

**Government of British Columbia  
Ministry of Sustainable Resource Management  
and  
Partnerships British Columbia**

**REQUEST FOR PROPOSALS  
FOR A PUBLIC PRIVATE PARTNERSHIP**

FOR THE DESIGN, CONSTRUCTION, FINANCING,  
OPERATION  
OF

BRITANNIA MINE  
WATER TREATMENT PROJECT

**Addendum 1**

**June 11, 2004**



# Britannia Mine Request for Proposals

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# 1. Introduction

## 1.1. Definitions

Capitalized terms used in this Request for Proposals (the "RFP"), unless defined within the text of this RFP have the meanings as set out in the draft Project Agreement attached at Appendix G, or in the additional definitions set out in Appendix A: Definitions.

## 1.2. Introduction

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Sustainable Resource Management (the "Province") is undertaking a remedial action program to mitigate the effects of historic mining operations at the Britannia Mine. This program includes a broad range of initiatives, including the design, construction, financing and operation of the water treatment plant and ancillary infrastructure, which is the subject of this RFP and additional work which is not. The program is known as the Britannia Mine Remediation Project.

The term the "Project" in this RFP means the entire scope of work as defined in the RFP, including the design, construction, financing and operation of the water treatment plant and all ancillary infrastructure and thereafter, the "Operations", being the operation, maintenance, repair and replacement of the Project. The term "WTP" refers specifically to the water treatment plant itself and related equipment and facilities, but excludes other components of Project, such as the Fan Facilities, the Outfall, the 4100 Portal and the Plug. The Project will treat the Contaminated Water from Britannia Mine before it enters Howe Sound as well as groundwater from the Fan Area. The successful private sector entity or consortium Proponent will be designated by the Province as the preferred Proponent, and upon execution of the Project Agreement, will become the Operator, responsible for the design, construction, financing, and operation of the Project.

# 2. Objectives and Scope

## 2.1. Project Objectives

The Province's expectations from the Agreement are summarized below. These expectations are provided to the Proponents as general guidance and are not intended to supersede or replace the specific requirements in Appendix B of the RFP. There is no order of importance in the following list.

1. The Project is to be designed, constructed and operated in a manner that protects the environment, in accordance with all current environmental regulations and standards, and to achieve continuing improvement in performance during the operating phase.
2. The treatment technology and Project design must have the flexibility to efficiently treat a wide range of water volumes and contaminant levels, including treatment of groundwater on a continuous basis and must be able to accommodate peak flows of Contaminated Water during all seasons.
3. Buildings and landscaping are to be aesthetically pleasing. The buildings should be designed and constructed to retain their appearance under local climatic conditions for 20 years minimum, including exposure to sea air.
4. Safety during construction and operation are important to both the Proponent and the Province. There is a preference for safety to be designed into the Project by

such means as wide roadways, ease of access to process equipment, and “inherently safe” features. Potentially unsafe situations are to be mitigated during design.

5. All facilities are expected to be in use after the Term of the Project Agreement. Quality is to be designed into the Project so that at the end of the 20-year contract term, the Project is fully operable, subject only to normal wear and tear. Only new equipment and materials will be allowed in the construction of the Project.

## **2.2. Project Scope**

The scope associated with the Project is expanded in Appendix B.

### **2.2.1. Work and Operations**

The services to be provided by the preferred Proponent are comprised of two phases. First, the preferred Proponent will undertake the Work, being the design, construction and commissioning of the Project. Thereafter, the preferred Proponent will Operate the Project so as to satisfy the requirements of the Project Agreement. The preferred Proponent will provide or arrange for financing for both the Work and the Operations throughout the Term of the Project Agreement.

### **2.2.2. Scope Associated with the Design and Construction of the Project**

During the Work phase of the Term, the Proponent will be required to perform the following tasks in conformity with the requirements of the Project Agreement:

- The mine water conveyance system from the 4100 Level Plug to the WTP.
- Upgrade the 4100 Portal as required in light of the Proponents design and as may be agreed by the Province. The cost associated with this scope parameter will be paid for as a Cash Allowance.
- Build the Fan Facilities. The cost associated with this scope parameter will be paid for as a Cash Allowance.
- A pumping system to pump storm water on an intermittent basis from the existing collection system to the outfall. The design requirements are still in development. The Proponent should provide for an allowance for storm water management. The cost associated with this scope parameter will be paid for as a Cash Allowance
- A Project capable of treating acidic mine waters and groundwater at a design flow rate of 1,050 m<sup>3</sup>/hr to meet the discharge criteria specified in Schedule C. The Project must be capable of treating groundwater on a continuous basis. The groundwater may be saline, and the volume may be as low as 25 m<sup>3</sup>/hour. A separate treatment circuit for groundwater is acceptable.
- A piping system capable of conveying water from the WTP to a marine outfall system in Howe Sound. The effluent must discharge through a diffuser at a depth of 50 meters below sea level. The on-shore section of the outfall must be designed and priced in the Proposal. The design and construction of the marine portion will be discussed with the Proponent, and the cost associated with this scope parameter will be paid for as a Cash Allowance

- Power supply from the existing BC Hydro substation, site power distribution, site lighting, potable water supply, site communications, site grading and drainage, security fencing, and landscaping.
- A system is required for untreated mine water to bypass the WTP when the volume of water entering the mine workings exceeds both the capacity of the plant and the available storage capacity.
- Provide for future landscaping as mutually agreed between the Province and the Proponent. The cost associated with this scope parameter will be paid for as a Cash Allowance
- Develop procedures for project management, document control, quality control, and quality assurance.
- Develop procedures to address construction and operational safety, and compliance with both the operational guidelines established by the Province with respect to the operation of the Project, and the *Mines Act*. This includes definitive Hazard and Operability Analysis (HAZOP), or a similar approach.
- Carry out the shake down and commissioning of the Project.
- Obtain permits and approvals which the Province has not agreed to obtain from authorities having jurisdiction as required. An assessment of the required permits and the responsibilities of the Province and the Proponent can be found in Appendix H.

### 2.2.3. Definition of Cash Allowances

The Province is proposing that Cash Allowances be provided for the design and construction of the following facilities:

1. **Upgrading of the 4100 Adit and Related Workings** – The scope includes upgrading of the adit and portal to standards established by the Ministry of Energy and Mines (MEM) and the installation of infrastructure, as required by MEM or the Province related to the underground workings known as the 4100 Wye and/or the 4150 raise, including management of water draining from these workings. The standard is dependent, in part, upon the Proponent's approach to the design and operation of facilities installed in the adit for water conveyance, measurement and control. For clarity, the costs of the water conveyance system from the 4100 Plug to the WTP, including all measurement and control systems are to be included in the Proponent's proposed cost. The cash allowance shall be \$1,000,000.
2. **Fan Facilities** – these facilities include the connection lines from the pumping wells (which will be installed by others), a central collection sump, pumps and pipelines from the collection sump to the WTP and all associated electrical and instrumentation and control systems including the measuring devices required to satisfy the requirements of Appendix B-2 of the RFP. The cash allowance shall be \$150,000.
3. **Storm Water Pumping** – these facilities include a collection sump to be installed in or adjacent to the existing storm sewer line that conveys storm water to the existing outfall at Britannia Creek; pumps and pipelines required to convey the storm water to the new outfall line and all associated electrical, instrumentation and control systems including the measuring devices required to satisfy the

requirements of Appendix B-2 of the RFP. The cash allowance shall be \$150,000.

4. **Marine Section of New Outfall** – Scope includes all remaining studies, permit applications related to this section of the outfall, as well as the construction of facilities that include the outfall pipe from mean sea level and all anchors, fittings and diffusers. The cash allowance shall be \$500,000.
5. **Landscaping** – Scope includes the preparation of a landscaping design and installation of the approved design, including all labour, equipment and supplies to implement the landscape design on a level graded surface consisting of fill materials. All materials and grading to obtain a level surface for the installation is part of the Operators general site obligations, and is excluded from the cash allowance. The cash allowance shall be \$100,000.
6. **Electrical Service** – Re-configuration of the 69-35 kV substation to provide 3 phase, 35 kV service. This excludes the 35 kV overhead line to the WTP, the step-down substation to 600 volts and any further distribution, all of which is to be included the Proponent's proposed cost. The cash allowance for the re-configuration services to be provided by BC Hydro is \$75,000.

#### **2.2.4. Scope Associated with the Operations of the Project**

The Proponent will be responsible for the overall operation, repair and maintenance of the Project constructed in a manner that is in compliance with the requirements this RFP and RFP Documents, and that maintains the utility of the assets over the Term. The services during the operating phase are described in Appendix B2 along with monitoring requirements for such services. The Proponent shall generally provide any services reasonably required, but not listed, to operate, repair and maintain the Project and sustain a fully functioning facility.

The following generally summarizes the operating scope and requirements during the Term in conformity with the Project Agreement:

- Provide trained personnel to operate and maintain the Project; provide adequate supplies of chemicals, maintenance and repair supplies.
- Operate the Project and associated infrastructure/systems when water is available for treatment.
- Maintain the Project and associated infrastructure/systems in standby condition when not treating water. (e. g. Sludge re-cycling or disposing of any residuals).
- Operate and maintain the collection and pumping systems for groundwater and storm water.
- Manage the mine reservoir to maximize the volume of water treated and minimize the volume of mine water that by-passes the WTP. The Proponent will be responsible for matters within its control, but not be responsible for any changes in the mine water reservoir resulting from collapse of the mine workings, natural changes in the reservoir or other matters that are beyond the reasonable control of the Proponent.
- Maintain the Access Road and the Jane Basin Road as needed to provide the contracted services

- Collect and compile data related to snow pack, snow melt, reservoir levels, and use this information to manage the flow of water to the WTP.
- Maintain all permits required to operate the Project and associated infrastructure/systems.
- Management of the Sludge from the Project including the ultimate disposal of the Sludge.
- Operate the Project within the operating guidelines for routine operation, as established by the Province.
- Collect and compile all Project operational data, including effluent chemistry, pH, and total suspended solids (TSS) parameters in accordance with the Discharge Permit Criteria.
- Develop a long term budget for costs required to maintain, repair, and operate the Project and associated infrastructure/systems.
- Make capital expenditures required to maintain the condition of the buildings and the Project and replace any elements of the Project that may require replacement.
- Perform routine maintenance, repairs and replacements, and annual rehabilitation in accordance with an annual operating and maintenance audit, which will be performed by an independent contractor to the Province.
- Perform “extraordinary work” related to the Project as requested by the Province as specified in the Project Agreement.

The Proponent will not be responsible for the collection, compilation or interpretation of environmental data collected with respect to the marine ecosystem in Howe Sound or for Other Work associated with the Britannia Mine Remediation Project that is not within the scope of the Work or the Operations.

The Proponent will design and develop the layout of the Project, including roadways and drainage, taking into consideration the process requirements, adequate space, access for ease of operation, maintenance, safety and construction sequencing and integration of the Project into the surrounding site.

### **3. Summary of Business Arrangements**

The following section provides background information regarding the commercial structure of the DBFO.

#### **3.1. Business Arrangements**

The business arrangements may be governed by the following principles which will be further documented in the Project Agreement. This summary is for indicative purposes only and any/all terms may change prior to closing.

The Proponent will design, construct, finance, commission, operate and maintain the Project and certain other aspects of the Britannia Mine area over the Term of the Project Agreement.

