

**SIERRA-YOYO DESAN ROAD PROJECT
PUBLIC-PRIVATE PARTNERSHIP**

**REQUEST FOR PROPOSALS (RFP)
DOCUMENTS**

September 29, 2003

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1.0 Introduction to the Project

1.1 The Sierra Yoyo Desan Road Project

The Sierra Yoyo Desan (“**SYD**”) Road, located north and east of Fort Nelson, starts 15 kilometers from the Alaska Highway via the publicly maintained Clarke Lake Road, and extends 173 kms to its end near the South Helmet airstrip (hereafter referred to as the “**existing SYD Road**”). Jurisdiction over the road currently rests with the British Columbia Transportation Financing Authority (“**BCTFA**”) and the Ministry of Transportation (“**MoT**”), and while open to the general public, the SYD Road is used primarily for industrial activities. On December 1, 2003, jurisdiction over the SYD Road will be assumed by the Ministry of Energy and Mines (“**MEM**”).

A government/industry funding partnership to upgrade and maintain the existing SYD Road was created December 1, 1998 to run for a five-year period ending November 30, 2003. Maintenance and upgrade work was contracted to Walter Construction (Canada) Ltd. and its subcontractors, Kledo Construction Ltd. and SureSpan Contractors Ltd. Fees are charged to industrial users of the road to cover the maintenance and upgrade costs.

MEM has recently consulted with the industrial road user group (“**RUG**”) to identify the upgrades to the existing SYD Road necessary to meet the needs of the expected oil and gas exploration activity in the SYD assessable area. As a result of this consultation, a project scope has been identified and agreed upon by representatives of the RUG.

In July 2003, MEM and Partnerships British Columbia (“**PBC**”) issued a Request for Qualifications (“**RFQ**”) to pursue a public private partnership for the design, construction, financing, operation, maintenance, and management of an improved SYD Road for a fifteen-year period (the “**Project**”). This process is being undertaken by MEM for the benefit of the RUG. Accordingly, RUG representatives have played an integral role in the development of the business arrangements and will have a role in the selection of the Preferred Proponent for this Request for Proposal (“**RFP**”). MEM will offer the Preferred Proponent the opportunity to become a party (the “**Concessionaire**”) to the Concession Agreement. The balance of this Section summarizes the requirements of and funding for the Project.

1.2 The Work

The Concessionaire will undertake two distinct road improvements and ongoing operations and maintenance of those improvements (collectively referred to hereafter as the “**Work**” or the “**new SYD Road**”):

- Construction of a bypass of the Clarke Lake Road (the “**Bypass**”).
- An upgrade of the existing SYD Road from the junction with the new Bypass to the end of the SYD Road (the “**SYD Upgrade**”).
- Operation and maintenance of the existing SYD Road until such time as the Bypass is completed and operation and maintenance of the Bypass and SYD Upgrade after the improvements are completed.

1.2.1 Bypass Work

The Concessionaire will be required to design, construct, and commission: a new alignment for the SYD Road (as described below) on the west side of the Fort Nelson River; a new bridge over the Fort Nelson River; and a new alignment on the east side of the river, which connects to the existing SYD Road at approximately km 30.5. Proponents must also provide incremental prices for options described below (see Options #1, #2 and #3, Section 1.2.3), which provide for a wider road between km 22 +/- to km 30.5+/-, a sidewalk on the new bridge and support for a future oil pipeline under the bridge. All segments of the Bypass Work, including the options, if selected, must be completed by November 30, 2004.

Table 1, below, describes, in general terms, the Work included in the Bypass. The lengths of road included in the table are approximate only, and the Proponent shall determine the exact lengths to be included in its Proposal.

Table 1 – The Bypass Work

From km	To km	Width (meters)	Surfacing	Strength (% of Legal Axle Loads)	Comments
9.3	12.5	9.2	Gravel	70-75%	New construction and upgrade of existing gravel road from end of Airport Drive to Fort Nelson River
12.5	12.8	9.0	Concrete or Asphalt on Concrete		New +/- 369-m long, 9.0-m wide bridge over the Fort Nelson River
12.8	22.0	9.2	Gravel	70-75%	Upgrade existing winter road to Kotcho Lake Winter Road
22.0	30.5	8.0	Gravel	70-75%	New construction and upgrade of existing winter road to connecting point on existing SYD Road

1.2.2 SYD Upgrade Work

The Concessionaire will be required to upgrade the existing SYD Road from approximately km 30.5 to approximately km 188, as set out below. With respect to km 30.5 to km 121, the SYD must be widened to a consistent width of 8.0 meters. This length of the SYD shall also be strengthened to be able to support 70 – 75% of the legal axle loads during spring conditions. For this length of the existing SYD Road, the SYD Upgrade Work will improve the performance of the Road so that only normal maintenance will be required, in the future, to keep the SYD Road operational indefinitely. The replacement of the Snake River Bridge and the two PetroCan Bridges, as well as curve improvements, are also included within the SYD Upgrade Work of this section of the SYD Road. The upgrade of km 121 to km 188 will involve upgrading the existing bridges within this length of the SYD Road.

MEM also requires incremental prices for two options (described in Section 1.2.3) with respect to this section of the road.

The SYD Upgrade Work, including either of the options (see Options #4 and #5, Section 1.2.3), if selected, must be completed by November 30, 2005.

Table 2 – The SYD Upgrade Work

From km	To km	Width (meters)	Surfacing	Strength	Comments
30.5 +/-	121.0	8.0	Gravel	70-75%	Upgrade of the existing gravel road, realignment/widening of hazardous corners, improvement of sight lines, curve improvements as outlined in the McElhanney Report, replacement of Snake River Bridge and Petrocan bridges
121.0	188.0	6.0	Gravel	Existing	Bridge upgrades

1.2.3 Priced Options

Proponents must prepare, price and present five optional incremental upgrades, as set out below.

- **Option #1** provides for a 9.2-meter width from km 22 to km 30.5.
- **Option #2** provides for the Fort Nelson River Bridge to be designed and constructed to provide a sidewalk wide enough to accommodate snowmobiles on one side of the bridge, outboard of the upstream traffic barrier.
- **Option #3** provides for the Fort Nelson River Bridge to be designed and constructed to accommodate and support the weight of the future addition of a 450 mm oil pipeline, complete with appropriately designed inserts in the underside of the bridge deck.
- **Option #4** provides for a 9.2-meter width from km 30.5 to km 121.
- **Option #5** provides for the existing SYD Road, from km 30.5 to km 121, to be widened to accommodate the “ICBC Portable Weigh Scales” at two locations, for the monitoring and weighing of traffic.

The full scope of the Bypass and SYD Upgrade Work is described in Section 2.0 and in detail in Appendix C.

1.2.4 The O&M

The Concessionaire will be required to provide operation, maintenance and management of the SYD Road for a fifteen-year period (the “O&M”). The Concessionaire’s O&M responsibilities will commence August 1, 2004 and cover the existing SYD Road from km 15 to km 188. Upon completion of the Bypass, the Concessionaire’s responsibility for O&M from km 15 to km 30.5 +/- will cease. The Concessionaire will continue to have responsibility for O&M for the new SYD Road (encompassing the Bypass and the balance of the existing SYD from km 30.5 +/- to the end of the road at km 188).

Since the Concessionaire has constructed the Bypass and has upgraded the existing SYD Road from km 30.5 to km 121, only normal maintenance will be included within the O&M for these sections of the new SYD. Any future upgrades, repairs, or rehabilitation to these sections, during the life of the Concession Agreement, will be the responsibility of the Concessionaire to perform and will be considered to be included within the scope of the Concession.

The full scope of the O&M is described in Section 3.0 and in detail in Appendix D.

1.2.5 Up-front Payment

Upon signing the Concession Agreement, the Concessionaire will be required to pay to MEM \$2.5 million (the “**Up-front Payment**”) as a contribution to the cost of construction of the access improvements from the Alaska Highway to the start of the Bypass. The Concessionaire will recover this cost and associated financing costs through the Availability Payment described in Section 4.8.

1.3 Financing

The Concessionaire will provide and obtain all interim and permanent financing necessary for the design, construction, operation, maintenance, rehabilitation and management of the Project for the entire term of the Concession Agreement.

1.4 System of Payments

MEM will pay to the Concessionaire in consideration of the Work an Availability Payment and an O&M Payment.

The Availability Payments for the Bypass (including the Up-front Payment) and the SYD Upgrade will commence when the construction portion of the Work is available for use and will continue until the termination of the Concession Agreement.

The O&M Payment will commence August 1, 2004 when the Concessionaire assumes responsibility for maintenance of the existing SYD Road and continue until the termination of the Concession Agreement.

Details of the system of payments and other business arrangements are summarized in Section 4.0, described in detail in Appendix E (Concession Agreement) and illustrated in Appendix F.

1.5 Source of MEM Funding for the Project

MEM will be the signatory to the Concession Agreement for the Project. MEM’s funding for the Project will be raised through user fees charged to the industrial users of the SYD. These user

fees will be collected by MEM and directed to a segregated account for the purposes of meeting the payment obligations under the Concession Agreement. As is current practice under the existing system of charges, fees may be adjusted following consultation with the RUG, on an annual basis, to provide sufficient funds for MEM to meet the expected obligations under the Concession Agreement.

As described in the RFQ, fees are currently levied for use of the SYD according to a system of charges established by BCTFA. In anticipation of the Project, MEM is working with BCTFA to establish a new system of charges which will include revised fees commencing December 1, 2003. Table 3 below, contains a summary of current levels of activity and the revised fee schedule contemplated to commence December 1, 2003.

Table 3 – Summary of Typical Annual Activity Levels and Expected Revenues

Activity Type	Typical Recent Annual Activity Levels			Fiscal 2003/04 Usage Fee		Expected Total Annual Fees
	Summer	Winter	Total	Summer Apr 1 – Nov 30	Winter Dec 1 – Mar 31	
Active Well	650 wells			\$1,600/well		\$1,040,000
Non-active Well	400 wells			\$600/well		\$240,000
Drilling Rig Moves	10 moves	50 moves	60 moves	\$30,500/move	\$23,500/move	\$1,480,000
Well Drilling	31 wells	149 wells	180 wells	\$10,250/well	\$7,900/well	\$1,495,000
Construction Projects	N/A			0.2% of the construction project cost, plus 0.003% of construction project costs times the number of kilometers of SYD Road used to access the project		\$46,000
Geophysical Exploration Projects	11 projects			\$5,125/project		\$56,000
Timber Hauling	250,000 m3			\$0.68/m3		\$170,000
TOTAL						\$4,527,000

Based upon recent information provided by members of the RUG, the annual fees collected in the next drilling year (December 1, 2003 to November 30, 2004) may exceed these estimates. The number of new wells drilled and accompanying drill rig moves are projected to be approximately twice the historical levels set out above. In particular, summer activity levels are expected to be significantly higher than in the past.

1.6 Short-listed Proponents

Through the RFQ process, MEM has invited three proponents (the “Proponents”) to participate in this request for proposals (“RFP”) stage: The three Proponents are:

1. **Emcon – Tercon SYD Project Team:** Tercon Construction Ltd., Emcon Services Inc., Surespan Construction Ltd., Stantec Consulting Ltd., AMEC Earth & Environmental Limited, Delcan Corporation, QR Engineering Ltd. and Macquarie North American Ltd.;
2. **Ledcor Projects Inc.:** Ledcor Projects Inc., McElhanney Consulting Services Ltd., Buckland & Taylor Ltd., Trow Associates Inc., and Triton Environmental Consultants Ltd.; and
3. **Walter / SNC Lavalin Joint Venture:** Walter Construction Corporation, SNC-Lavalin Inc., Allnorth Consultants Limited, Kledo Construction Limited, Ruskin Construction Limited, GTM Consulting Inc., and Hatfield Consultants.

Only these three Proponents will be invited or permitted to submit proposals or otherwise participate in this RFP stage.

1.7 Purpose of this Request for Proposal

The purpose of this RFP is to invite three Proponents to submit proposals for the design, construction, financing, operation, maintenance, rehabilitation and management of the SYD under a long-term concession agreement. MEM intends to select the Preferred Proponent that has submitted a Proposal which MEM judges is the most advantageous and which:

1. will be delivered within the time frame set out in Section 2.8;
2. has the lowest net cost to MEM, adjusted for risk as described in Section 7.1(c);
3. meets the specifications set out in this RFP; and
4. provides the best value for money to MEM and RUG (in terms of the scope of work undertaken, i.e., Base Case versus one or more of the Priced Options).

The evaluation process and criteria that will be applied in the evaluation of submissions are set out in Section 7.0.

1.8 Base Case and Priced Options

MEM requires Proponents to submit a Base Case Proposal and Priced Options as follows:

1. Proponents must submit a Base Case Proposal that responds to the requirements of the Work as described in this RFP,

2. Proponents must submit Proposals for the Priced Options that respond to the requirements of the Work as described in this RFP, and identify the incremental impacts on the System of Payments.

Proponents are encouraged to identify, through the enquiry process, improvements to the design, construction, operations and maintenance specifications that would reduce the overall costs of the Project while maintaining overall Project objectives. MEM will endeavour to respond within five business days regarding the acceptability of suggested changes. If accepted, the suggested changes will be issued as an addendum to the RFP.

1.9 Draft Concession Agreement

The Draft Concession Agreement (Appendix E) includes the commercial terms for the public-private partnership between MEM and the Concessionaire. The final form of the Concession Agreement may be modified from the attached draft by agreement of the Preferred Proponent and MEM prior to execution by the parties.

1.10 Outline of this Request for Proposal

This RFP consists of the main body of the RFP and the attached Appendices, which form part of the RFP.

The information in the main body of the RFP includes:

1. an overview of the Bypass Work and SYD Upgrade Work (Section 2.0) which is described in greater detail in the Design and Construction of New Work specifications as set out in Appendix C;
2. an overview of the O&M (Section 3.0) which is described in greater detail in the Maintenance of New and Existing Roads specifications, as set out in Appendix D;
3. an overview of the business arrangement (Section 4.0) which is described in detail in the Draft Concession Agreement attached as Appendix E;
4. instructions to Proponents (Section 5.0) and the Proposal requirements (Section 6.0 and Appendix B, F, G and H);
5. the evaluation process and criteria (Section 7.0); and
6. definitions used in the RFP (Section 9.0).

The Appendices attached to the RFP are as follows:

- Appendix A - List of Reference Documents
- Appendix B - Proposal Contents
- Appendix C - Design and Construction of New Work

- Appendix D - Maintenance of New and Existing Roads
- Appendix E - Draft Concession Agreement
- Appendix F - Payment Schedule
- Appendix G - Schedule of Costs
- Appendix H - Certificate of Acknowledgement of No Material Adverse Change

2.0 The New SYD Road

2.1 Status of Road Development, Design and Construction

Route selection and evaluation work has been completed through MEM to advance timelines, and estimate costs and risks. Functional design work, studies, approvals and associated background information compiled to date has been provided to Proponents to serve as a basis for submitting responses to this RFP and for completing the Work as described in this RFP.

Design and construction will be required to meet a set of scope and performance objectives that are included in this RFP. The Concessionaire will be at liberty to use any or all of the work to date, but will be fully responsible for completion of the work in a manner that minimizes the implementation and operating and maintenance costs, while meeting the stated objectives. Alternatives to the road and bridge locations, designs, construction methods, or procedures that improve value in meeting the requirements will be the responsibility of the Concessionaire.

