects of a Preferred Proponent's Proposal; and
- (f) amend, from time to time, any date, time period or deadline provided in this RFP, upon written notice to all Proponents.

11.6 NO COLLUSION

Proponents and Proponent Team members, their employees and representatives involved with the Proposal, including Key Individuals, will not discuss or communicate, directly or indirectly, with any other Proponent or any director, officer, employee, consultant, advisor, agent or representative of any other Proponent (including any Proponent Team member or Key Individual of such other Proponent) regarding the preparation, content or representation of their Proposals.

By submitting a Proposal, a Proponent, on its own behalf and as authorized agent of each firm, corporation or individual member of the Proponent and Proponent Team, represents and confirms to BC Hydro, with the knowledge and intention that BC Hydro may rely on such representation and confirmation, that its Proposal has been prepared without collusion or fraud, and in fair competition with Proposals from other Proponents.

11.7 NO LOBBYING

Proponents, Proponent Team members, and their respective directors, officers, employees, consultants, agents, advisors and representatives will not engage in any form of political or other lobbying whatsoever in relation to the Worker Accommodation Project, this RFP, or the Competitive Selection Process,

including for the purpose of influencing the outcome of the Competitive Selection Process. Further, no such person (other than as expressly contemplated by this RFP) will attempt to communicate in relation to the Worker Accommodation Project, this RFP, or the Competitive Selection Process, directly or indirectly, with any representative of BC Hydro, the Government of British Columbia (including any Minister or Deputy Minister, any member of the Executive Council, any Members of the Legislative Assembly, or any employee of BC Hydro), Partnerships BC, any Restricted Parties, or any director, officer, employee, agent, advisor, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever.

In the event of any lobbying or communication in contravention of this Section, BC Hydro in its discretion may at any time, but will not be required to, reject any and all Proposals submitted by that Proponent without further consideration and the Proponent will not be eligible for, or receive, the partial compensation as set out in Section 9.9.

11.8 OWNERSHIP OF PROPOSALS

All Proposals submitted to BC Hydro become the property of BC Hydro and will be received and held in confidence by BC Hydro, subject to the provisions of FOIPPA and this RFP.

11.9 DISCLOSURE AND TRANSPARENCY

BC Hydro is committed to an open and transparent Competitive Selection Process. To assist BC Hydro in meeting its commitment, Proponents will cooperate and extend all reasonable accommodation to this endeavour.

BC Hydro may publicly disclose the following information:

- (a) the RFP;
- (b) the number of Proponents;
- (c) the name of Proponents;
- (d) the Fairness Advisor's report; and
- (e) the final Project Agreement excluding those portions that may be redacted pursuant to the application of FOIPPA.

Each Proponent agrees that:

- (f) to ensure that all public information generated about the Worker Accommodation Project is fair and accurate and will not inadvertently or otherwise influence the RFP process, the disclosure of any public information generated in relation to the Worker Accommodation Project,

including communications with the media and the public, must be coordinated with, and is subject to prior written approval of, BC Hydro;

- (g) it will notify BC Hydro of any and all requests for information or interviews received from the media; and
- (h) it will ensure that all of the Proponent Team members and others associated with the Proponent comply with the requirements of this RFP.

11.10 FAIRNESS ADVISOR

BC Hydro has appointed Jane Shackell, QC (the “**Fairness Advisor**”) to monitor the Competitive Selection Process. The Fairness Advisor will provide a written report to BC Hydro that BC Hydro will make public.

The Fairness Advisor will be:

- (a) provided with full access to all documents, meetings and information related to the evaluation processes under this RFP that the Fairness Advisor, in its discretion, decides is required; and
- (b) kept fully informed by BC Hydro of all documents and activities associated with this RFP.

Proponents may contact the Fairness Advisor directly with regard to concerns about the fairness of the Competitive Selection Process.

11.11 LEGAL ADVISOR

Dentons Canada LLP is a Restricted Party. By submitting a Proposal, the Proponent expressly consents to Dentons Canada LLP continuing to represent BC Hydro for all matters in relation to this RFP and the Worker Accommodation Project, including any matter that is adverse to the Proponent, despite any information of the Proponent and any solicitor-client relationship that the Proponent may have had, or may have, with Dentons Canada LLP in relation to matters other than this RFP and the Worker Accommodation Project. This Section is not intended to waive any of the Proponent’s rights of confidentiality or solicitor-client privilege. BC Hydro reserves the right at any time to waive any provision of this Section.

11.12 LIMITATION OF DAMAGES

Each Proponent on its own behalf and on behalf of the Proponent Team and any member of a Proponent Team:

- (a) agrees not to bring any Claim against BC Hydro or any of its employees, advisors or representatives (including the Fairness Advisor and the COI Adjudicator) for damages in excess of the amount equivalent to the reasonable costs incurred by the Proponent in

preparing its Proposal for any matter in respect of this RFP or Competitive Selection Process, including:

- (1) if BC Hydro accepts a non-compliant proposal or otherwise breaches, or fundamentally breaches, the terms of this RFP or the Competitive Selection Process; or
 - (2) if the Worker Accommodation Project or Competitive Selection Process is modified, suspended or cancelled for any reason (including modification of the scope of the Worker Accommodation Project or modification of this RFP or both) or BC Hydro exercises any rights under this RFP; and
- (b) waives any and all Claims against BC Hydro or any of its employees, advisors or representatives (including the Fairness Advisor and the COI Adjudicator) for loss of anticipated profits or loss of opportunity if no agreement is made between BC Hydro and the Proponent for any reason, including:
- (1) if BC Hydro accepts a non-compliant proposal or otherwise breaches or fundamentally breaches the terms of this RFP or the Competitive Selection Process; or
 - (2) if the Worker Accommodation Project or Competitive Selection Process is modified, suspended or cancelled for any reason (including modification of the scope of the Worker Accommodation Project or modification of this RFP or both) or BC Hydro exercises any rights under this RFP.

This Section does not limit BC Hydro's obligation to make payment under Section 9.9, but in no event will BC Hydro's liability exceed the amount calculated pursuant to Section 9.9.

12 DEFINITIONS AND INTERPRETATION

12.1 DEFINITIONS

Capitalized terms in this RFP that are not defined in this Section have the meaning given in the Project Agreement.

In this RFP:

“Addenda” or **“Addendum”** means an addendum to this RFP issued by the Contact Person as described in Section 7.8.

“Adjustment Credit Facilities” means Senior Credit Facility proposed by a Proponent to be adjusted in accordance with Section 6.3. It excludes Junior Credit Facilities or partner loans.

“Advance Interest Rate Submission” or **“AIRS”** has the meaning set out in Section 6.4.