##### **3.1.1. Schedule and Commissioning**

Substantial Completion of the Project is expected to occur by September 30, 2005.



“Substantial Completion” is defined in the Project Agreement. Substantial Completion includes completion of the start-up testing (as described in Appendix B).

Upon the satisfactory completion of the start-up testing, the Project will be considered to be in commercial operation, subject to satisfactory confirmation that the Project is capable of treating a minimum of 1,050 m<sup>3</sup>/hour of mine water for a consecutive thirty (30) day period (the “Operational Acceptance Testing”), while meeting the Discharge Criteria as indicated in Appendix C. The Operational Acceptance Testing may be deferred to the spring freshet period of the year following commissioning, but, in any event, must be completed within 12 months of the completion of commissioning. Payments will be made to the Proponent during Operational Acceptance Testing in accordance with the Project Agreement.

The Proponent will not be paid any monthly Periodic Payments until Substantial Completion has occurred.

If the Province believes the Proponent is failing to maintain the Construction Schedule and may not meet the scheduled Completion Date, the Province may require the Proponent to provide a report detailing reasons for the delay and demonstrate the steps being taken (at the Proponent’s cost) to eliminate or reduce the delay.

### **3.1.2. Term**

The Term of the operating period will be 20 years beyond the expected Substantial Completion date indicated.

For greater certainty, delays in completion of construction or commissioning and start-up, which are within the Operator’s control, will not result in an extension of the Term of the Project Agreement and associated Periodic Payments. Delays in the completion of construction or commissioning and start up that are caused by events outside of the Operator’s control or influence may result in an extension of the Term, at the discretion of Province’s Representative, acting reasonably.

The Province reserves the right to re-bid operation of the Project at the end of the Term or after a Termination Event (discussed below).

### **3.1.3. Payment Mechanism<sup>1</sup>**

Proponent is to price and bid its proposals based upon Proposed Annual Payments as described in Appendix I (paid in monthly installments as the “Periodic Payment”) throughout the Term of the Project Agreement.

The Periodic Payment is to be based upon two fundamental components: (i) a portion related to the Project’s availability for the Operations and treatment of Contaminated Water and storm water, and (ii) a portion reflecting volume of activity. Additional adjustments to the Periodic Payment may be made from time to time for certain events..

Payment Periods commence on the first day of the month immediately following Substantial Completion. Periodic Payments will only be made in respect of the Operations being provided, and will be subject to adjustments under the Payment Mechanism.

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<sup>1</sup> More details regarding the Payment Mechanism can be found in the Project Agreement (Appendix G).

Payment for each Payment Period will be in arrears and based upon the Proponent's efficiency of chemical/reagent usage, utility usage and Sludge production/disposal plus special event deductions/additions for such Payment Period. The availability component of the Periodic Payment will be updated each year for certain inflation factors (as described in the Payment Mechanism).

Adjustments and reconciliations will be completed in arrears as follows:

- i. The Payment Period's Periodic Payment, based on estimated water volume treated.
- ii. Adjustments from the applicable previous Payment Period on account of:
  - a. Chemical and reagent volumes consumed (linked to actual water treated);
  - b. Sludge volumes produced (linked to actual water treated);
  - c. Utilities consumed (linked to actual water treated); and
  - d. Certain special event deductions/additions ("Major Events", "Minor Events" and "Quality Events").

#### **3.1.4. Volume Adjustment**

The Periodic Payment is adjusted for volume of Contaminated Water processed. It should be noted that the volume adjustment may be either positive or negative, depending on whether the volume processed is higher or lower than expected. There are no guarantees of minimum volumes. Volume adjustments are made for chemicals/reagents used, utilities used and Sludge produced/disposed.

#### **3.1.5. Efficiency Risk**

The Payment Mechanism is structured to ensure Operator assumes the risk and cost for efficient operation of the WTP and utilization of chemicals/reagents, utilities and Sludge production/disposal.

#### **3.1.6. Commodity Pricing Risk**

The Payment Mechanism is structured to ensure Province retains the risk and cost of commodity pricing of chemical/reagents, utilities and Sludge transportation/tipping. Special arrangement will be required for proprietary chemicals and reagents used to ensure Province is not exposed to risks on pricing of such proprietary items.

#### **3.1.7. Major Event Deductions**

Major Events are service performance failures directly related to regulatory water quality discharged by the Project, and are calculated according to a specified formula.

#### **3.1.8. Minor Events and Quality Events**

Minor Events and Quality Events are minor service performance items and have a minor impact on Periodic Payment amounts (however if minor problems are not rectified then such problems may eventually become Major Events as described in the Performance Requirements). Such deductions and additions are calculated according to a specified formula.

### **3.1.9. Innovation and Variations**

The Proponent will be encouraged to develop innovative improvements in connection with the Work and the Operations that will either decrease the Project's operating costs or improve the quality of the Operations.

The Province may approve or require an innovation or other change pursuant to the Variation Procedure, in which case, the cost of the Variation will be paid by the Province together with a Management Fee. In the case of innovations or changes which are introduced by the Proponent, the costs of implementing the change, as well as the revenue, if any, resulting from the change will be shared between the Operator and the Province, depending on negotiations between the two Representatives. If the innovation or change is introduced by the Province, the compensation of the Proponent will be limited to the recovery of the Proponent's costs and the Management Fee.

It should be noted that the Province is considering the possibility of geothermal and hydro power generation using either the Contaminated Water or treated water. If the Proponent is interested in including such facilities in its Proposal, it is free to do so and to suggest in the Proposal how the Proponent should be compensated therefore. If these opportunities are developed and integrated into the Project after the date the Project Agreement is signed, the Province would not expect that the compensation of the Proponent therefore will extend beyond the Proponent's cost and Management Fee unless there is something particularly innovative about the Proponent's proposal at the time. Any such initiative will be dealt with as a Variation under the Project Agreement.

### **3.1.10. Cash Allowances**

The Operator shall perform the work covered by Cash Allowance in accordance with instruction provided by the Province's representative, on terms the Province's Representative specified in the instructions. The work related to the Cash Allowance is not a change to the Contract.

If the Province's Representative instructs the contractor to perform the work under the scope of the Cash Allowance, the Periodic Payment shall be adjusted as follows:

- the amount of the Cash Allowance specified in the Contract will be deducted from the calculation of the Periodic Payment by a Variation to the Periodic Payment;
- the Periodic Payment will be amended, by a Variation, to incorporate the actual cost to perform the work covered by the Cash Allowance performed under a Subcontract together with an allowance for overhead and profit.

### **3.1.11. Ownership and Licenses to Use and Access**

The Province will continue to own all lands comprising of the Site as well as improvements and equipment installed on the Site which comprise the Project (except leased motor vehicles).

The Province will provide the Proponent with a series of non-exclusive licenses providing rights of use and access to, on and over the Access Road, Site, Jane Basin Road (if required), Fan Area, Workings, 4100 Portal and Plug, and Outfall to enable the Proponent and others to perform the Project Operations.

In consideration for these licenses, the Proponent will provide the Work at its own cost and risk.

The Province may restrict access to parts of the Workings for safety or other reasons.

The Proponent acquires no interest in land, improvements, equipment and other chattels.

#### **3.1.12. Tax Issues**

The Proponent is solely responsible for obtaining and relying on tax advice from its own advisors and experts, including obtaining any advance interpretations and rulings from CCRA in relation to the Project which it feels are appropriate (including in relation to the proposed land access license structure and its tax consequences).

The Proposed Periodic Payment will exclude GST and PST.

#### **3.1.13. Monitoring**

The Proponent is responsible for monitoring its own performance as set out in the Performance Requirements and providing the Province and the Regulators with details of compliance and failures. The Province has the right to audit the Proponent's reports at any time.

#### **3.1.14. Environmental Liability**

The obligations of the Province and the Proponent in respect of environmental matters will be governed by the following principles which will be further documented in the Project Agreement. This summary is for indicative purposes only and terms may change prior to closing.

The Proponent is expected to be responsible for incremental environmental liabilities on Site (for example new petroleum spills).

The Proponent is not expected to be responsible for existing environmental conditions and associated liabilities, including liability and extraordinary costs resulting from excavation of contaminated materials for the Site for the Works.

The Proponent is not expected to be responsible for incremental environmental liabilities resulting from Abnormal Circumstances (being circumstances beyond the control of the Proponent such as an event of Force Majeure).

#### **3.1.15. Maintenance and Repairs**

The Proponent will ensure the Project is maintained in good working order. The Proponent will diligently perform all required ordinary maintenance, repairs and replacements as required to keep the Project in good working order.

The Proponent will provide an annual Operating Quality Control Plan and an annual Financial Plan, with both plans incorporating a rolling 5 year horizon.

The Province and the Proponent will review the Operating Quality Control Plan and the Financial Plan each year, allowing for inspections by the Province as required. If the Province reasonably believes that the Proponent is in breach of its maintenance and repair obligations, a third-party survey may be performed. If the survey shows that rectification is required, the Proponent must perform the required remedial work at its own expense, and pay the Province for the cost of the survey.

### **3.1.16. Termination**

The Project Agreement may be terminated for a number of reasons. The payment to the Proponent on termination, if any, will depend upon the reason for termination. The following generally outline some of the expected reasons for termination and the resulting payment to the Proponent:

- Termination for the Proponent's default (including by reason of Prohibited Acts): compensation is determined either by re-tendering and/or by a formula.
- Termination for the Province's default or for convenience: the termination payment is set to repay the Proponent's Senior Funded Debt,, and a target cash-on-cash return on equity of •% per annum from financial close to Termination, and other adjustments. For greater certainty, the Proponent shall not be paid future profits after such termination.
- Termination for Abnormal Circumstances which cause the Project Agreement to be terminated: Proponent and any lenders will be reimbursed only for their debt and equity investment but not any earnings, profit or interest.

### **3.1.17. Other**

The Province reserves all rights to the naming of the Project and all rights to signage.

The Proponent may propose commercial or other opportunities to the Province, which the Province may accept or decline. Provisions for cost/profit/revenue sharing are not set out in the RFP; under the Project Agreement provisions will be determined during negotiations.

The Proponent cannot make any claim against the Province if insufficient information has been provided in prior reports and materials, including the Reference Documents, **except where** claims derive from unknown environmental, geological, or archaeological conditions, that delay construction and/or **increase costs**!

The Proponent is responsible for obtaining, at its sole cost and risk, all development approvals required for the development of the Work.

More details regarding the Payment Mechanism can be found in the Project Agreement (Appendix G).

## **4. Summary of Technical Information & Performance Criteria**

### **4.1. General Design Criteria**

The general design criteria as presented in Appendix B, Performance Specifications, presents the planning and design requirements for the Project, including:

- specific planning requirements;
- commissioning, start-up and testing requirements
- design parameters related to the volumes and characteristics of various water flows; and
- design criteria for each of the engineering disciplines.

Please note that the design criteria as presented in Appendix B are guidelines to indicate the standard that will be acceptable to the Province. In the event that a Proponent

wishes to establish criteria that are different from the guidelines, the Proposal must clearly define the exceptions and present an explanation of the costs and benefits.