For clarity, the Project has been sub-divided into seven separate segments, briefly described as follows:

Bypass Work (Section 1.2.1)

- Segment 1.** From the end of pavement on Airport Drive to the start of the approach fills for the Fort Nelson River Bridge;
- Segment 2.** The Fort Nelson River Bridge, including the approach fills at each end of the bridge;
- Segment 3.** The section of new road starting at the east end of the east approach fill to the Fort Nelson River Bridge and ending at the top of the ascent out of the Fort Nelson River Valley;
- Segment 4.** The section of new road from the eastern crest of the Fort Nelson River Valley to the intersection with the Kotcho Lake Winter Road generally following the existing Slocan Forest Services winter road alignment;
- Segment 5.** The section of new road from the intersection with the Kotcho Lake Winter Road to the intersection with the existing SYD Road at about km 30.5 of the existing SYD Road;

SYD Upgrade Work (Section 1.2.2)

Segment 6. The section of the existing SYD Road from about km 30.5 to the Yoyo Tee at about km 121; and

Segment 7. The section of the existing SYD Road from the Yoyo Tee at about km 121 to the end of the road at about km 188.

Preliminary design work on the first 1.5 km of Segment 1 is underway and will be provided to Proponents as a Reference Document when complete.

The only other design work that has been carried out on any of the remainder of the Project is that which is contained within the Reference Documents that have been issued to the Proponents. The design work contained within the Reference Documents is conceptual in nature and the Proponents shall perform their own design work to prepare their response to this RFP. MEM does not guarantee and will accept no responsibility for any of the information contained in the Reference Documents.

MEM has contracted with a local contractor to cut a “P-Line” along the conceptual alignment that is contained within one of the Reference Documents. The “P-Line” is not intended to be the future road centerline. It is only a reference line for the convenience of MEM and the Proponents to carry out geo-technical fieldwork and to identify the general location of the future road.

2.2 Early Construction of Fort Nelson River Bridge

MEM requires that the Bypass, including the Fort Nelson River Bridge, be completed by November 30, 2004. In order to complete the Bridge on this schedule, it will likely be necessary to construct the foundations of the Bridge during the months of January, February and March, 2004. It is a requirement of this RFP that Proponents submit their designs for the Fort Nelson River Bridge foundations and a lump sum price to construct the foundations. MEM intends to issue a notice (“**Notice To Proceed**”) for the construction of the foundations, prior to the completion of the Concession Agreement.

2.3 Property Availability (Including Gravel)

The SYD Road is located on Crown Land. There are several surveyed lots in Segment 1 that may be affected by the new SYD Road.

For the Bypass, a one-kilometer wide corridor is available for the new SYD road. There is a Section 16 Land Act reserve in place on the corridor required for the Bypass Work.

MEM has identified gravel sources in proximity to the Project, as set out in Appendix A, Reference Documents 6 through 9. These pits have been identified for the purposes of the Project. MEM will cause Land and Water British Columbia Inc. (“LWBC”) to issue a license to the Concessionaire to extract gravel from these pits on a royalty-free basis, for use on the Project.

2.4 Performance Requirements

The general performance requirements for the Bypass and the SYD Upgrade were summarized in Sections 1.2.1, 1.2.2 and 1.2.3. MEM wishes to be as unrestrictive as possible in its requirements for the SYD Project, in order to preserve the maximum opportunity for design and construction innovation and cost effectiveness. To that end, the following are the minimum design criteria that shall be used for the design of the Project:

Bridge Design:

- Design load to be L-100 (Ministry of Forests);
- Design code to be CAN/CSA-S6-00;
- Bridge deck to be concrete or asphalt on concrete; and
- Minimum width from face to face of traffic barriers to be 9000 millimeters.

Road Design:

- Design speed to be 80 kms per hour;
- Maximum grade to be 6%; and
- Ditch slopes to be 3:1 or flatter.

In addition, the Work shall be designed and constructed to achieve the following performance criteria:

Bridge Design and Construction:

- Design life to be 50 years; and
- Service life to be 25 years.

Road Design and Construction:

- In the Fort Nelson River Valley, the road may be overtopped during spring flood conditions for up to one month in duration; and
- During “spring break-up”, load restrictions will be permitted, for a period of up to two months.

2.5 Environmental Matters

MEM is committed to respecting the environment on all of its projects. The Concessionaire will be required to ensure that the design and construction of the Work is carried out in accordance with all laws, regulations and appropriate practices for protection of the environment.

The Concessionaire shall be responsible for addressing all relevant environmental issues associated with the Work. These issues may include the following:

- Water quality and aquatic resources;
- Vegetarian/riparian habitat;
- Wildlife values and habitat;
- Hazardous materials; and
- Vehicle and equipment maintenance.

The Concessionaire's responsibilities shall include, but not be limited to:

- a) Identifying, assessing and mitigating environmental impacts and issues including compensation, where necessary, due to unavoidable loss of habitat;
- b) Liaising with appropriate provincial and federal environmental agencies to ensure their concerns are addressed;
- c) Obtaining all necessary approvals and consent from environmental agencies prior to undertaking any Work; and
- d) Ensuring that handling of hazardous materials and vehicle and equipment maintenance is done in such a way as to prevent environmental damage.

For detailed requirements relating to protection of the environment, refer to the Concession Agreement.

2.6 Utilities and Pipelines

Due to the nature and the location of the new SYD Road, apart from pipelines, there are few utilities that will be affected by the Work. Proponents, in preparing their submissions, are required to prepare a utility management plan to show how they propose to protect and preserve any such utilities.

2.7 Approvals and Permits

Various permits and approvals will be required for the Project. The following describes the current status of and future requirements for those approvals and permits:

1. A preliminary design for the Fort Nelson River Bridge has been filed and gazetted with Canada Coast Guard (“CCG”) under the Navigable Waters Protection Act (Canada). MEM and ND LEA will continue close liaison with CCG as the bridge design is finalized. The Proponent shall prepare and submit suitable general arrangement drawings of its bridge design for the Fort Nelson River Bridge to MEM by October 29, 2003, for submission to CCG;
2. MEM and Environmental Dynamics have met recently with Department of Fisheries and Oceans (Canada) (“DFO”). Early verbal indications from DFO are that the project will not require a comprehensive study under the Canadian Environmental Assessment Act (“CEAA”). DFO is aware of the potential for the location and/or the design of the Fort Nelson River Bridge to be revised by the Proponents. However, the possibility of a Habitat Alteration, Damage or Disturbance (“HADD”) authorization exists, depending on the final design. DFO recommends designing the Bypass such that HADD authorization is not required. DFO wants the removal of riparian vegetation to be minimized, as much as possible, preferably limiting the removal of vegetation to the footprint and area near the toe of the approach fills. DFO wants assurance that the approaches to the Fort Nelson River Bridge do not have the potential to suffer a major failure during extreme high water events, which would have a detrimental impact on the environment;
3. The draft Proponent Application Plan (Appendix A, Document 17, provided by EDI Environmental Dynamics Inc.) for the small streams included in the Bypass Work was designed to meet the Ministry of Water, Land and Air Protections’ (“WLAP”) requirements for stream crossing projects. The Concessionaire is invited to conduct its own additional environmental fieldwork to re-classify stream reaches that were classified by default as fish bearing if it so chooses;
4. LWBC has reviewed the Project and will issue a Section 16 *Land Act* reserve for the property required for the Bypass Work;
5. An archaeological assessment is currently being carried out on the east side of the Fort Nelson River in Segments 3 through 5. The west side and a partial study on the east side had been completed previously. A report on the previously completed work has been issued as a Reference Document. As soon as the latest work is finished, a report will be provided to the Proponents as a Reference Document;
6. Pipeline crossing permits will be required when performing road works in an area where a pipeline crosses the new SYD Road; and
7. The Concessionaire will be required to obtain all necessary approvals to facilitate the development and operation of any gravel pits.

2.8 Completion Schedule

The required completion schedule for the Project is as follows:

- Completion of the Bypass (Segment 1 through 5 - from the end of Airport Drive to the junction with the existing SYD at about km 30.5) – **November 30, 2004.**
- Completion of the SYD Upgrade (Segments 6 and 7, the existing SYD Road from km 30.5 to km 188) – **November 30, 2005.**

3.0 O&M Component

3.1 Operations

Commencing August 1, 2004, the Concessionaire will be responsible for the operations of the existing SYD Road. Upon completion of the Bypass, the Concessionaire will be responsible for the operation of the new SYD Road, from the connection point at the end of Airport Drive to the end of the road at km 188 (Segments 1 through 7) and will no longer be responsible for the existing SYD Road from km 15 to km 30.5.

The operations shall include the monitoring of conditions, traffic control, assessment of the need for load restrictions, posting of warnings to motorists, and the measurement of traffic volumes and weights.

3.2 Maintenance and Safety

The Concessionaire shall undertake a planned system of activities predicated upon response times and conditions, as described in the performance standards and the safety standards that are contained in Appendix D: Maintenance of New and Existing Roads.

The activities shall include the following:

- a) Road Structure Maintenance;
- b) Drainage Maintenance;
- c) Roadside Maintenance;
- d) Bridge Structure Maintenance;
- e) Winter Maintenance;
- f) Traffic Maintenance;
- g) Emergency Maintenance; and
- h) Inspection.

3.3 Management

The Concessionaire shall implement a management system, including personnel, equipment, office space as necessary, vehicles, etc, to manage, monitor and control all aspects of the Work.

3.4 Environmental Requirements

The Concessionaire shall be responsible for addressing all relevant environmental issues associated with the Work. These issues may include the following:

- Water quality and aquatic resources;
- Vegetarian/riparian habitat;
- Wildlife values and habitat;
- Hazardous materials; and
- Vehicle and equipment maintenance.

The Concessionaire's responsibilities shall include, but not be limited to:

- a) Identifying, assessing and mitigating environmental impacts and issues including compensation, where necessary, due to unavoidable loss of habitat;
- b) Liaising with appropriate provincial and federal environmental agencies to ensure their concerns are addressed;
- c) Obtaining all necessary approvals and consent from environmental agencies prior to undertaking any Work; and
- d) Ensuring that handling of hazardous materials and vehicle and equipment maintenance is done in such a way as to prevent environmental damage.

3.5 Quality Management

Quality management shall include all activities involving operations and maintenance. The implementation of an effective Quality Management Plan is integral to MEM's requirements.

MEM or its representative will carry out compliance reviews of the Concessionaire's activities to ensure that the Work and the O&M is being performed in accordance with the requirements of the Quality Management Plan.

3.6 Hand Back Standards

The new SYD Road shall be returned to MEM in a condition the same as agreed upon for completion of the Work (and any future change orders), with the exception of the expected remaining useful life of the bridges, which will be reduced by the number of years between their commissioning and the termination of the Concession Agreement.

3.7 Stakeholder Relations

The Concessionaire will be responsible for maintaining good relations with RUG, the local community, First Nations, and others with an interest in the SYD Road. The Concessionaire will develop and implement a communications plan (in conjunction with MEM and RUG), including the use of a maintenance “hot line” to handle reports of road operations, maintenance and safety problems.

The Concessionaire shall establish a short wave radio communications system for reporting of accidents and conditions on the SYD Road, in order to expedite response times for vehicle mishaps and extraordinary maintenance work. The frequency of the radio communication system shall be prominently displayed on the twelve (12) information signs that will be installed by the Concessionaire on the Road.

3.8 Performance Measurement

MEM has developed a set of performance standards as contained in Appendix D, through which MEM will monitor the operations and maintenance of the road throughout the term of the Concession. Failure to meet these performance standards will result in financial penalties and/or termination of the Concession Agreement. The system of performance measurement is detailed in the Concession Agreement.

4.0 Business Arrangement

4.1 The Concession Agreement

MEM will be the signatory to the public-private partnership arrangement. MEM will enter into the Concession Agreement with the Concessionaire to carry out all aspects of the design, construction, financing, operation, maintenance and management of the Project for the entire term of the concession. The Concession Agreement will provide for the Bypass work, the SYD Upgrade work, the O&M and potentially some of the Priced Options.

A summary of the key terms of the draft Concession Agreement is included in this Section. (Note – this Section is provided for convenience. In the event of a conflict between any provision of this section and any provision of the Final Concession Agreement, the Final Concession Agreement will govern.)

4.2 The Term

The term of the Concession Agreement commences effective December 1, 2003, following finalization and execution of the Concession Agreement and continues for 15 years.

4.3 Tenure

Effective December 1, 2003, MEM will be acquiring both a lease of the Concession Highway Lands from BCTFA, and from the Minister of Transportation the management, charge and direction of all matters related to the acquisition, construction, repair, maintenance, alteration, improvement and operation of those lands. The lease to MEM from BCTFA will not be terminable during the currency of the Concession Agreement. The Concession Agreement contemplates MEM granting a ground sublease to the Concessionaire over the Concession Highway Lands and transferring to the Concessionaire all of the existing improvements (as defined in the Concession Agreement) to the Concession Highway Lands. The Concession Highway Lands and all improvements thereto will be subleased in an “as is” condition. During the term of the ground sublease, the Concessionaire shall own all buildings, structures, improvements and fixtures constructed, erected upon the Concession Highway Lands. These assets will revert to MEM at the termination of the Concession Agreement for \$nil consideration.

4.4 Up-front Payment by Concessionaire

Upon signing the Concession Agreement, the Concessionaire will be required to pay MEM the Up-front Payment of \$2.5 million as a contribution to the cost of construction of the access improvements from the Alaska Highway to the start of the Bypass. The Concessionaire will recover this cost and associated financing costs through the Availability Payment described in Section 4.8.

4.5 The Bypass and SYD Upgrade Work

The Concession Agreement will require the Concessionaire to complete the design, construction and commissioning of the Bypass, by no later than November 30, 2004. The completion of the SYD Upgrade is to be no later than November 30, 2005. All of the Work (including any Priced Options selected) must be designed to the specifications described in Section 2.0, and as set out in detail in Appendix C. The design and performance standards are minimum standards for the development, design and construction of the SYD Road.

4.6 The O&M

The Concessionaire will be responsible for operating, maintaining, and managing the SYD Road in accordance with any laws and regulations and in accordance with the specifications and standards described in Section 3.0 and set out in detail in Appendix D. The performance standards are minimum standards for the operation and maintenance of the SYD Road.

The Concessionaire will be expected to maintain the new SYD Road over the term of the Concession Agreement such that the new SYD Road reverts to MEM in the condition required under Section 3.6.

The Concessionaire's responsibility for the O&M component of the Work will commence August 1, 2004. That responsibility will be for the maintenance of the existing SYD Road until the Bypass is completed and opened to traffic, after which its responsibility for maintenance of km 15 to km 30.5 of the existing SYD Road will cease and instead it will be responsible for the entire new SYD Road.

4.7 Interim Contract

MEM may enter into an interim contract with the Preferred Proponent in respect of the foundation piling component of the Bypass Work for the new Fort Nelson River Bridge (see Appendix G). If the Preferred Proponent enters into the Concession Agreement, the interim work will form part of the Bypass Work. If the Preferred Proponent does not enter into the Concession Agreement, the foundation and piling component of the Bypass Work pertaining to the Fort

Nelson River Bridge (undertaken by an unsuccessful Proponent) will be assigned to the Concessionaire for its use in its Work, in which case MEM will assume responsibility for the work undertaken under the interim contract.

MEM intends to issue a Notice to Proceed on December 15, 2003 to the Preferred Proponent in order to initiate work on the bridge foundations and piers as soon as possible.

Proponents are required to provide, in their proposals, a lump sum price for the design, materials, construction, mobilization, demobilization and management of the work on the bridge piers and foundations.

4.8 System of Payments

In consideration of carrying out the Work, MEM will pay the Concessionaire on a monthly basis:

- a) an Availability Payment; and
- b) an Operation and Maintenance (O&M) Payment.

Appendix F provides a format for Proponents to submit their required Availability Payments and O&M Payments. This format should be used to separately submit the Base Case and the incremental impacts of each of the Priced Options.

