



REQUEST FOR PROPOSALS

for

DISTRIBUTION SYSTEM METERING DEVICES –

TRANSFORMER METERS

[Conformed: February 2, 2012]

SUBMISSION TIME:	April 23, 2012 At 11:00 a.m. (local time in Vancouver, BC)
SUBMISSION LOCATION	Bid Station 535 Hamilton Street Vancouver, BC V6B 2R1 Canada
CONTACT PERSON	Dawn Hart
EMAIL ADDRESS	Dawn.Hart@partnershipsbcc.ca

SUMMARY OF KEY INFORMATION

RFP TITLE	<p>The title of this RFP is:</p> <p>Distribution System Metering Devices – Transformer Meters</p> <p>Proponents should use this title on all correspondence.</p>
CONTACT PERSON	<p>The Contact Person for this RFP is:</p> <p>Dawn Hart</p> <p>Email: Dawn.Hart@partnershipsbc.ca</p> <p>Please direct all Enquiries, in writing, to the above named Contact Person. No telephone or fax enquiries please.</p>
ENQUIRIES	<p>Proponents are encouraged to submit Enquiries at an early date to permit consideration by BC Hydro; BC Hydro may, in its discretion, decide not to respond to any Enquiry received after 3:00 p.m. (local time) on the day that is 15 days before the Submission Time.</p>
INTERIM FINANCIAL CAPACITY SUBMISSION	<p>November 28, 2011 in electronic form by email to the Contact Person</p> <p>At 11:00 a.m. (local time in Vancouver, BC)</p>
SUBMISSION TIME	<p>April 23, 2012</p> <p>At 11:00 a.m. (local time in Vancouver, BC)</p>
SUBMISSION LOCATION	<p>The Submission Location is:</p> <p>Bid Station</p> <p>535 Hamilton Street</p> <p>Vancouver, BC V6B 2R1 Canada</p>
DELIVERY HOURS	<p>Deliveries will be accepted at the Submission Location on weekdays (excluding Statutory Holidays) from 8:30 a.m. to 4:00 p.m. (local time in Vancouver, BC).</p>

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1. INTRODUCTION

1.1 PURPOSE OF THIS RFP

The purpose of this request for proposals (“**RFP**”) is to invite eligible Proponents to prepare and submit competitive Proposals for the delivery of Distribution System Metering Devices (“**DSMD**”) – Transformer Meters. Under the Competitive Selection Process, BC Hydro is seeking to enter into a Contract with one or more qualified entity (“**Contractor**”) to supply the transformer meters and provide the required support services for the meters (the “**Project**”).

1.2 ELIGIBILITY TO PARTICIPATE IN THIS RFP

Through a request for qualifications (“**RFQ**”) issued June 27, 2011 by BC Hydro, the following teams are qualified to participate in this RFP:

- (a) Elster Metering;
- (b) Kinects Solutions Inc; and
- (c) QinetiQ North America Inc.

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

2. THE PROJECT

2.1 PROGRAM OBJECTIVES

The Smart Metering and Infrastructure (“**SMI**”) program is a critical infrastructure upgrade that begins with replacing approximately 1.9 million existing meters with a modern, fully integrated smart metering system. BC Hydro holds the responsibility for delivering safe, reliable and cost effective electricity to homes and businesses across the province, and SMI is an integral part of meeting that responsibility. In addition to improving safety and reliability, SMI will lead to enhanced customer service, reduced electricity theft, improved operational efficiency and less wasted electricity. Smart meters will also support greater customer choice and control, by enabling customers to use in-home feedback tools when they become available.

2.2 DISTRIBUTION SYSTEM METERS – OVERVIEW OF REQUIREMENTS

As part of the next phase of the SMI program, BC Hydro is looking to procure and implement the following items to enable electricity balancing on its grid:

- (a) **Distribution System Metering Devices** – Feeder and Transformer meters – new meters will be installed at key points on the grid to measure electricity supplied to localized areas.
- (b) **Analytics Software** – is an application that consolidates data from DSMD, customer smart meters, Geographic Information Systems (“GIS”), security databases and other corporate information systems.
- (c) **Operational Enhancements** – new processes and work flows, customer information systems enhancements, and system changes will be implemented to enhance the efficiency of field investigations.

Under the *BC Clean Energy Act* of 2010, BC Hydro is required to invest in the deployment of DSMD to enable BC Hydro to monitor and measure energy on the BC Hydro grid. The analytics software and operational enhancements are not a part of this Competitive Selection Process.

Two general classes of meters are required: feeder meters will be deployed on the primary distribution network voltages (7.2kV, 14.4kV and 19.9kV line to neutral); transformer meters will be installed at secondary voltages (120/240V single phase three wire and 120/280V or 347/600V three phase four wires) on both overhead and underground portions of the network. BC Hydro’s optimal end solution of feeder and transformer meters will be developed based upon market availability of different device types (both overhead and underground) and the accuracy performance of the devices available as proven through the Testing Period. This RFP deals with the procurement of transformer meters only. A separate RFP has been issued in respect of the feeder meters.

BC Hydro has an approved total Project budget of CAD\$1 – \$10 million for an estimated 1,000 to 15,000 transformer meters. Within the budget range, it is anticipated that the cost per transformer meter will be up to CAD\$1,000 depending on the volume levels. The transformer meter capital costs will be incorporated into the Total Cost of Ownership model, discussed in Section 3.6.

Transformer meters may be considered to be installed on distribution transformers where:

- (a) The served customer numbers of a distribution transformer exceed a predefined threshold, such as 20, mainly in the urban/suburban areas;
- (b) Locations where feeder metering is not available or cannot provide sufficient measurement resolution; and
- (c) Locations to be identified that are of interest for other business purposes such as load flow monitoring, outage reporting, voltage monitoring, etc.

The transformer meter solution is expected to have the following key characteristics:

- (a) Integrated solutions incorporating current sensing, voltage sensing, metrology, communications, and self-powering capability within a single package;
- (b) Target accuracy equivalent to Measurements Canada Revenue Meter accuracy standards or better;
- (c) Small and lightweight;
- (d) Safely, quickly and easily installed;
- (e) Designed for permanent installation;
- (f) Require no, or minimal outages to install; and
- (g) Have the capability to measure and record load flows.

BC Hydro anticipates that the Proponents' transformer meters may require design modifications to meet its specifications and will require validation testing before readiness for deployment on the BC Hydro grid. The Transformer Meter Requirements document and the Transformer Meter Data Sheet uploaded to the Data Room, outline BC Hydro's expected end state transformer meter requirements.

Every device that is installed on the distribution system is subject to an extensive review by BC Hydro's Distribution Standards department to ensure adequate clearances are maintained amongst hardware installed on poles. Products that can only maintain the clearances by requiring the installation of taller or stronger poles are not desired. Refer to BC Hydro's Engineering Standards for Overhead Distribution Lines, ES43, sections G, J, and K for typical clearances between devices and crossarms, cutouts, secondary conductors, primary conductors, the neutral conductor, and other hardware.

All meter communications will be through BC Hydro's implementation of the Itron OpenWay network unless otherwise specified. Based on the BC Hydro testing plan described in Section 3.5, only the Preferred Proponent(s) will be required to fully integrate Itron Network Interface Cards (NICs) and register boards into the transformer meters for communications.

BC Hydro will be responsible for the installation of the transformer meters and the ongoing data collection and analysis of the information provided by these meters.

2.3 GENERAL SCOPE OF RESPONSIBILITY

BC Hydro anticipates that the general scope of responsibility under the Contract will be for one or more Contractors to provide the following elements:

2.3.1 DSMD - Transformer

- (a) Supply all or some portion of the Project's base requirements for transformer meters (specific volume and number of selected Proponents to be determined); and
- (b) Make available for supply at BC Hydro's election an additional volume of transformer meters over a specified term following completion of the Project at a pre-stipulated price and supply terms (volume and supply period to be determined).

2.3.2 Documentation

- (a) Type test documentation;
- (a) Product drawings;
- (b) Installation instructions;
- (c) Operation and maintenance instructions; and
- (d) Routine test reports.

2.3.3 Services

- (a) Support during configuration, testing and deployment;
- (b) Installation training specific to the device;
- (c) Operations and maintenance training;
- (d) Technical support; and
- (e) Future firmware upgrades.

The Contract is expected to have a three year term, with three one-year options.

2.4 COLLABORATION

It may be necessary to enter into confidentiality and restricted use agreements with Capgemini and/or Itron. As well, the terms of the Schedule 1 (Confidentiality Conditions) to the Participation Agreement may be modified to further facilitate the exchange of technical and other information amongst these parties for the purposes of the Project. BC Hydro will advise of these requirements or modifications, if any, by way of Addendum.

2.4.1 Capgemini

The Contractor(s) will be expected to deliver the Project scope described in the RFP. The Contractor is expected to work in a cooperative and collaborative manner with BC Hydro's program manager and system integrator, Capgemini who will be responsible for the overarching integration of the Smart Metering systems including the meter data management system, the metering system head end ("ADCS"), billing ("SAP") and portal.

2.4.2 Itron

Itron will be available at certain Itron-specific topic workshops during the Interactive Sessions to help BC Hydro, Itron and the Proponent understand the potential integration methods. With a better understanding of the Proponents' potential integration methodologies, BC Hydro will work with Itron to develop standard licensing terms and conditions for all Proponents. It is anticipated that these terms and conditions would be circulated to the Proponents prior to being incorporated into the Final Draft Contract. The Itron related technical requirements for the expected end state transformer meters are described in the Transformer Meter Requirements document posted in the Data Room.

After reviewing the Itron-related material posted in the Data Room, Proponents are expected to put together a detailed consolidated list of questions and comments relating to the Itron integration. This document should be submitted to the Contact Person in advance of the Itron-specific Interactive Session to allow Itron to review the material and come prepared to discuss at the workshop. BC Hydro will let both the Proponents and Itron know well in advance with proposed dates for these Interactive Sessions.

3. COMPETITIVE SELECTION PROCESS

3.1 OVERVIEW

This Section describes the process BC Hydro will use in the selection of a Preferred Proponent(s). The RFP will have a Testing Period after which Proponents will submit a Proposal (the "**Proposal**") based on the requirements outlined in Appendix A.

BC Hydro seeks a transformer meter that works to its specifications under a host of real world operating conditions on its network. BC Hydro will evaluate the Proposals based on the criteria and weighting outlined in Table 1 of Appendix A.