Proponents should note Section 3.4.6 of Appendix B related to the treatment technology. This section provides additional requirements that must be met if the Proponent wishes to present a different technology from that presented in their EOI. If a different technology is proposed, the technology will be subject to evaluation using the same "Pass/Fail" criteria as used in evaluating the Request for Expressions of Interest (RFEI). The Province is not obligated to accept any Proposal that is not based upon the technology that has already been judged to be a demonstrated technology.

It is recognized that the addition of a requirement to treat groundwater on a continuous basis, including when the flow of mine water is at seasonal low flows may present some challenges that can be best met through a different approach to treatment or a second treatment circuit in the Project. The Province has no preferences, and expects the Proposal to address the issues related to treatment of groundwater.

#### **4.2. Environmental Approvals**

The Project will require permits and/or approvals from authorities having jurisdiction. A preliminary list of those permits together with their current status and responsibilities to obtain same is detailed in Appendix H. The Province has applied for the effluent discharge permit, and is in receipt of a draft permit. The Proponent is responsible for obtaining the final discharge permit and for providing any additional information that may be required to support the issuance of this discharge permit. The draft discharge permit is on the web site as noted in Appendix C. The Province is initiating other permit applications.

Outfall construction is expected to require approvals under the *Fisheries Act*, *Land Act*, and the *Navigable Waters Protection Act*. Outfall construction may also require approval under the *Canadian Environmental Assessment Act, 1999*. While the Province will be submitting permit applications to expedite the approval process and provide definition to the requirements under these Acts, the Proponent is expected to assume the responsibility of obtaining the permits required for the Outfall construction. The Province will work with the Proponent to obtain permits required for the Outfall construction as expeditiously as possible. If, in the event that a permit is not obtained on time, the Province accepts that the Proponent will have the ability to discharge treated water through the existing Outfall until such time that the new Outfall is constructed.

The Proponent will also be responsible for all permits and approvals that entail the design of specific facilities. These include demolition and construction permits from MEM, and all other permits that would normally be obtained during the construction phase.

## **5. Communications**

### **5.1. General**

The Project represents an important infrastructure commitment by the Province which affects local communities, stakeholders and various levels of government. Accordingly, a comprehensive and effective communications and public relations plan is essential.

The selected Preferred Proponent will be required to submit a clear, concise communications and public relations Communications Plan within ten (10) business days of receipt of the Notice of Award. As part of the Proposals in response to this RFP,

Proponents may identify their communications approach and resources to managing effective community and stakeholder relations and communications. While not mandatory at this stage, identifying resources and submitting a plan will be mandatory in the negotiations phase.

The Communications Plan will outline in detail how the Proponent, jointly with the Province, will ensure that all audiences are kept informed about the Project. The Communications Plan will outline in which areas the Proponent will lead in communications, with the Province supporting, and in which areas the Province is expected to lead communications with the Proponent supporting. It will also explain how the concerns of stakeholders and local residents will be addressed. This plan must be updated on a regular basis and reviewed by the Province.

In addition the Proponent will establish the following communications/information processes that will represent the Project and the development process to the public:

- record and summarize all public inquiries, complaints, and communications in written reports (name, concern, action taken, date, phone call/visit) and provide copies of the same to the Province's Representative on a timely basis;
- direct all media inquiries and interview requests to the Province's Representative;
- provide a public information display at the site prior to mobilization and until Substantial Completion of the Work that will inform the public of the purpose of the Project and the finished appearance;
- provide regular and timely liaison with stakeholders regarding significant Project milestones and other impacts (and provide guidelines as to what the Proponent determines to be regular and timely); and
- address posting of all appropriate documents to an internet web page. Appropriate documents for posting will include, but are not limited to, permit submissions (monitoring reports, plans, reports), and project updates.

#### **5.1.1. Community and Stakeholder Relations**

For the purpose of the Communications Plan, the following list outlines, but is not limited to, the minimum requirements for notification of issues impacting stakeholders, as identified in Appendix J:

- emergency services and
- residents of Britannia Beach.

The Proponent, in partnership with the Province, will develop and maintain a more comprehensive list of residents or resident groups and other stakeholders as design and construction progress. It will be incumbent on the Proponent to identify and deal with new stakeholders to mitigate issues as they arise.

#### **5.1.2. Communications Approach**

In developing the Communications Plan, the Proponent must take into consideration an approach that is timely, proactive, strategic and responsive to the needs of all audiences. The approach to project communications should reflect the need for collaboration and cooperation between the Proponent and the Province in all communications matters.

The Proponent will take front-line responsibility for public and stakeholder relations. The Proponent's Communications Plan must encompass the following: proactively building and maintaining positive community relations; designing and implementing a communications strategy; and ensuring that public information initiatives are coordinated with the communications priorities and activities of the Province.

### **5.1.3. Roles and Responsibilities**

All communications activities prior to the date the Project Agreement is signed will remain the responsibility of the Province, and the Proponent will refrain from making any public comment, responding to questions in a public forum or carrying out activities to promote or publicize its qualifications during the RFP stage.

Subsequent to the signing of the Project Agreement, the Proponent's communications programs and activities will be planned in consultation with the Province.

### **5.1.4. Communications Resources**

The Proponent's Communications Plan must specify the human, financial and material resources available to provide effective information flow both internally and externally, taking into account the various types of information required, who receives the information and why.

Communications staff will be experienced in media relations, will possess effective writing skills, will have a clear understanding of the project and will be proficient in identifying issues. Knowledge of government communications procedures is preferred.

Resources will be adequate for the duration of the Term and to ensure that the proactive elements of the plan are attainable.

The Proponent will be expected to establish and maintain a public information facility for the duration of the Term. The facility must be easily accessible to the public, contain relevant information on the Project and, when necessary, be supported by knowledgeable staff with public relations skills. Location, design, operating hours, and staffing strategies will be specified in the Communications Plan.

The Communications Plan will define key communication tools for both internal and external communications.

Such tools will include, but not be limited to, collateral print materials (brochures, newsletters) issues management systems (alerts, strategies, briefing documents, media contact reports) project information reports, news releases, handouts, open house display material, an Internet web page, and advertising.

### **5.1.5. Communications Objectives**

Communications staff working for the Proponent must be prepared to articulate the Province's interest as well as that of the Proponent's.

Objectives will take into account the promotional, public relations, and issues management aspects of the Project.

Communications objectives will address the need for an orderly flow of information between government, stakeholders, community interests, regulatory agencies and the public.

The statement of objectives should reflect a proactive approach.



### **5.1.6. Audiences**

The Communication Plan will identify all internal and external audiences and the information that each audience requires, as well as when and why.

The Communications Plan will assess any sensitivities or long-standing positions associated with stakeholder groups.

### **5.1.7. Media Relations**

The Communication Plan must outline a strategy to effectively coordinate responses to media queries with the Province to ensure positive relations with the media and positive coverage.

The lead role in media relations will remain with the Province.

### **5.1.8. Strategies**

Communications strategies will include proactive communications measures such as identification of milestones and related communications activities and strategies for those milestones.

Where particular communications activities are planned (i.e. announcements; events) approval must be sought from the Province on timing and participation as well as the appropriate scale of activities.

Where specific issues are anticipated, strategies for managing them are to be included in the Communications Plan.

### **5.1.9. Advertising**

Advertising programs must be addressed in the Communications Plan. For example, creative direction, advertising frequency, size of ads, media placement and approval processes should be predetermined with the Province to ensure effectiveness, public awareness and consistency.

Advertising will be used to notify residents and stakeholders of design and construction impact.

Appropriate media outlets should be identified in the plan.

### **5.1.10. Critical Issues Management**

The Communications Plan will include a section to explain how the Proponent will keep the Province informed of emerging critical issues on a timely basis.

The Province will take the lead role in critical issues management.

## **6. Information Sources**

### **6.1. *The Web page and Electronic Data Room***

Information regarding the Britannia Mine Remediation Project generally is available at [www.britanniamine.ca](http://www.britanniamine.ca). This website contains a link to an electronic data room specifically for the Project which contains this RFP, any addenda hereto as well as information relating to the Project, all under the heading **WTP\_Request for Proposals**. In addition, the electronic data room contains a list of all reports and studies relating to the Remediation Project which are in the possession of the Province, as well as copies of those reports and studies which the Province believes are relevant to the Project. If a

Proponent wishes to obtain a copy of any report listed in the electronic data room which is not already set out in full, they may request a copy from the Province's Contact Person. Additional relevant information will be posted to the electronic data room from time to time, including the questions of Proponents, answers to those questions and any revisions to solicitation documents. All of the documentation made available to the Proponent is referred to as the "Reference Documents", and the Proponent will be deemed to have reviewed and given due consideration to the Reference Documents in submitting its Proposal.

A part of the web site for the Project is password protected and will be used for any confidential information which the Province makes available to the Proponents. A draft copy of the Project Agreement (including Schedules) will be in the protected area; whereas most, if not all, information required for the RFP will be in the publicly accessible area of the data room. A password will be provided to each Proponent upon issuance of this RFP.

### **6.2. Reliance on Information**

All information posted on the website for the Remediation Project generally or specifically in the electronic or physical data room for the Project or which is provided pursuant to any request for information made by a Proponent has been obtained from sources which the Province believes to be reliable and is made available to the Proponents in good faith. However, no representation, express or implied, is made as to the accuracy or completeness of such information or that such information is suitable for the purposes of any Proponent, and the Province, the Ministry of Water, Land and Air Protection and Partnerships British Columbia expressly disclaim any and all liability for any errors or omissions in such information or which may be contained in any oral or written communication transmitted or made available to any Proponent. The submission of a Proposal by a Proponent will confirm the agreement of such Proponent to the disclaimer of liability contained in this paragraph.

### **6.3. Partnerships BC Business Directory**

The Partnerships British Columbia Business Directory, an online directory for all Partnerships British Columbia projects, provides an opportunity to interact for persons seeking business arrangements or who may be interested in participating in such projects ("Business Directory"). Any organization may place information in the online Business Directory such as contact details, brief description of organization, nature of services offered and relevant expertise. Further, any business may access the Business Directory online to seek organizations for potential business arrangements. Such placements do not, however, assure the formation of a consortium, joint venture, partnership or other business arrangement and do not assure participation in any Partnerships British Columbia project, including the Project. Placement of information on the Business Directory is optional and is not part of the Selection Process.

The Business Directory can be accessed as follows:

[http://www.partnershipsbc.ca/business/bu\\_directory.asp](http://www.partnershipsbc.ca/business/bu_directory.asp)

Users of the Business Directory are responsible for verifying the accuracy, reliability, relevance and sufficiency of all information in the Business Directory and the status, standing, capabilities or experience of any person listed. The Province and Partnerships British Columbia do not review, verify or approve the information in the Business Directory and therefore are not responsible for, and do not make any representation with

respect to, such information. Continuous access to or operation of the Business Directory is at the sole and absolute discretion of the Province and Partnerships British Columbia. Either the Province or Partnerships British Columbia may refuse or choose not to post any information on the Business Directory.

## **7. Conflict of Interest**

### **7.1. No Use of or inclusion of Restricted Parties**

Restricted Parties:

- (a) are not eligible to advise any Proponent in the RFP Selection Process; and
- (b) must not participate as an employee, advisor, consultant or member of any Proponent.

The Province may, at its sole and absolute discretion, disqualify a Proponent who uses in any manner or who includes in its Proposal a Restricted Party. The onus is on the Proponent to ensure that it does not use or include any Restricted Party.

