

SCHEDULE 3**Part 3****INNOVATION SUBMISSION REQUIREMENTS****A. INNOVATION SUBMISSIONS****1.0 Innovation Submissions**

The Region is interested in considering Innovation Submissions that, in the Region's sole discretion, will result in added value to the Client, and the Proponent is strongly encouraged to submit Innovation Submissions.

Each Innovation Submission will be considered on its own merits. Those Innovation Submissions deemed by the Region, in their sole discretion, to be acceptable will be evaluated in accordance with this Part 3 of Schedule 3 and at that time may be bundled together by the Region.

The Region has identified certain areas in which they are particularly interested in considering innovations from the Proponent, however, this is not intended to be an exhaustive list and the Proponent is encouraged to be creative in proposing the following and other innovations so long as such innovations would not potentially compromise the reputation or integrity of the Region.

Notwithstanding anything to the contrary in this Schedule 3 Part 3, if a Proponent is not making a 16 Vehicle Submission, such Proponent is not required to comply with the provisions of this Schedule 3 Part 3 relating to a 16 Vehicle Submission.

2.0 Categories of Innovation Submissions

There are three categories of Innovation Submissions:

- (a) Innovation Submissions that propose departures from the Output Specifications;
- (b) Innovation Submissions that propose changes to the Project Agreement; and
- (c) Other Innovation Submissions.

The Proponent is strongly encouraged to submit a separate Innovation Submission for each proposed innovation. Individual Innovation Submissions may not mix and match among the three categories of Innovation Submissions. Moreover, unless the Proponent clearly indicates that certain Innovation Submissions are mutually exclusive, each Innovation Submission must be capable of being assessed for acceptability on its own merits, without reference to or dependency on other Innovation Submissions and

the Region will be entitled, in their sole discretion, to bundle all accepted Innovation Submissions for evaluation and scoring purposes.

3.0 Parameters for Innovation Submissions

Each Innovation Submission must fall within the parameters described below:

- (a) the Innovation Submission must guarantee some form of demonstrable added value or material benefit to the Region (for example, cost savings and/or maintenance/rehabilitation enhancements);
- (b) the Innovation Submission must not impact the Project's operations as described in the Output Specifications;
- (c) the Innovation Submission must not materially postpone the Scheduled Substantial Completion Date as set out in the Proposal; and
- (d) the Innovation Submission must take the Environmental Project Report and any other required approvals into account.

As set out in Part B of this Part 3 of Schedule 3 of the RFP, the Innovation Submission (Technical) and the Innovation Submission (Financial) must be submitted in separate packages such that the technical component of the Innovation Submission may be evaluated independently from the financial component of the Innovation Submission.

Of the Innovation Submissions that fall within the parameters described in this Part A Section 3.0, the Region will determine, in their sole discretion, which are acceptable and will be evaluated in accordance with this Part 3 of Schedule 3. The Region will not have any obligation or liability whatsoever in relation to the consideration or rejection of any Innovation Submission.

The Proponent will be responsible for securing any approvals related to the Environmental Project Report and any other required approvals arising out of any Innovation Submissions it puts forward.

4.0 Innovation Submission Meetings

At the Region's sole discretion, the Region will hold one or more Commercially Confidential Meetings to discuss Innovation Submissions under consideration by the Proponent (each an "**Innovation Submission Meeting**").

An Innovation Submission Meeting will be an opportunity for the Proponent to present potential Innovation Submissions and to discuss with the Region whether the potential Innovation Submissions are of interest to the Region and the extent to which the potential Innovation Submissions may be acceptable to the Region.

No later than nine (9) Business Days prior to an Innovation Submission Meeting, the Proponent must provide the information requested in Attachment 1 to this Part 3 of Schedule 3. The Region will not provide any written commentary with respect to the potential Innovation Submissions either prior to or during the Innovation Submission Meeting.

Attendance at an Innovation Submission Meeting is not mandatory and it is up to the Proponent to determine whether or not to take part in such meeting. The Proponent is strongly encouraged to attend, if the Proponent is intending to include an Innovation Submission as part of its proposal. In the event that the Proponent chooses not to take part in such meeting, written notice must be provided at least nine (9) Business Days prior to the scheduled date for the meeting.