“Affiliated Persons”, or affiliated persons, or persons affiliated with each other, are:

- (a) a corporation and
 - (1) a person by whom the corporation is controlled,
 - (2) each member of an affiliated group of persons by which the corporation is controlled, and
 - (3) a spouse or common-law partner of a person described in subparagraph (1) or (2);
- (b) two corporations, if
 - (1) each corporation is controlled by a person, and the person by whom one corporation is controlled is affiliated with the person by whom the other corporation is controlled,
 - (2) one corporation is controlled by a person, the other corporation is controlled by a group of persons, and each member of that group is affiliated with that person, or
 - (3) each corporation is controlled by a group of persons, and each member of each group is affiliated with at least one member of the other group;
- (c) a corporation and a partnership, if the corporation is controlled by a particular group of persons each member of which is affiliated with at least one member of a majority-interest group of partners of the partnership, and each member of that majority-interest group is affiliated with at least one member of the particular group;
- (d) a partnership and a majority-interest partner of the partnership;

- (e) two partnerships, if
 - (1) the same person is a majority-interest partner of both partnerships,
 - (2) a majority-interest partner of one partnership is affiliated with each member of a majority-interest group of partners of the other partnership, or
 - (3) each member of a majority-interest group of partners of each partnership is affiliated with at least one member of a majority-interest group of partners of the other partnership;
- (f) a person and a trust, if the person
 - (1) is a majority-interest beneficiary of the trust, or
 - (2) would, if this subsection were read without reference to this paragraph, be affiliated with a majority-interest beneficiary of the trust; and
- (g) two trusts, if a contributor to one of the trusts is affiliated with a contributor to the other trust and
 - (1) a majority-interest beneficiary of one of the trusts is affiliated with a majority-interest beneficiary of the other trust,
 - (2) a majority-interest beneficiary of one of the trusts is affiliated with each member of a majority-interest group of beneficiaries of the other trust, or
 - (3) each member of a majority-interest group of beneficiaries of each of the trusts is affiliated with at least one member of a majority-interest group of beneficiaries of the other trust.

“**Affordability and Evaluation Model**” has the meaning set out in Section 4.2.

“**Affordability Threshold**” has the meaning set out in Section 4.1.

“**Base Rate**” means the base interest rate for any proposed Senior Credit Facility as shown in the Proponent’s Financial Model.

“**Base Rate Set Protocol**” has the meaning set out in Section 3 of Appendix B.

“**BC Hydro**” has the meaning set out in Section 1.2.

“**BC Hydro Representative**” has the meaning set out in Section 2.2.

“**Benchmarks**” has the meaning set out in Section 6.3.

“**Business Day(s)**” means a standard day for conducting business in Vancouver, British Columbia, excluding government holidays and weekends.

“Business-to-Business Networking Session” has the meaning set out in Section 2.5.

“Changed Funding Arrangements” has the meaning set out in Section 9.7.

“Claim” means any claim, demand, suit, action, or cause of action, whether arising in contract, tort or otherwise, and all costs and expenses relating thereto.

“Collaborative Meetings” has the meaning set out in Section 2.2.

“Competitive Selection Process” means the overall process for the selection of a Preferred Proponent for the Worker Accommodation Project including, but not limited to, this RFP stage.

“Conflict of Interest Adjudicator” or **“COI Adjudicator”** means the person described in Section 10.5.

“Contact Person” means the person identified as such in the Summary of Key Information.

“Credit Spread” means for any debt facility the rate of interest applicable to the amount of such debt facility as shown in the Financial Model minus the applicable Base Rate.

“Data Room” has the meaning set out in Section 2.7.

“Design-Builder” of a Proponent means an individual, corporation, joint venture, partnership or other legal entity, or group of entities, who will have the responsibility to design and build the Worker Accommodation Project, as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP. The Design-Builder must include, but is not limited to a Modular Fabricator (this may also be accomplished using a subcontracting arrangement between a Modular Fabricator and the Design Builder).

“Design-Builder Lead” means the individual who has lead responsibility for design and construction period activities of the Worker Accommodation Project, as identified in the Proponent’s Proposal, and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Enquiry” has the meaning set out in Section 7.6.

“Equity Guarantor” means an entity providing financial and/or performance support to Project Co in respect of the obligations of an Equity Provider.

“Equity Provider” of a Proponent means an individual, corporation, joint venture, partnership or other legal entity who will have an ownership or equity interest in the Worker Accommodation Project, as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Facilities” means the accommodation facilities, including servicing and ancillary structures, that Project Co is required to design and construction under the Project Agreement.

“Fairness Advisor” has the meaning set out in Section 11.10.

“Final AIRS” means the Final Advance Interest Rate Submission as described in Part C of Appendix K.

“Final AIRS Submission Time” means the date and time identified as such in the Summary of Key Information.

“Final Draft Project Agreement” has the meaning set out in Section 2.6.

“Financial Close” means the time when the Project Agreement and all financing and other agreements related to the Worker Accommodation Project have been executed and delivered and all conditions to the effectiveness of the Project Agreement and Worker Accommodation Project financing agreements have been satisfied.

“Financial Model” has the meaning set out in Section 4 of Appendix B.

“Financial Submission” has the meaning set out in Appendix B.

“Financing Plan” has the meaning set out in Section 4 of Appendix B.

“Freedom of Information and Protection of Privacy Act” or **“FOIPPA”** has the meaning set out in Section 11.2.

“Fully Adjusted Proposal Net Present Cost” has the meaning set out in Appendix A.

“Guarantor” means an entity providing financial and/or performance support to the Design-Builder, Service Provider or Equity Provider by way of a guarantee or a commitment to provide equity or dedicated credit facilities to support the participation by the Design-Builder, Service Provider or Equity Provider in the Competitive Selection Process and the Worker Accommodation Project, as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Improved Financing Gain” has the meaning set out in Section 9.8.

“Indicative Design” has the meaning set out in Schedule 3 [Design and Construction Specifications].

“Initial AIRS” means the Initial Advance Interest Rate Submission as described in Part A of Appendix K.

“Initial AIRS Submission Time” means the date and time identified as such in the Summary of Key Information.

“Initial Draft Project Agreement” means the draft Project Agreement labeled “Initial Draft Project Agreement” and posted in the Data Room.

“Intellectual Property Rights” has the meaning set out in Section 7.9.

“Interim AIRS” means the Interim Advance Interest Rate Submission as described in Part B of Appendix K.

“Interim AIRS Submission Time” means the date and time identified as such in the Summary of Key Information.

“Interim Financial Review Submission” has the meaning set out in Section 2.8.

“Interim Review Submissions” means, collectively, the Interim Financial Review Submission and the Interim Services Review Submission.

“Interim Services Review Submission” has the meaning set out in Section 2.8.

“Junior Credit Facilities” means any credit facility provided to Project Co by an Affiliate of Project Co.

“Key Individuals” of a Proponent Team means the specific individuals, exclusive to the Proponent, filling the following roles (or equivalent) in the Proponent’s Proposal. Key Individuals may fill multiple roles provided they have the qualifications and experience for all the roles. A Key Individual role may only be filled by one individual:

- Project Co Lead from Financial Close to Service Commencement;
- Project Co Lead after Service Commencement;
- Design-Builder Lead;
- Modular Fabricator Lead;
- Service Provider Lead; and
- Facility Manager.