3.2 ESTIMATED TIMELINE

The following is BC Hydro's estimated timeline for the Project:

Activity	Timeline
RFP issued to Proponents	October 27, 2011
Initial Interactive Session – Testing Period Introduction	Week of November 7 – 10 2011
Testing Period and Testing Period Technical Sessions	November - April 2012
Interim Financial Capacity Submission	November 28, 2011
Interactive Sessions	March - April 2012
Final Draft Contract Issued	Week of April 9, 2012
Submission Time	April 23, 2012
Selection of Preferred Proponent(s)	May 2012
Final Negotiations and Contract Award	
Finalize Terms with Preferred Proponent(s)	June 2012

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

3.3 INTERACTIVE SESSIONS

Prior to the Submission Time, BC Hydro will make available certain of its personnel, consultants and advisors (the “**BC Hydro Representatives**”) to participate in interactive sessions (“**Interactive Sessions**”) with the Proponents. BC Hydro expects the Interactive Sessions to take place as follows:

- (a) the purpose of the Interactive Sessions is to provide a process that will assist the Proponents to develop optimal solutions for the Project while minimizing the risk that a Proponent's solution is unresponsive to BC Hydro's requirements, and in particular:
 - (1) to permit the Proponents' Representatives to provide BC Hydro's Representatives with comments and feedback on material issues such as provisions of the Initial Draft Contract; and
 - (2) to permit Proponents to discuss with BC Hydro potential solutions and approaches that the Proponents may be considering for various aspects of its Proposal.
- (b) at least five Business Days in advance of the Interactive Session, each Proponent should provide BC Hydro with a proposed meeting agenda, a list of prioritized issues it would like to

discuss and any materials relevant to such issues. BC Hydro may provide Proponents with comments on the agenda and a list of any prioritized issues BC Hydro would like to discuss;

- (c) BC Hydro will determine which BC Hydro Representatives will be present at any Interactive Session;
- (d) at the Interactive Session, each Proponent may have up to twelve officers, directors, employees, consultants and agents of the Proponent present;
- (e) BC Hydro will hold strictly confidential Interactive Sessions to facilitate free and open discussion with Proponents. Proponents should note that any comments provided by or on behalf of BC Hydro during any Interactive Session will not in any way bind BC Hydro, and will not be taken as an indication of preference by BC Hydro. This includes comments on documents or information provided by Proponents prior to or during the Interactive Sessions;
- (f) if for the purposes of the preparation of its Proposal a Proponent wishes to rely upon anything said or indicated at an Interactive Session, then the Proponent must submit an Enquiry describing the information it would like to have confirmed and request that BC Hydro provide that information to the Proponent in written form and, if such information relates to a clarification, explanation or change to a provision of this RFP, the Contract, request an Addendum to this RFP clarifying and amending the provision in question;
- (g) by participating in the Interactive Sessions a Proponent confirms its agreement with these procedures and acknowledges that the meetings are an integral part of the procurement process as described in this RFP and are in the interests of all parties; and
- (h) BC Hydro anticipates holding Interactive Sessions with each Proponent prior to the Submission Time. Following the release of the RFP, BC Hydro will consult with each Proponent to confirm specific dates for the Interactive Session. If BC Hydro considers it desirable or necessary to schedule additional Interactive Sessions, BC Hydro may, in its discretion, amend the anticipated schedule.

3.4 DATA ROOM

BC Hydro has established a web site to be used as an electronic data room (the “**Data Room**”) in which it has placed documents in the possession of BC Hydro that BC Hydro has identified as relevant to the Project and that may be useful to Proponents. BC Hydro does not make any representation as to the relevance, accuracy or completeness of any of the information available in the Data Room except as BC Hydro may advise in writing with respect to a specific document. BC Hydro will grant Proponents access

to the Data Room upon signing the Participation Agreement described in Section 4.1. Proponents will be required to keep information contained in the Data Room confidential.

The information in the Data Room may be supplemented or updated from time to time. Although BC Hydro will attempt to notify Proponents of all updates, Proponents are solely responsible for ensuring they check the Data Room frequently for updates and to ensure the information used by the Proponents is the most current, updated information.

3.5 TESTING PERIOD

The Testing Period will be governed by the terms and conditions laid out in the RFP. The objectives of the Testing Period are three fold:

- (a) **Safety** – To ensure the transformer meters can be safely installed on the distribution system;
- (b) **Functional Evaluation** – To test and verify the transformer meters' performance to allow for comparison across Proponents in a fair and transparent testing process; and
- (c) **Broader Theft Detection Goals** – To support the broader BC Hydro corporate goals of implementing a complete theft detection solution including gathering data on DSMD placement, establishing program metrics and testing the IT infrastructure required for energy balance, analytics and ultimately large scale rollout.

The Testing Period schedule is included in the table in Section 3.2.

Proponents are not required to integrate the Itron components into their transformer meter during the Testing Period. Only the Preferred Proponent(s) will be responsible for integrating the Itron components. It is important to note that this is a change from the RFQ where all Proponents were expected to integrate the Itron components during the Testing Period.

It is anticipated that during the Testing Period, each Proponent will submit their transformer meters to BC Hydro for testing. BC Hydro expects that a representative from the Proponent will be required in person: for half a day to assist in setting up the meter and explain how to retrieve data; and then for a full day to assist in setting up the meter for the field trials. BC Hydro may also request that a representative from the Proponent be available for telephone support and potentially in person to address ongoing testing-related issues. This issue is discussed in the following Section.

The Testing Period may involve a series of lab tests, early field tests / outdoor lab tests, and follow up lab testing. The preliminary list of tests is included in the Data Room. The Testing Period compensation is discussed in Section 7.2.

The test standards associated with the tests were developed for revenue meters or separate current and voltage transformers. BC Hydro will modify the tests as appropriate for the transformer meter's characteristics. Not all of the tests may be applicable for each transformer meter type. The intent is to verify the performance of the transformer meters for theft detection purposes, not to disqualify transformer meters that do not strictly conform to conventional standards.

Some of the tests will produce results that can be used to judge the transformer meters' relative performance, while other tests will be of a pass/fail nature. Proponents may be provided the opportunity to address any failure prior to field trials.

Also, for the Proponents' reference, the electrical ratings and operating conditions for tests can be found in the Transformer Meter Requirements documents and Transformer Meter Data Sheet posted in the Data Room.

BC Hydro will retain Powertech Labs Inc. ("**Powertech**"), a wholly owned BC Hydro subsidiary who is bound to confidentiality, to conduct all or part of the tests on BC Hydro's behalf. Proponents agree that Powertech will be entitled to exercise the rights conferred on BC Hydro under this RFP, and to the benefit of any other provisions of this RFP, to the extent relevant to Powertech's performance of all or any part of the tests.

3.5.1 **Testing Contact Person and Testing Period Technical Sessions**

BC Hydro may require Proponents' assistance in addressing testing-related issues encountered during the testing. To address these issues, BC Hydro anticipates holding a series of testing-related technical sessions with each Proponent via teleconference ("**Testing Period Technical Sessions**").

A Testing Contact Person has been appointed (Ronuk Bhayaani, ronuk.bhayaani@bchydro.com) in order to facilitate this testing interaction and help coordinate the Testing Period Technical Sessions. If there is a testing issue encountered, the Testing Contact Person will contact a Proponent asking to organize a Testing Period Technical Session. When a Proponent hears from the Testing Contact Person, the Proponent is allowed to liaise with them for the purpose of setting up the Testing Period Technical Sessions. In any other circumstance, Proponents must communicate through the Contact Person. The Testing Contact Person is not authorized to issue any Addendum.

BC Hydro expects the Testing Period Technical Sessions to take place as follows

- (a) the Testing Contact Person will coordinate with the Proponent to organize the session;
- (b) the purpose will be to assist BC Hydro to safely, efficiently and properly test the meters and address any meter implementation considerations;

- (c) to provide BC Hydro with an opportunity to communicate to Proponents with respect to any issues encountered during testing of the meters in terms of their alignment to BC Hydro standards and requirements, work methods and safety by design considerations;
- (d) to provide BC Hydro with an opportunity to communicate to Proponents with respect to any proposed transformer meter enhancements, as discussed in the following Section;
- (e) teleconferences may be organized on an as-needed basis and are not anticipated to be less frequent than monthly during the Testing Period;
- (f) if for the purposes of the preparation of its Proposal a Proponent wishes to rely upon anything said or indicated at a Testing Period Technical Session, then the Proponent must submit an Enquiry describing the information it would like to have confirmed and request that BC Hydro provide that information to the Proponent in written form and, if such information relates to a clarification, explanation or change to a provision of this RFP, the Contract, request an Addendum to this RFP clarifying and amending the provision in question; and
- (g) if BC Hydro requires clarification or confirmation during testing, BC Hydro may submit a written request seeking clarification or confirmation.

3.5.2 Transformer Meter Enhancements during the Testing Period

Proponents may undertake development work to modify the transformer meter during the Testing Period. Depending on the nature of the product enhancement, BC Hydro may in its sole and absolute discretion elect to test the revised transformer meter, reject the change or use the Proponent's own drawings and test data as evidence of completed development work.

3.5.3 Lab Tests

The lab tests that BC Hydro intends to conduct are detailed in the testing documents found in the Data Room.

3.5.4 Safety and Security Considerations

BC Hydro expects to hold a Testing Period Technical Session to discuss its safety requirements prior to putting the meters out in the field. In this session, BC Hydro expects to discuss safety considerations with the Proponent, as outlined in the safety by design document found in the Data Room.

BC Hydro also expects to hold a Testing Period Technical Session to discuss its security requirements prior to putting the meters out in the field. In this session, Proponents will be required to address the questions and requirements included in the security requirements document posted in the Data Room.

To aid in BC Hydro's internal Engineering Standards and Safety review of the transformer meters during the Testing Period, BC Hydro would like to request that the Proponents submit to the Contact Person electronic versions of 3D drawings of their meter if available, in the following file format (.sldasm, .sldprt or .slddrw). Proponents are requested to confirm either way to the Contact Person if the drawings are available by February 10, 2012. If they are available, they should be submitted to the Contact Person either via email (if file size permits or with a FTP site link) or couriered on a USB flash drive to:

Ronuk Bhayaani
9100 Glenlyon Parkway
Burnaby, BC
Canada V5J 5J8

3.5.5 Early Field / Outdoor Lab Tests

The transformer meters will be deployed on active transformers, concurrent with, or as soon as practical after lab testing concludes. The transformer meters will be tested based on characteristics such as, but not limited to:

- (a) Installation characteristics – evaluation for safety, work methods, installation time, and total installation cost;
- (b) Diversion detection capability;
- (c) Performance with varying environmental conditions; and
- (d) Performance in varying line (i.e. electrical) conditions.

