

SCHEDULE 3**Part 4****PROPOSAL FORMAT AND EVALUATION****A. PROPOSAL FORMAT**

The Proposal is to be submitted in English in both printed copy and electronic copy. In the event of any conflict or inconsistency between the printed copy and the electronic copy of the Proposal, the printed copy shall take precedence.

Notwithstanding anything to the contrary in this Schedule 3 Part 4, 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 4 relating to a 16 Vehicle Submission.

1.0 Format for Printed Copies

The printed copies of the Proposal should adhere to the following format:

- double-sided on 8.5" x 11" paper and contained in standard three-ring loose-leaf binders or alternate secure binding where appropriate;
- single-sided and folded 11" x 17" may be used in the narrative sections of the Proposal where appropriate (i.e. for schedules, etc.). 11" x 17" format drawings illustrating the design concept may be bound with the design explanatory text or design narrative; Single-sided and folded 22" x 30" may be used for the Proponent's detailed organizational chart and must be placed in a folder no larger than 8 ½ x 11 in the proposal;
- the drawing component of the Design Submission must be submitted in accordance with the requirements set out in Section 3.0 of Part A of this Part 4 of Schedule 3 of the RFP;
- numbering placed in the following format "Copy x of x", and on the cover of each binder or bound component of the Proposal;
- single spaced text, not smaller than 11-point font, except in tables and figures where size 10-point font is acceptable;

- sequentially numbered pages in each section of each package, with a numbering system that includes the section number and the page number, such that loose sheets may be easily re-inserted into the correct place;
- table of contents for each package that includes page numbers, exhibits, tables, attachments and appendices; and
- the Proponent is to limit each component of the Proposal to the maximum number of pages indicated in Parts 1, 2 or 3 of Schedule 3 to the RFP, as applicable.

The Region reserves the right to exclude pages and/or sections from the Proposal that do not meet the above-noted requirements.

2.0 Format for Electronic Copies

The electronic copies of the Proposal should adhere to the following format:

- CD/DVDs or sets of CD/DVDs (if applicable) or clearly marked USB format “memory” sticks should be provided in PDF format;
- CD/DVDs or sets of CD/DVDs (if applicable) or clearly marked USB format “memory” sticks should be provided in a file format that can be edited (if applicable);
- the name of the Project, the name of the Proponent and the numbering of the CD/DVD set (if applicable) or USB format “memory” sticks (as applicable) should appear on the case of each CD/DVD or USB format “memory” stick (as applicable) and on the CD/DVD or USB format “memory” stick (as applicable); and
- file formats that are required for specific components of the Proposal are to be included on the CD/DVDs or USB format “memory” sticks (as applicable) in the format indicated below:

File Format	Software Package
Text Documents	Microsoft Word (Version 2003 or 2007XP)
Spreadsheets	Microsoft Excel (Version 2003 or 2007XP)
Works Schedule	Primavera 6.0 – Critical Path Method Network
Traction Power Supply, Overhead Contact System, Train Control, System, ITS, Communication Systems, Track Alignment, Civil Works, OMSF,	Adobe PDF and AutoCAD

Stations and Station Equipment, Construction, etc.	
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3.0 Number of Copies

For printed copies, the Proponent is to submit:

- one (1) signed original marked "Original Copy" and four (4) copies of Package A –Proposal Submission Form (Schedule 4 to the RFP) and a Proponent Team Member Declaration and Certificate of Officer for each Proponent Team Member (Schedules 5 and 5A to the RFP);
- the following number and components of Package B – Technical Submission, with the Technical Submission Information, and any Innovation Submissions (Technical) in separate packages:

Technical Submission Components (references are to Parts/Sections of Schedule 3 to the RFP)	# of Copies
<p>Section 1.0 – Written Submission Requirements</p> <ul style="list-style-type: none"> • Written Submission Requirements (RFP Schedule 3, Part 1) for Project Management, Civil Design, Systems Design, Construction, Maintenance and Rehabilitation and Operations, (including Vehicle Incremental Changes (Technical)). • To be provided in standard 3-ring loose-leaf binders together with the Design Drawing Submissions (as defined in Section 2.0 below) 	24
<p>Section 2.0 – Drawing Submission Requirements</p> <p>Drawing Submission Requirements, including drawing scale, are specified in of RFP Schedule 3, Part 1. All sets of reduced size (half size) drawings should be printed on 11” x 17” paper, single sided</p> <ul style="list-style-type: none"> • Civil General Drawings: <ul style="list-style-type: none"> o Full Size o Half Size • Civil – Existing Conditions: <ul style="list-style-type: none"> o Full Size o Half Size • Civil – Alignment & OMSF Drawings: 	1 12 1 12 1 12 1

<ul style="list-style-type: none"> o Full Size o Half Size 	12
<ul style="list-style-type: none"> • Architecture – LRT Stop Drawings 	1
<ul style="list-style-type: none"> o Full Size o Half Size 	12
<ul style="list-style-type: none"> • Architecture – ITS Block Drawings: 	
<ul style="list-style-type: none"> o Full Size o Half Size 	
Innovation Submissions (Technical) (RFP Schedule 3, Part 3)	24