Key Individuals may fill multiple roles provided they have the qualifications and experience for all the roles. A Key Individual role may only be filled by one individual.

“Mandatory Requirements” means the Proposal Requirements described in Section 8.1.

“Modular Fabricator” of a Proponent means an individual, corporation, joint venture, partnership or other legal entity who will have direct responsibility for fabrication of any modular components of the Worker Accommodation Project, as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Modular Fabricator Lead” means the individual who has lead responsibility for the fabrication of modular components for the Worker Accommodation Project, as identified in the Proponent’s Proposal, and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Partially Adjusted Proposal Net Present Cost” has the meaning set out in Section 4.1.

“Partnerships BC” means Partnerships British Columbia Inc.

“Preferred Proponent” means the Proponent selected by BC Hydro pursuant to this RFP to finalize the Project Agreement.

“Preferred Proponent Security Deposit” means an irrevocable letter of credit in the amount of **\$200,000** in the form set out in Appendix H or in such other form acceptable to BC Hydro in its discretion.

“Pricing Forms” means the forms set out in Appendix B.

“Project Agreement” has the meaning set out in Section 1.1.

“Project Co” means the entity that enters into the Project Agreement with BC Hydro and leads the Worker Accommodation Project team through the term of the Project Agreement.

“Project Co Lead from Financial Close to Service Commencement” means the individual proposed by the Proponent to be responsible for leading Project Co from Financial Close to Service Commencement.

“Project Co Lead after Service Commencement” means the individual proposed by the Proponent to be responsible for leading Project Co after Service Commencement.

“Proponent” means one of the consortia identified in Section 1.2.

“Proponent Team” means a Proponent Team Lead, its Design-Builder, the Modular Fabricator its Service Provider, its Equity Providers, its Guarantor(s), its Equity Guarantors, and its Key Individuals, as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Proponent Team Lead” means the entity responsible for leading the Proponent Team:

- throughout the Competitive Selection Process for the Worker Accommodation Project;
- entering into the Project Agreement; and
- throughout the implementation of the Project Agreement,

as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Proposal” means a proposal submitted in response to this RFP.

“Proposal Net Present Cost” has the meaning described in the Affordability and Evaluation Model.

“Proposal Requirements” means the requirements described in Appendix B.

“Proposal Total Capital Cost” means the sum of the nominal total capital costs calculated using Form A5 in Appendix B.

“Proposal Validity Period” has the meaning set out in Section 7.13.

“Relationship Disclosure Form” means a form substantially as set out in Appendix D or as otherwise acceptable to BC Hydro.

“Request for Proposals” or **“RFP”** has the meaning set out in Section 1.1.

“Request for Qualifications” or **“RFQ”** has the meaning set out in Section 1.2.

“Restricted Party” means those persons (including their former and current employees) who had, or currently have, participation or involvement in the Competitive Selection Process or the design, planning or implementation of the Worker Accommodation Project, and who may provide a material unfair advantage or confidential information to any Proponent that is not, or would not reasonably be expected to be, available to other Proponents.

“Scope Ladder” has the meaning set out in Section 5.3.

“Senior Credit Facility” means the senior credit facilities and any other credit facilities provided for in Senior Financing Agreements.

“Senior Debt” means debt financing provided by a Senior Lender in accordance with the Senior Credit Facility.

“Senior Debt Base Rate Benchmark” has the meaning set out in Section 6.3.

“Senior Lender” means an entity providing debt financing that is a third party acting at arm’s length from Proponent Team members.

“Service Payments” has the meaning set out in Schedule 1 [Definitions and Interpretation] of the Project Agreement.

“Service Provider” of a Proponent means an individual, corporation, joint venture, partnership or other legal entity who will have direct responsibility to provide operations, maintenance and/or life cycle services to the Worker Accommodation Project during the operating term of the Project Agreement, as identified in the Proponent’s Proposal and as may have been changed pursuant to the RFQ or as may be changed pursuant to this RFP.

“Service Provider Lead” means the individual responsible for leading the Service Provider during the Worker Accommodation Project, as described in the Proponent’s Proposal.

“Shared Use Person” has the meaning set out in Section 10.9.

“Specifications” means the specifications for the design, construction and maintenance of the Facility as set out in the Project Agreement, including Schedule 6 [Specifications and Drawings] and Schedule 21 [Services Protocols and Specifications].

“Submission Location” means the submission location identified as such in the Summary of Key Information.

“Submission Time for Interim Financial Review Submission” means the date and time identified as such in the Summary of Key Information.

“Submission Time for Financial Submissions” means the date and time identified as such in the Summary of Key Information.

“Submission Time for Technical Submissions” means the date and time identified as such in the Summary of Key Information.

“Summary of Key Information” means the summary of key information included herein as amended by Addendum from time to time.

“Swapped Senior Debt Base Rate Benchmark” has the meaning set out in Section 6.3.

“Technical Submission” has the meaning set out in Appendix B.

“Third Party Intellectual Property Rights” means all Intellectual Property Rights of any person which is not a member of, or a related party to, a member of the Proponent Team.

“Total Facility Development and Capital Costs” of a Proposal means the amount described as such in, and calculated in accordance with, Pricing Form A6 (Total Facility Development and Capital Cost).

“Worker Accommodation Project” means the design, construction, partial financing, commissioning, operation and maintenance and other specified services of and for the Facilities and all other works ancillary to the Facilities as set out in the Project Agreement.

12.2 INTERPRETATION

In this RFP:

- (a) any action, decision, determination, consent, approval or any other thing to be performed, made or exercised by or on behalf of BC Hydro, including the exercise of BC Hydro’s “discretion” or words of like effect, unless the context otherwise requires it, is at the sole, absolute and unfettered discretion of BC Hydro;
- (b) the use of headings is for convenience only and headings are not to be used in the interpretation of this RFP;

- (c) a reference to a Section or Appendix, unless otherwise indicated, is a reference to a Section of, or Appendix to, this RFP;
- (d) words imputing any gender include all genders, as the context requires, and words in the singular include the plural and vice versa;
- (e) the word “including” when used in this RFP is not to be read as limiting;
- (f) all dollar values are Canadian dollars unless otherwise indicated;
- (g) a reference to a “person” includes a reference to an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, limited liability company, association, unincorporated organization, union or government authority;
and
- (h) each Appendix attached to this RFP is an integral part of this RFP as if set out at length in the body of this RFP.

APPENDIX A EVALUATION OF PROPOSALS

TECHNICAL SUBMISSION

Subject to the terms of this RFP, including Section 8.1 [Mandatory Requirements] and Section 8.3 [Evaluation of Proposals], the Evaluation Committee will evaluate each Technical Submission to determine whether the Technical Submission demonstrates and substantially satisfies the following requirements:

- (a) that the Proponent will substantially meet the requirements of the Final Draft Project Agreement including the design, construction and operation of the Facilities;
- (b) the Proponent has a good understanding of the Worker Accommodation Project and the obligations of Project Co under the Project Agreement; and
- (c) that the Proponent is capable of:
 - (1) performing the obligations and responsibilities of Project Co; and
 - (2) delivering the Worker Accommodation Project in accordance with the Project Agreement.