3.5.6 Follow Up Lab Tests

Upon the completion of the lab and early field tests, BC Hydro may conduct follow up lab tests on the transformer meters to assess changes in performance.

3.5.7 Test Results

BC Hydro will provide Proponents with a summary of their own individual test results. BC Hydro will own the test results.

Once testing is complete, the transformer meter's final test results and performance will be taken into consideration in the evaluation of the Proponents' Proposals. Early test results, where superseded by later test results, will not factor in to the final evaluation. BC Hydro reserves the right to conduct final testing after the Proposals are submitted to satisfy themselves on the characteristics of a particular transformer meter.

3.5.8 Preferred Proponent(s) Testing

Once a Preferred Proponent(s) is selected, BC Hydro anticipates the Preferred Proponent(s) will integrate the Itron register and communication components into the transformer meter. The fully integrated transformer meter will be tested for communications capability, penetration tested for security purposes and subjected to other end to end performance testing as BC Hydro deems necessary. In addition, the Preferred Proponent(s) will be required to provide evidence of communication testing, type testing, acceptance testing and routine testing on the transformer meter prior to Contract execution. The Preferred Proponent(s) will be consulted as the test plan is finalized.

(a) Communication Testing

BC Hydro will perform a series of tests to verify the communication capabilities of the Preferred Proponent's transformer meter.

(b) Type Testing

Type tests are expected to include the tests detailed in the lab test Section as well as outlined in the testing documents found in the Data Room. The Preferred Proponent(s) will be asked for certified test reports as evidence of completion. BC Hydro will consider alternative testing schemes as well as different test standards that satisfy the same intent. Evidence of type testing will be required during the Preferred Proponent stage and will not be a part of the Competitive Selection Process.

(c) Acceptance Testing

BC Hydro expects to perform various integration and end-to-end tests to verify the performance of the transformer meters as part of the complete metering solution. Penetration testing will also be performed as part of a security review.

(d) Routine Testing

The Preferred Proponent(s) will also be required to perform routine testing for accuracy and electrical withstand for each unit produced. Exact tests and levels are yet to be determined and will depend on the transformer meter type and voltage class.

3.5.9 Proponent Personnel

Proponents will be expected to provide BC Hydro with access to their technical and other personnel to facilitate the testing of their transformer meters as outlined above. BC Hydro will not compensate Proponents for any time spent by their personnel to provide advices, assistance, or other services to BC Hydro in connection with the tests.

3.5.10 Knowledge Transfer and Intellectual Property

In order to conduct the tests and achieve BC Hydro's desired outcomes, BC Hydro must acquire an in-depth and comprehensive understanding of the meters and related technology. Proponents may be requested to disclose certain proprietary and confidential information in respect of their meters, if necessary for the purposes of the tests. A Proponent may decline to disclose requested information, but acknowledges that such refusal may compromise BC Hydro's ability to evaluate the Proposal or conduct any tests during this phase in respect of that Proponent's meters, and therefore may affect the likelihood of that Proponent being selected as the Preferred Proponent. If the Proponent, in response to a request from BC Hydro, does disclose proprietary or confidential information to BC Hydro, BC Hydro will maintain the confidentiality of all such information according to the terms of its confidential obligations set out in this RFP.

In the course of engaging with BC Hydro in the Interactive Sessions, Testing Period Technical Sessions, reviewing the Proposals and/or conducting the tests, Proponents may transfer to BC Hydro, or BC Hydro may otherwise gain, knowledge, information and data regarding transformer meters, related software and technologies, know-how and other information (collectively, "**Knowledge**"). Knowledge might include, without limitation, knowledge, information and data about DSMD placement, program metrics, communication features and related infrastructure required for energy balance, exercise analytics and other matters. Proponents may also acquire Knowledge through this process.

Knowledge will not be proprietary to any party and may be freely used and disclosed by BC Hydro or Proponent without any liability, obligation or compensation to any Proponent, BC Hydro or other person,

unless the information comprising the Knowledge is known (or reasonably ought to be known) to the recipient to be Confidential Information of another party.

It will be necessary for Proponents to make broader disclosure of the Proponents' proprietary and confidential information regarding its proposed meters and Proponents will grant to BC Hydro a licence pursuant to Section 5.8 to use this proprietary information and related intellectual property for the limited purpose of completing the BC Hydro testing activities and in carrying out an evaluation of the Proposals.

Nothing in the preceding sentence would permit BC Hydro to infringe a valid intellectual property right of a Proponent or to disclose or use confidential of a Proponent except as otherwise permitted in this RFP.

The foregoing paragraphs are in addition to the provisions of Section 5.8 of this RFP with respect to Intellectual Property.

3.6 TOTAL COST OF OWNERSHIP

Each Proponent's technical solution will be considered in the context of BC Hydro's Total Cost of Ownership. The Total Cost of Ownership to BC Hydro over a 25 year period will be assessed on a present value basis (using a nominal discount rate of 7.5 per cent annum) and will consider the following inputs:

- (a) Transformer meter capital costs;
- (b) Transformer meter installation costs;
- (c) BC Hydro's ongoing transformer meter operating and maintenance costs; and
- (d) Expected failure rates and repair costs.

In their Proposals, Proponents will be required to populate the Pricing Template in the Total Cost of Ownership model (found in the Data Room) which will allow BC Hydro to assess the total ownership costs.

3.7 COMMENTS ON THE INITIAL DRAFT CONTRACT

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

- (a) BC Hydro will invite Proponents as part of the Interactive Session process to discuss possible clarifications or amendments to the Initial Draft Contract, including with respect to commercial, legal, and technical matters;

- (b) at least five Business Days in advance of the Interactive Session at which the Proponent wishes to discuss the Initial Draft Contract, each Proponent should provide BC Hydro with a prioritized list of requested changes, if any, to the Initial Draft Contract using the Proponent Comments Form attached as Appendix E, together with the agenda and issues list; and
- (c) BC Hydro will consider all comments and requested clarifications or amendments received from the Proponents in the Interactive Sessions and may respond to some or all of the comments received, and will amend the Initial Draft Contract as BC Hydro may determine in its discretion.

Prior to the Submission Time, BC Hydro intends to issue by Addendum one or more revised drafts of the Contract, including one that will be identified as the Final Draft Contract (the “**Final Draft Contract**”). The Final Draft Contract will be the common basis for the preparation of all Proposals, and Proponents should not in their Proposal make any modifications, changes or additions to the Final Draft Contract.

3.8 FINANCIAL CAPACITY AND EVIDENCE OF A GOING CONCERN

BC Hydro seeks a stable, financially capable partner for the provision of these devices as part of its long-term theft detection solution.

BC Hydro expects that the Preferred Proponent(s) has a significant presence in the development and manufacture of metering and measurement devices for the utility industry, is a going concern, and is able to demonstrate that it has sufficient financial strength and capacity to meet both the short-term and long-term requirements and commitments related to this RFP. In its assessment of financial capacity and evidence of a going concern, BC Hydro will examine revenues, liquidity, profitability, cash flow and operating track records. Proponents will be required to demonstrate an acceptable level of financial capacity which may include the following metrics:

- (a) Average annual revenues over the past 3 years at least CAD\$75 million;
- (b) Positive average annual net income over the past 3 years;
- (c) A debt ratio (total debt ÷ total assets) less than 0.80; and
- (d) Length of time involved in the a) development, and b) manufacture of measuring devices for the utility industry.

In instances wherein the information provided to demonstrate financial capacity is that of the Proponent's parent company or affiliate, a confirmation of the willingness of the parent or affiliate to provide a guarantee will be required.

Proponents who are unable to meet the financial capacity requirements associated with this RFP may align themselves with an entity (the “**Guarantor**”) that both meets the financial capacity criteria and is willing to unconditionally and irrevocably guarantee the performance of the Proponent. Proponents who align themselves with a Guarantor, not identified in their RFQ response, would have to follow the procedure outlined in Section 5.11 that details changes to Proponent teams. The specific terms of this guarantee will be provided in the Initial Draft Contract.

3.9 INTERIM FINANCIAL CAPACITY SUBMISSION

Proponents must submit in electronic form in PDF format by email to the Contact Person by 11:00 am (local time in Vancouver) on November 28, 2011 an interim financial capacity submission (the “**Interim Financial Capacity Submission**”) which should include for each Proponent:

- (a) Credit rating and copies of current credit agency reports, if available;
- (b) Most recent annual report or similar detailed corporate and business overview, including a description of the legal status (i.e. corporation, partnership or other) of the business entities that the Proponent is proposing as the contracting party for this RFP;
- (c) Audited financial statements, if available, for the past 3 years, including any interim statements for each quarter since the last audited statement, if available;
- (d) Details of any material events that may affect the Proponent’s financial standing since the last annual or interim statement;
- (e) Where the financial statements, annual report, and/or credit information provided above are that of the Proponent’s parent company, affiliate or another entity, provide confirmation of the willingness of the parent, affiliate or entity to provide a guarantee; and
- (f) For Proponents without an established credit rating or audited financial statements and where a parental, affiliate or another entity guarantee will not be provided, present evidence to show that the Proponent is a going concern and has sufficient financial strength and capacity to meet the short-term and long-term requirements and commitments related to this RFP.

3.9.1 Use of Interim Financial Capacity Submission

BC Hydro:

- (a) will retain each of the Interim Financial Capacity Submissions as strictly confidential; and

- (b) intends, by December 2, 2011, to provide a response to each Proponent who has submitted an Interim Financial Capacity Submission. The response is meant to provide Proponents with feedback on their Interim Financial Capacity Submissions. BC Hydro's response may indicate that the financial capacity of the parties put forward by the Proponent is adequate or inadequate. If they are inadequate, BC Hydro will endeavour to provide brief suggestions on what area(s) need to be improved.

A Proponent may request a meeting to discuss its Interim Financial Capacity Submission if BC Hydro indicates the financial capacities of the parties put forward by the Proponent are inadequate.