4.8.1 Availability Payment

The Availability Payment shall compensate the Concessionaire for the capital and financing cost of the Up-front Payment and the Bypass, and the SYD Upgrade, and all required insurance costs during the construction period, as amortized over the term of the Concession Agreement. The Availability Payment is a monthly amount that does not commence until the respective portion of the Work is available for use. Completion of either the Bypass or the SYD Upgrade earlier than the required date will result in the early payment of the Availability Payment for that portion. Late completion will postpone the Availability Payment for the portion delayed.

4.8.2 O&M Payment

The O&M Payment will consist of a fixed and a variable (incremental) component and shall compensate the Concessionaire for the cost and financing of the operation, maintenance and management of the SYD Road. Proponents are asked to bid this payment over three time periods, to reflect the fact O&M costs will vary upon completion of the Bypass and SYD Upgrade.

- August 1, 2004 to November 30, 2004 – Existing SYD Road.
- December 1, 2004 to November 30, 2005 – Bypass plus km 30.5 +/- to km 188 of the existing SYD Road.

- December 1, 2005 to November 30, 2018 – Bypass plus SYD Upgrade.

Early or late completion of either the Bypass of the SYD Upgrade will result in either an early or late start to the next time period for the O&M Payment.

The variable component will be paid based on the number of drilling rig movements on the road in the course of a year. Both the fixed and variable components of the O&M payments will be indexed to inflation using the Consumer Price Index (“CPI”).

Insurance costs pertaining to operations and maintenance will be a pass-through cost to MEM and will not be included in the O&M Payments.

Proponents will be paid their monthly O&M Payments, over three different time periods, and for the winter and summer seasons (Incremental O&M Payment only) as follows:

1. A Base O&M Payment; and
2. An Incremental O&M Payment per drilling rig move, identifying a Summer Rate (covering the period from April 1 to November 30) and a Winter Rate (covering the period from December 1 to March 31).

Proponents are also required to provide a quote of the insurance cost for the first full year of operations and maintenance, starting August 1, 2004. The required insurance is specified in Schedule 3.6 of the Draft Concession Agreement.

MEM will pay the Concessionaire its Incremental O&M Payments during the year based upon the historical drilling rig moves for the prior year and will reconcile these payments to actual Drilling Rig Moves at the end of the year.

The Availability Payment, the O&M Payment and the insurance costs related to O&M will be the only payments owed by MEM with respect to the Project, unless specifically and explicitly stated otherwise in the Concession Agreement or as contemplated in Section 4.9.

4.9 Incentives to the Concessionaire

4.9.1 Bonus Payment

MEM will pay an incentive (“**Bonus Payment**”) to the Concessionaire in recognition of a superior level of service to the RUG. The Bonus Payment will equal an amount of up to 5% of the total O&M Payment for the year. MEM, RUG and the Concessionaire will work together to develop an appropriate performance rating system to govern the Bonus Payment.

4.9.2 Penalties

MEM, has devised a system of penalties or adjustments that will apply in the event O&M is of a lower than expected standard or parts of the SYD are closed for more than a defined period of time. Penalties may be applied for example if the Concessionaire fails to consistently maintain a smooth road surface or repair potholes or remove debris or snow within a specified period. The system of penalties is described in detail in the Concession Agreement.

4.10 Financing

The Concessionaire will provide and obtain all interim and permanent financing necessary for the design, construction, rehabilitation, operation and maintenance of the Project, including major repairs or replacements for the entire term of the Concession Agreement.

4.11 Insurance and Performance Surety

The Concession Agreement will require the Concessionaire to obtain and maintain appropriate and adequate, performance surety and liability insurance. The Concession Agreement contains details of the required insurance coverage.

As noted in Section 4.8, The Concessionaire will be compensated for insurance costs during the construction period in the Availability Payment. Insurance costs for the O&M components will be assumed by MEM and will be a pass-through cost for the Concessionaire.

With respect to the performance surety:

- a) For the first 13 years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$300,000; and
- b) For the last two years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$1,000,000.

5.0 Instructions to Proponents

5.1 Project Schedule

The following is the RFP schedule that MEM intends to follow but which MEM may modify as it may require.

Table 6 – Expected Project Schedule

Activity	Date
Issuance of RFP and draft Concession Agreement	September 29, 2003
Deadline for comments on Draft Concession Agreement	October 22, 2003
Deadline for receipt of general arrangement drawings of the Fort Nelson River Bridge for submission to Canadian Coast Guard	October 29, 2003
Deadline for RFP Proposals	November 14, 2003
Announcement of Preferred Proponent	November 28, 2003
Notice to Proceed with Bridge Foundations issued to Preferred Proponent	December 15, 2003
Finalization and execution of the Concession Agreement and Financial Close	January 30, 2004
Commencement of construction of Bypass	First Quarter 2004
Mandatory completion of construction of Bypass	November 30, 2004
Mandatory completion of construction of SYD Upgrade	November 30, 2005
End of Concession Term	November 20, 2018

5.2 Comments on Draft Concession Agreement

Proponents are invited to submit to MEM comments on the Draft Concession Agreement to remove impediments, if any, to the participation of a Proponent in the RFP and to improve the overall cost of the Project to MEM, including the cost of risks retained by MEM. All comments must be received in writing on or before October 22, 2003 by the Contact Person at the address noted in Section 5.4. MEM will consider all such comments, but reserves the discretion not to make a change to the Draft Concession Agreement as suggested by a Proponent.

MEM will on or before October 29, 2003 either:

1. issue a revised Draft Concession Agreement to all Proponents incorporating any changes MEM decides are required; or
2. advise all Proponents in writing that no changes will be made to the Draft Concession Agreement as originally issued.

The Draft Concession Agreement as revised or confirmed will be the basis of the Proponents' Base Case Proposals, subject to further amendment by way of written Addendum as permitted by this RFP.

5.3 Reference Documents

MEM has provided Proponents with certain documents ("**Reference Documents**"), as listed in Appendix A, relevant to the Project. These Reference Documents are provided for the information and reference of the Proponents and except as may otherwise be expressly provided, none of these documents and any other information that may be made available will be included in or form part of this RFP.

5.4 Contact Person for Enquiries

Proponents should submit any enquiries related to this RFP to the following person ("**Contact Person**"). Enquires should be in writing:

Contact Name:	Nick Crisp
Title:	Manager
Address:	6 th Floor, 1810 Blanshard Street PO Box 9323 Station Provincial Government Victoria, British Columbia
Fax:	(250) 952-0922
E-mail:	<i>syd@partnershipsbc.ca</i>

Questions received within 10 business days of the Closing Date and Time for RFP Proposals may not be answered. MEM will send a confirmatory e-mail to senders of enquiries through e-mail. Proponents are responsible for ensuring that MEM has received their enquiries prior to 10 business days before the Deadline for RFP Proposals.

Proponents are not entitled to rely on information obtained from any source other than the Contact Person in the preparation of Proposals.

5.5 Distribution of Responses to Enquiries

MEM will respond to enquiries as follows:

- a) enquiries to and responses from the Contact Person will be recorded;
- b) MEM will endeavour to provide a response within five business days, or advise the enquirer of the time required;
- c) MEM may, at its sole discretion, respond to any enquiries received and circulate all questions and answers to all Proponents. Where, in the sole opinion of MEM, such a question necessitates a change to this RFP, MEM will prepare and issue an appropriate addendum to this RFP; and
- d) a Proponent may request that a response to an enquiry be kept confidential if the Proponent considers the enquiry is commercially confidential to it, and if MEM decides that any response must be distributed to all Proponents, then MEM will permit the enquirer to withdraw the enquiry rather than receive a response.

5.6 Changes, Amendments or Additions to the RFP

This RFP may be amended only by written addenda (“**Addenda**”) issued by the Contact Person.

5.7 Access to Site

Proponents are encouraged to visit the SYD in the preparation of their Proposals.

6.0 Proposal Requirements

6.1 Base Case Proposal and Priced Options

The Proponent must submit a Base Case Proposal and Priced Options that will be evaluated against the Base Case Proposals and Priced Options submitted by other Proponents. The details of the content and format of the Base Case Proposals and Priced Options are set out in Sections 6.8 and 6.9, and Appendix B of this RFP. Proponents must:

1. submit a Base Case Proposal, which is a Proposal for the design, construction, financing, operation, maintenance, rehabilitation, and management of the SYD Road that complies with the requirements of Sections 2.0, 3.0 and 4.0, Appendix C and the draft Concession Agreement; and
2. submit the Priced Options, as described in Section 1.2.3 and Appendix C.

Proponents that do not submit the required Base Case Proposal and/or any or all of the Priced Options may be disqualified.

A Proposal that is based on lands other than the Concession Highway Lands will not be accepted. A Proposal that is designed to accommodate uses that are not permitted under this RFP or the Concession Agreement will also not be accepted.

6.2 Closing Date and Time

The Closing Date and Time is:

**November 14, 2003
4:00 p.m., local Vancouver, British Columbia time**

6.3 Delivery

Proposals should be addressed and delivered to:

Ministry of Energy and Mines – Sierra Yoyo Desan Road Project
Public – Private Partnership – Proposal
c/o Partnerships British Columbia
#1250 - 999 West Hastings Street
Vancouver BC V6C 2W2
Phone (604) 660-1087
Attention: Mr. Nick Crisp

6.4 Late Proposals

Proposals received after the Closing Date and Time will be returned unopened to the Proponent and will not be considered by MEM.

6.5 Revisions to Proposals

Proposals may be revised by written amendment, delivered to the location set out above, at any time before the Closing Date and Time but not after.

6.6 Working Language

All Proposals must be written in English.

6.7 Number of Copies

Six (6) complete hard copies and one (1) complete electronic copy (on CD-ROM and including the Financial Model in Excel spreadsheet form) of a Proponent's Proposal should be delivered in sealed packages or boxes labeled "Proposal – Ministry of Energy and Mines - Sierra Yoyo Desan Road Project".

6.8 Proposal Content – Volumes A to D

Details of the format and content of Proposals are set out in Section 6.9 and Appendix B to this RFP. Proposals should be submitted in four separate volumes ("Volumes") as follows:

- Volume A: Legal and Commercial
- Volume B: Design and Construction
- Volume C: Operation and Maintenance
- Volume D: Financial

Proposals must be submitted in the format requested in the RFP.

Each of the four volumes should have tabs to separate the Base Case Proposal and each of the Priced Options. Information common to the Base Case Proposal and the Priced Options should only be presented once, in the Base Case Proposal.

The differential information on each Priced Option must meet the submission requirements contained in Appendix B and address the scope of work and performance criteria contained in Appendices C and D.

6.9 Proposal Format

Proposals should be submitted in 8 ½” x 11” size ring binders as follows:

- a) label the volumes as identified in Section 6.8 with the appropriate volume letter, (“Volume A”) and if a given volume has more than one binder, then each binder number (“Volume A-1, A-2);
- b) clearly label the Base Case Proposal, Option #1, Option #2, Option #3, Option #4, and Option #5; and
- c) insert a table of contents in each binder showing the table of contents for the entire Proposal.

6.10 Cover Letter

Proposals must be submitted with a covering letter identifying:

- a) the name of the Proponent, including the principal team members;
- b) the name of the person to contact regarding proposal questions (“**Proposal Contact Person**”); and
- c) the number of binders in each Volume.

7.0 Evaluation and Evaluation Criteria

7.1 Proposal Evaluation Process

The evaluation of Proposals will be undertaken by an evaluation committee (“**Evaluation Committee**”) comprised of a person or persons appointed by MEM and the RUG. The Evaluation Committee may consult with, and receive advice from technical, legal, financial and other advisors as the Evaluation Committee may in its sole discretion decide it requires.

The Evaluation Committee will evaluate Proposals as follows:

- a) the Evaluation Committee will evaluate Proposals by applying the evaluation criteria described in Section 7.2;
- b) Volumes A, B, and C of each submission will first be evaluated on a pass/fail basis. Only those proposals that are deemed to be compliant with the evaluation criteria set out in the RFP for Volumes A, B and C will proceed to the financial evaluation stage (Volume D - Financial);
- c) After reviewing the mandatory requirements in Volume D and determining that the Proposal is compliant with these requirements, the Evaluation Committee will evaluate the financial offers submitted on a risk-adjusted net present cost basis. The risk-adjusted net present cost of all compliant proposals will be compared and the proposals with the lowest net present cost for each of the Base Case, Option #1, Option #2, Option #3, Option #4 and Option #5 will be identified as preferred proposals for that alternative;
- d) The Evaluation Committee will evaluate each of the preferred proposals from a value-for-money perspective in deciding which alternative it wishes to pursue. It will then identify a Preferred Proponent accordingly from the preferred proposals of each of the alternatives;
- e) the Evaluation Committee will have regard for the evaluation criteria in making its selection of the Preferred Proponent and Proposal. The Evaluation Committee will not be obligated to select the Proposal that offers the lowest price or cost; and
- f) the Evaluation Committee may at its election select a Base Case (with or without one or more of the Priced Options) as the successful Proposal.

7.2 Evaluation Criteria

All volumes of each Proposal will be evaluated for completeness and compliance with the submission requirements of the RFP.

Appendix B contains a description of the mandatory requirements that Proponents must address in their Proposals. Proposals from Proponents not addressing all of the mandatory requirements may be disqualified.

Proposals will be evaluated as follows.

7.2.1 Volume A

The legal and commercial information will be reviewed for completeness and adherence to the Proposal content requirements contained in Appendix B – Volume A. Proponents must also be able to demonstrate their organizational capability to undertake the Project and how they intend to create and foster an effective partnership with MEM and RUG Proponents not submitting all mandatory information may be disqualified and their financial offers may not be considered.

7.2.2 Volumes B and C

The information required in Appendix B – Volumes B and C will be reviewed for completeness. The information submitted in Volumes B and C must fully address the scope of work and performance criteria described in Appendices C and D of this RFP. In understanding this evaluation, the Evaluation Committee will be looking for evidence that the Proponent fully understands the scope of the Project and has developed:

- a design that will meet the required scope of work and performance criteria contained in Appendix C;
- construction methods and schedule that will ensure that the Project can be completed within the mandatory deadlines;
- appropriate plans to manage quality, environmental matters and traffic; and
- an effective operations and maintenance plan that meets the scope of work and performance criteria contained in Appendix D.

Proponent Proposals that do not contain sufficient information for the Evaluation Committee to make a determination on these matters may be disqualified.

7.2.3 Volume D – Mandatory Requirements

The Proponent must demonstrate that it is capable of obtaining the following performance surety and insurance to undertake the project.

1. For the first 13 years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$300,000;
2. For the last two years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$1,000,000;
3. Construction insurance of the types and amounts specified in Schedule 3.6 of the Draft Concession Agreement;
4. Operations and Maintenance insurance of the types and amounts specified in Schedule 3.6 of the Draft Concession Agreement; and
5. The Proponent must demonstrate that it continues to have the financial capability to undertake this assignment.

7.2.4 Volume D – Financial Offer Evaluation

The Availability Payments, the O&M Payments and the Insurance premium pertaining to O&M (at rates committed to for 2004) will be evaluated based on the lowest risk-adjusted aggregate net present cost as calculated by MEM. The decision of which option to pursue will be at the sole discretion of MEM and be based on an assessment of value-for-money from the perspective of MEM and RUG.

In calculating the lowest risk-adjusted net present cost, the following scenarios will be applied:

Annual Traffic	Low	High
Winter Drilling Rig Moves	50	80
Summer Drilling Rig Moves	10	40

The risk-adjusted net present cost calculated under both the low and high will be averaged and used in the evaluation in identifying the preferred proposal for each alternative.

7.3 Clarification of Proposals

The Evaluation Committee may at its discretion, during the evaluation after the Closing Date and Time, invite a Proponent to provide a presentation or clarification of the Proponent’s Proposal, either in writing or by meeting directly with the Evaluation Committee. The Evaluation Committee is not required to invite any such presentation or clarification, or to have a meeting, with any Proponent, and the Evaluation Committee may, at its discretion, invite such

presentations or clarifications from only one or some of the Proponents. The Evaluation Committee may consider such presentations and clarifications in the evaluation of a Proposal. Except upon invitation and request from the Evaluation Committee, no additional information may be submitted after the Closing Date and Time. The Evaluation Committee will have no obligation to request a Proponent to provide missing or deficient information.

