



**CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE  
MEETING OF WEDNESDAY, DECEMBER 12, 2012**

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**SUBJECT    PROCUREMENT ADVISOR AWARD OF CONTRACT**

**ISSUE**

A procurement advisor is required to assist the Core Area Wastewater Treatment Program (the Program) Project Management Team (PMT) with the procurement of the McLoughlin Point wastewater treatment facility.

**BACKGROUND**

McLoughlin Point wastewater treatment facility will be procured using the design-build-finance (DBF) methodology. To ensure effective and efficient delivery of the project using this procurement methodology, it is necessary to engage a procurement advisor with the necessary experience. Partnerships BC (PBC), a company registered under the Business Corporations Act and wholly owned by the Province of British Columbia, have extensive experience in alternative procurement methodologies. PBC has participated in more than 35 partnership projects with an investment value of \$12.5 billion. Their contract documents have been tested in the procurement market and are well known to potential proponents. Using established PBC documents and templates will reduce the time and effort to produce such documents by the PMT and will provide comfort in the market place that an established procedure is being followed. Reducing the perceived risk by potential proponents will be reflected in lower bid process. It is important to note that PBC staff will not be working independently but will be part of the PMT, working in the project management office and that procurement recommendations will be made by the PMT for approval by the Program administration Commission.

**ALTERNATIVES**

1. That the Core Area Liquid Waste Management Committee recommend to the Capital Region Board that Partnerships BC be awarded the contract for Phase I procurement services for the McLoughlin wastewater treatment facility in the amount of \$711,300 plus HST.
2. That the Core Areal Liquid Waste Management Committee provide direction to staff on the identification of an alternative procurement advisor.

**FINANCIAL IMPLICATIONS**

PBC has provided a proposal for procurement services up to the release of the McLoughlin request for proposal (Appendix A). In order to maintain the Program schedule, it is necessary to proceed with preparation of the procurement documentation for the request for qualifications and request for proposals (RFQ/RFP) prior to establishing the Commission. (Note: PBC has been assisting the PMT for the last month in a number of areas including RFQ evaluation criteria, schedule and key issues for procurement agreement). PBC will submit a proposal to

the Commission for Phase II work for approval. The PBC budget includes an allowance (\$100,000) to retain the services of consultant who possesses uniquely specialized and advanced knowledge of current DBF project agreement contracts. Having access to existing, proven documents will reduce PMT time to prepare such documents. PBC billing will be based on actual time spent on the Program.

The Program budget includes an allowance of \$4.5 million for advisors including procurement, legal, fairness, financial and conflict of interest risk/insurance. It is expected that this will be sufficient for this aspect of the Program.

**CONCLUSION**

PBC has extensive experience with alternative delivery methods for major infrastructure projects. PBC procurement documentation and contracts are well known and accepted in the marketplace. Utilizing PBC as the procurement advisor will allow the CRD to access their proven documentation and provide confidence to the private sector proponents that the procurement will be fair and transparent.

**RECOMMENDATION**

That the Core Area Liquid Waste Management Committee recommend to the Capital Regional District Board:

That Partnerships BC be awarded the contract for Phase I procurement services for the McLoughlin wastewater treatment facility in the amount of \$711,300 plus HST.

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J.A. (Jack) Hull, P.Eng., MBA  
Interim Project Director  
Core Area Wastewater Treatment Program

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Kelly Daniels  
Chief Administrative Officer  
Concurrence

Attachment: 1

JH:hr



# **Core Area Wastewater Treatment Program**

## **Proposal for Procurement Phase Services**

November 2012

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## 1 INTRODUCTION

The governments of Canada, British Columbia, and the Capital Regional District (CRD) are working together to improve wastewater treatment in the Greater Victoria Core Area (the Core Area). The CRD has completed a business case to investigate the feasibility and preferred delivery approach of developing wastewater treatment facilities for the Core Area (the Project). CRD intends to deliver two major components of the Project as public private partnership (PPP) projects as follows:

- McLoughlin Wastewater Treatment Plant and Facilities:
  - Design-build-finance (DBF) approach
  - Capacity of 108 MI/d ADWF on 1.4 hectare site
  - Victoria Harbour Crossing requires 1.2m diameter and 800m distance
  - Marine Outfall requires 2m diameter and 1.6km distance
- Biosolids Energy Centre
  - Design-build-finance-operate (DBFO) approach
  - Requires 18km, twin 0.250m pipelines and 4 pumping stations
  - Sludge digestion
  - Biosolids dewatering, drying and disposal

The balance of the Project components, including conveyance facilities, are intended to be delivered through design-build (DB) and design-bid-build (DBB) procurements. Together, these components make up the Project.