- one (1) original and eight (8) copies of Package C – Financial Submissions organized as follows:
 - o the 14 Vehicle Financial Submission and the 16 Vehicle Financial Submission shall be in clearly labelled separate sub packages.
 - o each of the 14 Vehicle Financial Submission and the 16 Vehicle Financial Submission sub-packages, shall contain the applicable Price Submission Form (Schedule 6A or 6B), Separate Price Proposals, Financial Submission Information and Innovation Submissions (Financial) in separate sub-sub packages.
 - o one (1) hard copy of the Financial Model relating to the 14 Vehicle initial fleet is to be submitted in the original 14 Vehicle Financial Submission sub-package. The Financial Model must include the spreadsheets provided in Schedule 6A of the RFP.
 - o one (1) hard copy of the Financial Model relating to the 16 Vehicle initial fleet is to be submitted in the original sub-package containing the 16 Vehicle Financial Submission. The Financial Model must include the spreadsheets provided in Schedule 6B of the RFP.

For electronic copies, the Proponent is to submit:

In PDF Format:

- three (3) complete CDs or sets of CDs (if applicable) or USB format “memory” sticks containing **Packages A and B** in PDF format;
- three (3) complete CDs or sets of CDs (if applicable) or USB format “memory” sticks containing **Package C** in PDF format;

In Editable Format:

- three (3) complete CDs or sets of CDs (if applicable) or USB format “memory” sticks containing **Package B** in a file format that can be edited; and
- three (3) complete CDs or sets of CDs (if applicable) or USB format “memory” sticks containing **Package C** in a file format that can be edited.

4.0 Packaging

All boxes or other packages containing the Proposal should be clearly and legibly identified with labels to the Region of Waterloo procurement standards in the forms indicated below:

- Package A – In the form set out as Attachment A to this Part 4 of Schedule 3 to the RFP.
- Package B – In the form set out as Attachment B to this Part 4 of Schedule 3 to the RFP.
- Package C – In the form set out as Attachment C to this Part 4 of Schedule 3 to the RFP.

B. PROPOSAL EVALUATION

1.0 General Organization of the Proposal

To facilitate the review and evaluation of the Proposal by the Region, the Proponent must provide the information requested in the Submission Requirements under the same headings and numbers as used in the Submission Requirements.

If information is relevant to more than one heading or numbered section in the Submission Requirements, the Proponent should ensure that either the information is duplicated in each relevant section or that appropriate cross references are included to indicate where the information can be found in the Proposal. Otherwise, the Proponent assumes the risk that, in evaluating and scoring a particular Evaluation Category, relevant information found elsewhere in the Proposal may be overlooked by the Region.

The Proponent is encouraged, where possible, to use drawings, illustrations and diagrams to emphasize or explain a component of its Proposal.

2.0 Evaluation Categories and Points

The contents of the Proposal will be evaluated against the technical evaluation categories and the financial evaluation categories (collectively, the “**Evaluation Categories**”) summarized in the table

below. The organization and structure of the Evaluation Categories generally correspond to the organization and structure of the Submission Requirements.

The evaluation and scoring process will award points in each Evaluation Category. As few as zero points will be awarded for each Evaluation Category in which the Proposal does not adequately satisfy the Submission Requirements. The maximum points available for each Evaluation Category are set out in the table below.

The Technical Submission is in addition to submissions made by the Proponent as part of the Design Consultation Process described in Schedule 2 to the RFP.

The Technical Submission will be evaluated based on how well it meets the mandatory requirements outlined in the Output Specifications and as identified in Part 1 of Schedule 3 – Technical Submission Requirements. The evaluation will comprise the categories identified in the table below. The Proponent’s Technical Submission will also be evaluated on the clarity of communicated ideas and integration of the requirements outlined in the Output Specifications.

Evaluation Categories	Maximum Points
A. PROPOSAL SUBMISSION FORMS & DECLARATIONS	NOT SCORED
B. TECHNICAL SUBMISSION	500
1. Project Management	100
2. Civil Design	75
3. System Design	75
4. Construction	100
5. Maintenance and Rehabilitation	75
6. Operations	75
C. FINANCIAL SUBMISSION	500
1. Net Present Value	450
2. Quality of Proposed Financing	50
MAXIMUM POINTS AVAILABLE	1000

The Proponent should carefully review the whole of the RFP, Project Agreement and Output Specifications for any submission requirements that may be identified in those documents but which may not be identified in this Part 4 of Schedule 3 of the RFP to ensure they do not omit any information that is requested elsewhere.

The Proponent should note the following applicable minimum scores:

- a minimum score of at least seventy percent (70%) of available points must be achieved for each component of the technical submission.