A Proponent should submit with its Proposal, information that is at least equal in form and substance to the Interim Financial Capacity Submission submitted by the Proponent which BC Hydro reviewed and indicated was adequate. Only the financial capacity information submitted by the Proponent with its Proposal will be considered in the evaluation.

4. PROPOSAL REQUIREMENTS

4.1 PARTICIPATION AGREEMENT

As a condition of participating in this RFP each Proponent must sign and deliver to the Contact Person a participation agreement ("**Participation Agreement**"), substantially in the form attached as Appendix F or otherwise acceptable to BC Hydro in its discretion. Proponents will not be provided with access to the Data Room, be invited to participate in Interactive Sessions or be invited to participate further in the Competitive Selection Process unless and until they have signed and delivered a Participation Agreement as required by this Section.

4.2 PROPOSAL FORM AND CONTENT

Proposals should be in the form and include the content described in Appendix A. Each Proponent shall be entitled to submit a maximum of one Proposal.

5. SUBMISSION INSTRUCTIONS

5.1 SUBMISSION TIMES AND SUBMISSION LOCATION

Proposal submissions must be received at the Submission Location before the Submission Time. Proposals received after the submission time will not be considered and will be returned unopened.

5.2 NO FAX OR EMAIL SUBMISSION

Proposals submitted by fax or email will not be accepted. This does not apply to the Interim Financial Capacity Submission which must be submitted by email.

5.3 LANGUAGE OF PROPOSALS

Proposals should be in English. Any portion of a Proposal not in English may not be evaluated.

5.4 RECEIPT OF COMPLETE RFP

Proponents are responsible to ensure that they have received the complete RFP, as listed in the table of contents of this RFP, plus any Addenda. A submitted Proposal will be deemed to have been prepared on the basis of the entire RFP issued prior to the Submission Time, plus any Addenda. BC Hydro accepts no responsibility for any Proponent lacking any portion of this RFP.

5.5 ENQUIRIES

All enquiries regarding any aspect of this RFP should be directed to the Contact Person by email (each, an “**Enquiry**”), and the following applies to any Enquiry:

- (a) responses to an Enquiry will be in writing;
- (b) all Enquiries, and all responses to Enquires from the Contact Person, will be recorded by BC Hydro;
- (c) BC Hydro is not required to provide a response to any Enquiry;
- (d) a Proponent may request that a response to an Enquiry be kept confidential by clearly marking the Enquiry “Commercial in Confidence” if the Proponent considers the Enquiry is commercially confidential to it;
- (e) if BC Hydro decides that an Enquiry marked “Commercial in Confidence”, or BC Hydro’s response to such an Enquiry, must be distributed to all Proponents, then BC Hydro will permit the enquirer to withdraw the Enquiry rather than receive a response and if the Proponent does not withdraw the Enquiry, then BC Hydro may provide its response to all Proponents;
- (f) notwithstanding Sections (d) and (e):
 - (1) if one or more other Proponents submits an Enquiry on the same or similar topic to an Enquiry previously submitted by another Proponent as “Commercial in Confidence”, BC Hydro may provide a response to such Enquiry to all Proponents; and

- (2) if BC Hydro determines there is any matter which should be brought to the attention of all Proponents, whether or not such matter was the subject of an Enquiry, including an Enquiry marked “Commercial in Confidence”, BC Hydro may, in its discretion, distribute the Enquiry, response or information with respect to such matter to all Proponents.

Information offered from sources other than the Contact Person with regard to this RFP is not official, may be inaccurate, and should not be relied on in any way, by any person for any purpose.

5.6 ELECTRONIC COMMUNICATION

Proponents should not communicate with the Contact Person by fax. The Contact Person will not respond to any communications sent by fax.

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

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

5.7 ADDENDA

BC Hydro may, in its sole and absolute discretion through the Contact Person, amend this RFP at any time by issuing a written Addendum. Written Addenda are the only means of amending or clarifying this RFP, and no other form of communication whether written or oral, including written responses to Enquiries as provided by Section 5.5, will be included in, or in any way amend, this RFP. Only the Contact Person is authorized to amend or clarify this RFP by issuing an Addendum. No other employee or agent of BC Hydro is authorized to amend or clarify this RFP. BC Hydro will provide a copy of all Addenda to all Proponents.

5.8 INTELLECTUAL PROPERTY RIGHTS

5.8.1 Grant of Licence

- (a) Subject to Section 5.8.2, by submitting a Proposal, each Proponent will be deemed to have:
- (1) granted to BC Hydro a royalty-free license without restriction to use for the purposes of carrying out testing activities and for the purposes of evaluation of the Proposals any and all of the information, ideas, concepts, products, alternatives, processes, recommendations, suggestions and other intellectual property or trade secrets (collectively the “**Intellectual Property Rights**”) contained in the Proponent’s Proposal, or that are otherwise disclosed by the Proponent to BC Hydro; and
 - (2) waived or obtained a waiver of all moral rights contained in the Proposal.
- (b) Proponents will not be responsible or liable for any use by BC Hydro or any sub-licensee or assignee of BC Hydro of any Intellectual Property Rights contained in a Proposal.

5.8.2 Exceptions to Licence

The license granted under Section 5.8.1 does not extend to Third Party Intellectual Property Rights to non-specialized third party technology and software that are generally commercially available. By submitting a Proposal, each Proponent represents to BC Hydro that it owns or has, and will continue to own or have at the Submission Time, all necessary rights to all Third Party Intellectual Property Rights contained in its Proposal or otherwise disclosed by the Proponent to BC Hydro and, subject to the foregoing exceptions, has the right to grant a license of such Third Party Intellectual Property Rights in accordance with Section 5.8.1.

5.9 INCONSISTENCY BETWEEN PAPER AND ELECTRONIC FORM

If there is any inconsistency between the paper form of a document issued by or on behalf of BC Hydro to Proponents and the digital, electronic or other computer readable form, the electronic version of the document posted by BC Hydro in the Data Room will prevail.

5.10 AMENDMENTS TO PROPOSALS

A Proponent may amend any aspect of its Submission by delivering written notice, or written amendments, to the Submission Location prior to the Submission Time.

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

5.11 CHANGES TO PROPONENT TEAMS

If for any reason a Proponent wishes or requires to change a member of its Proponent Team after it was short-listed by BC Hydro under the RFQ, or to include new members on its team, then the Proponent

must submit a written application to BC Hydro for approval, including supporting information that may assist BC Hydro in evaluating the change. BC Hydro, in its sole and absolute discretion, may grant or refuse an application under this Section, and in exercising its discretion BC Hydro will consider the objective of achieving a Competitive Selection Process that is not unfair to the other Proponents. For clarity:

- (a) BC Hydro may refuse to permit a change to the membership of a Proponent Team if the change would, in BC Hydro's judgement, result in a weaker team than the Proponent team originally short-listed; or
- (b) BC Hydro may, in the exercise of its discretion, permit any changes to a Proponent Team, including changes as may be requested arising from changes in ownership or control of a Proponent or a team member, or changes to the legal relationship between the Proponent or individual team members, such as the creation of a new joint venture or other legal entity or relationship in place of the Proponent team originally short-listed.

5.12 VALIDITY OF PROPOSALS

By submitting a Proposal, the Proponent agrees that its Proposal, including all prices, remains valid and irrevocable from the Submission Time, until midnight at the end of the 120th day following the Submission Time (the "**Proposal Validity Period**").

5.13 MATERIAL CHANGE AFTER SUBMISSION TIME

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

6. EVALUATION

6.1 MANDATORY REQUIREMENTS

BC Hydro will review Proposals to determine whether they comply with the Mandatory Requirements. Proposals which do not, in the sole opinion of BC Hydro, comply with the Mandatory Requirements may be rejected and not considered further in the evaluation process.

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

- (a) the Proponent must have signed and delivered to the Contact Person the Participation Agreement in accordance with Section 4.1;

- (b) the Submission must be received at the Submission Location no later than the Submission Time;
and
- (c) the Proponent demonstrates the financial capacity to deliver the Project.

6.2 EVALUATION OF PROPOSALS

BC Hydro will evaluate the Submissions in the manner set out in Appendix A. To assist in the evaluation of the Proposals, BC Hydro may in its sole and absolute discretion, but is not required to:

- (a) conduct reference checks relevant to the Project with any or all of the references cited in a Proposal, or with any other person not listed in a Proposal, to verify any and all information regarding a Proponent, including its directors, officers and Key Individuals;
- (b) conduct any background investigations that it considers necessary in the course of the Competitive Selection Process;
- (c) seek clarification or rectification of a Proposal or supplementary information from any or all Proponents;
- (d) request interviews or presentations with any, all or none of the Proponents to clarify any questions or considerations based on the information included in Proposals during the evaluation process, with such interviews or presentations conducted in the discretion of BC Hydro, including the time, location, length and agenda for such interviews or presentations; and
- (e) rely on and consider any information received as a result of such reference checks, background investigations, requests for clarification or supplementary information and interviews or presentations in the evaluation of Proposals.

7. SELECTION OF PREFERRED PROPONENT(S) AND AWARD

7.1 SELECTION AND AWARD

Given the size, diversity of geography and environmental conditions which the BC Hydro network is subject to, BC Hydro reserves the right to contract with one or more of the Proponents for volume procurements in order to deploy a transformer meter solution that achieves the SMI objectives in a cost effective manner.

If BC Hydro selects one or more Preferred Proponent(s), BC Hydro will invite the Preferred Proponent(s) to enter into final discussions to settle all terms of the Contract, based on the Preferred Proponent(s)'s

Proposal, including any clarifications that the Preferred Proponent(s) may have provided during the Proposal evaluation.

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

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

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

7.2 PARTIAL COMPENSATION FOR PARTICIPATION IN THIS RFP

BC Hydro will not provide any compensation to Proponents for participating in the Competitive Selection Process.

BC Hydro intends to compensate Proponents for each transformer meter used during the Testing Period.

BC Hydro intends to purchase a number of transformer meters for the lab tests and field trials at a price not to exceed CAD\$1,000 per unit. For the specific numbers of units required, please refer to the spreadsheet titled 'Number of units required for each transformer meter type' posted in the Data Room.

BC Hydro will retain ownership of the transformer meters it purchases. BC Hydro will also pay the cost of running the tests. Included with the transformer meter, the Proponent must provide any necessary software/hardware required for BC Hydro to conduct the tests, including any software/hardware required to directly communicate and download data from the meters during the Testing Period.