The proposed schedule for the McLoughlin Wastewater Treatment Plant and Facilities involves 15-month procurement and a 39-month construction period, with commissioning expected to commence in July 2017. The proposed schedule for the Biosolids Energy Centre involves a 15-month procurement and a 36-month construction period, with operations expected to commence in March 2018.

Based on the preceding understanding of this Project, Partnerships BC has prepared a proposal to assist the CRD with the delivery of the PPP components of this Project.

## 2 ABOUT PARTNERSHIPS BC

Partnerships British Columbia (Partnerships BC) provides commercial advice and procurement services, bringing together the public sector and the private sector to develop projects through innovative partnership delivery models. As a company registered under the Business Corporations Act, Partnerships BC is wholly owned by the Province of British Columbia (the Province) and reports to its shareholder, the

Minister of Finance. Although owned by the Province, Partnerships BC is a commercially independent consulting firm that operates on a fee-for-service model.

Partnerships BC contracts with agencies and ministries of the Province as well as municipalities, the federal government, and other provinces and territories. Partnerships BC's vision is to be a recognized leader in evaluating, structuring and implementing partnership delivery solutions for public infrastructure which achieve value for money. The company is focused on delivering consistent value to its clients and is committed to its long-term viability. Over the last 10 years, Partnerships BC has participated in more than 35 partnership projects with an investment value of \$12.5 billion, of which \$5 billion is privately financed. Detailed information about current and past projects is available on our website at [www.partnershipsbc.ca](http://www.partnershipsbc.ca).

As one of the Canadian leaders in the successful development and delivery of partnership procurements, we can bring the required knowledge and experience to ensure the successful and cost-effective delivery of your project. Our model is based upon the creation of a project team that augments the expertise within your organization with specialized procurement advice and business transaction advice from a combination of Partnerships BC and third-party private sector advisors.

The following key attributes underpin Partnerships BC's success to date:

- Created to develop and centralize public private partnership expertise, documentation, processes and experience. Partnerships BC's clients benefit from accessing this growing body of information and knowledge, reference guidance documents, lessons learned from past projects, experience identifying appropriate and proven procurement solutions, and the cost advantages inherent in building upon existing intellectual property.
- Provision of a full range of project and procurement management-related services on a turnkey basis, allowing clients to focus on their core business.
- Implementation of an effective governance framework for projects to allow decisions to be made on a timely basis. This improves the efficiency of the procurement process and increases the confidence of the private sector proponents.
- Full integration of its services with the specialized third-party professional advisory firms necessary to successfully conduct the procurement process (including development, commercial, transaction, financial and legal advice). Partnerships BC is uniquely placed in the advisory market to secure attractive terms with these advisors, based on our previous experience, existing relationships, and frequency with which we procure such services.
- Continual work on numerous infrastructure projects in the planning, competitive selection, construction and operations phases. Partnerships BC has internal processes and policies to ensure cross-project learning is happening in real time, so that new projects have the benefit of information being gained and lessons being learned on other projects.

### 3 APPROACH AND METHODOLOGY

#### 3.1 PROJECT DEVELOPMENT PROCESS

Partnerships BC typically uses the following approach for project development:



The extent of work required at each stage of the project life cycle is unique to each project and depends upon information available, project size, complexity and constraints. Decisions around the procurement approach (i.e., public private partnership or traditional procurement) are made following completion of the Business Case assessment. The Project has completed the Business Case stage and is in the process of transitioning into the Competitive Selection Process stage.

The scope of services involved in the procurement stage required to bring the Project from the current stage to the start of construction, can be divided into the following two phases:

- Phase I – Services to Release of McLoughlin RFP
- Phase II – Competitive Selection Process for McLoughlin and Procurement of Biosolids DBFO

Immediately upon commencement of services, a procurement kick-off meeting will be scheduled by the Program Director where the key first steps can be discussed and a plan set in motion to immediately start work on schedule-critical activities.