If a Proponent fails to achieve any one of the Project Management Plan Minimum Score, Civil Design Minimum Score, System Design Minimum Score, Construction Plan Minimum Score, Maintenance and Rehabilitation Minimum Score and Operations Plan Minimum Score, the Region may, in the Region's sole discretion, determine whether that Proponent's Proposal will continue to be considered in the RFP Process. In considering whether the Proponent's Proposal will continue to be considered in the RFP Process, the Region may take into account, among other matters, any one or more of the following: (i) the severity of the failure to achieve the applicable minimum score, (ii) the Proponent's total Technical Submission score, and (iii) whether multiple Proponents have failed to achieve a minimum score. For clarity, a Proponent's failure to achieve the Project Management Plan Minimum Score, Civil Design Minimum Score, System Design Minimum Score, Construction Plan Minimum Score, Maintenance and Rehabilitation Minimum Score and Operations Plan Minimum Score does not in itself constitute a failure to comply pursuant to RFP Section 6.4.1.

3.0 Further Information on Scoring of Financial Submission

3.1 Net Present Value for Affordable Proposals

For all Affordable Proposals, the Region will review and perform their own analysis of the financial model and NPV calculation provided by the Proponent. The lowest NPV will be awarded the maximum points available for NPV (450 points) and the Region will deduct thirty (30) points from the maximum points available for NPV (450 points) for every percentage point by which the Proponent's NPV exceeds the lowest NPV.

3.2 Net Present Value for Unaffordable Proposals

In the event there is at least one Affordable Proposal, all Unaffordable Proposals will be given a zero for purposes of NPV evaluation. If all Proposal submitted by all Proponents are Unaffordable Proposals, then the Region may, at its sole discretion waive the Affordability Criteria and score and rank all Proposals, as outlined in Section 6.4.6(3) of the RFP.

3.3 Quality of Proposed Financing Plan

The Proponent will receive a score related to the quality of its proposed financing plan of up to fifty (50) points. The evaluation of the proposed financing plan will be based on the following criteria:

- (a) The achievability and robustness of the financing plan proposed as evidenced by:
- Quality and strength of the various investors;
 - Levels of commitments provided by all investors (including equity funds, lenders etc.);
 - Risks associated with the level of direct or indirect conditions that might contradict with or affect the existing Project Documents (such as the Lender's Direct Agreement);
 - Risks associated with achieving Financial Close due to the inclusion of any Material Adverse Change clauses (MAC) or flex conditions in the lending terms and strategies/plans proposed by the Proponents to eliminate and/or mitigate risks associated with such terms and conditions;
 - Plan to achieve Financial Close including, but not limited to, obtaining all necessary approvals required by investors and/or addressing condition precedent to Financial Close and/or obtaining more efficient financing prior to Financial Close; and
 - Strength and type of security provided by equity funders guaranteeing future injection.
- (b) The stability of the financing structure as evidenced by the level of involvement of various risk investors during the high risk periods of the concession term:
- Tail on debt; and
 - Pattern of equity distribution over the life of the Project.
- (c) The stability of the financial model as evidenced by:
- The level of volatility to changes in underlying interest rates (prior to Financial Close);

- The reasonableness and volatility of the Indicative Credit Spreads Benchmark submitted by the Proponents and its consistency with the movement of the Credit Spreads at the First Credit Spread Lock-in Date and the Final Credit Spread Lock-in Date;
- The proportion of inflation indexed payments; and
- Make whole requirements in the event of pre-payment.

The Proponent should note that a minimum score of at least sixty percent (60%) of available points must be achieved for the quality of proposed financing plan category of the Financial Submission. Failure to achieve the minimum score for the quality of financing category under the Financial Submission may prevent the Proponent from becoming the Preferred Proponent or a Negotiations Proponent.

(d) Conditions for automatic point deductions:

- (i) Financing plans that incorporate a Mini-Perm Financing structure or will require a Refinancing before the end of the Expiry Date (the “**Mini-Perm Period**”) will receive a deduction ranging from zero (0) points to twenty (20) points from the fifty (50) points available in this scored category to differentiate between various levels of risks and different characteristics that entail a mini-perm structure.
- (ii) If a Proponent’s financing plan passes additional financing risk to the Region in a way that is not expressly contemplated pursuant to this RFP, such as passing refinancing risk to the Region if the Proponent’s financing plan includes a financing facility that is scheduled to be repaid in full within the Mini-Perm Period; then:
 - the submission will automatically score zero (0) out of the possible fifty (50) points available in this scored category;
 - such financing plan shall be deemed to be compliant for the purposes of RFP Section 6.4.1; and
 - after consideration of the nature and magnitude of any risks to the Region of proceeding with the applicable Proponent’s financing plan, the Region may, in its sole discretion,
 1. determine that such risks are unacceptable to the Region; and

2. prevent such Proponent from becoming the Preferred Proponent.

For greater clarity, it is the Region’s intention only to accept additional financing risk, such as refinancing risk on a mini-term solution, in exceptional circumstances (for example, if all other submissions from Proponents had similarly contemplated a passing of additional financing risk to the Region).

The Region reserves the right to request and/or approve a change in the financing plan or debt strategy (such as fixed or variable rate, the use of synthetics, bank debt or capital market debt) following selection of the Preferred Proponent and prior to Financial Close.