The intent of the Innovation Submission Meetings is to facilitate an open dialogue on potential Innovation Submissions and to allow the Region to review potential Innovation Submissions, if any, presented by the Proponent and provide guidance to the Proponent regarding potential Innovation Submissions. The Innovation Submission Meetings are subject to the provisions of RFP Section 3.4.2.

5.0 Innovation Submission RFI Protocol

To ensure a fair, transparent and open process while protecting the commercial interests of the Proponent, any RFIs related to potential Innovation Submissions are subject to the provisions of RFP Section 3.2.2.

6.0 Pre-Submission Review of Innovation Submissions

Prior to including an Innovation Submission in its Proposal, the Proponent is strongly encouraged to request a written indication from the Region as to whether the potential Innovation Submission is of interest to the Region and the extent to which the potential Innovation Submission may be acceptable to the Region. In making such a request, which shall be in the form of a Commercially Confidential RFI, the Proponent must provide sufficient detail, which must include all of the information requested in Attachment 1 to this Part 3 of Schedule 3, to allow the Region to provide an informed response.

Failure to seek pre-submission review of an Innovation Submission prior to the Submission Deadline may result in rejection of that Innovation Submission by the Region during the evaluation process.

As set out in RFP Section 6.4.3, the Innovation Submissions will be conclusively reviewed for acceptability by the Region as Step 3 of the evaluation process. Any Innovation Submission may be accepted or rejected in the Region's sole discretion.

7.0 Innovation Submission Scoring

The Proposal and the bundle of accepted Innovation Submissions will be evaluated out of the maximum 500 points available across the Technical Evaluation Category and out of the maximum 500 points available across the Financial Evaluation Category. Only Innovation Submissions with unconditionally guaranteed financial impacts (positive and negative) will be scored in the Financial Evaluation Category. For greater clarity, Innovation Submissions that are conditional only on obtaining any authorizations and approvals required in connection with same, including the approval of any relevant government authority,

will be considered unconditionally guaranteed. The Evaluation Categories and maximum available points for each Evaluation Category are set out in Part 4 of Schedule 3 of the RFP.

B. INNOVATION SUBMISSION REQUIREMENTS

Innovation Submission Requirements	
Title	Contents
1.0 Technical Requirements	
1.1 Confirmation of Change (1 page per Innovation Submission)	The Proponent must either provide confirmation that the Proposal requires no change or a full description of any changes required by each Innovation Submission.
1.2 Changes to Proposal (no page limit)	For those parts of the Proposal which are not changed by the Innovation Submission, the Proponent is required to make an express statement that, except as expressly amended by the Innovation Submission, all provisions of the Proposal shall be deemed to be incorporated into and apply to the Innovation Submission. For those parts of the Proposal which are changed by the Innovation Submission, the Proponent must provide a revised and complete version of all required Proposal information, including any schedules, tables or any other documents specified in Schedule 3 to the RFP. Unless otherwise noted by the Proponent, any Innovation Submission shall apply equally to either a 14 Vehicle initial fleet or a 16 Vehicle initial fleet.
1.3 Declaration of Impact (1 page per Innovation Submission)	The Proponent must provide a declaration from an individual with the authority to bind the Proponent stating that all material impacts of the Innovation Submission, as applicable, have been accounted for in the Innovation Submission, as applicable, for each submission.
1.4 Detailed Description (no page limit)	Identify the category of Innovation Submission and general impact of the Innovation Submission. Identify the specific provisions of the RFP, Project Agreement and Output Specifications that relate to or may be affected by the Innovation Submission.