It is important to note that the contemplated limited financial support for Itron integration described in the RFQ is no longer available to all Proponents, since the Itron integration activity will only be required for the Preferred Proponent(s). BC Hydro is prepared to provide limited financial support, up to a maximum cap of CAD\$50,000, to the Preferred Proponent(s) to assist with legitimate expenses to accelerate the integration of the Itron components.

7.3 DEBRIEFS

BC Hydro will, following Contract Award, upon request from a Proponent received up to 60 days after the Contract Award, conduct a debriefing for that Proponent. In a debriefing BC Hydro may discuss the

relative strengths and weaknesses of that Proponent's Proposal, but BC Hydro will not disclose or discuss any confidential information of another Proponent.

8. CONFLICT OF INTEREST AND RELATIONSHIP DISCLOSURE

8.1 RESERVATION OF RIGHTS

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

8.2 RELATIONSHIP DISCLOSURE

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

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

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

8.3 USE OR INCLUSION OF RESTRICTED PARTIES

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

- (a) to advise or otherwise assist the Proponent respecting the Proponent's participation in the Competitive Selection Process; or

- (b) as a Proponent Team member or as an employee, advisor or consultant to the Proponent or a Proponent Team member.

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

8.4 CURRENT RESTRICTED PARTIES

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

- (a) Boughton Law Corp (COI Adjudicator);
- (b) Singleton Urquhart LLP (Fairness Advisor);
- (c) Powertech;
- (d) Borden Ladner Gervais LLP (Legal Advisor);
- (e) Silva Bay Strategies;
- (f) ABSBC, Accenture Business Services of British Columbia Limited Partnership;
- (g) Capgemini;
- (h) Itron; and
- (i) BC Hydro and Partnerships BC, including their former and current employees who fall within the definition of “Restricted Party”.

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

8.5 CONFLICT OF INTEREST ADJUDICATOR

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

8.6 REQUEST FOR ADVANCE DECISION

A Proponent or a prospective member or advisor of a Proponent who has any concerns regarding whether a current or prospective employee, advisor or member of that Proponent is, or may be, a Restricted Party, or has a concern about any conflict or unfair advantage it may have, is encouraged to request an advance decision in accordance with this Section through the following process:

- (a) to request an advance decision on whether a person is a Restricted Party, a Proponent or prospective team member or advisor of that Proponent should submit to the Contact Person, not less than ten (10) days prior to the Submission Time by email, the following information:
 - (1) names and contact information of the Proponent and the person or firm for which the advance opinion is requested;
 - (2) a description of the relationship that raises the possibility or perception of a conflict of interest or unfair advantage;
 - (3) a description of the steps taken to date, and future steps proposed to be taken, to mitigate the conflict of interest or unfair advantage, including the effect of confidential information; and
 - (4) copies of any relevant documentation.

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

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

8.7 BC HYDRO MAY REQUEST ADVANCE DECISIONS

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

The onus is on the Proponent to clear any potential conflict, unfair advantage, or Restricted Party, or to establish any conditions for continued participation, and BC Hydro may require that the Proponent make an application under Section 8.6.

8.8 DECISIONS FINAL AND BINDING

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

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

8.9 SHARED USE

A **“Shared Use Person”** is a person identified by BC Hydro as eligible to do work for more than one Proponent, including a person who has unique or specialized information or skills such that BC Hydro considers in its discretion their availability to all Proponents to be desirable in the interests of the Competitive Selection Process. Any Shared Use Person will be required to agree not to enter into exclusive arrangements with any Proponent. As of the date of this RFP, no Shared Use Person has been identified.

8.10 EXCLUSIVITY

Unless permitted by BC Hydro in its discretion or permitted as a Shared Use Person, the following may only participate as a member of one Proponent Team:

- (a) a Prime Team Member;
- (b) a Guarantor;
- (c) a Key Individual; and
- (d) the Affiliated Persons of a Prime Team Member or a Key Individual.

If any Proponent, Prime Team Members, Guarantor, Key Individuals or their respective Affiliated Persons contravenes the foregoing, BC Hydro reserves the right to disqualify any or all of affected Proponents, or may permit any or all such Proponents to continue and impose such conditions as may be required by BC Hydro. Each Proponent is responsible, and bears the onus, to ensure that the Proponent, its Prime Team Members and Key Individuals and their respective Affiliated Persons do not contravene the foregoing.

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

- (a) To request an advance decision on matters related to exclusivity, the Proponent or prospective Prime Team Member, Guarantor or Key Individual of that Respondent should submit to the Contact Person, not less than ten (10) days prior to the Submission Time by email, the following information:
- (1) Names and contact information of the Proponent or Prime Team Member or Guarantor or a Key Individual or prospective Proponent or Prime Team Member or Guarantor or a Key Individual making the disclosure;
 - (2) A description of the relationship that raises the possibility of non-exclusivity;
 - (3) A description of the steps taken to-date, and future steps proposed to be taken, to mitigate any material adverse or potential material adverse effect of the non-exclusivity on the competitiveness or integrity of the Competitive Selection Process; and
 - (4) Copies of any relevant documentation.

BC Hydro may require additional information or documentation to demonstrate to the satisfaction of BC Hydro in its discretion that no such non-exclusivity exists or, if it does, that measures satisfactory to BC Hydro in its discretion have been or will be implemented to eliminate or mitigate any risk to the competitiveness or integrity of the Competitive Selection Process.

9. RFP TERMS AND CONDITIONS

9.1 NO OBLIGATION TO PROCEED

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

9.2 NO CONTRACT

Other than to the extent provided in the Participation Agreement, this RFP is not a contract between BC Hydro and any Proponent nor is this RFP an offer or an agreement to purchase work, goods or services. No contract of any kind for work, goods or services whatsoever is formed under, or arises from this RFP, or as a result of, or in connection with, the submission of a Proposal, unless BC Hydro and the Preferred Proponent(s) execute and deliver the Contract, and then only to the extent expressly set out in the Contract.

9.3 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

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

as expressly stated in this RFP, and subject to FOIPPA or other applicable legislation, all documents and other records submitted in response to this RFP will be considered confidential.

By submitting a Proposal, the Proponent represents and warrants to the Province that the Proponent has complied with applicable Laws, including by obtaining from each Person any required consents and authorizations to the collection of information relating to such individual and to the submission of such information to the Province as part of the Proposal for the purposes of this RFP and the Competitive Selection Process.

9.4 COST OF PREPARING THE PROPOSAL

Subject to Section 7.2, each Proponent is solely responsible for all costs it incurs in the preparation of its Proposal, including all costs of providing information requested by BC Hydro, attending meetings and conducting due diligence.

9.5 CONFIDENTIALITY OF INFORMATION

All information pertaining to the Project received by any Proponent or Proponent Team member through participation in this RFP is confidential and may not be disclosed without written authorization from the Contact Person, and in no event will a Proponent discuss the Project with any member of the public or the media without the prior written approval of BC Hydro.

9.6 RESERVATION OF RIGHTS

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

- (a) amend the scope of the Project, and/or modify, cancel or suspend the Competitive Selection Process at any time for any reason;
- (b) accept or reject any Proposal based on BC Hydro's evaluation of the Proposals in accordance with Appendix A;
- (c) waive a defect or irregularity in a Proposal and accept that Proposal;
- (d) reject, disqualify or not accept any or all Proposals without any obligation, compensation or reimbursement to any Proponent or any of its team members subject to any payment required pursuant to Section 7.2;
- (e) re-advertise for new Proposals to this or a modified RFP, call for tenders, or enter into negotiations for this Project or for work of a similar nature;

- (f) make any changes to the terms of the business opportunity described in this RFP;
- (g) negotiate any aspects of a Preferred Proponents' Proposal; and
- (h) extend, from time to time, any date, time period or deadline provided in this RFP, upon written notice to all Proponents.

9.7 NO COLLUSION

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

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

9.8 NO LOBBYING

Proponents, Proponent Team Members and Key Individuals, and their respective directors, officers, employees, consultants, agents, advisors and representatives will not engage in any form of political or other lobbying whatsoever in relation to the Project, this RFP, or the Competitive Selection Process, including for the purpose of influencing the outcome of the Competitive Selection Process. Further, no such person (other than as expressly contemplated by this RFP) will attempt to communicate in relation to the Project, this RFP, or the Competitive Selection Process, directly or indirectly, with any representative of BC Hydro, the Government of British Columbia (including any Minister or Deputy Minister, any member of the Executive Council, any Members of the Legislative Assembly or any employee of BC Hydro), Partnerships BC, any Restricted Parties, or any director, officer, employee, agent, advisor, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of:

- (a) commenting on, or attempting to influence views on, the merits of the Proponent's Proposal, or in relation to Proposals of other Proponents;
- (b) influencing, or attempting to influence, the evaluation and ranking of Proposals, the selection of the Preferred Proponent(s), or any negotiations with the Preferred Proponent(s);

- (c) promoting the Proponent or its interests in the Project, including in preference to that of other Proponents;
- (d) commenting on or criticizing aspects of this RFP, the Competitive Selection Process, the Project, or the Contract, including in a manner which may give the Proponent a competitive or other advantage over other Proponents; and
- (e) criticizing the Proposals of other Proponents.

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

9.9 PARTNERSHIPS BC PROJECTS

BC Hydro may at any time, including without limitation for purposes of evaluation and negotiation, take into account any relevant information that becomes available to it from any source. Without limiting the foregoing, BC Hydro has engaged Partnerships BC, which is currently engaged in projects across a variety of sectors, and BC Hydro may receive information in respect of those other projects which may be relevant to Proponents or Proponent Team members. Subject to Section 3.3, BC Hydro may share information that is available from this Project with Partnerships BC and other projects. BC Hydro assumes no responsibility to identify relevant information from other projects and Proponents remain fully responsible to submit a complete Proposal.

9.10 OWNERSHIP OF PROPOSAL

All Proposals submitted to BC Hydro become the property of BC Hydro and will be received and held in confidence by BC Hydro, subject to the provisions of FOIPPA and this RFP. BC Hydro shall have the right to disclose confidential information of a Proponent to those of its advisors, representatives and other contractors participating in the Project and/or supporting BC Hydro and the Project who have a need to know and subject to BC Hydro imposing on such persons the requirement to respect the confidentiality of the information.