If the Evaluation Committee is not satisfied that the Technical Submission substantially satisfies the above requirements, the Evaluation Committee may reject the Proposal and not evaluate it further.

A Proponent that submits a Technical Submission that the Evaluation Committee determines does substantially satisfy the above-listed requirements, and that is not otherwise rejected by the Evaluation Committee pursuant to the terms of this RFP, will be invited in writing to submit a Financial Submission.

FINANCIAL SUBMISSION

Subject to the terms of this RFP, including Section 8.1 [Mandatory Requirements] and Section 8.3 [Evaluation of Proposals], the Evaluation Committee will evaluate each of the Financial Submissions to determine whether the Evaluation Committee is satisfied that the Financial Submission demonstrates and substantially satisfies the following requirements:

- (a) that the Proponent has arranged sufficient financing for the Worker Accommodation Project in accordance with the requirements of the RFP and the Final Draft Project Agreement;
- (b) that the Proponent's Financing Plan, including security, bonding, guarantees and insurance elements, is robust, deliverable and readily accessible in the amounts identified;
- (c) that the Proponent's Financing Plan can be executed expediently if the Proponent is selected as Preferred Proponent;

- (d) that each of the Proponent's Equity Providers continue to have the ability to raise sufficient capital to meet the equity requirements; and
- (e) that the Proponent is financially viable.

If the Evaluation Committee is not satisfied that the Financial Submission substantially satisfies the above requirements, the Evaluation Committee may reject the Proposal and not evaluate it further.

A Proposal that is over the Affordability Threshold is not prohibited under this RFP, but BC Hydro does not anticipate selecting a Proposal with a Partially Adjusted Proposal Net Present Cost that BC Hydro determines exceeds the Affordability Threshold.

EVALUATION ADJUSTMENTS

BC Hydro will also score the degree to which a Proponent's Technical Submission is in accordance with the criteria described in Table 1 of this Appendix A. Table 1 describes these criteria and indicates the maximum points available for each criterion. A linear distribution of points between minimum and maximum will apply unless otherwise noted, with the minimum scoring to equal 0 points, and the maximum scoring equaling the maximum available points for a criterion.

Table 1: Technical Criteria Adjustments

Appendix B Reference	Criteria	Points
7.1	<p>1. Minimized Average Travel Distance</p> <p>The objective of this criterion is to obtain a design with highly efficient and effective corridor circulation system for key paths of travel within the Facility.</p>	15
7.2	<p>2. Enhanced Common Areas</p> <p>The objective of this criterion is to obtain a design that enhances the Guest experience by including items such as:</p> <ul style="list-style-type: none"> • high ceilings • use of wood or other natural materials • casual areas for relaxing • non-institutional feel (i.e. ambiance like a welcoming hotel or lodge feel). 	15
7.3	<p>3. Enhanced Prevalence of Natural Light</p> <p>The objective of this criterion is to obtain a design that enhances Guest experience through added prevalence of natural light including direct, indirect and borrowed light.</p>	15
7.4	<p>4. Enhanced Services</p> <p>The objective of this criterion is to obtain innovative, value added services that are evidence-based enhancements to amenities, services or activities that improve Guest experience.</p>	20
7.5	<p>5. Enhanced Food</p> <p>The objective of this criterion is to obtain innovative, value added approaches to food service that are evidence-based and that will improve Guest experience.</p>	20
7.6	<p>6. Quality of Design</p> <p>The objective of this criterion is to obtain a design that enhances Guest experience through consideration of the overall quality of the design of the Facility including the site layout and finishing.</p>	15
	Total Points Available	100

RANKING PROCESS

Proposals that have not been rejected will be ranked according to the following process:

Each point awarded will contribute to the calculation of the fully adjusted proposal net present cost (the **"Fully Adjusted Proposal Net Present Cost"**) as follows:

Technical Criteria Adjustment:

For the purposes of evaluation and ranking only, the Proposal Partially Adjusted Proposal Net Present Cost will be adjusted based on:

- (1) the number of points awarded applying the criteria in Table 1;
- (2) multiplying the awarded number of points by \$200,000 (the deemed net present value of a point); and
- (3) subtracting the product from the Partially Adjusted Proposal Net Present Cost.

If one or more Proposals have a Fully Adjusted Proposal Net Present Cost that is not more than two percent higher than the Proposal with the lowest Fully Adjusted Proposal Net Present Cost as described in the paragraph immediately above, then BC Hydro will select the highest-ranked Proposal in accordance with the process out below. Otherwise, the Proposal with the lowest Fully Adjusted Proposal Net Present Cost will be selected as the highest ranked Proposal.

Most Advantageous to the BC Hydro

BC Hydro will select from among the Proposal with the lowest Fully Adjusted Proposal Net Present Cost and the other Proposals with a Fully Adjusted Proposal Net Present Cost of not more than two percent higher than the Proposal with the lowest Fully Adjusted Proposal Net Present Cost the Proposal that, in the BC Hydro's discretion, is the most advantageous to BC Hydro and such Proposal will be designated as the highest-ranked Proposal. Compelling advantages, as compared to the Proposal with the lowest Fully Adjusted Proposal Net Present Cost, would need to be identified before a Proposal with a higher Fully Adjusted Proposal Net Present Cost would be selected.

APPENDIX B PROPOSAL REQUIREMENTS

See attached.

APPENDIX C PROPOSAL DECLARATION FORM

This Proposal Declaration must be executed by the Proponent. By executing this Proposal Declaration, the Proponent agrees to the provisions of the RFP and this Proposal Declaration. Capitalized terms are defined in Section 12.1 of this RFP.

[RFP Proponent's Letterhead]

To: [Insert Client and Address]

Attention: [Insert Contact Person]

In consideration of BC Hydro's agreement to consider our Proposal in accordance with the terms of the RFP, the Proponent hereby agrees, confirms and acknowledges on its own behalf and on behalf of each member of the Proponent Team, to the extent applicable to such Proponent Team member and within the reasonable knowledge of such Proponent Team member, that:

1. Proposal

- (a) this Proposal Declaration Form has been duly authorized and validly executed by the Proponent;
- (b) the Proponent is bound by all statements and representations in its Proposal;
- (c) its Proposal strictly conforms with the RFP and that any failure to strictly conform with the RFP may, in the discretion of BC Hydro, be cause for rejection of its Proposal;
- (d) its Proposal is made without collusion or fraud; and
- (e) BC Hydro reserves the right to verify information in its Proposal and conduct any background investigations including criminal record investigations, verification of the Proposal, credit enquiries, litigation searches, bankruptcy registrations and other investigations on all or any of the Proponent Team members, and by submitting a Proposal, the Proponent and each Proponent Team member agrees that they consent to the conduct of all or any of those investigations by BC Hydro.