### **7.2. Who are Restricted Parties**

At this stage of the procurement process, the Province has identified the following persons as Restricted Parties because of their direct and recent or current involvement in the Selection Process or the planning or implementation of the Project:

- JR Huggett Co
- Libra Project Services Inc
- Golder Associates Ltd and affiliated companies
- Clark, Wilson
- Swadden, Virgin, and Young
- Boughton Peterson Yang Anderson Law Corporation
- SRK Consulting Ltd
- Klohn-Crippen Consultants Ltd
- Laurion Consulting Inc.
- Capital Works Inc.
- Kaehne Consulting Ltd.
- KOMEX International Inc.

This is not an exhaustive list of Restricted Parties. Additional persons may be added to the list at any stage of the Selection Process. Neither the Province nor any of its employees, advisors and representatives is liable to any Proponent for any claims, whether for costs of preparation of the Proposal, loss of anticipated profit, loss of opportunity or any other matter whatsoever, for any use or reliance on this list or use or inclusion of Restricted Parties in any submission for the Selection Process.

### **7.3. Exclusivity**

No Proponent, or any of its key members which includes the designer and the main contractor, will have any interest whatsoever in any other Proponent's Proposal, either

directly or indirectly, nor will any Proponent enter into any agreement with another Proponent before the Submission Deadline that could create such an interest. If it is subsequently determined that such an interest does exist, this will constitute sufficient cause in the Province's discretion to terminate the Agreement.

Team members that may participate on more than one team include:

Consultants:

- civil
- structural
- mechanical
- electrical, instrumentation and process control
- geotechnical

Contractors:

- civil
- mechanical
- electrical, instrumentation and process control
- sub trades

## **8. Rules of Procedure**

### **8.1. Province's Contact Person**

All communications or enquiries about this RFP must be made by email, in writing, or facsimile to the Province's Contact Person:

Sue-Anne Fimrite  
Senior Project Consultant  
Partnerships BC  
Suite 1250 – 999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Email: [sueanne.fimrite@partnershipsbc.ca](mailto:sueanne.fimrite@partnershipsbc.ca)

Fax: 250-356-2222

Deliveries of communications or enquiries at the office of the Province's Contact Person will be accepted weekdays from 9:00 am to 5:00 pm local time and must clearly state "Britannia Mine Project RFP Enquiry". Communications or enquiries to and responses from the Province's Contact Person may be recorded and may, at the Project Team's discretion, be distributed to all Proponents. The Project Team reserves the right not to respond to any enquiry or communication made by a Proponent, or to keep in confidence enquiries and communications from an individual Proponent, and responses given, that relate to a particular technical or financial approach to the Project.

While a Proponent may choose to communicate with the Province's Contact Person by e-mail, an e-mail by the Proponent to the Province's Contact Person will not constitute notice pursuant to this RFP unless it is responded to by the Contact Person.

The Province is not responsible for any error that may occur from submission of communications or enquiries.

## **8.2. No Unauthorized Contact**

All communication on matters related to the Project or the RFP Selection Process must be directed in writing to the Province's Contact Person. Proponents must not attempt to, or actually, communicate directly or indirectly on matters related to the Project or the RFP Selection Process with any representative of any Restricted Party, the Province or any other government employees who are involved in the Project or the RFP Selection Process under the penalty of peremptory disqualification from the procurement process.

Information offered from sources other than the Province's Contact Person with regard to the content, intent or interpretation of this RFP or the Background Information Website is not official, may be inaccurate and should not be relied on in any way by any Person for any purpose.

### **8.2.1. No Lobbying**

Proponents or any member of a Proponent or Proponent's consortium or their agents will not engage in any form of political or other lobbying or communications whatsoever with respect to the Project; or to influence, or to appear to influence, the outcome of the procurement process. This includes, but is not limited to, contact with any Ministers; Ministerial staff, Members of the Legislative Assembly and staff, Ministry or Partnerships BC staff, project team members, advisors or consultants to the Project team, etc.

Proponents may state publicly that they have been shortlisted, but they must not publicly discuss or disclose the nature or any aspect of their proposal, nor promote their Proposal in the media. All communications, questions or other inquiries must be directed through the Province's Contact Person as specified in the RFP. In the event that any such lobbying or communications occur, the Province or Partnerships British Columbia, at its sole and absolute discretion, may at any time, but is not required to, reject any Proposal submitted by that Proponent without further consideration.

Partnerships British Columbia and/or the Province can either terminate that Proponent's right to continue participating in the RFP stage and subsequent stages of the procurement process, or impose such conditions on that Proponent's continued participation in the procurement stage as the Province or Partnerships British Columbia, at its sole discretion, may consider in the public interest or otherwise appropriate.

## **8.3. Clarification on RFP**

Each Proponent should review the entire RFP, including any and all addenda, prior to submitting a Proposal. Any request for clarification of issues related to the RFP must be transmitted to the Province's Contact Person not less than 10 days prior to the Submission Deadline.

## **8.4. Addenda**

Written addenda are the only means of varying, clarifying or otherwise changing any of the information contained in this RFP. The Province reserves the right to issue addenda up to five (5) business days before the Proposal Submission Deadline. The addenda will be posted to the Britannia Mine RFP electronic data room and a notification will be sent to all Proponents. Proponents not acknowledging in writing receipt of all addenda, may have their Proposal rejected.

#### **8.5. Proponent's Contact Person**

Proponents must submit, within 7 business days of receiving the RFP, contact information for the Proponent's Contact Person, if a change has been made since the RFEI.

#### **8.6. Substitution of Team Members/Key Personnel**

Substitution of Proponent team members will be permitted by the Province only if:

- The replacement of a team member involved does not, in the sole opinion of the Province, materially affect the overall quality of the Proponent; and
- The team member replaced and the remaining team members have collectively communicated their satisfaction with the substitution to the Province in writing.

Any change in Proponent member, Project Manager or other key personnel from those named in the EOI must be pre-approved by the Province prior to the submission of the Proposal.

Requests for changes to Proponent composition must be made in writing to the Province Contact Person a minimum of two weeks prior to the Submission Deadline.

#### **8.7. Cost of Preparing Proposals**

Proponents are solely responsible for all costs they incur in the preparation of their Proposals.

#### **8.8. Clarification of Proposal**

The Province reserves the right but not the obligation to request clarification of a Proposal or request further information from any or all Proponents. In addition, if, in the opinion of the Province, any Proposal contains a minor defect or irregularity or fails in some way to comply with any requirement of this RFP in a way that, in the opinion of the Province, can be remedied without providing an unfair advantage to one or more Proponents, the Province's Contact Person may request rectification from the Proponent.

The Province, upon receipt of appropriate clarification and/or rectification, may waive the minor defect or irregularity and accept the Proposal. Failure by a Proponent to provide a written response that, in the opinion of the Province, properly clarifies/rectifies its Proposal within the time specified in the request for clarification or rectification may result in disqualification of the Proposal.

#### **8.9. Process Conditions**

The RFP and RFP Documents do not create a tender process. This RFP is not an invitation for an offer to contract and it is not an offer to contract made by the Province. By this RFP, the Province reserves to itself the right, in its sole and absolute discretion, to consider and analyze the Proposals, select a preferred Proponent, and sign an agreement with the preferred Proponent or not to sign an Agreement at all.

Without limiting the generality of the foregoing, the Province reserves the right to:

- reject any Proposal, whether or not complete and whether or not it contains all the required information;
- require clarification of any Proposal;

- request additional information on any Proposal;
- reject any or all Proposal's without any obligation, or any compensation or reimbursement to the Proponents;
- re-advertise for new submissions or call for tenders for this work or for work of a similar nature.

The Province may, in its sole and absolute discretion, independently verify any information in any submission. The Province reserves the right to debrief both successful and unsuccessful Proponents after the announcement of the Selected Proponent.

#### **8.10. Qualifications**

A Professional Engineer registered to practice engineering in British Columbia will stamp all design drawings and specifications.

#### **8.11. Changes in Proponent**

If there is an addition, deletion, or change in the members comprising a Proponent, in the key personnel positions of a Proponent or a change of effective control in any Proponent member after a Proposal has been submitted, the Proponent must notify the Province's Contact Person in writing, within five working days of any such change. The Province reserves the right to terminate any candidacy of a Proponent if, in its opinion, the change materially negatively affects the ability of the Proponent to carry out the scope of the Project.

#### **8.12. Notification of Success**

A written Notice of Award to the Proponent's Contact Person is the only valid form of notification of success at the RFP stage and eligibility to proceed to the negotiation stage.

#### **8.13. Reservation of Rights**

The Province reserves the right, in its sole and absolute discretion, to:

- modify, cancel or suspend the Selection Process or any or all stages of the Selection Process at any time for any reason;
- accept or reject any Proposal based on the Evaluation Criteria as determined in the sole and absolute discretion of the Province;
- not accept any Proposal; and
- reject or disqualify all or any Proposal without any obligation, compensation or reimbursement to any person.

#### **8.14. Limitation of Damage**

Each Proponent, by submitting a Proposal, agrees that:

- in the event any or all Proposals are rejected or disqualified or the Project or Selection Process is modified, suspended or cancelled for any reason, neither the Province, or its employees, advisors or representatives will be liable, under any circumstances, for any claim or to reimburse or compensate any person in any manner whatsoever, including but not limited to, costs of

preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other matter; and

- the Proponent waives any claim for loss of profits or loss of opportunity if the Proponent is rejected or disqualified or is not successful in the Selection Process.

#### **8.15. Freedom of Information and Protection of Privacy Act**

All documents and other records in the custody of or under the control of the Province are subject to the *Freedom of Information and Protection of Privacy Act* and other applicable legislation. Except as expressly stated in this RFP and subject to this Act or other applicable legislation, all documents and other records submitted in response to this RFP will be considered confidential.

#### **8.16. Disqualification**

Proposals may be disqualified at the sole and absolute discretion of the Province if:

- a Restricted Person is acting as an advisor or member of the Proponent's team;
- the Proponent makes contact with any Person who the Proponent is prohibited by the RFP from contacting;
- they do not comply with the requirements of this RFP unless they can be remedied or clarified under Section 8.8; or
- they include a false or misleading statement or claim.

### **9. Submission Requirements, Process and Schedule**

#### **9.1. Process**

The Proponent will submit its Proposal on the basis of the requirements of the RFP, and the Proponent's further investigations. Proposal submissions should include all of the information requested in the RFP in the format shown in Section 9.4.

#### **9.2. Schedule**

Proponents are required to comment in their responses to this RFP on the Preferred Schedule and in particular, to provide their estimated time to design and construct the Project, up to commencement of commissioning.

The Proponent will have a specified time period that will be defined in the Agreement to design and construct the Project to Substantial Completion.



### 9.2.1. Preferred Schedule:

ISSUE REQUEST FOR PROPOSALS:	May 6, 2004
PROPONENT'S MEETING	May 19, 2004
COMMENTS FROM PROPONENTS ON DRAFT PROJECT AGREEMENT	July 2, 2004
CLOSING DATE FOR SUBMISSION OF PROPOSALS:	August 31, 2004
NOTIFICATION OF SELECTION OF PROPONENT:	November 2004
SIGNING OF AGREEMENT:	December 2004
TARGET DATE FOR SUBSTANTIAL COMPLETION	September 2005
TARGET DATE FOR OPERATIONS COMMENCE	November 2005

Comments on the Preferred Schedule are encouraged; please contact the Province Contact Person.