7.4 Selection of Preferred Proponent

The executive of MEM, together with representatives of the RUG (the “Steering Committee”) will make the selection of the Preferred Proponent, and the Contact Person will advise all Proponents in writing of the Steering Committee’s selection decision. If MEM is unable to conclude a Concession Agreement with the Preferred Proponent, MEM reserves the right to proceed with negotiations with its second Preferred Proponent.

Accordingly, all Proposals must be valid for a period of six (6) months from the Closing Date and Time for the RFP.

7.5 Right to Negotiate

After selection of the Preferred Proponent MEM reserves the right to negotiate changes to the Proposal or to any of the terms of the Concession Agreement, but the Preferred Proponent will not be entitled to initiate changes to its Proposal or to the Concession Agreement, except as set out and described in its Proposal.

7.6 Debriefing

Following the execution of the Concession Agreement, and at the request of the Proponents who are not selected as the Preferred Proponent, MEM will provide a debriefing.

8.0 Other Matters

8.1 No Obligation to Select or Proceed

Notwithstanding any other section in this RFP, by submitting a Proposal the Proponent, and each firm, corporation or individual member of the Proponent, acknowledges and agrees:

- a) that MEM may, at its election, at any time by written notice terminate this RFP, or after the selection of the Preferred Proponent elect not to enter into the Concession Agreement and by written notice terminate the procurement process for the Project. After a termination as described above, MEM will be under no obligation to any Proponent or the Preferred Proponent, as the case may be. In such an event, MEM may, at its further election, decide not to proceed with the Project, or decide to proceed with the Project under a new public-private partnership procurement process, or decide to proceed with the Project in some manner other than as a public-private partnership; and
- b) that the occurrence of any of the events described in this Section will not give rise to any claim, action or cause of action whatsoever, including without limitation any claim described in Section 8.12.

8.2 Honorarium - Compensation to Unsuccessful Proponents

MEM will pay an honorarium in the amount of \$35,000 to each of the unsuccessful Proponents who have submitted a bona fide Proposal in compliance with the requirements of the RFP, payable at the time when MEM reasonably determines that the unsuccessful Proponent's Proposal will not be selected, in any event no later than the date when either the Concession Agreement is signed by MEM and the Concessionaire, or MEM determines that it will not enter into a Concession Agreement with any one of the Proponents.

The honorarium is not a reimbursement of an unsuccessful Proponent's actual Proposal preparation costs. The honorarium will be consideration for MEM's receipt of rights as described in Section 8.9.

8.3 Costs and Expenses of Proponent

Proponents are solely responsible for their own costs and expenses in preparing and submitting a Proposal, and participating in this RFP, including the provision of any additional information, attendance at meetings or conducting due diligence.

8.4 Changes to Proponent Members

If a Proponent wishes to make changes to its Proponent Members, from the Proponent Members described in its submission under the RFQ, then the Proponent should advise MEM as soon as possible and obtain MEM's consent to such change. MEM may approve such change, but may disallow a change if in the sole opinion of MEM the change would have a material negative impact on the ability of the Proponent to meet its obligations under the Concession Agreement. MEM is not obligated to reject, but reserves the right to reject, a Proposal that is submitted by, or describes, a Proponent with a composition that has been changed without MEM's consent.

8.5 Accuracy of Information

While the information set out, or referred to, or included by reference in this RFP, including the Reference Documents, has been prepared and included in good faith, MEM gives no representation whatsoever that it is comprehensive or that it has been independently verified. Neither MEM nor any of its RFP Advisors gives any representation or warranty express or implied as to the accuracy or completeness of such information, or any information on which the RFP is based, or any other background or reference information or documents prepared by third parties and made available to Proponents, and any liability related to such information is hereby expressly disclaimed. Proponents will make an independent assessment of the accuracy and completeness of such information and will have no claim whatsoever against MEM or against any of the RFP Advisors with respect to such information.

8.6 Restricted Companies

As a result of their involvement with MEM as RFP Advisors, the following companies and their affiliates, parents, subsidiaries, and related entities are unavailable to provide services to any Proponent in the preparation of a Proposal under this RFP:

- KPMG LLP
- Fraser Milner Casgrain LLP
- ND LEA Consultants Ltd.
- Thurber Engineering
- Environmental Dynamics
- Cook Roberts
- EVM Project Services Ltd.
- Northern Forest Resources Management Ltd.

8.7 No Lobbying

Proponents, and firm, corporation or individual members of a Proponent, will not attempt to communicate directly or indirectly with any representative of the Province of British Columbia, MEM, RUG, PBC, the Evaluation Committee, or any of the RFP Advisors at any stage of this RFP process, including during the evaluation process, except as expressly directed or permitted by MEM, or except as may be required and permitted under another procurement competition, project or other assignment, in which event the Proponent will not have any discussions regarding the Project.

MEM reserves the right to disqualify any Proponent that, in MEM's opinion, has engaged in lobbying in connection with this Project.

8.8 Disclosure of Information and Communication Procedures

All documents and other records submitted by a Proponent in response to this RFP in the custody of or under the control of MEM will be considered confidential, subject to the *Freedom of Information and Protection of Privacy Act, (British Columbia)*.

Proponents will not issue any news release or other public announcement that discloses the details of its Proposal or the selection process described in this RFP without the prior written approval of MEM.

8.9 Ownership and Copyright

The unsuccessful Proponent will retain all ownership of all information, concepts, ideas and designs as may be contained in its Proposal but in consideration of the payment of the honorarium as described in Section 8.2, grants to MEM an irrevocable license and right to use any such information, concepts, ideas and designs, except that any such rights will be limited to use in the design of the Project and not for any other purpose or road.

8.10 No Collusion

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

MEM reserves the right to disqualify any Proponent that in MEM's opinion has engaged in collusion in connection with this Project.

8.11 No Conflict

Proponents, including all firm, corporation or individual members of a Proponent, will promptly disclose to the Contact Person any potential conflict of interest and existing business relationships they may have with MEM, PBC, the Evaluation Committee, the Evaluation Steering Committee or any of the RFP Advisors. At the time of such disclosure, the Proponent will advise the Contact Person how it proposes to deal with the conflict.

MEM reserves the right to disqualify any Proponent that in MEM's opinion has a conflict of interest, whether such conflict exists now or is likely to arise in the future.

8.12 No Claims

Neither MEM, the Province of British Columbia, PBC, nor any of the RFP Advisors will be liable to any Proponent, or any firm, corporation or individual member of a Proponent, for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Proponent, or any firm, corporation or individual member of a Proponent, in preparing and submitting a Proposal, or participating in negotiations for the Concession Agreement, or any other activity related to or arising out of this RFP.

8.13 Federal Provincial Agreement on Internal Trade

This RFP is subject to the provisions of Chapter 5 of the Federal Provincial Agreement on Internal Trade between the Federal and Provincial Governments of Canada.

9.0 Interpretation

9.1 Definitions

Notwithstanding any other section in this RFP, by submitting a Proposal the Proponent, and each firm, corporation or individual member of the Proponent, acknowledges and agrees:

In this RFP the following definitions will apply:

“**Addenda**” has the meaning set out in Section 5.6;

“**Availability Payments**” has the meaning set out in Section 4.8;

“**Base Case Proposal**” has the meaning set out in Section 6.1;

“**Closing Date and Time**” means the date and time set out in Section 6.2;

“**Contact Person**” means the person identified in Section 5.4

“**Concession Agreement**” means the final contract between MEM and the Concessionaire for the design, construction, financing, operation, maintenance, rehabilitation and management of the SYD;

“**Concessionaire**” means the Preferred Proponent who enters into the Concession Agreement;

“**Concession Highway Lands**” has the meaning set out in the Concession Agreement;

“**DFO**” means the Department of Fisheries and Oceans;

“**Draft Concession Agreement**” means the agreement attached as Appendix E to this RFP as may be modified as contemplated in Section 1.9;

“**Evaluation Committee**” means the committee appointed by MEM as described in Section 7.1;

“**Financial Model**” has the meaning set out in Volume D of Appendix B;

“**Financing Plan**” has the meaning set out in Volume D of Appendix B;

“**MEM**” means the Ministry of Energy and Mines of the Province of British Columbia;

“MoT” means the Ministry of Transportation of the Province of British Columbia;

“O&M Payments” has the meaning set out in Section 4.8;

“Preferred Proponent” means the Proponent, if any, selected by MEM to be offered the opportunity to enter into the Concession Agreement with MEM, as provided by this RFP;

“Project” means the entire design, construction, finance, operation, maintenance, rehabilitation and management of the SYD Road as required by and described in the Concession Agreement;

“Proponent” means a party invited and permitted to participate in this RFP, as described under Section 1.6;

“Proponent Members” means the individuals, corporations, joint ventures, partnerships or other legal entities that will participate in meeting the Concessionaire’s obligations under the Concession Agreement as described in a Proposal;

“Proposal” means a submission prepared by a Proponent in response to this RFP;

“Proposal Contact Person” means the individual to which all correspondence or enquiries regarding a Proponent’s Proposal should be directed;

“Reference Documents” means those documents listed in Appendix A to this RFP;

“RFQ” means the Request for Qualifications dated July 18, 2003 issued for the Project;

“RFP” means this Request for Proposal;

“RFP Advisors” means the companies listed in Section 8.6;

“RUG” means the Road User Group, a group representing the industrial users of the SYD Road;

“SYD” or the “SYD Road” means the Sierra Yoyo Desan Road; and

“Up-front Payment” has the meaning set out in Section 1.1.

9.2 Capitalized Terms

Capitalized terms that are not defined generally refer to reference documents that are reports, plans, programs and other Proposal requirements as referred to throughout the RFP.

Appendix A – List of Reference Documents

1. Phase 3 Report to Ministry of Energy and Mines, New Ventures Branch, and Ministry of Transportation for Clarke Lake Road Route Alternative Identification and Analysis Study. (Data Room Report #2) May, 2002. McElhanney
2. Preliminary Report to Ministry of Energy and Mines for SYD Road Engineering / Cost Study. (Data Room Report #4) January, 2004. McElhanney
3. Report to B.C. Ministry of Energy and Mines for Sierra Yoyo Desan Road Engineering / Cost Study – Bridge and Culvert Inspections (Data Room Report #6), July 2002. McElhanney
4. Ministry of Energy and Mines, New Ventures Branch, Clarke Lake Connector – Engineering Study (Data Room Report #7) 6 September, 2002. Allnorth
5. Geo-technical Drilling, Fort Nelson River Crossing, Clarke Lake Connector, Sierra Yoyo Desan Project, Fort Nelson, British Columbia (Data Room Report #9) 4 July, 2002. AMEC
6. Gravel Investigation – Area 8 (Komie North) – SYD Road Area Gravel Investigation, Northeastern BC, 15 May, 2003 (Data Room Report #11) AMEC. Distributed by CD.
7. Gravel Investigation – Area 9 (Kimea Pit) – SYD Road Area Gravel Investigation, Northeastern BC, 15 May, 2003 (Data Room Report #12) AMEC. Distributed by CD.
8. Gravel Investigation – Area 10 (Kotcho East) – SYD Road Area Gravel Investigation, Northeastern BC, 15 May, 2003 (Data Room Report #13) AMEC. Distributed by CD.
9. Elleh Creek Reserve – Level 1 (Reconnaissance) Gravel Investigation – Near Fort Nelson, Northeastern BC, 26 May, 2003 (Data Room Report #14) AMEC Distributed by CD
10. SYD Road – Road Features Inventory, October 10, 1997, (Data Room Report #15), Ministry of Transportation
11. Fort Nelson First Nation – Band and Member Owned Businesses, Winter 2003-2003, (Data Room Report #16)

12. Clarke Lake Bypass and SYD Road Upgrade Geotechnical Information – Segments 1, 3, 4, 5, 6, 7 – August 21, 2003, (Not a Data Room Report), Thurber Engineering Limited
13. Clarke Lake Bypass and SYD Road Upgrade Test Pit Results – Test Pits 03-22, 38, 40, 41, 55, 119 – August 21, 2003, (Not a Data Room Report), Thurber Engineering Limited
14. SYD Road Upgrade – July 2003 Drilling Program on SYD Road – August 21, 2003, (Not a Data Room Report), Thurber Engineering Limited
15. SYD Road Upgrade – Draft Test Hole Logs for Fort Nelson River Crossing – August 26, 2003, (Not a Data Room Report), Thurber Engineering Limited
16. Fish and Fish Habitat Impact Assessment for Three Potential Bridge Alignments Across the Fort Nelson River – July, 2003, (Not a Data Room Report), EDI Environmental Dynamics Inc.
17. Proponent Application Plan for the Proposed Development of the Clarke Lake Bypass Road from the Fort Nelson Airport to km 30 on the Sierra Yoyo Desan (SYD) Road – August, 2003, (Not a Data Room Report), EDI Environmental Dynamics Inc.
18. Side Road Upgrading in the Northeast – 22 October, 2002, (Not a Data Room Report), Ministry of Transportation
19. Drawing – “The Peace Template” – undated - (Not a Data Room Report), Ministry of Transportation
20. Archaeological Impact Assessment – 18 June, 2003 – (Data Room Report # 10), Big Pine Heritage Consulting and Research Ltd.

Appendix B – Proposal Content

Volume A: Legal and Commercial

Volume A should include, in order:

1. Executive Summary: a high level overview of the Proposal, including a description of the general approach taken by the Proponent with respect to the Project, the proposed organizational/ownership structure, financial structure, and identity of the Proponent;
2. Corporate Description of Proponent Members: for each of the Proponent Members that will have any long-term interest in the Project, either directly or indirectly or as an equity holder in the Concessionaire:
 - a) full legal name,
 - b) certificate of incorporation,
 - c) registered office address, telephone e-mail address and fax numbers,
 - d) list of current directors and authorized signatories,
 - e) names and contact information for legal, technical and financial advisors, and
 - f) names and addresses of major shareholders;
3. Description of the Concessionaire: If not a Proponent Member, a complete description of the entity that the Proponent proposes to enter into the Concession Agreement including:
 - a) full legal name,
 - b) certificate of incorporation, (or equivalent document for a non-corporate entity to prove existence),
 - c) registered or head office address, telephone, e-mail and fax numbers,
 - d) list of current or proposed directors and officers (or equivalent positions),
 - e) names and contact information for legal, technical and financial advisors,
 - f) details of equity holdings and copies of shareholders'/equity holders' agreement, and
 - g) names and addresses of major equity holders;

4. Description of the Prime Contractor: prime contractor and principal subcontractors and key individuals: the names of the engineer, the prime contractor, other principal subcontractors and key individuals that the Proponent proposes will be involved in the Project, including description of the parties to the subcontracts and the general term of such subcontracts;
5. Guarantors: a description of the entities, if any, that will provide guarantees of the obligations of the Concessionaire under the Concession Agreement;
6. Contact Person: the name, telephone number, e-mail address and street address of the contact person for the Proponent;
7. Public Private Partnership: the plan to support and enhance the mutual benefits to be derived from a public private partnership in all aspects of the Project; and
8. Additional information as follows:
 - a) identity and contact information of lead negotiator, project manager, design and construction leader and operation and maintenance leader,
 - b) resumes of key consortium team members,
 - c) the availability of the consortium's key team members,
 - d) the roles of the consortium members and the tasks they will perform, and
 - e) details of the management structure of the consortium and the Proponent.

Volume B: Design and Construction

The intent of Volume B of the Proposal is to define the design and construction methods that are being proposed. Designs need only be taken to a level that enables the Proponent to determine the capital costs that will form the basis of the financial bid and to enable MEM to assess the designs for constructability, suitability and ability to service the needs of the RUG.