2. Acknowledgements with Respect to the RFP

- (a) the Proponent and each Proponent Team member has received, read, examined and understood the entire RFP including all of the terms and conditions, all documents listed in the RFP "Table of Contents", and any and all Addenda;

- (b) the Proponent has provided a Proposal that does not exceed the Affordability Threshold as defined in the RFP;
- (c) the Proponent and each Proponent Team member agrees to be bound by the entire RFP including all of the terms and conditions, all documents listed in the RFP Table of Contents, and any and all Addenda;
- (d) the Proponent's representative identified below is fully authorized to represent the Proponent and each Proponent Team member in any and all matters related to its Proposal, including but not limited to providing clarifications and additional information that may be requested in association with the RFP;
- (e) the Proponent has disclosed all relevant relationships of the Proponent and each Proponent Team member, in accordance with the instructions and format outlined in the Relationship Disclosure Form; and
- (f) the Final Draft Project Agreement is in a form acceptable to the Proponent Team and the Senior Lenders (subject to the commitment letter or commitment letters submitted with the Financial Submission).

3. Consent of Proponent Team

- (a) the Proponent has obtained the express written consent and agreement of each member of the Proponent Team, as listed below, to all terms of this Proposal Declaration Form to the extent applicable to such Proponent Team member, and within the reasonable knowledge of such Proponent Team member.

4. The Proponent Team consists of:

Name	Address	Equity Provider or Key Individual

PROPONENT REPRESENTATIVE

 Name

 Name of Employer

Address

Email Address

Name of Authorized Signatory

Telephone

Signature

If the Proponent is a joint venture, consortium or special purpose entity – by each of its joint venture or consortium members, as applicable, as identified in the response to the RFP as the proponent or the proponent team lead(s), or as otherwise acceptable to BC Hydro.

APPENDIX D RELATIONSHIP DISCLOSURE FORM

This form must be completed by the Proponent Team on its own behalf and on behalf of each member of the Proponent Team.

The Proponent declares on its own behalf and on behalf of each member of the Proponent Team that:

- (a) this declaration is made to the best of the knowledge of the Proponent and, with respect to relationships of each member of the Proponent Team, to the best of the knowledge of that member;
- (b) the Proponent and the members of the Proponent Team have reviewed the definition of Restricted Parties and the non-exhaustive list of Restricted Parties;
- (c) the following is a full disclosure of all known relationships the Proponent and each member of the Proponent Team has, or has had, with:
 - (1) BC Hydro;
 - (2) any listed Restricted Party;
 - (3) any current employees, shareholders, directors or officers, as applicable, of BC Hydro or any listed Restricted Party;
 - (4) any former shareholders, directors or officers, as applicable, of BC Hydro or any listed Restricted Party, who ceased to hold such position within two calendar years prior to the Submission Time for Technical Submissions; and
 - (5) any other person who, on behalf of BC Hydro or a listed Restricted Party, has participated or been involved in the Competitive Selection Process or the design, planning or implementation of the Worker Accommodation Project or has confidential information about the Worker Accommodation Project or the Competitive Selection Process.

Name of Proponent Team Member	Name of Party with Relationship (e.g., list Authority, Restricted Party)	Details of the Nature of the Relationship with the listed Restricted Party/Person (e.g., Proponent Team member was an advisor to the Restricted Party from 2005-2006)
<i>e.g. Firm Name Ltd.</i>	<i>Partnerships BC</i>	<i>Firm Name Ltd. is working with Partnerships BC on Project X.</i>
<i>e.g. John Smith</i>	<i>Authority Name</i>	<i>Employee from 19XX – 20XX</i>

(Each Proponent Team to submit one Relationship Disclosure Form. Add additional pages as required. Corporate disclosures only need to be provided once and not repeated for every individual of that company).

NAME OF PROPONENT:

Name of Firm – Proponent:

Address:

Email Address:

Telephone:

Name of Authorized Signatory for Proponent:

Signature:

If the Proponent is a joint venture, consortium or special purpose entity – by each of its joint venture or consortium members, as applicable, as identified in the response to the RFP as the proponent or the proponent team lead(s), or as otherwise acceptable to BC Hydro.

APPENDIX E PROPONENT COMMENTS FORM

(Collaborative Meetings – s. 2.4(b))

[Insert Project Name]

Section	Proposed Change (including detailed drafting)	Reasons for Proposed Change

APPENDIX F INCIDENTAL CHARGES

[TO FOLLOW.]

APPENDIX G COMMITMENT LETTER TEMPLATE

Financial Submission

The commitment letter submitted as part of the Financial Submission should be in substantially the following form, addressed to BC Hydro, and sent from all Senior Lenders supporting the Proposal, either individually or (provided that all of them sign the letter) as a group. Separate letters from separate groups of Senior Lenders (e.g., senior, mezzanine, capital markets, and financial guarantors) may be provided, if appropriate.

To: BC Hydro
c/o Partnerships British Columbia Inc.
2320 – 1111 West Georgia St
Vancouver, B.C. V6E 4M3

Re: Site C Clean Energy Project Worker Accommodation (the “**Worker Accommodation Project**”)

[Insert Bank/other Financial Institution Name] [Insert Group letter]

The signatories of this letter provide(s) this letter in support of the Proposal (as defined in the RFP) submitted by [the Proponent’s name] (the “**Proponent**”) in response to the RFP issued by BC Hydro on [Insert Month, Day Year], as amended, in relation to the Worker Accommodation Project and in consideration of BC Hydro inviting the Proponent to submit such Proposal.

(a) we confirm that we have undertaken the due diligence that we consider necessary on the Worker Accommodation Project to enable us to offer committed financing to the Proponent in an amount of not less than \$[Insert Value] in support of the Proponent’s Proposal, which the Proponent has confirmed to us complies with the requirements of the RFP. The provision of such financing will be subject only to the following:

- (1) the completion of a satisfactory audit of the Financial Close Financial Model;
- (2) negotiation and finalization of funding documentation based on the attached debt term sheet; and
- (3) negotiation and finalization of Principal Contracts based on the heads of terms included in the Proposal.