Innovation Submission Requirements	
Title	Contents
	<p>Describe the specific benefits which the Proponent unconditionally guarantees will accrue to the Region if the Innovation Submission, is accepted by the Region.</p> <p>Describe any assumptions or conditions, if any, which underpin the guarantee of specific benefits mentioned in the immediately preceding paragraph.</p> <p>Describe any changes to the construction schedule or the Scheduled Section Substantial Completion Dates which may result if the Innovation Submission is accepted by the Region.</p> <p>Having regard to Section 3.0 of Part A of this Part 3 of Schedule 3 of the RFP, describe any impact the Innovation Submission will have on the operation of the Project.</p> <p>Describe any potential impact to the Environmental Project Report and / or any other permits.</p> <p>Describe any potential negative impacts associated with the Innovation Submission.</p> <p>List any other factors which the Proponent wishes the Evaluation Committee and the Region to consider in evaluating and considering the Innovation Submission.</p>
2.0 Financial Requirements	
2.1 Schedule 6A and Schedule 6B (no page limit)	<p>Each Innovation Submission must be accompanied by a revised Schedule 6A and Schedule 6B, including for clarity an updated Cost of Work Form, Price Form and Affordability Compliance Form.</p> <p>If, at either the First Credit Spread Lock-In Date or the Final Credit Spread Lock-in Date, there is a change in the value of the benefits resulting exclusively from a change in credit spreads, Proponents are required to resubmit a revised Schedule 6A Price Form and Affordability Compliance Form and Schedule 6B Price Form and Affordability Compliance Form reflecting the financial effect of the Innovation Submission(s).</p> <p>If the Proponent is including Innovation</p>

Innovation Submission Requirements	
Title	Contents
	<p>Submissions that are capable of being bundled together by the Region, Proponents should also include details regarding the Financial Model inputs that must be changed in the Financial Model corresponding to each Innovation Submission.</p> <p>For greater certainty, if there is more than one Innovation Submission and they are mutually exclusive, the Proponent must submit a revised Schedule 6A and Schedule 6B for each Innovation Submission.</p> <p>Unless the Proponent has clearly indicated that certain Innovation Submissions are mutually exclusive, the financial effects of all accepted Innovation Submissions will be aggregated either by adding up the financial effects of the accepted Innovations on NPV, or by changing the applicable Financial Model inputs provided by the Proponent for each of the Innovation Submissions in order to calculate the aggregate effect of the Innovation Submissions on NPV.</p> <p>For clarity, any Innovation Submission which does not comply with the Affordability Cap as outlined in Schedule 3 Part 2 of this RFP will not be scored financially.</p> <p>The Proponent shall state explicitly whether the financial impacts (positive or negative) are unconditionally guaranteed except for being conditional only on obtaining any authorizations and approvals required in connection with same, including the approval of any relevant government authority, will be considered unconditionally guaranteed.</p>

C. SEPARATE PRICE PROPOSALS

1.0 General

The Proponent must submit a Separate Price Proposal for each item described in this Part C, Separate Price Proposals may be reviewed for acceptability by the Region at its sole discretion at any time prior to

Commercial Close. Any Separate Price Proposal may be accepted or rejected in the Region's sole discretion.

For clarity, none of the Separate Price Proposals are intended to alter the Final Proposal Score of the Proponent and will not be included in the NPV calculation.

A complete set of Separate Price Proposals shall be prepared for each of the 14 Vehicle Submission and the 16 Vehicle Submission.

Along with the specific requirements outlined in RFP Schedule 6 Part IV and Part V, as applicable, the following information is requested along with each Separate Price Proposal:

- Proponents should assume that the Separate Price Proposals are capable of being bundled together; unless identified as such by the Region; therefore, Proponents should also include details regarding the Financial Model inputs that must be changed in the Financial Model for each Separate Price Proposal.
- If, at either the First Credit Spread Lock-In Date or the Final Credit Spread Lock-In Date, there is a change in the value of the benefits resulting exclusively from a change in credit spreads, Proponents are required to resubmit a revised Schedule 6A Price Form and Affordability Compliance Form and a revised Schedule 6B Price Form and Affordability Compliance Form reflecting the financial effect of the Separate Price Proposal(s).
- For each Separate Price Proposal please resubmit RFP Schedule 6A Affordability Compliance Form and Schedule 6B Affordability Compliance Form irrespective of whether the Separate Price Proposal results in a breach in the Affordability Cap or not. For clarity, the submission of the Separate Price Proposal will not be included in the Affordability Compliance evaluation process and will not result in a proposal becoming Unaffordable.
- The Proponent shall state explicitly whether the financial impacts (positive or negative) of the Separate Price Proposals are unconditionally guaranteed except for being conditional only on obtaining any authorizations and approvals required in connection with same, including the approval of any relevant government authority.