Proponents should make reference to the above schedule when drafting the Project Schedule as required for the Technical Proposal.

### 9.3. Project Agreement

A DRAFT Project Agreement accompanies this RFP under Appendix G. Proponents are encouraged to offer comments, such as questions on, clarifications of, and/or proposed essential amendments, etc, in writing to the Province Contact Person on the draft Project Agreement **on or before July 2, 2004**. These comments should be listed in order of importance and any proposed essential amendments include a rationale for making such an amendment.

Once the comments are received, the Project Team will review the proposed essential amendments and may, in its sole and absolute discretion, accept or reject any of the proposed amendments. The Project Team will re-issue a final draft version of the Project Agreement to Proponents with the intent that it is unlikely to significantly change during the negotiations phase of the process.

### 9.4. Proponent's Meeting

The Project Team will convene a Proponent meeting in Richmond, BC to which all Proponents will be invited. The Project Team may, at its own discretion, including in response to a request of a Proponent, convene further information meetings. Attendance at any of these meetings is optional. Any additional information or clarification that the Project Team decides is required will be covered by written addenda.

A summary of minutes taken during the Information Meeting may be posted in the electronic data room along with Proponent's questions and answers. The Contact

Person has distributed a Clarification Memo, a Revised Project Agreement, and an addendum to the RFP on June 11, 2004 addressing the concerns raised by the Proponents in the Information Meeting.

The information meeting will be held at:

Location: Delta Vancouver Airport Hotel  
Richmond, BC

Date: May 19, 2004

Time: 09:00 am to 16:00 pm

Please RSVP to the Province's Contact Person via email by May 13<sup>th</sup>, 2004 including company name, with an email address, and expected number of participants.

### **9.5. Commercial-in-Confidence Meetings**

A Proponent may, at any time prior to the submission of its Proposal, by written request (via fax, mail, or email) to the Province's Contact Person, apply for commercial "in confidence" meeting(s) with the Province for the purpose of discussing in private the viability or acceptability of a proposed aspect or element of its Proposal prior to its submission, or commercially sensitive issues relating to its Proposal. The application must set out in writing in the application the questions the Proponent wishes to have answered, and should be clearly marked "Commercial in Confidence".

The Province will not be obligated to grant a requested meeting and also will not be obligated to answer the questions. If the Province declines to answer any question it will keep the question in confidence.

If the Province grants a confidential meeting with a Proponent under this Section, then any minutes of such meeting will not be distributed. The Province does, however, reserve the right to issue copies of any commercial in confidence questions and answers to all Proponents if, in its judgement, it can do so without compromising confidentiality.

### **9.6. Pilot Plant Tests**

#### **9.6.1. Steps to follow**

The Contaminated Water from the Britannia Mine is understood to be currently discharging at around 150 L/s, and therefore should easily be able to provide the necessary volumes for any conceivable number of pilot plants.

The Proponent will be required to provide to the Pilot Plant Test Contact Person (see below) a written access request which states the volume of mine water needed for the pilot plant, the pilot plant technology being tested, schedule for testing, staffing, workday length, area covered by the plant and ancillary equipment, (e.g. generator, storage tanks, reagent store, trailers etc), access to the existing mine outfall discharge pipeline, effluent sampling requirements, Sludge disposal arrangements, arrangements for site security, provides a health and safety plan, and sets out arrangements for site clearance and demobilization. The Proponent will then be required to sign an agreement with the Province prior to accessing the site for the purposes of setting up and operating a pilot water treatment plant. This agreement will be in the form of a License of Occupation, which will contain specific terms.

All costs, management and administration effort associated with supply of mine water to the pilot plant, quality testing and discharge of treated water to the deep outfall and the

provision of ancillary services at the pilot plant site (potable water, washroom, electrical power, etc.), including any requirements of the License of Occupation, will be the responsibility of the Proponent.

### **9.6.2. Location of Pilot Plant Testing**

The Project Team is currently working on a location for Proponents to conduct their pilot plant tests. If a Proponent has a preferred location for the pilot test plant, it should be notified to the Pilot Plant Contact Person.

### **9.6.3. Contact Person for Pilot Plant Testing:**

Paul Bedell, P.Eng.  
Golder Associates  
Business Phone: (604) 296-4391  
Email: [paul\\_bedell@golder.com](mailto:paul_bedell@golder.com)

## **9.7. Submissions of Proposals**

### **9.7.1. General Format**

The Proposal will be comprised of the Proposal Form in the form of Appendix F and include a Financial Proposal and a Technical Proposal. The Proposal should contain the information outlined below and should comply with the following table of contents. Material in any other format may be rejected.

#### **Financial Proposal (Separate Binder)**

- 1) COVER PAGE  
Identify all Proponent members.
- 2) TABLE OF CONTENTS
- 3) FINANCIAL PROPOSAL

#### **Technical Proposal (Separate Binder)**

- 1) COVER PAGE  
Identify all Proponent members.
- 2) TABLE OF CONTENTS
- 3) TECHNICAL PROPOSAL

### **9.7.2. Submission Location and Submission Time**

The Submission Location for Proposals is:

Partnerships BC  
Suite 1250 – 999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Attention: Sue-Anne Fimrite

Proposals must be submitted by hand or courier to the Submission Location before the Submission Deadline. Proposals submitted by post, facsimile, or email will not be considered. Deliveries of Proposals at the Submission Location will be accepted weekdays from 9:00 am to 5:00 pm Local Time.

The Submission Deadline is no later than 2:00 pm Local Time on **July 15, 2004**.

Proposals received after the Submission Deadline will not be considered, and will be returned unopened.

### **9.7.3. Proposal Requirements**

Each Proposal **should**:

- be in 3-ring binder(s) on single sided 8.5" x 11" paper and every page should be numbered;
- be in text of 1.5 X spaced and not smaller than 11 point typeface where practical;
- include one original and six (6) copies of the Financial Proposal;
- include one original and ten (10) copies of the Technical Proposal;
- include the name of the Proponent and a return address on the exterior of the sealed container; and
- be clearly marked "Britannia Mine WTP Proposal" on the exterior of the container.

Each Proposal **must**:

- be in English;
- be addressed to the Province's Contact Person;
- be received (by hand or courier) at the Submission Location by the Submission Deadline; and
- include an authorization in favour of the Province authorizing the Province and its advisors to make such enquiries as the Province deems appropriate of any reference provided by the Proponent as well as any Person involved with the services referenced by the Proponent in the Proposal in relation to past relevant projects undertaken by the Proponent.

The Province may reject an incomplete Proposal at its sole and absolute discretion.

Each Proposal may include additional materials and brochures; however, the Province is not obliged to, and may not, consider such information.

## **9.8. Financial Proposal**

### **9.8.1. Introduction**

The Financial Proposal is to include the following as described more fully below:

1. signed proposal form in the form annexed as Appendix F;
2. Financial Templates based upon Standardized Assumptions;

3. Financial Templates based upon Proponent's own assumptions (Periodic Payment Pricing Templates);
4. financial hedging strategies;
5. sensitivity analysis;
6. income commitment summary;
7. financial guarantee, performance security and recourse information;
8. financial statements;
9. financial arrangements between Proponent members;
10. details on all debt and equity financing commitments for the Project; and
11. any other information reasonably required to allow financial evaluation (as described below).

### **9.8.2. Signed Proposal Form**

Proponents must provide a signed Proposal Form (Appendix F) as part of their submission. This Form should be included in the Financial Proposal.

### **9.8.3. Financial Templates**

Proponents should provide detailed financial information in support of their Proposal. Such information should generally follow the format identified in the Financial Templates section. This information should reconcile to the proposed Periodic Payment proposed by Proponent.

Two sets of Financial Templates are to be submitted:

1. Standardized Financial Templates. The first set of Financial Templates is to be based upon the Standardized Assumptions provided in Section 10. These assumptions will be used by Province to perform sensitivity testing and comparative analysis of Proponent submissions.
2. Periodic Payment Pricing Templates. The second set of Financial Templates is to be based upon Proponent's own set of assumptions. These Financial Templates shall clearly identify the Proponent's proposed Periodic Payment over the Term.

Such submissions will include:

- a) capital cost estimate;
- b) operating cost estimate over the Term of the Project Agreement;
- c) reserve and replacement estimates for the Project (including preventative maintenance, demand maintenance and refresh cycle of fixed items, as required); and
- d) Periodic Payment calculations and proposal (with certain components identified).

Proponents are to use assumptions they deem reasonable for water volume and water chemistry. The Province makes no representation or warranty regarding future water volumes and composition.

#### **9.8.4. Financial Hedging Strategies**

Proponents should provide details on any planned financial hedging strategies, if any, expected to be used for chemicals, reagents etc. used by the Proponent.

#### **9.8.5. Sensitivity Analysis**

Proponents should provide the sensitivity analysis described in the Financial Templates section of this RFP. Such analysis will include sensitivity scenarios for:

- a) water chemistry
- b) water volume

The Province wishes to assess the impact of these parameters on the Payment Mechanism. It should be possible for the Province to duplicate such analysis in the spreadsheet materials provided by the Proponent in its submission.

#### **9.8.6. Income Commitment Summary**

The Proponents should provide details on any third-party commitments and guarantees for income assumed in its Proposal from the sale of Sludge/by-products from the Project. Evidence of long-term commitments is preferred.

#### **9.8.7. Financial Guarantee, Security, and Recourse Information**

The Proponent should provide full details on each Proponent member's parent organization guarantees, recourse and any other similar support, if any, for (i) design/construction, (ii) operations, and (iii) environmental liabilities. Details of expected insurance provisions should also be provided. For each support commitment, Proponents are to provide, as applicable:

- a) the financial depth of the guarantor organization entity proposed to provide such support;
- b) the scope of each guarantee, and how this guarantee would work in practice if called on;
- c) the proposed level of the guarantee;
- d) the duration of the guarantee; and
- e) the extent of third-party environmental insurance coverage.

#### **9.8.8. Financial Statements**

The Proponent should provide recent financial statements for any Proponent member who is a party to the Proposal or is providing guarantees or other significant financial support, if any, to the Proponent.

#### **9.8.9. Financial Arrangements between Proponent Members**

The Proponent should provide details on the financial arrangements between its members as they relate to the Project.

#### **9.8.10. Details on All Debt and Equity Financing Commitments**

The Proponent must provide a description of arrangements for the proposed financing and capital structure for the Project and Proponent, including details on all equity investor participations, related party debt financing, and all third-party Project-specific

debt financing including particulars of the requirements of any providers of Senior Funded Debt. All equity funding commitments and related party debt financing commitments required for the Project must be finalized and fully described for this RFP submission.

Proponents planning to use third-party Project-specific debt financing of any type must provide commitment letters for (i) the full construction component of the Project, and (ii) forward commitments for “take-out” long-term financing for operations of the Project. All relevant correspondence from third-party financial institutions should be provided. “Term sheets” and other similar forms of non-binding indicative terms from funders will not be deemed sufficient evidence of construction financing availability.

Proponents should clearly indicate the extent of their support/guarantee of forward third-party take-out financing commitments, if used.