9.11 DISCLOSURE AND TRANSPARENCY

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

BC Hydro expects to publicly disclose the Fairness Advisor's report and the name of the Contractor(s) during this stage of the Competitive Selection Process.

Each Proponent agrees that:

- (a) to ensure that all public information generated about the Project is fair and accurate and will not inadvertently or otherwise influence the RFP process, the disclosure of any public information generated in relation to the Project, including communications with the media and the public, must be coordinated with, and is subject to prior written approval of, BC Hydro;
- (b) it will notify BC Hydro of any and all requests for information or interviews received from the media; and
- (c) it will ensure that all of the Proponent Team members and others associated with the Proponent comply with the requirements of this RFP.

9.12 FAIRNESS ADVISOR

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

The Fairness Advisor will be:

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

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

10. LIMITATION OF DAMAGES

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

- (a) agrees not to bring any Claim against BC Hydro or any of its employees, advisors or representatives for damages in excess of the amount equivalent to the reasonable costs incurred by the Proponent in preparing its Proposal for any matter in respect of this RFP or Competitive Selection Process, including:
 - (1) if BC Hydro accepts a non-compliant proposal or otherwise breaches, or fundamentally breaches, the terms of this RFP or the Competitive Selection Process; or

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

This Section does not limit BC Hydro's obligation to make payment under Section 7.2, but in no event will BC Hydro's liability exceed the amount calculated pursuant to Section 7.2.

11. INTERPRETATION

11.1 DEFINITIONS

In this RFP:

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

Addendum or Addenda means an addendum to this RFP issued by the Contact Person as described in Section 5.7;

Affiliated Persons, or "affiliated persons", or persons affiliated with each other, are:

- (a) a corporation and
 - (1) a person by whom the corporation is controlled,
 - (2) each member of an affiliated group of persons by which the corporation is controlled, and
 - (3) a spouse or common-law partner of a person described in subparagraph (1) or (2);
- (b) two corporations, if

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

BC Hydro means British Columbia Hydro and Power Authority;

BC Hydro Representatives has the meaning set out in Section 3.3;

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

COI Adjudicator means the person described in Section 8.5;

Competitive Selection Process means the overall process for the selection of a Preferred Proponent(s) for the Project including, but not limited to, this RFP stage;

Contact Person means the person identified as such on the cover page of this RFP;

Contract means the agreement of BC Hydro and Contractor as embodied in all the Contract documents.

Contractor means the successful Proponent(s) under the RFP.

Data Room has the meaning set out in Section 3.4;

Enquiry has the meaning set out in Section 5.5;

Fairness Advisor has the meaning set out in Section 9.12;

Final Draft Contract has the meaning set out in Section 3.7;

FOIPPA has the meaning set out in Section 9.3;

GST/HST at any given time means the tax imposed at that time pursuant to Section IX of the Excise Tax Act (Canada);

Guarantor means an entity that meets the financial capacity criteria, is willing to unconditionally and irrevocably guarantee the performance of the Proponent and has executed the Guarantor Declaration Form found in Appendix G;

Initial Draft Contract means the draft Contract labelled “Initial Draft Contract” posted in the Data Room;

Intellectual Property Rights has the meaning set out in Section 5.8;

Interactive Sessions has the meaning set out in Section 3.3;

Key Individuals of a Proponent means the project lead as identified in the Proponent's Proposal;

Knowledge has the meaning set out in Section 3.5.10;

Mandatory Requirements means the Proposal requirements described in Section 6.1;

Partnerships BC means Partnerships British Columbia Inc.;

Participation Agreement has the meaning set out in Section 4.1;

Preferred Proponent means the Proponent selected pursuant to this RFP to enter into negotiations with BC Hydro for a Contract;

Pricing Template refers to the titled tab in the Total Cost of Ownership spreadsheet posted in the Data Room;

Prime Team Member means an individual or entity that:

- (a) is the Proponent; or
- (b) will undertake the lead development role in respect of the Project.

Project has the meaning set out in Section 1.1;

Proponent means one of the companies identified in Section 1.2;

Proponent Team means a Proponent and Key Individual;

Proposal means a proposal submitted in response to this RFP;

Proposal Validity Period has the meaning set out in Section 5.12;

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

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

RFP means this request for proposals;

RFQ has the meaning set out in Section 1.2;

Shared Use Person has the meaning set out in Section 8.9;

Submission Location means the submission location identified as such on the cover page of this RFP;

Submission Requirements has the meaning set out in Appendix A;

Submission Time means the time indicated as such on the cover page of this RFP;

Testing Contact Person has the meaning set out in Section 3.5.1;

Testing Period is the period set out in Section 3.5;

Testing Period Technical Sessions has the meaning set out in Section 3.5.1;

Third Party Intellectual Property Rights means all Intellectual Property Rights of any Person which is not a member of, or a related party to, a member of the Proponent Team;

Total Cost of Ownership has the meaning set out in Section 3.6;

Transformer Meter Data Sheet refers to the titled document posted in the Data Room; and

Transformer Meter Requirements refers to the titled document posted in the Data Room.

11.2 INTERPRETATION

In this RFP:

- (a) the use of headings is for convenience only and headings are not to be used in the interpretation of this Agreement;
- (b) a reference to a Section or Appendix, unless otherwise indicated, is a reference to a Section of or Appendix to this RFP;
- (c) words imputing any gender include all genders, as the context requires, and words in the singular include the plural and vice versa;
- (d) the word “including” when used in this RFP is not to be read as limiting; and
- (e) each Appendix attached to this RFP is an integral part of this RFP as if set out at length in the body of this RFP.

APPENDIX A
PROPOSAL SUBMISSION REQUIREMENTS AND EVALUATION CRITERIA

Table of Contents – Appendix A

- 1. Proposal Guidelines**
- 2. Evaluation Criteria**
 - 2.1 Evaluation Criteria
 - 2.2 Disqualification of Proposals
- 3. Proposal Format**

1. Proposal Guidelines

Proposals should:

- (a) Be in the form and include the content described in Appendix A.
- (b) Include:
 - (1) One electronic copy of the Proposal with all of the packages in unsecured standard portable document format, to be delivered on an USB memory stick;
 - (2) Five hard copies of the Proposal (Four bound copies numbered one through to four; plus one unbound copy marked as “Master”);
 - (3) All Proposals should be labelled in the following way: “Package One, Copy one of four”; and “Package Two, Copy one of four”.
- (c) Be in accordance with the following style guidelines:
 - (1) Font: Arial, point size 11, with the exception of graphics;
 - (2) Margins: should not be less than 0.75 inches on any one margin;
 - (3) All graphics should be legible (of a resolution size to allow expansion to increase readability),
 - (4) Paper stock should be from 100 per cent recycled material; and
 - (5) All Proposals should be typed.
- (d) Be delivered in an envelope/box, clearly marked with the words, “RFP 907 - Distribution System Metering Devices – Transformer Meters RFP, Response to Request for Proposals”, to the Submission Location.

2. Evaluation

2.1 Evaluation Criteria

BC Hydro will evaluate Proposals by applying the Evaluation Criteria and weighting in Table 1, in accordance with each section of the Proposal content requirements outlined in Section 3 of this Appendix.

Table 1: Evaluation Criteria and Weighting

Criteria	Weighting
1. Mandatory Requirements (a) Proponent must have signed and delivered to the Contact Person the Participation Agreement in accordance with Section 4.1. (b) The Submission must be received at the Submission Location no later than the Submission Time. (c) Proponent demonstrates the financial capacity to deliver the Project.	Pass/Fail
2. Overall capability of the BC Hydro transformer meter solution (a) Ability of solution to align with BC Hydro's theft detection program and provide other benefits as described in the public SMI business case, as determined by BC Hydro based on: <ul style="list-style-type: none"> i. modeling the Proponent's solution (i.e. information provided in the Transformer Meter Data Sheet and the intelligence gathered by BC Hydro during the Testing Period) to examine how the potential benefits compare to the SMI business case's baseline assumptions; ii. considering a portfolio perspective that models different combinations of various meters; and iii. assigning a higher score to a solution that compares favourably against these baseline assumptions. 	20
3. Transformer Meter Technical Solution (a) Demonstrated performance of the transformer meter during the Testing Period. (b) State of readiness of the transformer meter to meet BC Hydro's requirements, as outlined in the Transformer Meter Data Sheet document. (c) Degree of alignment to BC Hydro standards and policies, as outlined in the Transformer Meter Requirements document.	40
4. Proponent capabilities to deliver the transformer meter solution (a) Ability to manufacture high quality meters that meet BC Hydro's planned schedule. (b) Proponent's understanding of the potential risks and mitigation strategies to bring the transformer meter to a state of readiness against BC Hydro's requirements.	20
5. Total Cost of Ownership (a) Ability to minimize the Total Cost of Ownership to BC Hydro.	20
TOTAL	100

2.2 Disqualification of Proposals

Without limitation, BC Hydro may, in its sole discretion, disqualify a Proposal if:

- (a) Background investigations reveal any criminal affiliations or activities by the Proponent or a member of the Proponent Team and such affiliations or activities would, in the sole opinion of BC Hydro, interfere with the integrity of the Competitive Selection Process; or

- (b) It includes a false or misleading statement, claim or information.

Proponents may be required to undertake a criminal records check to participate in the Program.

3. Proposal Format

For Proposals, Proponents should use the section numbers and titles provided in the following tables below.

Table 2: Proposal Submission Requirements

Section No.	Title & Contents
	Package One: Transmittal Package Proponents are required to submit the following information with their Transmittal Package.
1.1	Proposal Covering Letter a) Submit a Proposal Covering Letter in the form of Appendix B.
1.2	Proposal Declaration Form a) Submit a Proposal Declaration Form as required in the form of Appendix C.
1.3	Relationship Disclosure Form a) Submit a Relationship Disclosure Form as required in the form of Appendix D.
1.4	Proponent Confirmations a) Proponents are to specifically confirm that the Proponent is familiar with the FOIPPA and is prepared to track amendments to the FOIPPA as they may occur from time to time.
	Package Two: Mandatory Requirements Package Proponents are required to submit the following information with their Mandatory Requirements Package.