(b) we have carried out and relied upon the due diligence referred to in paragraph 1 above with support from, and in cooperation with, [[Insert Name]] (our legal advisors), [[Insert Name]] (our technical advisors) and [[Insert Name]] (our insurance advisors) [and [[Insert Name]] (our model auditors)]. In particular:

- (1) due diligence on the Technical Submission proposed for the Worker Accommodation Project by the Proponent has been undertaken on our behalf and we are satisfied with the Technical Submission;
 - (2) due diligence on the insurance proposals contained in the Proposal and BC Hydro's requirements in relation to insurances for the Worker Accommodation Project has been undertaken on our behalf and we can confirm that we are satisfied with the adequacy of the proposed insurance arrangements contained within the Proposal (assuming that such insurance arrangements are commercially available at the time of financial close);
 - (3) due diligence has been undertaken on the Financial Model included in the Proposal and we confirm that the results of the Financial Model (including the sensitivities) are satisfactory and capable of supporting the proposed financing described in the attached debt term sheet; and
 - (4) we confirm that we accept the terms and risk allocation of and have no further comments on the Final Draft Project Agreement, and that this agreement is acceptable without modification (except as contemplated therein) for purposes of financing the Worker Accommodation Project as contemplated in this letter.
- (c) we are satisfied that the attached debt term sheet sets out all significant commercial terms and conditions relating to the financing referred to in paragraph 1 above and the debt funding structure and, if any, all required terms relating to any material adverse change conditions to which the commitment referred to in paragraph 1 above is subject.
- (d) [If individual letters submitted] we confirm that we have received credit committee approval and, if any, other required internal approvals for the underwriting of up to [Insert Value]% of the [describe relevant facilities referred to in debt term sheet] on the terms contemplated by this letter and the attached debt term sheet.

[If group letters submitted] we confirm that we have received credit committee approval and, if any, other required internal approvals for the underwriting of the facilities referred to in the attached debt term sheet in the following percentages and on the terms contemplated by this letter and the attached debt term sheet:

[List bank/financial institutions individually & % participations of each of them in each facility].

[If individual or group letters submitted] we confirm that [our commitment] [the commitment of each signatory of this letter] described in this letter in the amount represented by the percentage(s) detailed above will not be affected by any subsequent withdrawal by, or removal of, any other senior lender from the Proponent's Financing Plan.

- (e) we confirm that we will be able to meet BC Hydro's timetable to achieve Financial Close (i.e., execution and delivery of all funding agreements and satisfaction of all conditions precedent to initial drawdown) by 13 weeks after the announcement of the Proponent as the Preferred Proponent.

This letter does not constitute an offer of finance or a legally binding commitment of any kind to provide finance. This letter is intended for your exclusive use and may not be relied upon or used by any other person. This letter is provided on the condition that the contents will be treated as strictly private and confidential and will not be disclosed or quoted in whole or in part to any person other than BC Hydro, other governmental authorities including the Province of British Columbia, and/or their advisors.

The provisions of this letter and attached debt term sheet have been approved for a period expiring not less than 90 Business Days from the date of submission of the Financial Submission forming part of the Proposal on **[Insert Date of Submission Time for Financial Submissions]** (i.e. the "Submission Time for Financial Submissions" under the RFP).

APPENDIX H PREFERRED PROPONENT SECURITY DEPOSIT

[Note: The Preferred Proponent Security Deposit should be a Letter of Credit substantially in the following form, issued by, or confirmed by, a Canadian chartered bank acceptable to BC Hydro in its discretion and be callable at the bank's counters in Vancouver, British Columbia.]

TO: [Insert Authority Name]

<>

(the "Beneficiary")

RE PREFERRED PROPONENT SECURITY DEPOSIT

IRREVOCABLE LETTER OF CREDIT NO: __

Dear Sirs:

At the request of our client, _____ (the Customer), we hereby issue in your favour our irrevocable letter of credit No. _____ (Letter of Credit) for a sum not exceeding in the aggregate [Insert Value in Words] (CDN \$[Insert Value]) effective immediately.

This bank will immediately pay to you under this Letter of Credit any amount or amounts claimed, not exceeding in the aggregate the sum of CDN \$[Insert Value] upon your written demand(s) for payment being made upon us at our counter during normal business hours, **[Note: insert address of Bank in Vancouver, British Columbia]**, Canada referencing this irrevocable Letter of Credit No.

_____ dated _____.

Partial drawings are permitted.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600.

Drawings up to the full amount of the Letter of Credit may be made where the drawing is accompanied by a certificate executed by an authorized signatory of the Beneficiary stating that:

- (a) the person signing the certificate is an authorized signatory of the Beneficiary; and
- (b) the Beneficiary is entitled to draw upon this Letter of Credit.

Any drawings made under this Letter of Credit must be accompanied by the original or certified copy of this Letter of Credit, together with an original certificate complying with the conditions set out above.

We will honour your written demand(s) for payment on presentation without enquiring whether you have a legitimate claim between yourself and our said Customer.

All banking charges are for the account of the Customer.

This Letter of Credit will remain in full force and effect and, unless renewed, will expire at the close of business on [Insert Date].

Notice of non-renewal will be provided to the Beneficiary in writing by registered mail by not later than 20 Business Days before the expiry date.

Authorized Signatory

Authorized Signatory

APPENDIX I NOT USED

Not used.

APPENDIX J INITIAL DRAFT PROJECT AGREEMENT

See attached.

APPENDIX K ADVANCE INTEREST RATE SUBMISSION

A. General Approach to Pricing the Benchmarks

	Advance Interest Rate Submittals (excluding Initial)	Preferred Proponent Stage
<p>Senior Debt Base Rate Benchmark</p> <p>(not swapped, based on Government of Canada benchmark bonds)</p>	<p>Bid-market rates for Government of Canada benchmark bonds to be provided by BC Hydro.</p> <p>Interpolation (if any) to be calculated by the Proponent using a methodology agreed during the Initial AIRS process.</p> <p>The calculated Senior Debt Base Rate Benchmark, including the calculation methodology, will be subject to BC Hydro's approval.</p>	<p>At <u>Financial Close</u>:</p> <p>Senior Debt Base Rate Benchmark to be provided by the Preferred Proponent in accordance with a pre-agreed rate setting protocol.</p> <p>Proponent to source its own bid-market data.</p> <p>Interpolation methodology to match that agreed during the AIRS process.</p> <p>The Senior Debt Base Rate Benchmark will be subject to BC Hydro's approval.</p>
<p>Swapped Senior Debt Base Rate Benchmark</p> <p>(swapped, based on a forward swap curve)</p>	<p>Mid-market CAD swap and mid-market CAD basis swap data will be provided by BC Hydro.</p> <p>Proponent will use the information provided by BC Hydro to calculate the appropriate Swapped Senior Debt Base Rate Benchmark using a methodology agreed during the Initial AIRS process.</p> <p>Proponent will provide the terms of the swap structure per the template provided in Appendix K-3 unless an alternative structure is proposed by the Proponent and agreed by BC Hydro.</p> <p>Proponent will assume that the terms provided, including but not limited to, the notional schedule and the fixed rate, assume that Financial Close happened on the same day that the rates were provided by BC Hydro under Appendix K-1. The calculated Swapped Senior Debt Base Rate Benchmark, including the calculation methodology, will be subject to BC Hydro's approval.</p>	<p>At <u>Financial Close</u>:</p> <p>Swapped Senior Debt Base Rate Benchmark to be provided by the Preferred Proponent in accordance with a pre-agreed rate setting protocol.</p> <p>Proponent to source its own mid-market data.</p> <p>Calculation methodology to match that agreed during the AIRS process.</p> <p>The Swapped Senior Debt Base Rate Benchmark will be subject to BC Hydro's approval.</p>

The Senior Debt Base Rate Benchmark will be calculated at the bid-market rate, excluding any execution spread, credit spread, liquidity spread, or any other form of margin, spread or fee. The "Swapped Senior Debt Base Rate Benchmark" will be calculated at the mid-market rate excluding any execution spread, credit spread, liquidity spread or any other form of margin, spread or fee. The Service Payments submitted as part of the Proponent's Financial Submission should include any execution and/or credit

spread required to execute the relevant benchmark and, for the avoidance of doubt, such execution and/or credit spreads will not be subject to any adjustments after Financial Submission.