Volume B should include design and construction information for all elements of the Project as follows:

1. Bridge Design Report (for each bridge)
 - a) A summary of the existing site conditions;
 - b) Brief description of the type of structure, material and proposed span arrangement;
 - c) Location of footings and piers;
 - d) General arrangement drawing for the structure;
 - e) Details of horizontal and vertical geometry including type of structure (structure depth, vertical clearance, span arrangement, total length, etc.), lane arrangement;

- f) Description of cross-sections of the deck;
- g) A description of the type of soil, preliminary recommendation as to type of foundation and any other recommendations specific to the structure under construction;
- h) Environmental issues to be dealt with;
- i) Description of the proposed construction strategy including accessibility requirements and strategy for shipment of structural components;
- j) Description of the hydrologic and hydraulic requirements of the proposed crossing (minimum elevation of roadway, scour protection, rip-rap protection, etc.); and
- k) Construction staging showing the location of temporary works and accesses.

2. Road Design Report

- a) General description of the works to be constructed on both the new SYD road and existing SYD road;
- b) Horizontal alignment and vertical profiles for the new SYD Road (Bypass) and portions of existing SYD Road (SYD Upgrade);
- c) Road design standards;
- d) Construction staging and accesses for transportation;
- e) Material sources and quantities;
- f) Construction methods;
- g) Environmental issues to be dealt with and proposed measures to mitigate impacts; and
- h) Drainage strategy.

3. Traffic Management Plan

The proposed traffic management plan must describe the approach to be used to:

- a) Identify potential traffic management issues during construction;
- b) Proposed staging, phasing or construction methods used to minimize impacts (including details of how traffic will be maintained on the existing SYD Road during construction); and
- c) Proposed means of ensuring that the public and road users are aware of construction activities.

4. Project Schedule

The proposed project schedule must depict the entire Project showing the major milestones from Project award to end of construction.

5. Quality Management Plan

The Concessionaire is required to plan, develop and implement a quality system based on the relevant elements of ISO- 9001 as further discussed in the Concession Agreement. For the purposes of the Proponent's Proposal, a description of the proposed quality system must include:

- a) An outline of the quality process that the Proponent will put in place to ensure design and delivery of quality infrastructure. This includes any practices, resources or particular sequence of activities it will use in its engineering, design and construction activities to ensure a quality product;
- b) A description of the proposed quality control plan the Proponent will implement to ensure that quality of standards and/or production processes of the materials to be used on the Project is maintained or verified;
- c) A description of the proposed quality control plan that will address all testing, inspection and monitoring required to ensure that the end products meets the requirements of MEM;
- d) A description of how the Proponent proposes to inspect and document the workmanship and methods of construction to ensure compliance with MEM and industry standards;
- e) A proposed approach to resolution of differences in assessment of quality or workmanship between MEM and the Proponent;
- f) A description of access proposed to be provided to MEM for performance of quality audits; and
- g) A description of how the Proponent plans to work with MEM to cooperatively achieve quality throughout the Project.

6. Environmental Management Plan

The proposed environmental management plan must detail the strategy for meeting the environmental requirements of the Project, including, but not restricted to:

- a) Compliance with federal and provincial environmental legislation and regulations;
- b) Determination of environmental conditions and sensitivities of the site and areas impacted by the Project, including any necessary field and secondary source investigation;
- c) Acceptability of design and construction impacts and mitigation;
- d) Strategy for obtaining and/or complying with any external environmental approvals, permits and agreements;
- e) Integration of environmental work with all design and construction work;
- f) Strategy for environmental quality control and risk management during all phases of the project; and
- g) Monitoring of construction to ensure compliance with environmental legislation, regulations, permit requirements and other considerations.

Volume C: Operations and Maintenance

The intent of Volume C of the Proposal is to define the major parameters of the Operations and Maintenance strategy for the new SYD Road. Sufficient detail needs to be provided to enable MEM to assess the level of service to be provided.

Volume C shall include, in order:

1. A description of the governing principles and organization that will be established to provide all of the services required to operate and maintain the existing and new SYD Road for the term of the Concession, including a description of the following:
 - a) Corporate relationship of the operating and maintenance entity to the Concessionaire;
 - b) Services that will be provided through the use of employees or sub-contractors;
 - c) The qualifications of the proposed operations manager and maintenance manager; and
 - d) The level and nature of staffing proposed.
2. A description of the nature and number of motorized and non-motorized equipment expected to be used and available for the operation and maintenance of the existing and new SYD Road.

3. A description of the preventive and corrective maintenance plans, including:
 - a) Road and bridge inspection schedules;
 - b) Road and bridge inspection protocols;
 - c) Inspection reporting systems;
 - d) General descriptions of preventive maintenance activities and frequencies;
 - e) Policies, procedures and methodology that will be used to identify, analyze and correct deficiencies on the existing and new SYD Road;
 - f) System for reporting of deficiencies on the existing and new SYD Road by RUG;
 - g) System to monitor response times to identified maintenance issues or deficiencies; and
 - h) Maintenance reporting systems.
4. A strategy for ongoing required rehabilitation.
5. A description of the proposed traffic counting and vehicle weight measurement program, including:
 - a) Nature and location of facilities required;
 - b) Nature of mobile equipment required;
 - c) Traffic counting methodology (visual vs. automatic, sample vs. population, seasonal vs. year-round);
 - d) Methodology for categorizing vehicles (configuration, weight, industry);
 - e) Vehicle weight measurement methodology (sample sizes); and
 - f) Reporting system.
6. Quality Management Plan

The Concessionaire will be required to plan, develop and implement a quality system based on the relevant elements of ISO- 9001. For the purposes of the Proponent's proposal, a description of the proposed quality system must include:

- a) A description of the quality process that the Proponent will put in place to ensure the ongoing provision of quality infrastructure. This includes any practices, resources or particular sequence of activities it will use in its operation and maintenance activities to ensure a quality product;
- b) A description of the proposed quality control plan the Proponent will implement to ensure that quality of standards and/or production processes of the materials to be used on the Project is maintained or verified;

- c) A description of the proposed quality control plan which will address all testing, inspection and monitoring required to ensure that the end products meets the requirements of MEM;
- d) A description of how the Proponent proposes to inspect and document the condition of the SYD to ensure compliance with MEM and industry standards;
- e) A proposed approach to resolution of differences in assessment of quality of workmanship between MEM and the Proponent;
- f) A description of access proposed to be provided to MEM for performance of quality audits; and
- g) A description of how the Proponent plans to work with MEM and RUG to cooperatively achieve quality throughout the Project and ensure that the expectations and needs of the road users are met.

7. Environmental Management Plan

The proposed environmental management plan must detail the strategy for meeting the environmental requirements of the Project, including, but not restricted to:

- a) Compliance with federal and provincial environmental legislation;
- b) Acceptability of operating and maintenance practices; and
- c) Strategy for environmental quality control and risk management during operating and maintenance activities.

Volume D: Financial

Volume D of the Proposal shall address all of the financial aspects of the Proponent’s participation in the Project, including project capital costs, interim financing during the construction period, details of the ultimate long-term financing, projected payment stream, projected rehabilitation, operating and maintenance costs during the term of the Concession Agreement.

Base Case Proposal and Priced Options (Section 1.2.3)

The financial proposal must be completed in the form provided in Appendix F, the “Payment Schedule”. The payment schedule must include payments for the following three costs of the Base Case Proposal and the incremental impacts of each of the Priced Options:

1. Availability Payment: a monthly fixed payment stated in 2003 dollars intended to cover:
 - a) The capital cost of construction (including required insurance during the construction phase);
 - b) The financing cost of construction; and

- c) The Up-front Payment of \$2.5 million.
2. O&M Payment: to cover all other costs and consist of two separate components, stated in 2003 dollars:
 - a) Fixed monthly rate intended to cover the fixed costs of operations for the three (3) time periods indicated in the Payment Schedule; and
 - b) A rate per Drilling Rig Move for winter and summer seasons for the three (3) time periods indicated in the Payment Schedule.
3. Insurance for Operations: the estimated premiums for O&M insurance for August 1, 2004 to November 30, 2004, as indicated in the Payment Schedule. A letter from an insurance company/broker confirming these premiums for the insurance specified in Schedule 3.6 of the draft Concession Agreement must accompany this Payment Schedule.

Business Plan

Proponents must provide a business plan that shall contain at least the following information:

1. Projected capital costs for the Project broken down by key cost component as set out in Appendix G;
2. Details of the timing and amount of planned or required major replacements of a capital nature, and financing of such costs;
3. Projected annual Operations and Maintenance costs and applicable taxes for the term; and
4. A complete set of detailed annual projected statements of revenues and expenses including management fees.

Financing Plan

Proponents must provide a description of arrangements for the proposed financing for the Project, including:

1. Correspondence from lenders and/or investors reflecting the strength of their commitment (MEM is open to suggestions from the Proponents as to the preferred combination and nature of financing to be used for the Project);
2. A construction budget (Appendix G) and a preliminary expenditure plan by month; it should also provide a description of the manner in which all financing for the Project will be repaid and an amortization schedule for servicing the financing; and
3. Full details of the debt and equity components, as applicable, of the proposed financing plan must be provided by each Proponent. These will include, in respect of debt, the amount, sources, term, interest rate, terms of repayment, transaction fees, loan security,

collaterals, guarantees and warranties and, in respect of equity, amount, sources, term and expected rate of return.

Financial Model

Proponents must provide a copy of the financial model used to develop the assumptions and related projected financial statements, in hard copy and in electronic format on compact disc prepared in Excel, with sufficient detail and capability to allow for evaluation and sensitivity analysis in relation to the following variables: Capital expenditures, Operations and Maintenance expense components and related inflation assumptions.

Surety and Insurance

Proponents must provide evidence of quotes from insurers and registered sureties to provide the insurance and the performance surety during the O&M period as follows:

4. For the first 13 years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$300,000; and
5. For the last two years of the Concession Agreement – Performance surety in the form of an irrevocable letter of credit in the amount of \$1,000,000.

Financial Capacity Update

Proponents must provide a “Certificate of Acknowledgement of No Material Adverse Change” in the form attached as Appendix H to this RFP, executed by each Proponent, its principal members and the Proponent guarantors, if any.

Appendix C – Design and Construction of New Work

Introduction

General

The British Columbia Ministry of Energy and Mines has initiated a project to upgrade the Sierra Yoyo Desan (SYD) Road. The SYD Road is a public resource road that is used, primarily, to access the oil and gas resources in the northeastern region of British Columbia. The road currently starts at Highway 97, south of Fort Nelson, and crosses the Fort Nelson River via an existing one-lane bridge that doubles as a railroad bridge for BC Rail and as a highway bridge. The road continues on in an easterly and northerly direction, servicing numerous gas fields and is approximately 188 kilometers in length. The road was built over a period of some 25 to 30 years, in sections, by different builders, as the gas fields were developed. The first section of the road, including the one lane rail/road bridge is a bottleneck that hampers the efficient flow of personnel, equipment and materials to the drilling sites.

A new road, the SYD Clarke Lake Bypass Road (the Bypass), will be constructed from Highway 97 (The Alaska Highway) to approximately km 30.5 on the existing SYD Road to eliminate this bottleneck. Part of the Bypass will be designed and constructed by Other Contractor. From km 30.5±, the existing SYD Road will be upgraded in terms of alignment, bridges, functionality, width and strength.

For clarity, the portion of the SYD Project that is included within the Work of the Concessionaire has been sub-divided into seven separate segments, briefly described as follows:

- Segment 1.** From the end of pavement on Airport Drive to the start of the approach fills for the Fort Nelson River Bridge;
- Segment 2.** The Fort Nelson River Bridge, including the approach fills at each end of the bridge;
- Segment 3.** The section of new road starting at the east end of the east approach fill to the Fort Nelson River Bridge and ending at the top of the ascent out of the Fort Nelson River Valley;

- Segment 4.** The section of new road from the eastern crest of the Fort Nelson River Valley to the intersection with the Kotcho Lake Winter Road;
- Segment 5.** The section of new road from the intersection with the Kotcho Lake Winter Road to the intersection with the existing SYD Road at approximately km 30.5 of the existing SYD Road;
- Segment 6.** The section of the existing SYD Road from approximately km 30.5 to the Yoyo Tee at approximately km 121;
- Segment 7.** The section of the existing SYD Road from the Yoyo Tee at approximately km 121 to the end of the road at approximately km 188.

Scope Of Work – Base Case Proposal

General

The Work described in this Appendix includes the design and construction of Segments 1 through 5 of the By-Pass that will run from Highway 97, through the Town of Fort Nelson, over the Fort Nelson River and connect to the existing SYD Road at approximately kilometer 30.5 of the existing SYD Road. Upgrading of Segments 6 and 7 is also included within the Work.

This Appendix lists the principal items included in the Work. Due to the nature of the SYD Project, the Work is described in general terms only. The Ministry of Energy and Mines has not prepared a preliminary design of the Work. With only minor exceptions, the only design work which has been done is that which is included within the Reference Documents. Any design work that is included within the Reference Documents is conceptual in nature and is provided to the Concessionaire for its information. It is the Concessionaire's responsibility to completely design and construct the Work so that a fully functioning road is provided to the Ministry of Energy and Mines that will allow traffic (industrial and public) to travel continuously from Airport Drive to beyond the end of the existing SYD Road, in accordance with the design and construction requirements that are described in this Appendix;

The Concessionaire shall furnish all labour, materials, equipment and services necessary for the completion of the Work.

Summary of Work

The Work of this Concession includes, but is not limited to, the design and construction of a new road and the design and construction of improvements to an existing road, within the following Concession limits:

- design and construction of a new road from (and including the connection with) the end of existing asphalt pavement on Airport Drive to a point on (and including the connection with) the existing SYD Road at approximately kilometer 30.5 of the existing SYD Road. The exact length of the new road to be designed and constructed is not known, because the length is to be determined by the Concessionaire, as part of its Work;
- design and construction of upgrades to the existing SYD Road from approximately kilometer 30.5 to the end of the existing SYD Road at approximately kilometer 188;
- within a one kilometer wide corridor that is as shown on Drawing 81563-101. The one kilometer wide corridor has been identified to Land and Water British Columbia as the route of the new road. Any deviation outside of this corridor will result in delay to the Project and will not be accepted. Within the limits of the one kilometer wide corridor, the Concessionaire may design and construct the road to best suit its own requirements, subject to the design and construction requirements of the Ministry of Energy and Mines, as set forth in this Appendix.

The road facilities to be designed and constructed, as part of the Work, include:

- a new, two-lane, rural, undivided road with a design speed of 80 kilometers per hour from the start of the Work at the end of pavement on Airport Drive to the connection point with the existing SYD Road;
- connection of the new road to the end of the asphalt pavement on Airport Drive, so that a smooth transition from existing asphalt paving to new road surface is obtained;
- connection of the new road to the existing SYD Road so that a smooth flow of traffic from the new road to the existing road is achieved. The Concessionaire shall investigate the anticipated traffic volumes and shall design the connection point as an intersection, with the traffic flow from the new road to the existing road having priority. The design and construction of the new intersection shall result in a safe and efficient intersection;
- a new two lane bridge over the Fort Nelson River, designed to safely carry the anticipated traffic. The design speed for the bridge shall be 80 kilometers per hour. The deck of the new bridge shall be concrete, with or without an asphalt overlay. The design life of the bridge shall be fifty years, minimum. The service life of the bridge shall be 25 years, minimum;
- consultation with other stakeholders, including Slocan Forest Products, to determine how the new road will affect existing and future traffic flows. The new road will generally follow an existing winter road route for part of its length and will intersect one or more existing winter roads. The Concessionaire shall design

and construct the new road to accommodate the existing and future traffic flows, including the provision of intersections, where they are, or will be, required;

- ancillary structures and facilities for the road, including, but not limited to, culverts, ditches, signs, protective barriers, warning devices, etc.;
- clearing, grubbing and brushing of the right-of-way;
- site drainage systems for areas affected by the Work;
- exploration for, and appropriate accommodation of, any existing Utilities within the corridor including, without limitation, electrical services, water services, sewer services, oil pipelines, gas pipelines, etc.;
- replacement of the following existing bridge structures on the existing SYD Road:
 - Snake River Bridge
 - Petrocan Number 1
 - Petrocan Number 2.