Full details of the debt and equity components, as applicable, of the proposed financing plan must be provided by each Proponent. These will include the amount, sources, term, interest rate, terms of repayment, transaction fees, loan security, collaterals, guarantees and warranties and in respect of equity, the amount, sources, term, ownership interest, profit participation, and, expected rate of return.

## **9.9. Technical Proposal**

### **9.9.1. Introduction**

The Technical Proposal is to include the following as described more fully below:

- a) management plan
- b) technical reports
- c) project schedule
- d) operating and management plan

The Proposal sections should be in the sequence shown above.

A covering letter, or letter of submittal, may be included, and should explain how any additional documents relate to the RFP (for example oversized drawings - as separate folded drawings or possibly as roll plans).

In the event that the Proponent’s proposal is based on a technology that is different from the technology previously accepted by the Province as a demonstrated technology, the Proposal is to include a separate section that fully addresses the new technology and presents supporting information to justify the change from the technology in the Expressions of Interest. The Proponent should clearly state in the cover letter that the Proposal is based in whole or in part on a new technology. This section of the Proposal will be evaluated prior to consideration of the balance of the Proposal, and the balance of the Proposal will only be evaluated once the Province has accepted the new technology as a demonstrated technology in accordance with the original criteria established in the Request for Expressions of Interest.

### **9.9.2. Management Plan**

The management plan should address the manner in which the Proponent would undertake all Work required by the Proponent under the Project Agreement, including:

### **9.9.2.1. Organizational Structure**

If there are no changes from the Proponent's Expression of Interest, there is no requirement to provide information under this section.

If there is a change from the Proponent's Expression of Interest, please provide details and impacts on the Project.

### **9.9.2.2. Project Manager**

If there are no changes from the Proponent's Expression of Interest, there is no requirement to provide information under this section.

If there is a change from the Proponent's Expression of Interest, please provide details and impacts on the Project.

### **9.9.3. Technical Reports**

Technical reports should be included in a Proposal as follows:

- design functionality report
- mine water treatment plant design report,
- mechanical design report,
- electrical design report,
- process control design report
- Sludge management report
- outfall design report (onshore section)
- architectural report
- landscaping design report
- operations and maintenance report.

#### **9.9.3.1. Design Functionality Report**

A detailed written description of the solution to the challenges posed by the Project with evidence of the design life, maintenance components and the objectives solved by the Proponent's design. Drawings should be provided to represent the detailed solution of the design functionality. Plan, profile, cross-sections, etc., as appropriate for this Project, should be clearly representative.

In this section the Proponent should also address the following:

- a. flexibility of the plant to handle changes in flow rates, and in particular the ramp up to high flow conditions expected during the spring freshet;
- b. flexibility of the process to handle changes in water chemistry and in particular the low iron content expected under "flow through" conditions from the Workings;
- c. flexibility of the process to handle low flow conditions outside of the spring freshet period;
- d. treatment of groundwater flows;
- e. means of minimizing by-pass events, and of managing the Contaminated Water during these events;



- f. ability of the plant to consistently achieve the Discharge Permit Criteria for effluent chemistry;
- g. ability to expand the Project or alter the layout to accommodate future changes in the process or changes in technology; and
- h. ability of the WTP to achieve a service factor of 98%, including the design philosophy related to redundancy of equipment and installed spares.

#### **9.9.3.2. Mine Water Treatment Plant Design Report**

The Proponent must provide a detailed mine water treatment plant design report, in full compliance with the Performance Specifications described in Appendix B. The Proposal should be practical and innovative where appropriate.

As a minimum, the mine water treatment plant design report will provide the following information:

- a. description of the design methodology and supporting analysis (if appropriate), giving a description of how the Contaminated Water treatment functions have been incorporated in the Proposal. It is anticipated that this will be supported by a flow sheet, mass balance, and list of major equipment, complete with equipment sizing;
- b. description of operational considerations to be used in the detail design process. It is anticipated that this will be supported by preliminary piping and instrumentation drawings illustrating the major process control instruments and control loops;
- c. description of the proposed methodology to meet the requirements identified in Appendix C of this RFP, such as:
  - o ability to operate effectively under the range of projected variation on the chemical composition of the influent specific to the Britannia Mine;
  - o temperature fluctuation; and
  - o ability to accommodate volumes indicated in Appendix B, including the ability to operate the Project at less than the design capacity.
- d. The Proponent must provide supporting analysis/documentation to justify the proposed mine water treatment plant design. The minimum requirements for drawings to accompany the mine water treatment plant design report are as follows:
  - o key plan;
  - o plan and section drawings showing all elements of the Project;
  - o profiles for entry pipes and outfall works; and
  - o typical sections for each major plant component.

#### **9.9.3.3. Mechanical Design Report**

The Proponent will provide a mechanical design report that, as a minimum, provides the following information:

- a. description of each major mechanical component to be provided;
- b. schematic drawings of the mechanical systems;

- c. discussion of operation and maintenance issues, including equipment features that address the project challenges; and
- d. life cycle/energy cost discussion.

#### **9.9.3.4. Electrical Design Report**

The Proponent will provide an electrical design report that, as a minimum includes a description of:

- a. instrumentation and control systems
- b. major electrical equipment;
- c. power supply and distribution;
- d. electrical schematic drawings; and
- e. communication systems.

#### **9.9.3.5. Process Control Design Report**

The Proponent will provide a process control design report that, as a minimum includes a complete and comprehensive description of the process control philosophy in sufficient detail to demonstrate an understanding of the process control issues that will be faced in operation of the Project under both normal and abnormal conditions. Abnormal conditions include operation at the outer range of the flow and mine water chemistry conditions as well as upset conditions.

#### **9.9.3.6. Sludge Management Report**

The Proponent must clearly state the selected option(s) for disposal and/or management of Sludge. The Proposal must include, as a minimum, the following standards and features, depending upon the option selected. Any of the following options or combinations of options will be accepted by the Province if implemented in conformity with Applicable Law. The Province will also consider other locations within the Province's land at Britannia Beach, providing that the requirements of Option A are met.

In all instances, the Sludge Management Report must address any plans for temporary storage on the Site.

#### **Option A – Impoundment in Jane Basin.**

- Provide proof based upon pilot testing or industrial experience that the Sludge can pass the BC SWEPT test.
- Provide a firm commitment to obtain a landfill discharge permit under the *Waste Management Act* and approval under the *Mines Act*, as appropriate.
- Accept responsibility for management of the Sludge impoundment facility and any failures of the facility
- Provide a storage plan for the first five years of plant operation. The plan must address means of storing or transporting the Sludge during the winter.
- Commit to maintain the access road to Jane Basin in a condition that is suitable for transport of materials to Jane Basin. This is a separate obligation from the commitment to maintain the Jane Basin access road for access to the weather stations and other facilities by four-wheel drive vehicles.

- A tipping fee will apply to any impoundment on the Province's property where the Province is expected to assume any risk or liability
- From time to time the Province may restrict access to Jane Basin due to extreme risk of forest fires. During these restrictions the Proponent should indicate alternate arrangements for disposal or storage of sludge

#### **Option B – Placement in Jane Basin Glory Holes**

- Provide proof based upon pilot testing or industrial experience that the Sludge can pass the BC SWEPP test.
- Commit to dewatering of the sludge sufficiently for it to be in solid form and not a slurry or free-flowing material. The basis for demonstrating that this commitment is achievable is to be fully explained in the proposal.
- Commit to providing additional information on the chemical and physical properties of the sludge as may be required to support the application for a Refuse Disposal Permit.
- Commits to placement of the sludge in a manner that is consistent with the requirements of the regulatory authorities.
- A tipping fee will apply to any impoundment on the Province's property where the Province is expected to assume any risk or liability
- From time to time the Province may restrict access to Jane Basin due to extreme risk of forest fires. During these restrictions the Proponent should indicate alternate arrangements for disposal or storage of sludge

#### **Option C – Reuse or Recycle**

- It is preferred that the Sludge created in the Operations is reused or recycled in an environmentally friendly manner.
- Provide the name, address and name of contact person at the reuse or recycling facility, or facilities.
- Provide a letter of commitment from the receiving facility to accept the Sludge, and state the period of the commitment.
- Provide a description of the manner in which the Sludge will be re-used or re-cycled.

#### **Option D – Dedicated Offsite Landfill**

- Provide proof based upon pilot testing or industrial experience that the Sludge can pass the BC SWEPP test.
- Provide a letter of commitment from the receiving facility to accept the Sludge, and state the period of the commitment.
- Commit to a site location and to obtain a landfill discharge permit under the *Waste Management Act*.

## **Option E - Commercial Landfill**

- Provide proof based upon pilot testing or industrial experience that the Sludge can pass the BC SWEF test, if the facility is located in British Columbia, or the standard landfill acceptance test for landfills outside of British Columbia.
- Provide the name, address, name of contact person and permit number of the landfill.
- Provide a letter of commitment from the receiving facility to accept the sludge, and state the period of the commitment.
- Provide information on any permit violations since January 1999.
- Provide a copy of the landfill's most recent environmental audit, which will be for no earlier than 2003.

### **9.9.3.7. Outfall Design Report (Onshore Section)**

The Proponent will provide an Outfall Design Report that, as a minimum, provides the following information for the onshore section of the line:

- Brief description of design methodology, including the means for tying in the storm water discharge;
- Brief description of the type of pipe, manholes and proposed arrangement for the onshore component;
- General Arrangement Drawing of the planned routing for the outfall pipeline if different from the routing in the Westmar Study, and a full discussion of the technical and land acquisition issues. This is not required if the Proponent intends to follow the routing in the Westmar study.
- Discussion of maintenance issues, including how the Proponent intends to design the submerged portion of the outfall for ease of maintenance and replacement of failed sections.
- Construction staging requirements, if required.

The Province will discuss the design of the offshore (marine) section of the outfall system with the Proponent. Komex International Inc., a Restricted Party, will be available to work with the Proponent on the engineering aspects of the offshore section. However, this does not remove the responsibility for design and construction from the Proponent and the Proponent may elect to have another qualified firm perform this design, subject to the Province approving that firm. When the scope, cost and performance specifications of the marine portion of the Outfall have been developed, the construction of the marine portion of the Outfall will be included in the Work pursuant to the Variation Procedure and payment therefore will be made to the Proponent either by a lump sum payment or by adjustment of the Payment Mechanism.

### **9.9.3.8. Architectural Report**

The Proponent will provide an Architectural Report that, as a minimum, provides the following information:

- coloured elevation of the main building of the WTP, including a schedule of surface materials and finishes; and

- a plan of the main building of the WTP.

#### **9.9.3.9. Landscaping Design**

A landscaping design report is not required. The Proponent is to include an allowance of \$100,000 in the cost estimate for the construction phase to provide for future landscaping as mutually agreed between the Province and the Operator.

Please note that the landscaping is to be maintained throughout the operating period.

#### **9.9.4. Project Schedule**

The Project schedule should be prepared in sufficient detail that it can be used as a base schedule throughout the life of the Project and should include a description of the key components and major activities of the Work, and should follow Project Management Institute (PMI) standards. The Project schedule should be prepared electronically using appropriate software. It is desirable that the Project schedule use MS Project software to be compatible with other schedules maintained by the Province for the Britannia Mine Remediation Project.