A. Initial AIRS

1. Information to be Provided by BC Hydro

BC Hydro will, one week prior to the Initial AIRS Submission Time, provide Proponents with an update to the information shown in Appendix K-1.

2. Information to be Provided by the Proponent¹

In its Initial AIRS the Proponent is to provide:

- a) A statement of which of its Senior Credit Facilities it elects to designate as an Adjustment Credit Facility. If the Proponent does not elect to designate any Senior Credit Facility as an Adjustment Credit Facility, then a statement to that effect.

If no Senior Credit Facilities are designated as an Adjustment Credit Facility then, except as required by this section a), the Proponent is not required to submit any further information in respect of the AIRS process.

Any Senior Credit Facility designated as an Adjustment Credit Facility may be adjusted, but only in accordance with this RFP, between Financial Submission and Financial Close. Any Senior Credit Facility not designated as an Adjustment Credit Facility may not be adjusted following Financial Submission.

- b) A statement of which of the Benchmarks the Proponent elects to apply to each of the designated Adjustment Credit Facilities.
- c) If a Proponent elects to apply the Senior Debt Base Rate Benchmark:
- i. Confirmation that the Government of Canada benchmark bonds identified by BC Hydro in Appendix K-2 are suitable for the anticipated debt structure contemplated by the Proponent. When selecting the Government of Canada benchmark bonds, Proponents should consider Canadian bond market pricing convention which is to price amortizing bonds using an underlying benchmark bond with a term to maturity that approximates the average life date, not the maturity date.

¹ Material in this section has been copied from Appendix B and has been reproduced here to give context to the entire AIRS process.

- ii. If the Government of Canada benchmark bonds identified by BC Hydro in Appendix K-2 are not suitable for the anticipated debt structure contemplated by the Proponent, then alternate security or securities for consideration by BC Hydro.

In such instances, the Proponent is to provide sufficient information to allow BC Hydro to confirm that the Government of Canada benchmark bonds identified by BC Hydro in Appendix K-2 are not suitable for the Proponent's anticipated debt structure. If other alternate security or securities are requested, the information provided must demonstrate why they are suitable and possess similar characteristics in terms of information access, rating, duration, liquidity and amortization as the Government of Canada benchmark bonds.

Alternate security or securities may be accepted or rejected by BC Hydro in its absolute discretion.

- iii. A detailed explanation, including a worked example, of how and in what circumstances the Proponent will calculate an interpolated rate from the approved securities.

d) If a Proponent elects to apply the Swapped Senior Debt Base Rate Benchmark:

- i. A completed indicative swap term sheet substantially in the form shown in Appendix K-3, except that for the purpose of the Initial AIRS, terms and conditions marked on the indicative term sheet with an asterisk (*) need not be submitted.
- ii. A detailed explanation, including a worked example indicating the periodic payments and reset rates expected as calculated by the Proponent, of how the Swapped Senior Debt Base Rate Benchmark will be calculated from the information provided to the Proponent by BC Hydro.

3. Process following Initial AIRS

Within a reasonable period determined by BC Hydro after the Initial AIRS Submission Time, BC Hydro will advise the relevant Proponent whether, in BC Hydro's discretion, the information contained within the Initial AIRS is acceptable.

If BC Hydro advises a Proponent, with particulars, that any Initial AIRS is not acceptable, the Proponent is to submit a revised Initial AIRS to BC Hydro that addresses BC Hydro's concerns within 5 Business Days (or other such reasonable period determined by BC Hydro in its discretion) after receiving such notice.

BC Hydro may, in its discretion, request a meeting with the Proponent to discuss its Initial AIRS.

This process will be repeated (at the discretion of BC Hydro) until an Initial AIRS is proposed that is acceptable to BC Hydro, in BC Hydro's discretion. A Proponent that has submitted an Initial AIRS that is acceptable to BC Hydro will be invited to submit an Interim AIRS.

A Proponent may make a supplementary submission after the Initial AIRS (on the same basis as the Initial AIRS) and before the Interim AIRS. It is in BC Hydro's discretion whether to accept the supplementary submission. If there is insufficient time for BC Hydro and the Proponent to agree on revised Benchmarks, the Proponent will use the benchmarks approved at the Initial AIRS.

B. Interim AIRS

1. Information to be Provided by BC Hydro

BC Hydro will, one week prior to the Interim AIRS Submission Time, provide Proponents with an update to the information shown in Appendix K-1.

2. Information to be Provided by the Proponent²

In its Interim AIRS the Proponent is to provide:

- a) If a Proponent elected in its Initial AIRS to apply the Senior Debt Base Rate Benchmark:
 - i. Acceptance of the information provided one week prior to the Interim AIRS Submission Time by BC Hydro to the Proponent.
 - ii. The calculation used by the Proponent to determine the Senior Debt Base Rate Benchmark from the information provided by BC Hydro.
 - iii. Confirmation that the Senior Debt Base Rate Benchmark is calculated using the rates provided by BC Hydro and excludes all margins, spreads and fees.
- b) If a Proponent elected in its Initial AIRS to apply the Swapped Senior Debt Base Rate Benchmark:
 - i. Acceptance of the information provided one week prior to the Interim AIRS Submission Time by BC Hydro to the Proponent.
 - ii. A completed indicative swap term sheet substantially in the form shown in Appendix K-3.

² Material in this section has been copied from Appendix B and has been reproduced here to give context to the entire AIRS process.

- iii. The Swapped Senior Debt Base Rate Benchmark determined by the Proponent using the information provided by BC Hydro.
- iv. The calculation used by the Proponent to determine the Swapped Senior Debt Base Rate Benchmark.
- v. Confirmation that the Swapped Senior Debt Base Rate Benchmark is calculated using the rates provided by BC Hydro and excludes all margins, spreads and fees (with the exception of any swap spread/charge implied within the mid-market CAD swap curve). Any execution and/or swap credit spread/charge required to execute the Swapped Debt Base Rate Benchmark should be included in the Proponent's Service Payments submitted as part of its Financial Submission and will not be subject to any adjustments after Financial Submission.

3. Process following Interim AIRS

Within a reasonable period determined by BC Hydro after the Interim AIRS Submission Time, BC Hydro will advise the relevant Proponent whether, in BC Hydro's discretion, the information contained within the Interim AIRS is acceptable.