For clarity, these three bridges are the only bridges on the existing SYD Road between kilometer 30.5 and kilometer 121.

The bridge replacements shall be included within an overall assessment of the existing SYD Road alignment at each bridge location to increase the safe and efficient operation of the road traffic;

- clearing of additional right-of-way on the existing SYD Road;
- design and construction of new road widenings (pull-outs) on the existing SYD Road;
- design and construction of improvements to the alignment of the existing SYD Road;
- upgrades to existing bridge structures on the existing SYD Road;
- design and construction of a strengthening of the existing SYD Road from the connection point of the new Bypass at approximately kilometer 30.5 to the Yoyo Tee at approximately kilometer 121; and
- design and construction of a widening of the existing SYD Road from the connection point of the new Bypass at approximately kilometer 30.5 to the Yoyo Tee at approximately kilometer 121.

The Work also includes, but is not limited to:

- design and construction of all temporary works and all permanent Work ancillary to or required because of the road construction, such as Utility relocations, road restoration and the like;
- restoration of all roads, landscaped areas and all other facilities, structures and appurtenances damaged or affected by the construction Work or by the Concessionaire's operations;

- provision and construction of all temporary facilities, temporary services, temporary fencing and temporary construction required to construct the Work;
- management of existing Utilities, as required for the construction of the Work, including locating, monitoring, protecting, supporting in place, relocating and restoring, as applicable;
- all site clearing, salvage, demolition, excavating, backfilling, filling, compaction, temporary support, dewatering, and monitoring required for the Work;
- traffic management including closures, detours, relocations and restoration of roadways;
- all survey required to design, construct and control the Work;
- quality management;
- environmental management;
- obtaining all necessary approvals and permits in respect of design and construction Work from authorities having jurisdiction;
- interpretation of existing subsurface geotechnical data and procurement and interpretation of all necessary additional subsurface geotechnical data;
- supply of a Maintenance Manual and as-constructed record documentation for the Work;
- supply of a Design Report that documents the design of the Work, including Design Codes used, design loads used, design philosophy employed, design assumptions made, etc.;
- supply of Letters of Assurance, by the Designer, that confirm that the design has been carried out with professionally appropriate methods and that the Designer takes full responsibility for the Design of the Work;
- supply of Letters of Assurance, by the Designer, that confirm that the Work has been constructed in accordance with the Design prepared by the Designer. The Designer shall provide an appropriate level of inspection, on Site, during the construction of the Work, in order to enable it to provide the Letter of Assurance.

Minimum Design and Construction Criteria

The Bypass road and bridge facilities to be designed and constructed, as part of the Work, shall be designed and constructed to meet or exceed the following criteria:

- the road pavement shall be designed so that, under “spring conditions” and wet weather, the allowable axle loads will be no less than 70-75% of the legal load limit, as defined by B.C. Reg. 30/78, *Commercial Transport Regulations, Commercial Transport Act* (www.qp.gov.bc.ca/statreg/reg/C/CommerTrans/30_78/30_78.htm). The Ministry of Energy and Mines will accept that load restrictions during “spring conditions” could last up to two months;
- the road top width traveled surface for Segments 1 through 4 shall be a minimum of 9.2 meters in width. The road top width traveled surface for Segment 5 shall be a minimum of 8 meters in width;

- the road traveled surface must be composed of gravel;
- the right-of-way must be cleared to a minimum width of 20 meters, each way from centerline. A maximum total width of 75 meters may be cleared, at the option of the Concessionaire, at no additional cost to the Ministry of Energy and Mines;
- in the Fort Nelson River Valley, the road may be designed to be overtopped during spring flood conditions for up to one month in duration, at the option of the Concessionaire;
- the Fort Nelson River Bridge shall have a minimum traveled width of 9 meters, inside face to inside face of traffic barriers, with no provision for a sidewalk;
- the Design Speed for the new road shall be 80 kilometers per hour;
- the maximum Design Grade for the new road shall be 6%;
- the sloping sides of ditches shall be constructed to a slope of 3 horizontal to 1 vertical or flatter;
- the Design Load for the design of new bridges shall be L-100 (Ministry of Forests);
- the Design Code for the design of new bridges shall be CAN/CSA-S6-00;
- the entire Bypass road and bridge facilities shall be designed and constructed so that the only Work necessary to Maintain the Bypass road and bridge facilities shall be the Work included in Appendix D. Any repairs or rehabilitation Work necessary on the Bypass road and bridge facilities, over and above the Work included within Appendix D, during the Term of the Agreement, shall be the responsibility of the Concessionaire.

Improvements to the existing SYD Road and bridge facilities to be designed and constructed, as part of the Work, shall be designed and constructed to meet or exceed the following criteria:

- the road widening and the existing road pavement strengthening, from kilometer 30.5± to the Yoyo Tee at kilometer 121±, shall be designed so that, under “spring conditions” and wet weather, the allowable axle loads will be no less than 70-75% of the legal load limit, as defined by B.C. Reg. 30/78, *Commercial Transport Regulations, Commercial Transport Act* (www.qp.gov.bc.ca/statreg/reg/C/CommerTrans/30_78/30_78.htm). The Ministry of Energy and Mines will accept that load restrictions during “spring conditions” could last up to two months. The road widening and the existing road pavement strengthening, as described in this paragraph, shall be designed and constructed so that the only Work necessary to Maintain the road widening and the existing road strengthening shall be the Work included in Appendix D. Any repairs or rehabilitation Work necessary on the road widening and the existing road strengthening, over and above the Work included within Appendix D, during the Term of the Agreement, shall be the responsibility of the Concessionaire;
- the alignment of the existing SYD Road shall be evaluated for a Design Speed of 80 kilometers per hour and any curves which are deficient shall be re-designed and re-constructed to meet the Design Speed of 80 kilometers per hour. The

Concessionaire should refer to Reference Document Number 2, which identifies a number of curves that were considered to be deficient;

- new bridge designs shall be carried out in accordance with CAN/CSA-S6-00;
- the design Live Load for new bridges shall be L-100 (Ministry of Forests);
- clear, grub and brush additional right-of-way on the south and east sides of the existing road to a minimum extent of 20 meters from the centerline of the existing road (where there is no parallel pipeline);
- the design and construction of the widening of the existing SYD Road, from the connection point of the Bypass at approximately kilometer 30.5 to the Yoyo Tee at approximately kilometer 121, shall result in a traveled surface width of 8.0 meters;
- the new bridges shall have a minimum traveled width of 9 meters, inside face to inside face of traffic barriers, with no provision for a sidewalk; and
- the existing bridges that are not being replaced shall be upgraded to meet or exceed acceptable safety standards, but not widened. The upgrades that are required to be considered are as described in Reference Document Number 3, Table 2-1.

Optional Design and Construction Criteria

The Bypass road and bridge facilities to be designed and constructed, as part of the Work, shall be designed and constructed to meet or exceed the following criteria:

- Option 1 - the road top width traveled surface shall be a minimum of 9.2 meters in width for Segment 5;
- Option 2 – the Fort Nelson River Bridge shall be designed and constructed to provide a sidewalk wide enough to accommodate snowmobiles on one side of the bridge, outboard of the upstream traffic barrier;
- Option 3 – the Fort Nelson River Bridge shall be designed and constructed to accommodate and support the weight of the future addition of a 450 mm oil pipeline, complete with appropriately designed inserts in the underside of the bridge deck.

Improvements to the existing SYD Road and bridge facilities to be designed and constructed, as part of the Work, shall be designed and constructed to meet or exceed the following criteria:

- Option 4 – the design and construction of the widening of the existing SYD Road, from the connection point of the Bypass at approximately kilometer 30.5 to the Yoyo Tee at approximately kilometer 121, shall result in a traveled surface width of 9.2 meters;
- Option 5 – the existing SYD Road, from kilometer 30.5 to kilometer 121, shall be widened to accommodate the “ICBC Portable Weigh Scales” at two locations, for the monitoring and weighing of traffic.

Design Work

General

The Concession Agreement sets out general obligations in respect of Design Work.

The Concessionaire shall prepare and submit Construction Drawings and Construction Specifications for the information of the Ministry of Energy and Mines in accordance with Clause 9 of this Appendix.

The Concessionaire shall obtain all necessary approvals for its designs that affect facilities such as roads, bridges, sidewalks, utilities, municipal services and the like, from the authorities having jurisdiction over the affected facilities. The design for each such facility shall be in accordance with the design standards of the authority that owns or has jurisdiction over the facility.

This Appendix sets out certain constraints that may affect the design of the Work. Such constraints are not intended to be all-inclusive or complete. The Concessionaire and the Concessionaire's Designers are fully responsible for examining the Work Site and making all other necessary investigations to determine all constraints applicable to the Work of the Concession and resolving those constraints in the design and construction of the Work.

The Concessionaire's Designers are responsible for ensuring that their designs are in accordance with all applicable codes and standards. In the event of conflict between the requirements of this Appendix and other applicable codes and standards, the more restrictive requirement shall apply, provided the required functionality of the completed Work is not affected. The Concessionaire shall notify the Owner's Engineer of all such conflicts and of the Designer's proposed resolution for the conflict. In cases where the more restrictive requirement would affect the required functionality of the Work, the Concessionaire shall obtain the Owner's Engineer's acceptance of the Designer's proposed resolution prior to proceeding further with the design.

Alignment and Profile

The Reference Documents contain a horizontal alignment and vertical profile for the new road that is to be designed and constructed. The alignment and profile shown are conceptual only and the Ministry of Energy and Mines acknowledges that adjustments may be required to accommodate the Concessionaire's detailed design and construction methods.

The alignment and profile shown in the Reference Documents has been established through a consultation process involving the general public, municipal governments and councils, and various other agencies and authorities having jurisdiction. The Concessionaire's

designs will not be permitted to vary significantly from the alignment and profile shown on the Reference Documents unless such variation has been specifically declared and detailed in the Concessionaire's Proposal and agreed to in principle by Ministry of Energy and Mines prior to award of the Concession.

The alignment and profile shown in the Reference Documents is intended to be in accordance with the geometric requirements of this Appendix. However, the Concessionaire is entirely responsible for the final design of the alignment and profile and for verifying any information that the Concessionaire elects to use from the Reference Documents.

This Appendix sets out criteria and certain constraints that apply to the alignment and profile design by the Concessionaire. The Concessionaire shall examine the Work Site to determine all other constraints that may apply.

Work by Others

General

This Clause describes some of the work that will be done by Other Contractor on or adjacent to the Work Site during the course of the Work.

- For the purposes of this Concession, the Concessionaire shall be the "Prime Contractor" as defined by the Workers Compensation (Occupational Health and Safety) Amendment Act, 1998.
- The Concessionaire shall allow Other Contractor all necessary access through the Work Site and shall co-ordinate its operations with the activities of the Other Contractors on or adjacent to the Work Site so as to avoid disruption to the Work of the Concession and to the work of the Project.

Work by Other Contractors during Concession Period

- The completion of the construction of the new road from Highway 97 to Airport Drive will be carried out by Other Contractor during the Concession Period.
- The upgrading of the existing Airport Drive will be undertaken by Other Contractor during the Concession Period. Concessionaire shall assume that its access through the work site of Other Contractor during the upgrading of Airport Drive will be subject to the normal delays associated with reconstruction of an existing road.
- No other work is known to be scheduled that would affect the Work of the Concessionaire.

Delivery Plan

General

Within fourteen days following the Effective Date, the Concessionaire shall prepare and submit for review a comprehensive, detailed schedule for the performance of the Work. The schedule shall be based on, and developed from, the preliminary Concession schedule included in the Concessionaire's Proposal, and such amendments thereto agreed in writing with Ministry of Energy and Mines prior to the Effective Date. The schedule shall clearly demonstrate the Concessionaire's design program, including submittals at various levels of design for each discipline, all other required submittals, the construction work program, resource considerations, physical and environmental constraints and all other information required to illustrate how the Concessionaire will achieve the milestone event dates, critical dates, and the Substantial Completion and Total Completion dates specified in this Clause. The schedule shall be the Concessionaire's representation, sequence and duration of the activities of the Work and of the schedule data that meets the Concession delivery requirements.

The schedule shall be prepared in computerized time-scaled CPM network diagrams as well as in logic linked bar chart format and shall be submitted in both electronic and hard copy.

Upon receipt by the Ministry of Energy and Mines of the schedule described in Clauses 5.1.1 and 5.1.2 of this Appendix, it shall become the Delivery Plan and shall not be changed except with the written consent of the Ministry of Energy and Mines.

Receipt by the Ministry of Energy and Mines to the Delivery Plan or any modifications thereof shall not relieve the Concessionaire of its sole responsibility to comply with each and every milestone event requirement specified in this Appendix.

At the request of the Ministry of Energy and Mines from time to time, the Concessionaire shall provide a more detailed schedule of all or any part of the Work and, when agreed to by the Ministry of Energy and Mines, it shall form part of the Delivery Plan.

The Concessionaire shall submit a revised Delivery Plan to the Ministry of Energy and Mines when a Change Order, or a proposed Change to any Work item in the Delivery Plan, affects any milestone date or the sequence of activities.

The Ministry of Energy and Mines will, in a timely manner (having regard to the Delivery Plan), provide to the Concessionaire any reports, data or other information pertinent to the Work, where it is obligated by the Concession Agreement to provide the same.

Progress Report

On the fifth working day after the end of each calendar month, the Concessionaire shall submit to the Ministry of Energy and Mines three copies of a Progress Report which shall indicate actual progress of the Work in the form of an updated schedule showing achievements and approved changes compared to the Delivery Plan up to the end of that month.

The Progress Report shall include a written statement highlighting progress against the Delivery Plan and clearly identifying any actual or anticipated delay together with the Concessionaire's proposed corrective action to overcome such delay.

Schedule of Critical Dates and Milestone Dates

General

This Clause specifies milestone event dates, other critical dates and certain constraints which shall be adhered to by the Concessionaire in undertaking the Work and in developing the Delivery Plan.

Notice To Proceed

Foundation Work

Ministry of Energy and Mines intends to issue a Notice to Proceed on or about December 15, 2003, covering only certain limited activities at the Work Site, comprising:

- supply and delivery of pile foundation material for the Fort Nelson River Bridge;
- mobilization of temporary offices, storage facilities, and the like;
- site investigation and survey Work;
- construction of necessary Work Site accesses to construct the foundations for the Fort Nelson River Bridge; and
- construction of the foundations for the Fort Nelson River Bridge, including installation of pile foundation units within the wetted perimeter of the Fort Nelson River.

All such activities at the Work Site will be subject to the Concessionaire obtaining all necessary approvals and permits from authorities having jurisdiction.

Milestones for Delivery Plan

The milestone events are to be completed by the indicated dates as follows:

<u>Milestone Event</u>	<u>Date</u>
Total Completion of all Bypass Work.	November 30, 2004
Total Completion of all upgrade Work on the existing SYD Road	November 30, 2005

General Procedures

General

This Appendix specifies requirements for supervisory personnel, attendance at meetings, access to adjacent properties, the protection of persons and property, the use of public areas, and for community relations.

Key Personnel

Within five Days after the Effective Date, the Concessionaire shall submit to the Ministry of Energy and Mines a list of contact addresses, telephone numbers and fax numbers for the key personnel and other key staff designated for assignment on the Concession as named in the Concessionaire's Proposal.