The Project schedule should depict the entire Project, showing the major milestones in the process from design through to Project commissioning. The Project schedule should be in a "critical path" method format with anticipated milestone dates within the critical path clearly indicated. The milestones should include but not be restricted to the following:

- anticipated Project Agreement award date at the end of November 2004;
- start of construction;
- dates of interim and final completion for the various design components and related compliance review dates, where applicable;
- Site occupation date;
- anticipated commencement and completion dates for each portion of the construction phase of the Project;
- seasonal shutdown start and end dates (if applicable);
- dates for the commencement of the manufacture and installation of major process equipment;
- scheduled dates for Substantial Completion and Total Completion;
- start- up and completion of commissioning
- commencement of Contaminated Water treatment; and
- key dates related to
  - obtaining rights-of-way
  - environmental approvals; and
  - BC Hydro Service

#### **9.9.5. Quality Control**

The preferred Proponent will have to provide two Quality Control Plans: one for construction and one for operations.

The Proponent must provide a construction Quality Control Plan during the negotiation process that should conform to the requirements of Appendix B covering the design and construction within fifteen (15) business days of receiving the Notice of Award.

The outline of the operating Quality Control Plan will be developed by the Proponent 60 days prior to commencement of Commissioning.

#### **9.9.6. Operations and Maintenance Plan**

The Proponent will provide a report in respect of Ordinary Repair and Replacement that, as a minimum, provides the following information:

- identification of the agents and chemical requirements and estimated usage level per 1000 m<sup>3</sup> of water treated;
- summary of the proposed operation of the facility by the Proponent including staffing requirements, with certification levels, if required;
- the proposed maintenance methodology;
- the proposed safety, health and emergency response plan, with attention to the environmental protection to be afforded, particularly with regards to spills; and
- a description of the Operating Quality Control Plan which will address all testing, inspection and monitoring required to ensure conformance with the requirements defined in Appendix C; and
- proposed procedures for record keeping and reporting.

#### **9.10. Deposits for Shortlisted Proponents**

##### **9.10.1. Shortlisted Proponent**

All short listed Proponents will be required to provide a deposit of \$50,000 within 5 working days of being invited to the RFP stage. They will have until June 25, 2004 to withdraw from the competition after receipt of the RFP and RFP Documents including the draft Project Agreement without loss of this deposit.

The \$50,000 deposit is not refundable if a valid proposal is not submitted and the Proponent has not formally withdrawn before June 25, 2004.

The deposits are requested to be in the form of an irrevocable Letter of Credit. The Letter of Credit will be issued by a Chartered Bank of Canada for an amount of \$50,000 in lawful money of Canada with the following terms substantially similar the following:

We hereby authorize the Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Sustainable Resource Management ("the Beneficiary") to draw upon us for the account of \_\_\_\_\_ (the "Customer") up to the amount of FIFTY THOUSAND DOLLARS (CDN \$50,000) in lawful money of Canada upon written demand for payment made on us by the Beneficiary which demand we will honour without inquiring whether the Beneficiary has the right as between the Beneficiary and the Customer to make such demand.

This Letter of Credit is irrevocable and will expire at 12:00 noon local time in Vancouver, British Columbia on November 30, 2004 (the "Initial Expiry Date") provided that the term of this Letter of Credit will renew

automatically for a further period of six months without the necessity of any further action on our part unless we otherwise notify the Beneficiary not less than 90 days before the Initial Expiry Date, which notice will be in writing to the above address and effectively given on receipt.

All Letters of Credit will be returned after the successful award of the contract.

## **10. Evaluation Process**

### **10.1. Process Conditions**

This RFP and the RFP Documents do not create a tender process. This RFP is not an invitation for an offer to contract and it is not an offer to contract made by the Province. By this RFP, the Province reserves to itself the right in its sole and absolute discretion to consider and analyze the Proposals, select a preferred Proponent as Operator, and if it so determines, sign an agreement with such Proponent.

Without limiting the generality of the foregoing, the Province reserves the right to:

- reject any Proposal, whether or not complete and whether or not it contains all the required information;
- require clarification of any Proposal;
- request additional information on any Proposal;
- reject any or all Proposals without any obligation, or any compensation or reimbursement to the Proponents;
- refuse to enter into an Agreement with any of the short listed Proponents;
- re-advertise for new submissions or call for tenders for this work or for work of a similar nature.

The Province may, in its sole and absolute discretion, independently verify any information in any submission.

The Proposals submitted by the Proponents must be binding offers and the Province reserves the right to make a choice from the various offers, or not choose any.

### **10.2. Competitive Process**

With the issuance of this RFP, the Province is making a business opportunity available to Proponents having the experience, competence, managerial sophistication and financial capacity to enter into Agreements to design, construct, finance, maintain and operate the Project.

The competitive process is initiated by the issuance of this RFP to Proponents who can satisfy the mandatory requirements defined in this RFP. It is anticipated that the various Proposals received in response to this RFP may incorporate different design features, materials, construction and business approaches and may differ in other respects. The following evaluation process will be followed to select the preferred Proponent.

### **10.3. Evaluation Process and Criteria**

Evaluation sub-committees specializing in technical and financial/commercial sectors will closely evaluate each Proposal. The Evaluation sub-committees will then report their findings to an Evaluation Committee who will review and assess the sub-committee

reports and recommend a rating of the Proposals. The Evaluation Committee will recommend a preferred Proponent to the Steering Committee. The Steering Committee and/or the Province may, in its sole and absolute discretion, accept or reject the recommendations of the Evaluation Committee.

If the Province determines that a Proposal is unclear in some aspects, a list of questions may be prepared to provide the Proponent with an opportunity to clarify its Proposal. If these clarifications are insufficient, the Province may in its sole and absolute discretion decline the Proposal.

Evaluation of Proposals will be based solely on the contents of the submissions and any clarifications provided in writing in response to the questions asked by the Province's Contact Person. The evaluation will be conducted in the manner and sequence described below.

- pass/fail evaluation if alternative technology proposed, as compared to EOI
- completeness review of proposal
- rated evaluation
  - qualitative evaluation
  - risk adjusted net present value ("NPV") evaluation of the Proponent's 20 year financial plan

#### **10.4. Pass / Fail Evaluation**

If the Proposal is based in whole or in part upon a technology that is different from the technology accepted by the Province as a demonstrated technology in the Request for Expressions of Interest (RFEI) stage, the section of the Proposal addressing the new technology will be evaluated on under the Pass/Fail criterion established in the RFEI.

#### **10.5. Completeness Review of Proposal**

The Proposal submissions will be reviewed to ensure they meet all the mandatory requirements, policies and procedures as stated in this RFP. The following are the mandatory requirements:

- The Proposal must be received at the Submission Location prior to Submission Deadline;
- the Proposal Form in the form of Appendix F must be signed by the Proponent or each member of the Proponent consortia, if the consortia is a partnership or joint venture;
- the Technical Proposal will contain the Technical Proposal which is generally composed of the items as described in Section 9, Appendix B, and Appendix B2; and
- The Financial Proposal will contain the Financial Proposal which is generally composed of the items as described in Section 9 plus the Financial Templates as described in Appendix I.

Proposals that do not contain a new technology or ones that are considered to have passed the criterion will be evaluated on a completeness review basis for their compliance with the stated requirements for the following elements:

- management plan;



- technical reports;
- project schedule; and
- operation and maintenance plans.

All Proposals must successfully address all of the required elements to proceed to the risk adjusted net present value evaluation. Detailed descriptions of requirements for completeness review elements are set out in the RFP and RFP Documents.

**10.6. Rated Evaluation of the Proposal**

Proposals will be scored out of 100 points. The Proposal receiving the highest score will be recommended as the preferred Proponent. The rated evaluation has two components: qualitative evaluation and risk adjusted net present value evaluation. To reflect the relative importance of these components, each component will be assigned a weight as indicated in the table below:

Qualitative Evaluation	40 points
Risk Adjusted Net Present Value of 20 year Financial Plan Evaluation	60 points
Total Points Available	100 points

**10.6.1. Qualitative Evaluation (40 points)**

Aspects of the Proposal submission which are neither part of the net present value calculation, nor pass/fail in nature, will be subject to a qualitative evaluation.

The qualitative evaluation will be a comparative assessment of the Proposals. The Province’s Evaluation Committee members will rate Proposals against the twenty (20) predetermined evaluation criteria in the table below. Proposals will receive points related to the 20 criteria to the extent that the Evaluation Committee, in its sole and absolute discretion, considers appropriate in terms of adding value to the Project. If there are no discernable differences between Proponents in a specific evaluation category, or no price differential can be supported, all Proponents will score zero in that category.

The following criteria will be used for qualitative evaluation:

Criteria	Detail
1. Aesthetics	Issues to be evaluated include the appearance of the buildings and the impact on the surrounding area
2. Durability of building structure	Ability to retain appearance over 20 years in local climate.
3. Schedule	Substantial Completion of the Project, including commissioning, by September 30, 2005.
4. Flexibility of the process to handle changes in	Evaluation of the proposed methods to be able to increase the treatment rate from the minimum rate to the full design capacity within a two week period.

Criteria	Detail
flow rates	
5. Flexibility of the process to handle changes in water chemistry	Evaluation of the proposed methods to operate the process when contaminant loadings are low.
6. Flexibility of the process to be able to operate at the minimum design flow (groundwater only)	Process mass balances and related information to be supplied in the proposal for treatment of mine water, and for the treatment of groundwater only during the dry season.
7. Sludge disposal	Proposals for beneficial reuse of generated Sludge will be evaluated.
8. Flexibility of the Project to manage by-pass events.	Proponent's plans for operation at 133% of the design capacity to reduce the need to by-pass Contaminated Water.
9. Expandability of the Plant	Ability to expand the Project - layout arrangement is conducive to future expansion, if required.
10. Ability of the plant to consistently achieve the Discharge Permit Criteria	Demonstration that the Discharge Permit Criteria can be met under upset conditions.
11. Financial hedging strategies, if any	The proposed hedging strategy, if any, for chemicals, reagents etc. used by Proponent.
12. Financial sensitivity to water chemistry changes and water flow rates	The impact on the annual Periodic Payment of changes in water chemistry and water flow rates.
13. Income Commitments, if any	Level of third party advanced commitments and guarantees for income assumed in the Proponent's financial plan to achieve revenues for Sludge/by-products.
14. Recourse, Guarantees during the Work, if any	<p>The provision of parent organization guarantees during design/construction, including the following information:</p> <ul style="list-style-type: none"> <li>i. the financial resources of the guarantor organization proposed to provide such support (recent financial</li> <li>ii. statements should be provided for such entity(s));</li> <li>iii. the scope of each guarantee, and how this guarantee would work in practice if called on;</li> </ul>

