

Sheet	Instructions
<p style="text-align: center;">General</p>	<p>1. Proponents shall only enter inputs in cells which are shaded blue. All inputs should be linked to the proponent's Price Form and Financial Model. The Affordability Compliance Form will be checked for consistency with the proponent's Price Form, in case of discrepancy between the two forms the Price Form will govern as relevant. Only after including all inputs required on the form should proponents click on the "Balance Long-term Debt Amount" button to activate the macro that calculates the amount of long-term debt in cell F55. The macro runs a goal seek such that the amount in cell B58 is zero by adjusting cell F55. In case a proponent is unable to incorporate the macro into their financial model, the following is the coding to enable recreation of the macro:</p> <p style="text-align: center;">Range("B58").GoalSeek Goal:=0, ChangingCell:=Range("F55")</p> <p>2. Proponents may not alter, delete, reformat or otherwise change this form unless specifically instructed to do so.</p> <p>3. No other source of funding should be assumed to be available to the Region unless clearly specified by the Region in this form.</p> <p>4. Proponent must provide information for the calculation on an annual basis assuming a 30 year payment stream based on BSP1 only.</p> <p>5. The form should be filled in Canadian Dollars (actuals) on a calendar year basis.</p> <p>6. This form assumes a date on completion in line with September 2017. The Affordability Compliance test may need to be adjusted in case of material difference in the schedule for each Proponent</p>
<p style="text-align: center;">Affordability Compliance</p>	<p>1. This form makes a number of assumptions with regards the timing and amount of funding available from sources outside the Region. These assumptions are based on the Region's best available information and any change to these assumptions will be communicated in as timely as fashion as possible. The Region however, retains the right to reassess Affordability during any point of the RFP process.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Each Proponent will compute an Adjusted Bid Profile as follows to be assessed against the Affordability Cap [A]:</p> <p style="text-align: center;">[B] Project Co Yearly MSPs <i>As computed by Proponents in their Financial Model based costs for BSP1 only and calculated on a calendar year basic. These costs must be aligned with those provided in the RFP schedule 6 Part 2, Sheet 2A: the Price Form. For clarity payments will be calculated as follows:</i></p> <p style="text-align: center;"><i>Payments for Capital = MSPG1 x 12 or MSPG2 x 12 depending on the specific Contract Year.</i></p> <p style="text-align: center;"><i>Payments for O&M = $\sum(MSPOn + MSPMn \text{ for BSP1}) \times \text{Escalation}$</i></p> <p style="text-align: center;"><i>Payments for Lifecycle = $\sum(\text{Vehicle Lifecycle for BSP1} + \text{Non Vehicle Lifecycle for BSP1}) \times \text{Escalation}$</i></p> <p style="text-align: center;"><i>Net HST due on MSPs calculated in accordance with Note 4 below.</i></p> <p style="text-align: center;">+</p> <p style="text-align: center;">[C] Region P&I Costs Computed by Proponents based on their to Construction Period Payments and their Substantial Completion Payment net of available funding for the Project, as outlined in this form</p> <p style="text-align: center;">=</p> <p style="text-align: center;">[B] + [C] Total Region Costs for Project Co Payments Computed by each Proponent as a nominal annual amount paid by the Region during the Operating Period</p> </div> <p>2. For purposes of completing this form please assume a 2% per annum Escalation for MSPO, MSPG and LCP in line with instructions provided in Schedule 3-2 of the RFP.</p> <p>3. The calculation of the Region P&I for Construction Payments and Substantial Completion Payment is based on a forecasted all-in interest rate of 5.0% and a 30-year repayment period.</p> <p>4. The Region's Net HST for purposes of affordability proponents should be aware that the Region pays a net (i.e. non-recoverable) HST equivalent to 13.54% of the 13% HST rate. HST calculations included in this form should only include Net HST. This should be taken into account in the calculation of HST amounts that go into row 19 and cell B38 of the form.</p>
<p style="text-align: center;">Compliance Results</p>	<p>1. The Affordability Criteria is identified in Section 2.21 of Schedule 3-2 to this RFP and as summarized below:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Each Proponent must compare the Adjusted Bid Profile against the Affordability Cap to test compliance with the following criteria [collectively the "Affordability Criteria"]:</p> <ol style="list-style-type: none"> 1. \sum Adjusted Bid Profile (over 30 yr. operating term) \leq \sum Affordability Cap (over 30 year operating term); 2. Adjusted Bid Profile cannot exceed the Affordability Cap in 2017 and 2018 (calendar year); and 3. Other than 2017 and 2018, the Adjusted Bid Profile can exceed the Affordability Cap by no more than 15% in any year. </div>