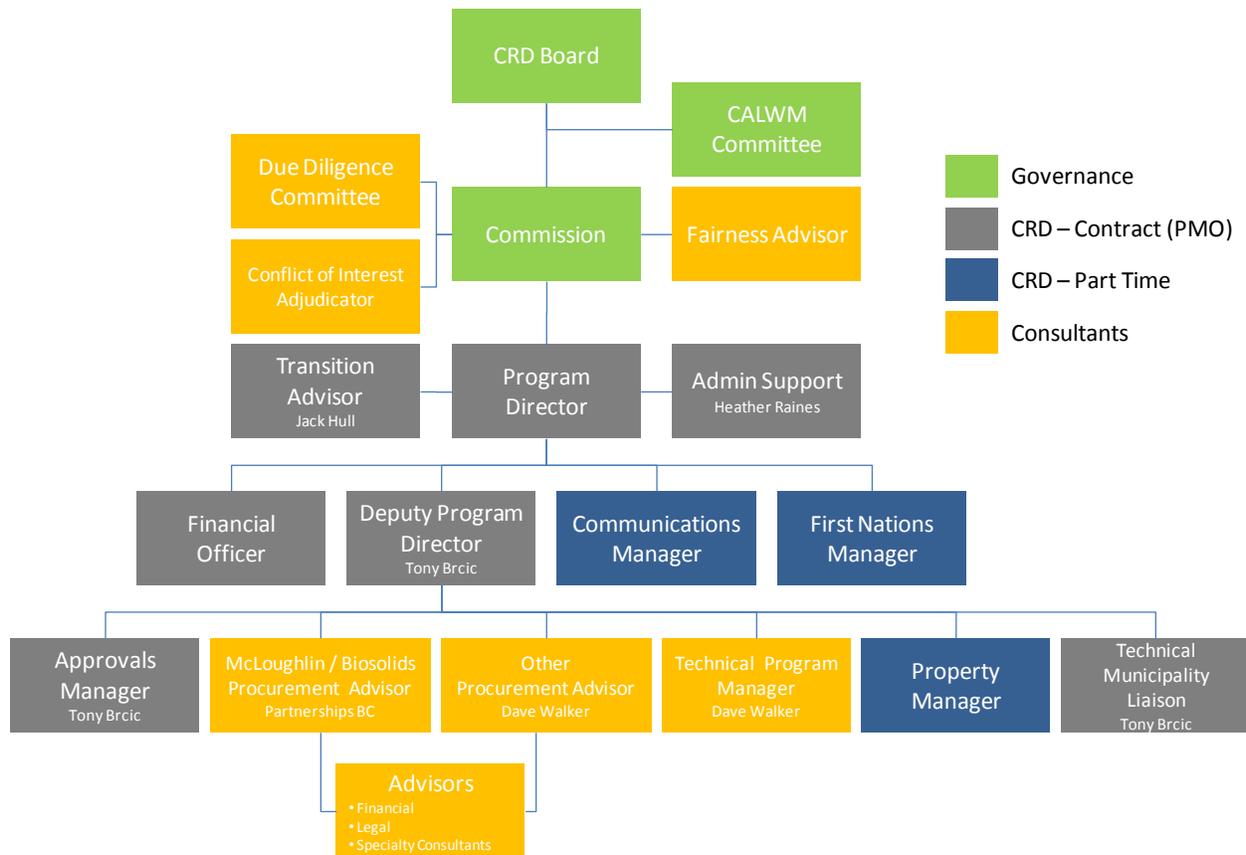
As part of this proposal, we have developed a detailed work plan which can be found in Section 4 below.

#### 3.2 PROJECT ORGANIZATION AND GOVERNANCE

Every successful project has a well-defined governance model and for this project a Commission structure has been set up. The Commission bylaw will provide for seven members selected by the CRD Board of Directors. Membership of the Commission Board will be based on experience in large complex infrastructure projects, wastewater engineering, resource recovery, contract law, alternative procurement methods, project management, project finance, municipal waste water plant operations and maintenance, major project construction experience, and communications. It is our understanding that the CRD is currently recruiting the commission and it will be in place by spring of 2013.

The Program Director reports directly to the Commission and has day-to-day responsibility for all aspects of the Project. In turn, the Program Director has a dedicated team of individuals working on the Project, each with their own focus and specialization. Some of these individuals will come from the CRD, some will be external consultants, and others from Partnerships BC.