If BC Hydro advises a Proponent, with particulars, that any Interim AIRS is not acceptable, the Proponent is to submit a revised Interim AIRS to BC Hydro that addresses BC Hydro's concerns within 5 Business Days (or other such reasonable period determined by BC Hydro in its discretion) after receiving such notice.

BC Hydro may, in its discretion, request a meeting with the Proponent to discuss its Interim AIRS.

This process will be repeated (at the discretion of BC Hydro) until an Interim AIRS is proposed that is acceptable to BC Hydro, in BC Hydro's discretion. A Proponent that has submitted an Interim AIRS that is acceptable to BC Hydro will be invited to submit a Final AIRS.

C. Final AIRS

1. Information to be Provided by BC Hydro

BC Hydro will, one week prior to the Final AIRS Submission Time, provide Proponents with an update to the information shown in Appendix K-1.

2. Information to be Provided by the Proponent³

³ Material in this section has been copied from Appendix B and has been reproduced here to give context to the entire AIRS process.

In its Final AIRS the Proponent is to provide:

- a) If a Proponent elected in its Initial AIRS to apply the Senior Debt Base Rate Benchmark:
 - i. Acceptance of the information provided one week prior to the Final AIRS Submission Time by BC Hydro to the Proponent.
 - ii. The calculation used by the Proponent to determine the Senior Debt Base Rate Benchmark from the information provided by BC Hydro.
 - iii. Confirmation that the Senior Debt Base Rate Benchmark is calculated using the rates provided by BC Hydro and excludes all margins, spreads and fees.

- b) If a Proponent elected in its Initial AIRS to apply the Swapped Senior Debt Base Rate Benchmark:
 - i. Acceptance of the information provided one week prior to the Final AIRS Submission Time by BC Hydro to the Proponent.
 - ii. A completed indicative swap term sheet substantially in the form shown in Appendix K-3.
 - iii. The Swapped Senior Debt Base Rate Benchmark determined by the Proponent using the information provided by BC Hydro. The calculation used by the Proponent to determine the Swapped Senior Debt Base Rate Benchmark.
 - iv. Confirmation that the Swapped Senior Debt Base Rate Benchmark is calculated using the rates provided by BC Hydro and excludes all margins, spreads and fees (with the exception of any swap spread implied within the mid-market CAD swap curve).
 - v. With the exception of any swap spread implied within the mid-market CAD swap curve, any execution and/or credit spread/charge required to execute the relevant rate (for the Swapped Senior Debt Base Rate Benchmark should be included in the Proponent's Service Payments submitted as part of its Financial Submission and will not be subject to any adjustments after Financial Submission).

3. Process following Final AIRS

Within a reasonable period determined by BC Hydro after the Final AIRS Submission Time, BC Hydro will advise the relevant Proponent whether, in BC Hydro's discretion, the information contained within the Final AIRS is acceptable.

If BC Hydro advises a Proponent, with particulars, that any Final AIRS is not acceptable, the Proponent is to submit a revised Final AIRS to BC Hydro that addresses BC Hydro's concerns within 5 Business Days (or other such reasonable period determined by BC Hydro in its discretion) after receiving such notice.

BC Hydro may, in its discretion, request a meeting with the Proponent to discuss its Final AIRS.

This process will be repeated (at the discretion of BC Hydro) until a Final AIRS is proposed that is acceptable to BC Hydro, in BC Hydro's discretion.

APPENDIX K-1 NOTE – THE RATES LISTED IN TABLES BELOW ARE INDICATIVE ONLY

Date: [date]

Time: [time]

GoC Benchmark	Coupon	Maturity	Mid Price	Mid Yield
2-Year	1.00%	01 November 2014	99.67	1.1685
3-Year	1.50%	01 August 2015	100.5925	1.2570
5-Year	1.50%	01 September 2017	104.674	1.4025
7-Year	3.75%	01 June 2019	100.032	1.4940
10-Year	2.75%	01 June 2022	112.2675	1.6930

CAD Swaps Semi-Annual	Mid Yield	Swap Spreads	GoC Yield
2-Year	1.4385	0.2700	1.1685
3-Year	1.5520	0.2750	1.2770 (interpolated)
4-Year	1.6790	0.2935	1.3855 (interpolated)
5-Year	1.8080	0.3140	1.4940
6-Year	1.9434		
7-Year	2.0765		
8-Year	2.2005		
9-Year	2.3175		
10-Year	2.4300		

CAD Basis Swap	Mid Yield		BA Futures	Mid Price
1Y	8.75		MAR3	98.7125
2Y	9.25		JUN3	98.7150
3Y	9.75		SEP3	98.6850
4Y	10.75		DEC3	98.6150
5Y	10.50		MAR4 JUN4	98.5250 98.4450

APPENDIX K-2

Government of Canada Benchmark Bonds *

- 1) Government of Canada 1.00% 01 November 2014 (2-year benchmark)
- 2) Government of Canada 1.50% 01 August 2015 (3-year benchmark)

- 3) Government of Canada 1.50% 01 September 2017 (5-year benchmark)
- 4) Government of Canada 3.75% 01 June 2019 (7-year benchmark)
- 5) Government of Canada 2.75% 01 June 2022 (10-year benchmark)

* if any Government of Canada benchmark bond switches to an alternative Government of Canada benchmark bond prior to Financial Close, the pricing of any Adjustment Credit Facilities based on the affected Government of Canada benchmark bond will also switch to the applicable alternative Government of Canada benchmark bond.

APPENDIX K-3

Swap Term Shee

Provided as a separate spreadsheet.

APPENDIX K-4

Provided as a separate spreadsheet.

APPENDIX L INTERIM FINANCIAL COSTS SUMMARY FORM

Estimated Initial Capital Costs:

Cost Category	Items Included in Cost Centre	Total for Each Category \$ (Nominal)
	Start Up Project Management Detailed Design	
Construction	[Worker Accommodation Area] Development and Road works Foundation Construction Building Construction Equipment	
Surface Parking	Construction	
Total Estimated Capital Costs		\$

Estimated Annual Facility Maintenance Costs:

Cost Category	Items Included in Cost Centre	Total for Each Category \$ (Nominal)
FM	Capital rates Fixed rates Variable rates Person-day rates Energy	

Estimated Life-Cycle Costs:

Life Cycle Cost Centre	Estimated Year(s) of Expenditure(s)	Total for Each Category \$ (Nominal)
Life Cycle Costs		

Cost Category	Items Included in Cost Centre	Total for Each Category \$ (Nominal)
Other Costs	Residual Value Decommissioning Site restoration	

APPENDIX M REQUEST FOR INFORMATION FORM

REQUEST FOR INFORMATION

[Insert Project Name]

Request Number: _____

Raised By: _____

Date Raised: _____

Type of Request: Information Clarification Meeting

Request/Query: _____

Do you request this query to be Commercial in Confidence? Yes No

Response: _____

Response signed off by BC Hydro's Lead: _____

Response signed off by the Contact Person: _____

Date Response returned to Proponent by BC Hydro's project office: _____