Section No.	Title & Contents
2.1	Financial Capacity <ul style="list-style-type: none"> a) Credit rating and copies of current credit agency reports, if available; b) Most recent annual report or similar detailed corporate and business overview, including a description of the legal status (i.e. corporation, partnership or other) of the business entities that the Proponent is proposing as the contracting party for this RFP; c) Proponent's audited financial statements, if available, for the past 3 years, including any interim statements for each quarter since the last audited statement, if available; d) Proponent's details of any material events that may affect the Proponent's financial standing since the last annual or interim statement; e) Where the financial statements, annual report, and/or credit information provided above are that of the Proponent's parent company, affiliate or another entity, provide confirmation of the willingness of the parent, affiliate or entity to provide a guarantee (the terms of which will be specified in the Initial Draft Contract); and f) For Proponents without an established credit rating or audited financial statements and where a parental, affiliate or another entity guarantee will not be provided, present evidence to show that the Proponent is a going concern and has sufficient financial strength and capacity to meet the short-term and long-term requirements and commitments related to this RFP.
2.2	Guarantor Declaration Form If the Proponent requires a Guarantor, submit a completed Guarantor Declaration Form found in Appendix G.
	Package Three: Technical Package Proponents are required to submit the following information with their Technical Package. Based on your understanding of the Project, the scope of work identified in this RFP and the information outlined in the Data Room, please structure a comprehensive Proposal to respond to BC Hydro's requirements.
3	Transformer Meter Technical Solution
3.1	Transformer Meter Requirements <ul style="list-style-type: none"> a) Complete the Transformer Meter Data Sheet available in the Data Room. The proposed meter features included in the Transformer Meter Data Sheet must be available in the meter at the Submission Time, not at some future date. Instructions and notes on how to complete the sheet are included in the file in the Data Room. b) Identify any areas of non-compliance, proposed exceptions, qualifications, clarifications or comments to the Transformer Meter Data Sheet and Transformer Meter Requirement documents.
3.2	Life Expectancy and Failure Rates

Section No.	Title & Contents
	<p>Describe for each transformer meter type the:</p> <ul style="list-style-type: none"> a) Estimated annual failure rates and estimation method, whether calculated or other. b) Actual failure rates to date on past projects. c) Estimated useful life expectancy and estimation method, whether calculated or other. d) Meter design features that will minimize, and contain, the impact of a catastrophic failure.
3.3	<p>Maintenance Requirements</p> <p>Describe the:</p> <ul style="list-style-type: none"> a) Components of the transformer meter that require periodic maintenance. b) Expected maintenance interval for those components. c) Recommended replacement of any components.
3.4	<p>Itron Integration</p> <ul style="list-style-type: none"> a) Integration of the Itron register with a network interface card will require a serial interface to boards measuring approximately 4.5" x 3.0" x 1.25" requiring 24V input power and a typical current draw of 100 mA. Describe: <ul style="list-style-type: none"> 1. Does your transformer meter have enough space to accommodate the boards physically? If not, describe how it would be modified to accommodate. 2. Does your transformer meter support the power requirements of the boards? If not, describe how it would be modified to accommodate. 3. Your development approach with respect to shielding, antenna design, and Industry Canada certification. 4. The expected timeline for the Itron integration and potential risks and mitigation strategies to meet the Project's schedule.
3.5	<p>Communication Abilities</p> <p>Describe the:</p> <ul style="list-style-type: none"> a) Transformer meter's existing communication capabilities (i.e. power line carrier). b) Option to support alternative communications that BC Hydro may select such as 1800 MHz WiMAX, IEEE 1901.2, and cellular. c) Provide a copy of the Industry Canada approval for each of the transformer meter communication modules / options as applicable.
3.6	Firmware Updates

Section No.	Title & Contents
	<p>Describe the:</p> <ul style="list-style-type: none"> a) Process for supporting remote firmware upgrades including the download and activation process, as well as what functions and components can be firmware upgraded versus what functions and components cannot be firmware upgraded. b) Where meter functions can not be remotely upgraded, describe whether these functions can be locally upgraded or remotely via means other than the OpenWay network, and describe the means of communications. c) Capability of the transformer meter solution to support large scale device updates in a timely manner. d) What is the ability to rollback, either manually or automatically, to a previous firmware version if the upgrade is unsuccessful or other issues arise within the new firmware?
4	Proponent capabilities to deliver the transformer meter solution
4.1	<p>Manufacturing</p> <p>Describe the proposed meter manufacturing facilities including the following information:</p> <ul style="list-style-type: none"> a) Location. b) Ownership. c) Current capacity. d) Current production. e) Planned capacity and production and how it will be achieved to meet the Project's schedule.
4.2	<p>Quality Assurance Program</p> <p>Describe your quality assurance program including, but not limited to:</p> <ul style="list-style-type: none"> a) Dealing with product non-conformance. b) Process and target timelines for non-conformance investigations. c) Corrective action processes. d) Management of supplier product quality issues. e) Pre-shipment inspections / order verification. f) Incoming inspections (if requested). g) List any specific process quality programs / certifications including the date of the most recent audit and certification.

Section No.	Title & Contents
	h) Any known transformer meter quality issues and how they have been addressed. i) The techniques used to ensure the transformer meter's reliability and robustness.
4.3	Risk Assessment a) Provide an assessment of the risks (including but not limited to technology realization, schedules, costs, patent filing or patent infringements, etc.) and proposed mitigation strategies that address the challenges in providing the meters and any other proposed components and/or functionality that is not already in commercial production in the required quantities as described in the RFP.
	Package Four: Commercial Package Proponents are required to submit the following information with their Commercial Package.
5.1	Total Cost of Ownership / Pricing Template a) BC Hydro has included a Pricing Template to facilitate a comparative assessment of Proposals. Proponents are requested to complete the Pricing Template included in the Total Cost of Ownership model, posted in the Data Room. Please refer to the Data Room for detailed instructions on how to complete the template.

APPENDIX B
PROPOSAL COVERING LETTER

[Letterhead or Proponent's name and address]

Date:

BC Hydro
535 Hamilton Street
Vancouver, B.C. V6B 2R1
Canada

Attention: Dawn Hart, Contact Person

Subject: Proposal Submission – Distribution System Metering Devices – Transformer Meters RFP

The enclosed Proposal is submitted in response to the above referenced RFP.

We have carefully read and examined the RFP and have conducted such other investigations as we considered prudent and reasonable in preparing the Proposal. We are authorized to submit this Proposal on behalf of the Proponent.

Yours truly,

Date: _____

Signature

Name: _____

Title: _____

Telephone Number: _____

E-mail address: _____

Legal name of Proponent: _____

APPENDIX C
PROPOSAL DECLARATION FORM

- 1. *This Proposal Declaration should be executed by the Proponent, each entity that comprises the Proponent, and each member of the Proponent Team (excluding Key Individuals)***
- 2. *Capitalized terms are defined in Section 11.1 of the RFP.***

[RFP Proponent's Letterhead]

To: [Insert client and address]

Attention: [Insert contact person]

In consideration of BC Hydro's agreement to consider our Proposal in accordance with the terms of the RFP, the Proponent hereby agrees and acknowledges that:

1. Proposal

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

2. Acknowledgements with Respect to the RFP

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

- (b) the Proponent agrees to be bound by the entire RFP including all of the terms and conditions, all documents listed in the RFP Table of Contents, and any and all Addenda;
- (c) the Proponent's representative identified below is fully authorized to represent the Proponent in any and all matters related to its Proposal, including but not limited to providing clarifications and additional information that may be requested in association with the RFP; and
- (d) the Proponent has disclosed all relevant relationships, in accordance with the instructions and format outlined in the Relationship Disclosure Form.

3. Proponent Team consists of:

Name	Address	Key Individual

PROPONENT REPRESENTATIVE

Name

Name of Employer

Address

Email Address

Name of Authorized Signatory

Telephone

Signature

APPENDIX D
RELATIONSHIP DISCLOSURE FORM

This form should be completed by each Proponent Team member
(including firms and individuals)

The Proponent declares that:

1. The Proponent has reviewed the list of Restricted Parties.

2. The following is a full disclosure of all relationships that the Proponent has with:

- (a) any Restricted Party or their current or former employees, shareholders, directors or officers; or
- (b) employees (both current or former) of BC Hydro, or individuals of firms who have been involved in the Competitive Selection Process or the design, planning or implementation of the Project;

that could constitute a conflict of interest or unfair advantage.

Name of Restricted Party/Person	Details of the Nature of the Proponent's relationship with the listed Restricted Party/Person (e.g. Proponent was an advisor to the Restricted Party from 2005-2006)

NAME OF PROPONENT:

Name of Firm – Proponent/Key Individual:

Address:

Email Address:

Telephone:

Name of Authorized Signatory for
Proponent/Key Individual:

Signature:

APPENDIX E
PROPONENT COMMENTS FORM

(Interactive Sessions – Section 3.3)

Distribution System Metering Devices – Transformer Meters

Section	Proposed Change (including detailed drafting)	Reasons for Proposed Change	BC Hydro Response

APPENDIX F PARTICIPATION AGREEMENT

Month Day, 20XX

BC Hydro

c/o Partnerships British Columbia Inc.

300 – 707 Fort Street

Victoria, BC V8W 3G3

Attention: Dawn Hart, Contact Person

Dear Sirs/Mesdames:

Re: Distribution System Metering Devices – Transformer Meters – Participation Agreement in respect of the Request for Proposals issued by BC Hydro on October 27, 2011, as amended or otherwise clarified from time to time, including by all Addenda (the RFP)

This letter agreement sets out the terms and conditions of the Participation Agreement between ▼ [insert name of Proponent] (the **Proponent**) and BC Hydro, pursuant to which the Proponent agrees with BC Hydro as follows:

- 1. Defined Terms.** Capitalized terms not otherwise defined in this Participation Agreement have the meanings given to them in the RFP
- 2. Participation.** The Proponent agrees that as a condition of participating in the RFP, including the Competitive Selection Process, Interactive Sessions and access to the Data Room, the Proponent will comply with the terms of this Participation Agreement and the terms of the RFP.
- 3. Confidentiality.** The Proponent will comply with, and will ensure that all of the Proponent Team members and others associated with the Proponent also comply with, the Confidentiality Conditions attached as Schedule 1 to this Participation Agreement, all of which conditions are expressly included as part of this Participation Agreement.
- 4. Terms of RFP.** The Proponent will comply with and be bound by, and will ensure that all of the Proponent Team members and others associated with the Proponent also comply with and are bound by, the provisions of the RFP, all of which are incorporated into this Participation Agreement by reference. Without limiting the foregoing the Proponent agrees:

- (a) that the terms of this Participation Agreement do not limit the Proponent's obligations and requirements under the RFP, any Data Room agreement, or any other document or requirement of BC Hydro;
- (b) to be bound by the disclaimers, limitations and waivers of liability and Claims and any indemnities contained in the RFP, including Section 10 (Limitation of Damages) of the RFP. In no event will the liability of BC Hydro exceed the amount calculated pursuant to Section 7.2 (Partial Compensation for Participation in the RFP) of the RFP;
- (c) that BC Hydro's and the Proponent's obligations in respect of payments of partial compensation or other similar payment are as set out in Section 7.2 (Partial Compensation for Participation in the RFP) of the RFP; and

5. Amendments. The Proponent acknowledges and agrees that:

- (a) BC Hydro may in its sole and absolute discretion amend the RFP at any time and from time to time; and
- (b) by submitting a Proposal the Proponent accepts, and agrees to comply with, all such amendments and, if the Proponent does not agree to any such amendment, the Proponent's sole recourse is not to submit a Proposal.