Based on our discussions to date, we understand the organization for the project is as shown below:



Implementation of the overall project will be the responsibility of a Program Management Team (PMT) consisting of the Program Director, Deputy Program Director, Financial Officer, the Program Manager and Procurement Advisers (PBC and Stantec) during the procurement phase and supported as necessary by other specialist and advisors from the program team as required.

Specifically for the PPP components of the program, based on our experience, we propose that the Project staff's key responsibilities and accountabilities for the McLoughlin Wastewater Treatment Plant and Facilities and Biosolids Energy Centre as it relates to the specifically to procurement are as outlined below:

### Procurement Advisor

The procurement advisor reports directly to the CRD Deputy Program Director and is accountable for the delivery of the procurement documentation. Specific duties include:

- Coordinating the development and leading the execution of procurement strategy
- Leading the development and execution of request for qualifications (RFQ) and request for proposals (RFP) procurement documents and processes, including evaluation
- Coordinate the development of Project Agreement

- Coordinate involvement of the Fairness Advisor

### **External Legal Advisor**

The external legal advisor will be contracted by the CRD but would take day to day direction (with the involvement of the PMT) from the procurement advisor. Specific duties include:

- Lead drafting of Project Agreement and schedules
- Ensure legal consistency throughout all procurement documents
- Advise as required on processes, commercial terms and other legal matters

### **Financial Advisor**

The financial advisor will be contracted by the CRD but would take day to day direction (with the involvement of the PMT) from the procurement advisor. Specific duties include:

- Advise on development of commercial and financial terms in Project Agreement
- Establish financial qualifications of bidders for RFQ
- Assist with development of financial submission requirements for RFP
- Participate in RFQ and RFP evaluation teams

### **Fairness Advisor**

The fairness advisor will be contracted by CRD following a RFP quality based selection process. Day to day interaction would be with the procurement advisor and the PMT and would report directly to Commission. Specific duties include:

- Monitor adherence to stated processes regarding fairness and transparency
- Advise the PMT if any potential fairness issues arise
- Report to Commission on the fairness and transparency of the overall procurement process
- Publish a public report regarding the fairness and transparency of the process

### **Conflict of Interest Adjudicator**

The conflict of interest adjudicator will be contracted by CRD following a RFP quality based selection process. Day to day interaction would be with the procurement advisor and the PMT and if required would report directly to Commission. Specific duties include:

- Advise PMT as required on conflict of interest issues for evaluators and participants in the competitive selection process

- Report to Commission if required on this issue

### **Due Diligence Committee**

It is a recommendation of Partnerships BC that the Commission consider use of a due diligence committee that would interact directly with to the program director and procurement advisor and report to the Commission. The committee is typically comprised of two to three individuals with broad experience in complex PPPs. Specific duties include:

- Review and advise on procurement documents, contract documents (if requested) and processes
- Report to Commission

### **Program Manager**

The technical program manager would report director to the CRD deputy program director and would coordinate the technical work and particular the commercial implications of the technical with the procurement advisor. Specific duties include:

- Lead development of technical specifications for Project Agreement
- Review and advise on the commercial issues particularly how they impact the technical work
- Establish technical qualifications of bidders for RFQ
- Assist with development of technical submission requirements for RFP
- Participate in RFQ and RFP evaluation teams

## **3.3 PROJECT TEAM INTEGRATION**

Partnerships BC proposes to work with the CRD in the role of procurement advisor in planning, managing and implementing the procurement process for the PPP components of the Project. The outcome will include securing private partners to provide services in accordance with the Project Agreements for each PPP component of the Project. Partnerships BC will report to, and take instructions from, the Deputy Program Director.

Partnerships BC proposes that its role in the Program Management Team be to provide advice, support and services, and that leadership, governance and decision authority resides with the CRD and its delegate of authority, the Commission. It is clearly understood that this is a CRD project and that the CRD will be seen as the Project leader in external interactions and communications.

Partnerships BC can assist the CRD, as requested, in engaging external advisors for the Project. CRD will also have the ability to make use of Partnerships BC's existing lists of pre-qualified financial advisors, legal advisors, fairness advisors, conflict of interest adjudicators and due diligence committee specialists.

Our established advisor procurement process can also be drawn upon to expedite the effective procurement of these key advisors.

A detailed schedule and plan will be developed as we initiate Phase I. It is anticipated that a Project kick-off meeting will be arranged as soon as is practical, and that weekly Project status meetings will be held.