The following personnel shall be included in the list:

- Concessionaire's Project Manager;
- Construction Superintendent;
- Safety Representative;
- Quality Manager; and
- Community Relations Representative.

Meetings

The Work includes attending meetings between the Concessionaire and the Ministry of Energy and Mines. The meetings will be called and chaired by the Ministry of Energy and Mines, bi-weekly and as required. The Concessionaire shall be represented at such meetings to the satisfaction of the Ministry of Energy and Mines, and shall record minutes of all meetings. The minutes shall be submitted for approval to Ministry of Energy and Mines within two regular working days of each meeting.

Access to Adjacent Properties

Construction operations shall be conducted so as to cause minimal inconvenience to the public and to owners of adjacent property. Existing access to adjacent property shall be maintained to the maximum extent possible and, if new access must be provided, every effort shall be taken to provide the new access before the existing access is removed.

Survey and Layout of the Work

General

All monuments, stakes, marks, templates, equipment, tools and other materials and devices required to establish lines and grades for the performance of the Work shall be the responsibility of the Concessionaire.

The Concessionaire shall protect all survey monuments including those established by or for the Ministry of Energy and Mines. Any disturbed monuments shall be immediately reported to the Owner's Engineer. Upon receipt of such notice, the Ministry of Energy and Mines may re-establish the monuments. The Concessionaire shall not be entitled to any additional compensation or extension of time due to such suspension, except as approved by the Ministry of Energy and Mines.

Submittals by the Concessionaire

General

Concessionaire's Submittals

The Concessionaire shall submit to the Ministry of Energy and Mines, for its information, such information and drawings as are necessary for the proper performance of the Work or as required by laws, ordinances or regulations governing the Work.

Prior to submission to the Ministry of Energy and Mines, the Concessionaire shall review all the submittals. By this review, the Concessionaire represents that it has determined and verified all field measurements, field construction criteria, materials, catalogue numbers and similar data, and that it has checked and coordinated each drawing with the requirements of the Work and of the Concession Agreement. The Concessionaire's review of each drawing shall be indicated by stamp, date and signature of a person authorized for such purpose by the Concessionaire.

Concessionaire's submittals shall be made in an orderly sequence, at times agreed with the Ministry of Energy and Mines. The Concessionaire shall notify the Ministry of Energy and

Mines at the time of submission of any deviations in the Concessionaire's submittal from the requirements of the Concession Agreement.

All of the Concessionaire's drawings shall be submitted to the Ministry of Energy and Mines for its information. Four blackline copies of B size (11x17) drawings and one (1) copy in electronic format (AutoCAD v.14) of the Concessionaire's drawings shall be submitted. Each drawing shall be complete and dated. A letter of transmittal describing the Concessionaire's drawings shall accompany the submission. The set of drawings defined by the letter of transmittal shall be complete and comprehensible and shall not require subsequent submissions to identify interfaces or discrepancies.

Receipt of the drawings by the Ministry of Energy and Mines shall not relieve the Concessionaire of its responsibility for any errors contained therein nor of the Concessionaire's obligation to perform the Work in accordance with the Concession Agreement. The Ministry of Energy and Mines may or may not review the Concessionaire's submissions for conformance with the Concession Agreement. The Concessionaire shall not rely upon the review by the Ministry of Energy and Mines as a quality control check of its Work.

Survey Data

Three legible copies of all survey data shall be submitted to the Ministry of Energy and Mines for information.

Survey data shall include drawings and calculations for layout and control of the Work to be carried out in accordance with Clause 8, "Survey and Layout of Work".

Other Submittals

Documentation such as equipment details, test results, certificates, reports, shall be submitted to the Ministry of Energy and Mines for its records.

Three copies of each of the various items required shall be submitted to the Ministry of Energy and Mines.

Temporary Facilities

General

Work Included

The Work of this Appendix includes the furnishing of all labour, material, equipment and services required for the supply, installation and maintenance of temporary facilities

throughout the duration of the Work, including removal of such facilities upon Total Completion.

Access

The Concessionaire shall provide and maintain access roads for its own forces as well as for Other Contractors whose Work is concurrent with the construction Work of this Concession.

Utilities Criteria

General

This Clause specifies constraints and criteria for construction Work adjacent to existing utilities.

Submittals by the Concessionaire

The Concessionaire shall develop, submit and implement a Utility Management Plan to the Ministry of Energy and Mines for review in accordance with Clause 9, "Submittals by the Concessionaire". This plan shall address all the issues inherent in utility management during construction of the Work. The plan shall incorporate specific requirements of all affected agencies and authorities. This submission shall be made in accordance with the Delivery Plan. This submission shall document the following for each Utility within or adjacent to the Work Site:

- Utility owner;
- type, size, location and elevation of Utility;
- reported material, existing usage and condition;
- acceptable ground movement;
- projected movement based on ground movement analysis;
- protection plan including timing, duration and structural details of any proposed temporary or permanent relocation or temporary support system;
- safety program, including but not limited to, deactivation or monitoring;
- emergency response plan; and
- agreement of all affected agencies and authorities to plan.

Utilities Criteria

General

The Concessionaire shall assess the possible impact on all Utilities that may be affected by the Work, and shall protect, divert, temporarily support, relocate, or otherwise appropriately treat such Utilities to the satisfaction of the appropriate authorities having jurisdiction over the Utilities, all at the Concessionaire's cost.

The Concessionaire shall establish and maintain direct and continuous contact with the owners or operators of any Utilities which may interfere with or be affected by the Work and shall co-operate with them at all times and in all places of Work. The Concessionaire shall keep the Ministry of Energy and Mines informed of all communications with the Utility companies and authorities.

The Concessionaire shall obtain the written approval of the Utility companies and authorities involved for its proposed designs and methods for managing Utilities prior to any Work that could affect Utilities.

The Concessionaire shall notify the Ministry of Energy and Mines and the Utility companies at least 28 Days in advance of construction or any activities which may interfere with the operation of such Utilities.

Whenever working in the vicinity of Utilities, the Concessionaire shall locate such Utilities and expose those that may be affected by the Work, using hand labour as required.

The Concessionaire shall immediately report any damage to Utilities to the Ministry of Energy and Mines and to the Utility company or authority affected, and shall promptly undertake such remedial measures as are necessary at no additional cost to the Ministry of Energy and Mines.

Co-ordination and Costs

The Concessionaire is responsible for co-ordinating the timing, extent and details of temporary and permanent Utility relocations with the companies and authorities having jurisdiction over the Utilities, and for determining with such companies and authorities the Work that will be performed by their own forces and the Work that will be performed by the Concessionaire.

The Concessionaire shall be responsible for all costs, including those levied by Utility companies and authorities, for temporary relocation, permanent relocation and/or permanent restoration of all Utilities.

Record Documents

General

This Appendix specifies requirements for the preparation of record drawings, record specifications, and design calculations. The submission of all record drawings, record specifications and design calculations to the Owner's Engineer, shall be a prerequisite to the issuance of a Certificate of Substantial Completion, if such certificate is requested by the Concessionaire. If not so requested, then such submission shall be a prerequisite to the issue of a Certificate of Total Completion.

Construction Drawings

The Concessionaire shall prepare and maintain a complete set of Construction Drawings marked to show complete particulars of all as-built changes as they occur.

A set of the Construction Drawings so marked shall be kept at the field office of the Concessionaire for the duration of the construction phase of the Work, and shall be made available to the Ministry of Energy and Mines on request.

Prior to the application for a Certificate of Total Completion, or a Certificate of Substantial Completion if requested, the Concessionaire shall submit, to the Owner's Engineer, one full size set and three half size sets and electronic files in AutoCAD Release 14 format of all Construction Drawings revised by the Designers as necessary to record all changes. The record drawing set shall include all applicable reference drawings.

The Concessionaire and Designers shall warrant by such delivery to the Ministry of Energy and Mines, the accuracy of the Concessionaire's record drawings.

Construction Specifications

The Concessionaire shall prepare and maintain a complete set of Construction Specifications (including procurement specifications) marked to show complete particulars of all as-built changes as they occur.

A set of the Construction Specifications so marked shall be kept at the field office of the Concessionaire and shall be made available to the Ministry of Energy and Mines on request.

Prior to the application for a Certificate of Total Completion, or a Certificate of Substantial Completion if such certificate is requested by the Concessionaire, the Concessionaire shall submit, to the Owner's Engineer, one hard and one electronic copy of all Construction

Specifications, revised as necessary by the Designers, to record all as-built changes. The electronic copy shall be produced on Microsoft Word, Release XP.

Shop Drawings

Prior to the application for a Certificate of Total Completion, or a Certificate of Substantial Completion, if such Certificate is requested by the Concessionaire, the Concessionaire shall submit to the Owner's Engineer, a complete set of all as-built shop drawings and other construction related drawings as reviewed by the Designer.

Certificate of Warranty

General

The Concessionaire shall submit, to the Ministry of Energy and Mines, a Certificate of Warranty for the supplied equipment, such as bridge bearings and expansion joints. The Certificate shall include the following information:

- Concession Number and name;
- Concessionaire's name, address and telephone number;
- equipment description and installed location;
- name, address and telephone number of supplier's warranty service representative for each item of equipment;
- confirmation of Warranty terms set out in Concession, and any additions or exceptions thereto as agreed to by the Ministry of Energy and Mines prior to the Award of Concession; and
- the start and finish dates of the warranty or warranties provided.

Certificates of Design Compliance

General

The Concessionaire shall submit, to the Ministry of Energy and Mines, Certificates of Design Compliance for the Project. The Certificates of Design Compliance shall cover all components of the Design Work, including design of the new road and the new bridge.

The Certificates shall include the information contained in the following examples:

Note: To be submitted prior to start of construction

DESIGN COMPLIANCE CERTIFICATE FOR "GEOTECHNICAL DESIGN"

The Ministry of Energy and Mines

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

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YYYYYYYYYYYYYYYYYYYYYYYY

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DATE (YY MM

Dear Sir:

RE: _____

The undersigned hereby certifies that the design of the **geotechnical components** of the Concession as shown on those plans and supporting documents prepared by this Registered Professional for the above referenced Concession substantially conforms to the engineering requirements of the Concession Agreement and other applicable safety enactments, except for construction safety aspects. Further, the undersigned will be responsible for "field reviews" of the following aspects of the above referenced Concession during construction.

[CROSS OUT AND INITIAL NON-APPLICABLE ITEMS]

GEOTECHNICAL - Temporary

- 7.1 Excavation
- 7.2 Shoring
- 7.3 Underpinning
- 7.4 Temporary construction dewatering

GEOTECHNICAL - Permanent

- 8.1 Bearing capacity of the soil
- 8.2 Geotechnical aspects of deep foundations
- 8.3 Compaction of engineered fill
- 8.4 Backfill
- 8.5 Permanent underpinning
- 8.6 Permanent dewatering
- 8.7 Structural considerations relating to local soil conditions including slope stability and seismic effects

DESIGN COMPLIANCE CERTIFICATE FOR
"GEOTECHNICAL DESIGN"

DATE (YY MM

DD)

RE: _____

As used herein, "field reviews" shall mean such reviews of the work at the Work Site and at fabrication locations, where applicable, as the Registered Professional in his professional discretion considers to be necessary in order to ascertain that the work substantially conforms in all material respects to the plans and supporting documents prepared by this Registered Professional and accepted by Ministry of Energy and Mines for the Concession. This includes keeping records of all site visits and any corrective actions taken as a result thereof.

The undersigned also undertakes to notify Ministry of Energy and Mines in writing, as soon as practical, if his Concession for field review is terminated at any time during construction.

Print Name

(Affix Professional Seal
in space below)

Signature

Initials Sample

Print Address

Print City

Postal Code

Telephone(_____) _____

If the Registered Professional is a member of a firm, complete the following:

I am a member of the firm

Print Name of Firm

Print Address

Print City

Postal Code

and I sign this letter on behalf of myself and the firm.

Note: To be submitted prior to start of construction

DESIGN COMPLIANCE CERTIFICATE FOR "STRUCTURAL DESIGN"

The Ministry of Energy and Mines

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DATE (YY MM

Dear Sir:

RE: _____

The undersigned hereby certifies that the design of the **structural components** of the Concession as shown on those plans and supporting documents prepared by this Registered Professional for the above referenced Concession substantially conforms to the architectural and structural requirements of the Concession Agreement and other applicable safety enactments, except for construction safety aspects. Further, the undersigned will be responsible for "field reviews" of the following aspects of the above referenced Concession during construction.

[CROSS OUT AND INITIAL NON-APPLICABLE ITEMS]

STRUCTURAL

- 2.1 Structural serviceability and capacity of structural components, including anchorage and seismic restraint
- 2.2 Structural aspects of deep foundations
- 2.3 Review of all applicable shop drawings
- 2.4 Verification of the satisfactory completion of the in-house check of the structural design
- 2.5 Verification that all structural Work is supplied and constructed in full compliance with his design and the Construction Drawings and Construction Specifications

As used herein, "field reviews" shall mean such reviews of the work at the Work Site and at fabrication locations, where applicable, as the Registered Professional in his professional discretion considers to be necessary in order to ascertain that the work substantially conforms in all material respects to the designs, plans and supporting documents prepared by this Registered Professional and accepted by Ministry of Energy and Mines for the Concession. This includes keeping records of all site visits and any corrective actions taken as a result thereof.

DESIGN COMPLIANCE CERTIFICATE FOR
"STRUCTURAL DESIGN"

DATE (YY MM

DD)
RE: _____

The undersigned also undertakes to notify Ministry of Energy and Mines in writing as soon as practical if his Concession for field review is terminated at any time during construction.

Print Name

(Affix Professional Seal
in space below)

Signature

Initials Sample

Print Address

Print City Postal Code

Telephone(____) _____

If the Registered Professional is a member of a firm, complete the following:

I am a member of the firm

Print Name of Firm

Print Address

Print City Postal Code

and I sign this letter on behalf of myself and the firm.

NOTE: The above letter must be signed by a Registered Professional who is registered in

DESIGNER'S INSPECTION CERTIFICATE

The Ministry of Energy and Mines
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DD)
YYYYYYYYYYYYYYYYYYYYYYY
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11111111

DATE (YY MM

Dear Sir:

RE: _____

I hereby certify that I have fulfilled my obligations for "field review" as outlined in my previously submitted letter of "DESIGN COMPLIANCE CERTIFICATE". Based on such "field reviews", the previously identified components of the Concession **substantially conform in all material respects** with the plans and supporting documents, including all amendments thereto, which were prepared by this Registered Professional and accepted by Ministry of Energy and Mines for the Project, with respect to the following acknowledged discipline(s) (**please initial next to the appropriate discipline**):

DISCIPLINE

- _____ ROADWAYS
- _____ STRUCTURAL
- _____ GEOTECHNICAL
- _____ DRAINAGE
- _____ HYDROTECHNICAL

DESIGNER'S INSPECTION CERTIFICATE

DATE (YY MM DD)

RE: _____

I hereby enclose the final design plans and supporting documents prepared by this Registered Professional for the above referenced Concession.

Print Name

(Affix Professional Seal
in space below)

Signature

Initials Sample

Print Address

Print City

Postal Code

Telephone(_____) _____

If the Registered Professional is a member of a firm, complete the following:

I am a member of the firm

Print Name of Firm

Print Address

Print City

Postal Code

and I sign this letter on behalf of myself and the firm.

NOTE: The above letter must be signed by a Registered Professional who is registered in the Province of British Columbia as a member in good standing in the Association of Professional Engineers and Geoscientists.

Appendix D – Maintenance of New and Existing Roads

Scope Of Work – Base Case Proposal

General

The Work described in this Appendix comprises the maintenance of the SYD Road, including the maintenance of the Bypass, the SYD Upgrade and the existing SYD Road from approximately kilometer 30.5 to the end of the road at approximately kilometer 188.