2.0 SEPARATE PRICE PROPOSAL 1

Proponents must submit a Separate Price Proposal for an overnight storage facility at the Fairview Park Mall station to store 4 LRV in the tail track area to reduce deadhead time in the morning and reduce conflict with freight train movements. A proposal that provides additional protection from the environment, enhanced security, ability to perform light cleaning and running repairs, provides lighting and AC power to the tail tracks, is of value to the Region. The Separate Price Proposal, however, must recognize that the LRT will continue south as part of Stage 2 so the capital investment should be appropriate to the temporary nature of Fairview Park Mall acting as a temporary terminal LRT Stop.

3.0 SEPARATE PRICE PROPOSAL 2

Proponents must submit a Separate Price Proposal for the use of single contact wire on the OCS system in the section from Uptown Waterloo Station stop to Ottawa/Mill Station stop; more clearly defined as line sections 01.L06 and 10S.17 in the Work Breakdown Structure section of 15-2 Article 19. The proposal should focus on replacing the low profile catenary system with a single wire system and include any underground supplemental feeder.

4.0 SEPARATE PRICE PROPOSAL 3

Proponents must submit a Separate Price Proposal for the use of aesthetically pleasing OCS poles to improve aesthetics in downtown cores. Such Separate Price Proposal is to be applicable to only the low profile solution.

5.0 SEPARATE PRICE PROPOSAL 4

Proponents must submit a combined Separate Price Proposal for the use of single contact wire on the OCS system as described in Section A.3.0 above and for the use of aesthetically pleasing OCS poles to improve aesthetics in downtown cores as described in Section 4.0 above.

6.0 SEPARATE PRICE PROPOSAL 5

Proponents must submit a Separate Price Proposal for expanded OMSF and storage yard to meet the ultimate capacity for a total fleet of 33 LRVs. .

ATTACHMENT 1

INFORMATION TO BE SUBMITTED BY PROPONENTS RELATING TO POTENTIAL INNOVATION SUBMISSIONS (“PIS”)

CATEGORIZATION OF POTENTIAL INNOVATION SUBMISSION (OPTIONAL) (Section A. 2.0 of Part 3 of Schedule 3 to the RFP)	
(A) = Proposed departure from Output Specifications	<input type="checkbox"/>
(B) = Proposed changes to Project Agreement	<input type="checkbox"/>
(C) = Other	<input type="checkbox"/>
* Proponent to tick relevant box	
PARAMETERS FOR PIS (Section A. 3.0 of Part 3 of Schedule 3 to the RFP)	
<i>Will the PIS <u>guarantee</u> some form of demonstrable added value/material benefit to the Region?</i>	<i>Yes / No</i>
<i>Will the PIS result in a breach in the Affordability Cap for the Region?</i>	<i>Yes / No</i>
<i>Will the PIS impact the Region's operations? If yes, how?</i>	<i>Yes / No</i>
<i>Will the PIS postpone Scheduled Substantial Completion Date? If yes, what is the expected duration of the postponement?</i>	<i>Yes / No</i>
<i>Will the PIS require a variance or other changes to any required approvals? If yes, please specify.</i>	<i>Yes / No</i>
DESCRIPTION AND IMPACT OF PIS (Section 1.4 of Part B of Part 3 of Schedule 3 to the RFP)	
1. Please provide a brief description of the PIS.	
2. What are the specific provisions of the RFP, PA and/or Output Specifications that relate to or may be affected by the PIS?	
3. What are the specific benefits which the Proponent is prepared to guarantee will accrue to the Region?	
4. What are the assumptions or conditions, if any, which underlie the guarantee of specific benefits in item 3 above?	
5. What is the potential negative impact, if any, associated with the PIS?	
6. List and describe any other factors which the Proponent wishes the Region to consider in considering the merits of the PIS.	