6. General.

- (a) *Capacity to Enter Agreement.* The Proponent hereby represents and warrants that:
 - (1) it has the requisite power, authority and capacity to execute and deliver this Participation Agreement;
 - (2) this Participation Agreement has been duly and validly executed by it, or on its behalf by the Proponent's duly authorized representatives; and
 - (3) this Participation Agreement constitutes a legal, valid and binding agreement enforceable against it in accordance with its terms.
- (b) *Survival following cancellation of the RFP.* Notwithstanding anything else in this Participation Agreement, if BC Hydro, for any reason, cancels the Competitive Selection Process or the RFP, the Proponent agrees that it continues to be bound by, and will continue to comply with, Sections 3 of this Participation Agreement.

- (c) *Severability.* If any portion of this Participation Agreement is found to be invalid or unenforceable by law by a court of competent jurisdiction, then that portion will be severed and the remaining portion will remain in full force and effect.
- (d) *Enurement.* This Participation Agreement enures to the benefit of BC Hydro and binds the Proponent and its successors.
- (e) *Applicable Law.* This Participation Agreement is deemed to be made pursuant to the laws of the Province of British Columbia and the laws of Canada applicable therein and will be governed by and construed in accordance with such laws.
- (f) *Headings.* The use of headings is for convenience only and are not to be used in the interpretation of this Participation Agreement.
- (g) *Gender and Number.* In this Participation Agreement, words imputing any gender include all genders, as the context requires, and words in the singular include the plural and vice versa.
- (h) *Including.* The word including when used in this Participation Agreement is not to be read as limiting.

Yours truly,

(Name of Proponent)

Authorized Signatory

Name of Authorized Signatory
(please print)

SCHEDULE 1

CONFIDENTIALITY CONDITIONS

1. Definitions. In these confidentiality conditions:

- (a) **“Confidential Information”** means all documents, knowledge and information provided by the Disclosing Party to, or otherwise obtained by, the Receiving Party, whether before or after the date of the RFP, whether orally, in writing or other visual or electronic form in connection with or relevant to the Project, the RFP, the RFQ or the Competitive Selection Process, including, without limitation, all design, operational and financial information, together with all analyzes, compilations, data, studies, photographs, specifications, manuals, memoranda, notes, reports, maps, documents, computer records or other information in hard copy, electronic or other form obtained from the Disclosing Party or prepared by the Receiving Party containing or based upon any such information. Notwithstanding the foregoing, Confidential Information does not include information which:
- (1) is or subsequently becomes available to the public, other than through a breach by the Receiving Party of the terms of this Schedule 1;
 - (2) is subsequently communicated to the Receiving Party by an independent third party, other than a third party introduced to the Receiving Party by the Disclosing Party or connected with the Project, without breach of this Schedule 1 and which party did not receive such information directly or indirectly under obligations of confidentiality;
 - (3) was rightfully in the possession of the Receiving Party or was known to the Receiving Party before the date of the RFP and did not originate, directly or indirectly, from the Disclosing Party;
 - (4) was developed independently by the Receiving Party without the use of any Confidential Information; or
 - (5) is required to be disclosed pursuant to any judicial, regulatory or governmental order validly issued under applicable law;
- (b) **“Disclosing Party”** means BC Hydro or any of its Representatives;
- (c) **“Permitted Purposes”** means evaluating the Project, preparing a Proposal, and any other use permitted by the RFP or this Participation Agreement;
- (d) **“Receiving Party”** means a Proponent or any of its Representatives;

- (e) **“Representative”** means a director, officer, employee, agent, accountant, lawyer, consultant, financial advisor, subcontractor, Key Individual, Project team members or any other person contributing to or involved with the preparation or evaluation of Proposals or proposals, as the case may be, or otherwise retained by the Receiving Party, BC Hydro or Partnerships BC in connection with the Project.
2. **Confidentiality.** The Receiving Party will keep all Confidential Information strictly confidential and will not without the prior written consent of BC Hydro, which may be unreasonably withheld, disclose, or allow any of its Representatives to disclose, in any manner whatsoever, in whole or in part, or use, or allow any of its Representatives to use, directly or indirectly, the Confidential Information for any purpose other than the Permitted Purposes. The Receiving Party will make all reasonable, necessary, and appropriate efforts to safeguard the Confidential Information from disclosure to any other person, firm, corporation, or other entity except as permitted in this Schedule 1, and will ensure that each of its Representatives agrees to keep such information confidential and to act in accordance with the terms contained herein.
3. **Ownership of Confidential Information.** BC Hydro owns all right, title and interest in the Confidential Information and, subject to any disclosure requirements under applicable law, and except as permitted by this Schedule 1, the Receiving Party will keep all Confidential Information that the Receiving Party receives, has access to, or otherwise obtains strictly confidential for a period of three years after the date of the RFP, and will not, without the prior express written consent of an authorized representative of BC Hydro, which may be unreasonably withheld, use, divulge, give, release or permit or suffer to be used, divulged, given or released, any portion of the Confidential Information to any other person, firm, corporation or other entity for any purpose whatsoever.
4. **Limited Disclosure.** The Receiving Party may disclose Confidential Information only to those of its Representatives who need to know the Confidential Information for the purpose of evaluating the Project and preparing its Proposal or proposal as applicable and on the condition that all such Confidential Information be retained by each of those Representatives as strictly confidential. The Receiving Party will notify Partnerships BC, on request, of the identity of each Representative to whom any Confidential Information has been delivered or disclosed.
5. **Destruction on Demand.** On written request, the Receiving Party will promptly deliver to Partnerships BC or destroy all documents and copies thereof in its possession or control constituting or based on the Confidential Information and the Receiving Party will confirm that delivery or destruction to Partnerships BC in writing, all in accordance with the instructions of

Partnerships BC (for this purpose information stored electronically will be deemed destroyed upon removal from all storage systems and devices); provided, however, that the Receiving Party may retain one copy of any Confidential Information which it may be required to retain or furnish to a court or regulatory authority pursuant to applicable law.

6. **Acknowledgment of Irreparable Harm.** The Receiving Party acknowledges and agrees that the Confidential Information is proprietary and confidential and that BC Hydro or Partnerships BC may be irreparably harmed if any provision of this Schedule 1 were not performed by the Receiving Party or any party to whom the Receiving Party provides Confidential Information in accordance with its terms, and that any such harm could not be compensated reasonably or adequately in damages. The Receiving Party further acknowledges and agrees that BC Hydro will be entitled to injunctive and other equitable relief to prevent or restrain breaches of any provision of this Schedule 1 by the Receiving Party or any of its Representatives, or to enforce the terms and provisions hereof, by an action instituted in a court of competent jurisdiction, which remedy or remedies are in addition to any other remedy to which BC Hydro may be entitled at law or in equity.
7. **Waiver.** No failure to exercise, and no delay in exercising, any right or remedy under this Schedule 1 by BC Hydro will be deemed to be a waiver of that right or remedy.

APPENDIX G

GUARANTOR DECLARATION FORM

- 1. *This Guarantor Declaration should be executed by the Guarantor.***
- 2. *By executing this Guarantor Declaration, you agree to the provisions of the RFP and this Guarantor Declaration.***

[RFP Proponent's Letterhead]

BC Hydro

c/o Partnerships British Columbia Inc.

300 – 707 Fort Street

Victoria, BC V8W 3G3

Attention: Dawn Hart, Contact Person

Capitalized terms have the definitions given them in the RFP.

In consideration of BC Hydro's agreement to consider Proposals in accordance with the terms of the RFP, the Guarantor hereby agrees and acknowledges that:

1. Proposal

- (a) this Guarantor Declaration Form has been duly authorized and validly executed;
- (b) the Guarantor is familiar with all aspects of the Proposal and is bound by all statements and representations in the Proposal;
- (c) the Guarantor has contributed to the Proposal without collusion or fraud;
- (d) BC Hydro reserves the right to verify information in its Proposal and conduct any background investigations including criminal record investigations, verification of the Proposal, credit inquiries, litigation searches, bankruptcy registrations and taxpayer information investigations or other investigations on the Guarantor, and by submitting a Proposal, the Guarantor agrees that they consent to the conduct of all or any of those investigations by BC Hydro.

2. Acknowledgements with Respect to the RFP

- (a) the Guarantor has received, read, examined and understood the entire RFP including all of the terms and conditions, all documents listed in the RFP "Table of Contents", and any and all Addenda;
- (b) the Guarantor agrees to be bound by the entire RFP including all of the terms and conditions, all documents listed in the RFP "Table of Contents", and any and all Addenda;
- (c) the Guarantor's representative identified below is fully authorized to represent the Guarantor in any and all matters related to its Guarantee, including but not limited to

providing clarifications and additional information that may be requested in association with the RFP;

- (d) the Guarantor has disclosed all relevant relationships, in accordance with the instructions and format outlined in the Relationship Disclosure Form; and
- (e) the Guarantor confirms accepting the terms of, and have no further comments on, the Final Draft Contract (including Schedule 9 – Third Party Guarantee), and that this agreement is acceptable without modification (save as contemplated therein) for purposes of guaranteeing the Project as contemplated in this letter.

GUARANTOR REPRESENTATIVE

Name

Name of Employer

Address

E-mail Address

Name of Authorized Signatory

Telephone

Signature