The Concessionaire shall furnish all labour, materials, equipment and services necessary for completion of the Work.

Summary of Work

The Work of this Concession includes, but is not limited to, the maintenance of a new road that will be constructed as part of the Work and the maintenance of an existing road, within the following Concession limits:

- Maintenance of a new road from (and including the connection with) the end of existing asphalt pavement on Airport Drive to a point on (and including the connection with) the existing SYD Road at approximately kilometer 30.5 of the existing SYD Road;
- Maintenance of improvements to the existing SYD Road from approximately kilometer 30.5 to the end of the existing SYD Road at approximately kilometer 188;
- Maintenance of the existing SYD Road from approximately kilometer 30.5 to the end of the existing SYD Road at approximately kilometer 188.

The maintenance to be performed, as part of the Work, includes:

- Road surface gravelling maintenance, as required, to provide a smooth, stable, safe and Maintainable running surface. The running surface shall consist of suitable gravel material, consistent with adjacent Road Surfacing material. This Work will be performed in accordance with Standard 1-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Road surface grading of the SYD Road surface, as required, to provide a smooth, stable, free-draining and safe running surface. This Work will be performed in accordance with Standard 1-200 of the Sierra Yoyo Desan Road Services Standards Manual;

- Ditch and watercourse maintenance services, as required, to provide safe, efficient and unobstructed free drainage of the road including natural roadside runoff and drainage water passing under, away from or alongside the SYD Road. This Work will be performed in accordance with Standard 2-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Drainage appliance maintenance services, as required, to ensure that the road structure is safely and efficiently drained. The Concessionaire will perform drainage appliance maintenance services on existing drainage appliances to facilitate the efficient movement of water and to ensure that functional capacity of drainage appliances is maintained to accommodate peak flows. The Concessionaire will prevent any erosion of side slopes, surfaces or adjacent properties. This Work will be performed in accordance with Standard 2-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Roadside brushing on rights-of-way to eliminate vegetation restricting sight distances at curves, intersections with side roads and entrances, signs, or other locations restricting drainage. This Work will be performed in accordance with Standard 3-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Roadside litter collection to ensure that the Road and right-of-way are Maintained to an attractive appearance, free of litter and debris. This Work will be performed in accordance with Standard 3-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Debris removal, as required, on the road to maintain the traveled lanes and shoulders in a safe condition, free of all fallen trees and tree limbs, dead animals or debris. This Work will be performed in accordance with Standard 3-300 of the Sierra Yoyo Desan Road Services Standards Manual;
- Maintaining bridge bearings, as required, on bridges to clean, lubricate, re-align, repair and replace bridge bearings and their components. This Work will be performed in accordance with Standard 4-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Bridge piling maintenance services, including trash racks, as required, at bridges, to ensure structural strength, scour protection and impact resistance. This Work will be performed in accordance with Standard 4-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Maintenance of retaining structures, as required, at berms, bin walls, abutments and other retaining structures to ensure stable retention of all backfill material. This Work will be performed in accordance with Standard 4-300 of the Sierra Yoyo Desan Road Services Standards Manual;

- Bridge deck maintenance, as required, on bridges to ensure a smooth, stable and safe condition for the road users. This Work will be performed in accordance with Standard 4-400 of the Sierra Yoyo Desan Road Services Standards Manual;
- Bridge structure cleaning, as required, on bridges removing all dirt, debris and deleterious materials that constitute or have the potential to create an unsafe condition to the road users or affects the integrity of the structure. This Work will be performed in accordance with Standard 4-500 of the Sierra Yoyo Desan Road Services Standards Manual;
- Concrete structure maintenance and repair, as required, on bridges and concrete walls to restore the integrity and durability of all concrete structure components. This Work will be performed in accordance with Standard 4-600 of the Sierra Yoyo Desan Road Services Standards Manual;
- Maintenance on steel structures, as required, to restore integrity, durability and maintain the load carrying capacity of the bridges. This Work will be performed in accordance with Standard 4-700 of the Sierra Yoyo Desan Road Services Standards Manual;
- Maintenance on bridge railings as required on structures to ensure a safe barrier between vehicles and hazards. This Work will be performed in accordance with Standard 4-800 of the Sierra Yoyo Desan Road Services Standards Manual;
- Road snow removal, as required, on the road to clear snow and remove ice build-up from traveled lanes and shoulders in a timely manner and ensure the road is kept smooth, open, and in a condition that is safe to the road users. This Work will be performed in accordance with Standard 5-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Compact snow road maintenance (compact snow surface grading), as required, to maintain the road surface in a smooth, safe condition. This Work will be performed in accordance with Standard 5-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Roadside snow and ice control, as required, on the road and right-of-way to prevent snow from drifting onto the road. The Concessionaire will remove snow and ice encroaching or otherwise accumulating on the traveled lanes or shoulder tops. This Work will be performed in accordance with Standard 5-300 of the Sierra Yoyo Desan Road Services Standards Manual;
- Winter abrasive application in extreme icy conditions, as required, on the road to restore surface conditions which constitute or have the potential to create an unsafe condition for the road users. This Work will be performed in accordance with Standard 5-400 of the Sierra Yoyo Desan Road Services Standards Manual;
- Sign and delineation maintenance, as required, on the road to assist road users in the safe and orderly movement of traffic and to ensure that signs are installed at the appropriate

locations and are clean and legible. This Work will be performed in accordance with Standard 6-100 of the Sierra Yoyo Desan Road Services Standards Manual;

- Traffic control, as required, on the road and bridges to maintain safe conditions for the road users and road workers. The Concessionaire will minimize interruptions to traffic, and warn users of the location and nature of delays. This Work will be performed in accordance with Standard 6-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Respond to floods and washouts on the road, as required, to safeguard the road users and prevent damage to the road and bridges. The Concessionaire will restore the flow of traffic in a safe and orderly manner, repair damage caused by floods and washouts, and restore the road to its previously existing condition. This Work will be performed in accordance with Standard 7-100 of the Sierra Yoyo Desan Road Services Standards Manual;
- Respond to road accidents, as required, by providing traffic control and restoring traffic movement. The Concessionaire will contain road spillage and repair damage to roads from accidents and vandalism. The Concessionaire will record accident and vandalism information, remove vehicles, cargo or debris as necessary. This Work will be performed in accordance with Standard 7-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Respond to the occurrence of structural damage, as required, on bridges, piers and abutment protective structures to remedy any structural damage resulting from:
 - a) impact from vehicles or their loads;
 - b) flooding, and debris impact or water damage affecting the structure;
 - c) high winds;
 - d) vandalism;
 - e) fire and excessive heat; and
 - f) other events such as earthquakes, excessive loading or vibration and excessive settlement or movement of Foundations.

This Work will be done to ensure that any condition at the structure which constitutes or has the potential to create an unsafe condition for the road users and the stability of the structure will be responded to, maintained and repaired. This Work will be performed in accordance with Standard 7-300 of the Sierra Yoyo Desan Road Services Standards Manual;

- Road inspection services to identify needed maintenance and establish priorities for maintenance work assignments. The Concessionaire will ensure the effective provision of the services. This Work will be performed in accordance with Standard 8-100 of the Sierra Yoyo Desan Road Services Standards Manual;

- Road patrol services to identify and attend to any condition on the road that constitutes or has the potential to create an unsafe or hazardous condition to the road users. The Concessionaire will identify and monitor changes to the road that will require or potentially require adjustment to the Concessionaire's maintenance plans or schedules to ensure the effective provision of the maintenance services. This Work will be performed in accordance with Standard 8-200 of the Sierra Yoyo Desan Road Services Standards Manual;
- Bridge inspections as required on bridges and other structures to establish priorities for needed maintenance work and ensure that full bridge and structure maintenance services are being provided effectively. This Work will be performed in accordance with Standard 8-300 of the Sierra Yoyo Desan Road Services Standards Manual.

Appendix E – Draft Concession Agreement

Appendix F – Payment Schedule

For the Base Case, Proponents should identify their required monthly payments, as follows:

	AVAILABILITY PAYMENT PER MONTH			
Bypass and Up-front payment expected to commence December 1, 2004				
Upgrade of SYD (km 30.5 to 188) expected to commence December 1, 2005				
Time Period	O&M PAYMENT			Insurance Per Month (Based on quote for total period)
	Base Per Month	Incremental Per Drilling Rig Move		
		Summer April 1 to November 30	Winter December 1 to March 31	
From August 1, 2004 November 30, 2004				
December 1, 2004 to November 30, 2005				N/A
December 1, 2005 to November 30, 2018				N/A

N/A – Not applicable

Appendix G – Schedule of Costs

Volume D of the Proponents submission must include a construction budget broken down by key cost component as set out below:

General

The Lump Sums listed in the Schedule of Costs represent components of the cost for all of the Work included in the Concession.

Each Lump Sum shall make allowance for all the costs of performing the Work of that item.

Minimum Facilities to be Provided

The Lump Sum Costs listed for Road Construction shall cover all Work necessary for the construction, including, but not limited to, geotechnical investigations, engineering design, stripping, clearing and grubbing, excavating, backfilling, grading, supply, placement and compaction of granular materials, supply, placement and installation of all required drainage facilities, and all other work necessary to construct a fully functional, continuous road, capable of meeting the Minimum Design and Construction Criteria described in Appendix C. Separate Lump Sums for each portion of the new road shall be provided, as follows:

- Segment 1:** which is the length of new road from the end of pavement on Airport Drive to the start of the west approach fill of the Fort Nelson River Bridge;
- Segment 2:** which is the length of the Fort Nelson River Bridge, including the approach fills at each end of the bridge and the Fort Nelson River Bridge;
- Segment 3:** which is the length of new road from the east end of the east approach fill of the Fort Nelson River Bridge to the top of the east side of the Fort Nelson River Valley;
- Segment 4:** which is the length of new road from the top of the east side of the Fort Nelson River Valley to the intersection point of the new road with the existing Kotcho Lake Winter Road;
- Segment 5:** which is the length of new road from the intersection point of the new road with the existing Kotcho Lake Winter Road to the intersection point of the new road with the existing SYD Road, including the tie-in intersection with the existing SYD Road.

The Lump Sum Costs listed for improvements to the existing SYD Road shall cover all work necessary for the widening and strengthening the existing SYD Road, including, but not limited to, geotechnical investigations, engineering design, stripping, clearing and grubbing, excavating, backfilling, grading, supply, placement and compaction of granular materials, supply, placement and installation of all required drainage facilities, and all other Work necessary to construct a fully functional, continuous road, capable of meeting the Minimum Design and Construction Criteria described in Appendix C. Separate Lump Sums for each portion of the widened and strengthened road shall be provided, as follows:

- Strengthening of Segment 6 of the existing SYD Road to 70-75% of the legal load limit;
- Widening of Segment 6 from the existing width to a new width of 8 meters, including the costs of additional clearing;
- Improvement of the alignment of the existing SYD Road to meet the design speed of 80 kms per hour. A table of curves to be re-constructed shall be provided, along with the cost of improving each of the curves;
- Lump Sum Costs for the replacement of the existing bridges with a separate cost for each bridge; and
- Construction of two widenings (pull-outs) to accommodate the ICBC Portable scales.

Optional Improvements to the Minimum Facilities

The Lump Sum Costs listed for Optional Improvements to the Minimum Facilities shall cover all Work necessary for the construction of the Optional Improvement, over and above the cost of constructing the Minimum Facilities, as described in Appendix C. Separate Lump Sums for each of the Optional Improvements shall be provided, as follows:

- The incremental Lump Sum Cost listed for Option 1 shall cover all work necessary to increase the road top width traveled surface to a minimum of 9.2 meters in width for Segment 5;
- The incremental Lump Sum Cost listed for Option 2 shall cover all work necessary to design and construct the Fort Nelson River Bridge to include a sidewalk wide enough to accommodate snowmobiles on one side of the bridge, outboard of the traffic barrier;
- The incremental Lump Sum Cost listed for Option 3 shall cover all work necessary to design and construct the Fort Nelson River Bridge to accommodate and support the weight of the future addition of a 450 mm oil pipeline, complete with appropriately designed inserts in the underside of the bridge deck;
- The incremental Lump Sum Cost listed for Option 4 shall cover all work necessary to design and construct the widening of Segment 6 from the existing width to a new width of 9.2 meters, including the costs of additional clearing; and

- The incremental Lump Sum Cost listed for Option 5 shall cover all work necessary to design and construct two widenings (pull-outs) to accommodate the ICBC Portable scales.

Foundations for the Fort Nelson River Bridge

The Lump Sum Cost listed for Foundations for the Fort Nelson River Bridge shall cover all Work necessary to design, supply, install and secure the foundations of the Fort Nelson River Bridge. The Lump Sum Cost listed shall also include all costs to access the Work Site of the foundation installation, including the cost of any temporary ice bridges or other structures necessary to install the foundations within the wetted perimeter of the Fort Nelson River. The Lump Sum Cost listed shall also include any additional costs due to any extra mobilization and demobilization necessary for the installation of the foundations.

Appendix H – Certificate of Acknowledgement of No Material Adverse Change

Re: MEM Sierra Yoyo Desan Road Public Private Partnership (the “Project”) Request for Proposals dated September 29, 2003 (the “RFP”)

Proposal dated the ___ day of ___, 2003 of [Name of the Proponent] (the “Proposal”)

CERTIFICATE of the Chief Financial Officer of [Name of the Proponent, a member of the Proponent, or the Proponent Guarantor] (the “Declarant”)

The undersigned, , in [his/her] capacity as Chief Financial Officer of the Declarant hereby certifies, under the corporate seal of the Declarant, for and on behalf of the Declarant that:

1. The financial statements of the Declarant submitted with [*Name of the Proponent*]’s response to the Request for Qualificatons dated the 18th day of July, 2003 (the “RFQ”) were prepared in accordance with generally accepted accounting principles applied on a consistent basis;
2. The financial statements of the Declarant which are being submitted with [Name of the Proponent]’s response to the RFP (the “RFP Financial Statements”) were prepared in accordance with generally accepted accounting principles applied on a consistent basis and consistent in all material respects with the accounting principles and practices followed in the preparation of the financial statements of the Company submitted with [*Name of the Proponent*]’s response to the RFEI (the “RFEI Financial Statements”);
3. The RFEI Financial Statements and the RFP Financial Statements fairly present the information purported to be shown thereby;
4. No material adjustments to the RFEI Financial Statements or the RFP Financial Statements are required and no other adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein;
5. No events having a material adverse effect on the RFP Financial Statements have occurred, where the occurrence of such events would require disclosure in order to keep those statements from being misleading [*“except as set forth below...”*];
6. No material adverse change in the financial condition of the Declarant, since the date of the RFP Financial Statements of the Declarant, has occurred [*“except as set forth below...”*];

[Amend the above clauses, as required, if the Certificate is being executed by a member of the Proponent or Proponent Guarantor who was not a member or Proponent Guarantor at the time of the Proponent's response to the RFQ.]

7. No material litigation is outstanding or threatened against the Declarant before any Court or authority [*“except as set forth below...”*];
8. The Declarant is not in default in any material obligation for the borrowing of money [*“except as set forth below...”*]; and
9. No circumstances or events have occurred which constitute, or may with notice or lapse of time constitute, a default or breach of an obligation or liability which could have a material adverse affect on the Declarant [*“except as set forth below...”*].

The Declarant hereby undertakes to immediately disclose to the RFP Project Manager any events having a material adverse effect on business and affairs of the Declarant or on the RFP Financial Statements, which should be disclosed in order to keep the RFP Financial Statements from being misleading.

DATED this * day of *, 2003.

[Name of the Proponent, a member of the Proponent, or a Proponent Guarantor]

Per: *[affix seal] Chief Financial Officer*

[Name of Chief Financial Officer]