Criteria	Detail
	<ul style="list-style-type: none"> <li>iv. the proposed level of the guarantee; and</li> <li>v. the duration of the guarantee.</li> </ul>
<p>15. Recourse, Guarantees during Operations, if any</p>	<p>The provision of parent organization guarantees during operations, including the following information:</p> <ul style="list-style-type: none"> <li>i. the financial depth of the guarantor organization proposed to provide such support (recent financial statements should be provided for such entity(s));</li> <li>ii. the scope of each guarantee, and how this guarantee would work in practice if called on;</li> <li>iii. the proposed level of the guarantee; and</li> <li>iv. the duration of the guarantee.</li> </ul>
<p>16. Recourse, Guarantees and/or insurance for environmental risks, if any</p>	<p>The provision of parent organization or other support/guarantees for environmental liability matters, including the following information:</p> <ul style="list-style-type: none"> <li>i. The financial depth of the guarantor organization proposed to provide such support (recent financial statements should be provided for such entity(s)).</li> <li>ii. The scope of this support, and how it would work in practice if called on.</li> <li>iii. The proposed level of the guarantee.</li> <li>iv. The duration of the guarantee.</li> <li>v. The extent of third-party environmental insurance coverage.</li> </ul>
<p>17. Financial Commitments</p>	<p>Proponents must provide a description of arrangements for the proposed financing for the Project, including details on all equity investor participations, related party debt financing, and, all third-party Project-specific debt financing including particulars of the requirement of any providers of Senior Funded Debt.</p> <p>All equity funding commitments and related party debt financing commitments required for the Project must be finalized and fully described in this Proposal.</p> <p>Proponents planning to use third-party Project-specific debt financing of any type must provide commitment letters for (i) the full construction component of the Project, and (ii) forward commitments for “take-out” long-term financing for Operations of the Project. All relevant correspondence from third-party financial institutions should be provided. “Term sheets” and other similar forms of non-binding indicative terms from funders will not be deemed sufficient evidence of construction financing</p>

Criteria	Detail
	<p>availability.</p> <p>Proponents should clearly indicate the extent of their support/guarantee of forward third-party take-out financing commitments, if used.</p> <p>Full details of the debt and equity components, as applicable, of the proposed financing plan must be provided by each Proponent. These will include the amount, sources, term, interest rate, terms of repayment, transaction fees, loan security, collateral, guarantees and warranties and in respect of equity, the amount, sources, term, ownership interest, profit participation, and, expected rate of return.</p>
18. Allowance cost impact on proposed Periodic Payment	Proponents should clearly illustrate (using financial examples where appropriate) how the capital cost of allowance items will be integrated into the proposed Periodic Payment. For example, if all allowance items have a total capital cost of \$1,000,000 and annual operating/maintenance costs of \$48,000 per year during the Term, how will Proponent integrate these costs into the Periodic Payment and how will the Periodic Payment increase?
19. Financing Plans	Reasonableness, completeness and adequacy of the proposed financing plan.
20. Other considerations.	Other value added features of the proposals will be evaluated.

The value of a point is dependent on the lowest 20-year risk adjusted NPV submitted by a Proponent who has qualified under the pass/fail evaluation. This will be calculated prior to the qualitative evaluation by a Provincial employee or a financial consultant.

The award of points in the qualitative assessment will recognize the inherent value of the points, and the value of points will be determined in this financial evaluation section based upon the difference between the lowest Proponent bid and the other bids in accordance with the formula identified.

### **10.6.2. Net Present Value Evaluation of 20-Year Financial Plan (60 points)**

The following information will be extracted from the Proposals for the purposes of the NPV calculations. The Province may make adjustments it deems appropriate to reflect risks associated with each Proponent proposal.

Proposals for the 20-year financial plan will first be evaluated for reasonableness as a pass or fail. The Province reserves the right to require clarification of the 20-year financial plan. A score of 0 points will be assigned to any 20-year financial plan if it is judged to be unreasonable.

Criteria	Detail
1. Risk-Adjusted Lifecycle Costs	<p>The expected net present value cost to Province of:</p> <p>(A) the projected payments to the Proponent over the length of the Project Agreement; and,</p> <p>(B) any other cost or benefit to the Province resulting from the Proposal, including taking into account any adjustments arising from one or more of:</p> <ol style="list-style-type: none"> <li>1. perceived variations in the Proponent's proposal from initial form of Project Agreement;</li> <li>2. the quantitative evaluation of risk, and the Proposal's risk level and risk allocation; and</li> <li>3. variability and increases in Periodic Payments due to variations in water flow rates and water chemistry.</li> </ol>
2. Development Cost Pro-forma <sup>2</sup>	Reasonableness, completeness and adequacy of the <u>development cost</u> summary pro forma, including reasonableness and feasibility in comparison to those of other Proposals and those assumed by Province in its public sector comparator.
3. Operating Pro-forma	Reasonableness, completeness and adequacy of the <u>proposed operating cost pro-forma</u> , including reasonableness and feasibility in comparison to those of other Proposals and those assumed by the Province's public sector comparator.
4. Capital Maintenance Pro-forma	Reasonableness, completeness and adequacy of the <u>capital maintenance cost pro-forma</u> , in accordance with the Performance Requirements, scope and other provisions of the Project Agreement, and including provisions for: <ol style="list-style-type: none"> <li>i. preventative maintenance;</li> <li>ii. demand maintenance; and</li> <li>iii. refresh cycle of fixed items.</li> </ol>

The Proposal with the lowest risk adjusted 20-year NPV cost to the Province will receive all 60 points allocated to this section. Proposals with a higher NPV cost will receive proportionally fewer points in accordance with the following formula:

$$\text{Points}_{\text{Higher NPV Cost}} = 60 - 60 \left[ \frac{\text{NPV Cost}_{\text{Higher}} - \text{NPV Cost}_{\text{Lowest}}}{\text{NPV Cost}_{\text{Lowest}}} \right]$$

Proposals that receive a pass will be evaluated with a risk adjusted NPV calculation to determine the life-cycle cost of the Project to the Province based on the 20-year financial

<sup>2</sup> Pro-formas referred to in this sub-section mean cash flow forecasts prepared on a cash basis before any accounting accruals or similar GAAP adjustments. Such pro-formas are to generally be in a format similar to the templates identified in Appendix I – Financial Templates.

pro-forma plan. The calculation will consider cash flows over the 20-year life of the service.

**10.6.3. Financial Assumptions**

Proponents are to prepare two sets of Financial Templates using the format generally described in Appendix I.

1. Standardized Financial Templates. The first set of Financial Templates is to be based upon the Standardized Assumptions provided below. These assumptions will be used by the Province to perform sensitivity testing and comparative analysis of Proponent submissions.
2. Periodic Payment Pricing Templates. The second set of Financial Templates is to be based upon Proponent’s own set of assumptions. These Financial Templates shall clearly identify the Proponent’s proposed Periodic Payment over the Term.

**10.6.3.1. Standardized Financial Templates**

Proponents are to provide a set of completed Financial Templates based upon the requirements outlined in this RFP and the Project Agreement as well as the following Standardized Assumptions.

For greater certainty, the Province does not provide any assurance, representation or warranty regarding Contaminated Water volume, groundwater volume, storm water volume, changes in water chemistry, and inflation over the Term of the Agreement. The assumptions provided here are simply to establish some consistency across Proponent proposals to facilitate an objective review and evaluation of such proposals.

**10.6.3.2. Standardized Assumptions**

Inflation rates (for Operating Term)	<p>Assume inflation of 2% per annum over the Term for the following parameters in Financial Templates:</p> <ul style="list-style-type: none"> <li>- on-site labour</li> <li>- lime &amp; other basic raw materials (including transportation etc.)</li> <li>- Utility costs</li> <li>- Sludge disposal costs/revenues</li> <li>- other non-controllable costs</li> </ul> <p>Proponent to establish its own expected inflation rate during the Term for the following parameters (however Province reserves the right to adjust such assumptions (to 2% per annum) if the assumptions are unreasonable, in the sole and absolute discretion of Province):</p> <ul style="list-style-type: none"> <li>- Overhead, administration &amp; other controllable costs</li> <li>- Specialized and proprietary chemicals, if any</li> </ul>
Discount rate	The Province is expecting to use a nominal annual discount rate of 8.12%.
Term	20 years from expected Substantial Completion

Volume of Contaminated Water volume from the Workings	Contaminated Water from Workings flow averages 4,977,000 m <sup>3</sup> /year.
Contaminated Water Chemistry	Mean (per Appendix D)
Groundwater volume	Groundwater flow averages 876,000 m <sup>3</sup> /year. Operating costs associated with groundwater treatment are to be excluded from analysis until further information is available.
Groundwater chemistry	Assume saline and contamination mix as described in Appendix D, Section 2 (based upon samples from 2003 and 2004).
Storm water volume and chemistry	Ignore for purposes of this analysis.
Cash Allowances	Include Cash Allowance items identified in Financial Templates in Periodic Payment calculations and analysis. Updated amounts may be substituted later..

#### 10.6.3.3. Periodic Payment Pricing Financial Templates

Importantly, Periodic Payment proposals from Proponents must be based upon Proponent's own assumptions for expected Contaminated Water volume, changes in water chemistry over the Term of the Agreement (which may or may not be similar to the assumptions described below). If a Proponent's proposal is accepted, then the agreed Periodic Payment shall only be adjusted in accordance with the Payment Mechanism (as described in the Project Agreement, as amended from time to time). All analysis and reports provided by the Province (in this RFP as well as the data room) are provided for information purposes only.

#### 10.6.3.4. Periodic Payment Assumptions

Inflation Rates	Same as above in Standardized Assumptions. Generally assumed to be 2% per annum throughout the 20-year Term.  Proponent must clearly illustrate all other inflation assumptions used. Province reserves the right to adjust such assumptions (to 2% per annum) during evaluation of proposals if the Proponent assumptions are unreasonable, in the sole and absolute discretion of Province.
Discount Rate	The Province is expecting to use a nominal annual discount rate of 8.12%.
Term	20 years from expected Substantial Completion.
Contaminated Water from the Workings volume flow and	Proponents are responsible for estimating volume and chemistry of future Contaminated Water from the Workings.

chemistry	
Groundwater volume and chemistry	Operating costs associated with groundwater pumping and treatment are to be excluded from analysis until further information is available.
Storm water volume	Operating costs associated with storm water pumping are to be excluded from analysis until further information is available
Cash Allowances	Include Cash Allowance items identified in Financial Templates in Periodic Payment calculations and analysis. Updated amounts may be substituted later.

### 10.7. Evaluation Summary

The evaluation table below describes the Proposal evaluation process. Proposals must meet the mandatory requirements in the Proposal completeness review to proceed to the Pass/Fail Evaluation.

<b>PASS/FAIL EVALUATION</b>		
Alternative technology proposed (vs EOI). • Use criteria from RFEI to evaluate proposals containing an alternative technology.	PASS	FAIL
<b>PROPOSAL COMPLETENESS REVIEW</b>		
Proposal received at Closing Location prior to Submission Deadline	YES	NO
Signed Proposal Form included in Financial Proposal (per Appendix F)	YES	NO
Financial Proposal	YES	NO
Technical Proposal	YES	NO
Management Plan	YES	NO
Technical Reports	YES	NO
Project Schedule	YES	NO
Operation & Maintenance Plan	YES	NO
<b>RATED EVALUATION</b>		
Qualitative Evaluation	Max 40 points	
Risk Adjusted Net Present Value Evaluation of 20 year financial proforma	Max 60 points	

**THE PROPONENT WHOSE PROPOSAL SCORES THE HIGHEST NUMBER OF POINTS WILL BE RECOMMENDED BY THE EVALUATION TEAM AS THE PREFERRED PROPONENT. IN THE EVENT OF A TIE, THE PROPONENT WHOSE PROPOSAL HAS THE LOWEST RISK ADJUSTED 20-YEAR NPV COST WILL BE RECOMMENDED AS THE PREFERRED PROPONENT.**