### 3.4 PROCUREMENT MANAGEMENT

A Partnerships BC Executive Lead and a Procurement Advisor will be assigned to provide overall procurement management leadership. With the support of additional Partnerships BC staff, as well as external advisors, the Executive Lead and Procurement Advisor will be responsible for the following activities:

- Structure RFQ and RFP documents for review by the PMT;
- Administrate receipt, logging and distribution of information requests;
- Lead the development of evaluation frameworks and manuals for the RFQ;
- Report to the Commission as requested by the Program Director; and
- Participate in RFQ evaluations.

### 3.5 PRECEDENT DOCUMENTS

Partnerships BC will utilize our extensive library of guidance documents that have been created and are continually updated based on the delivery of previous projects. Although the development of key procurement and project documents begins with established guidance documents as templates, project-specific documents are structured in such a manner that every detail is considered, and a unique set of documents is tailored to best suit the intricacies of each project.

Using Partnerships BC's guidance documents and templates for the RFQ, the RFP and the Project Agreements development helps to elicit market confidence that the Project will be delivered in a fair and transparent matter, using commercial principles with which they are familiar. The use of these precedent documents and processes help to maximize competition for the Project while capturing cost and schedule efficiencies. These document and process templates include the following categories (sample guidance documents are available upon request):

- Project Planning and Approvals
- Quantitative Analysis
- Project Procurement
- Project Agreement
- Post-Financial Close

## 4 WORKPLAN AND SCHEDULE

For the w identified in Section 3.1, Partnerships BC is proposing the following key related activities and deliverables:

### 4.1 PHASE I - SERVICES TO RELEASE OF RFP

**Objective** – To establish a robust commercial and financial framework for the success of the Project.

**Begins with** – Further advance activities that began during the Business Case and prepare for the Competitive Procurement Process.

**Ends with** – Receive approval to issue the RFP.

Major activities and deliverables include:

- Assist in the identification and selection of required external advisors to successfully complete the Project. Advisors are expected to include:
  - Financial;
  - Legal;
  - Fairness Advisor;
  - Conflict of Interest Adjudicator; and
  - Due Diligence Committee.
- The key roles and responsibilities of the external advisors are described in the project organization section above;
- Prepare and coordinate a series of procurement workshops on procurement process, procurement documents, Project definition, and procurement strategy development;
- Support the refinement of key commercial terms;
- Assist the PMT with the preparation of the RFQ and RFP;
- Assist with the re-engagement of the market regarding the key commercial terms; and
- Manage development of the proposed Project Agreement and related schedules.

**RFQ:**

- Assist with engagement of the Fairness Advisor and any additional advisors that have yet to be engaged;
- Assist with the hosting of a bidders' information session;
- Administrate receipt, logging and distribution of information requests.

- Lead the development of all necessary evaluation structures, criteria and processes;
- Participate in evaluation management activities with the CRD and other advisors; and
- Participate in the evaluation process.

**RFP:**

- Oversee completion of the Request for Proposals, Project Agreement and coordinate with the technical program manager the technical related schedules;

Key Deliverables:

- Request for Qualifications (RFQ);
- Shortlist of up to three proponents;
- Request for Proposals (RFP); and
- Project Agreement with accompanying schedules.

## **4.2 PHASE 2 - SERVICES POST RELEASE OF RFP**

Following the Phase I services, Partnerships BC is interested to further defining how it may be of additional service during the procurement phase for the McLoughlin DBF project and the Biosolids Energy Centre.

### 4.3 TIMING OF ENGAGEMENT

The following schedule identifies the expected timing of the Project by phase, as well as the key milestones in the procurement process. A more detailed schedule of activities can be found in Appendix 1.

Activity	Start	Finish
<b>Phase I – McLoughlin Plant (DBF)</b>	November 2012	May 2013
Procurement kickoff meeting	November 2012	
Procure Project team	November 2012	
Re-engage market	December 2012	
Key commercial issues addressed	February 2013	
Issue RFQ	February 2013	
Close RFQ	April 2013	
Announce shortlist	June 2013	
Issue RFP	June 2013	

The sequencing and time allocations provided in this proposed schedule have been determined in consideration of several important factors and constraints identified in the Project:

- Need to have advisors in place by end of 2012 to meet launch of DBF agreement per schedule;
- Assumed use of precedent template agreements and processes of Partnerships BC;
- Receipt of four to five RFQ responses;
- Use of minimum time periods in each stage – minimal to no float time in schedule;
- Overlapping tasks where timing independent;
- June RFP release date for McLoughlin Plant (DBF) reflects earliest date of April 31<sup>st</sup> facility technical specifications are expected to be completed;
- Critical path of schedule is linked to McLoughlin Plant (DBF) technical specification delivery;
- 10-month RFP period permitting time for private sector design innovation. This includes time for the RFP exposure, evaluation, approvals and final negotiations;
- Split submission of RFP stage Technical and Financial proposals to streamline approval, evaluation and compliance; and
- Linear procurement of projects as critical path components are linked.

## 5 STAFFING

The following Partnerships BC staff will be assigned to the Project and will be dedicated to meeting the Project objectives and expectations of the CRD. A role matrix has been attached as Appendix 2 and is intended to allocate responsibility and accountability for completing each part of the procurement work required. It is our understanding that the CRD will establish a project management office. We are proposing that our procurement advisor will work out of this office 2-3 days a week in the early stages of the project and full time as required. All program documents will be prepared by the project management office.

### 5.1 KEY PERSONNEL

#### **Doug Ewing – Vice-President, Projects**

Doug will be the Partnerships BC Executive Lead and will have overall responsibility for this engagement and the quality of deliverables and service.

Doug joined Partnerships BC as Assistant Vice-President in 2008 and brings extensive project management and construction experience to the team. Prior to joining Partnerships BC, he spent the previous four years with the Vancouver Olympic and Paralympic Organizing Committee (VANOC) as Project Manager of the Whistler Olympic Park, a 262ha greenfield development, and as Program Director of the Whistler Venues. Doug also gained experience working in remote, northern settings during his two-year tenure modernizing the Department of Defense's Distant Early Warning (DEW) sites in Canada's arctic.

Doug is a Professional Engineer and is a member of the Association of Professional Engineers and Geoscientists of British Columbia. He has extensive public and private sector knowledge and has managed complex, multi-phased infrastructure and building projects throughout B.C. His experience ranges from business/project development and stakeholder consultation through to project procurement and implementation.

Doug holds a Bachelor of Science Degree in Civil Engineering from Queen's University, a Master of Architecture Degree from the University of Calgary, and a Master of Business Degree from Queen's University.

#### **Jeff Good – Project Director**

Jeff will be the Procurement Advisor for the Project, responsible for overseeing Partnerships BC services and deliverables through Phases 1 and 2 of the Project. Jeff will work closely with the Deputy Program Director and other CRD staff and external advisors to plan and execute the procurement.

Jeff brings a strong finance, capital markets and procurement background to Partnerships BC's projects. Over the past eight years Jeff has been involved in the planning and procurement of a multitude of

projects, and has advised on 14 projects in excess of \$3.5 billion (CDN) that have reached financial close. These projects include healthcare, transportation, communications and water treatment.

Prior to joining Partnerships BC, Jeff worked at the Credit Union Central of British Columbia (CUCBC, now Central 1 Credit Union) as a Financial Risk Management Analyst. Jeff played an active role in all matters of investment policy compliance and management of CUCBC's \$3.5 billion dollar (CDN) portfolio. In addition, Jeff has worked at Toronto-Dominion as a Trader, and at National Bank Financial as an Investment Advisor.

Jeff has a Bachelor of Business Administration with a Finance Major from Simon Fraser University. He is a Chartered Financial Analyst charter holder and past executive member of the board of the CFA Victoria society.

### **Steve Gibson – Project Director**

Steve will be supporting the Procurement Advisor in the development of the deal structure of the Project and will be active in the implementation and delivery of the procurements.

Steve has extensive project management experience including the structuring of public private partnership contracts and teams, management of large multi-disciplinary teams, analysis of risk transfer, and full life cycle costing of project developments.

Prior to joining Partnerships BC, Steve worked for twelve years providing investment banking and strategic advisory services in the private sector. Steve has been involved in delivering committed financing for 13 major PPPs, underwriting more than \$2.8 billion in fixed income investments, \$870 million in equity investments, and advised in over \$15 billion of mergers and acquisitions.

Steve holds an Honors Business Administration (HBA) degree from the Richard Ivey School of Business at the University of Western Ontario and earned his designation as a Chartered Financial Analyst (CFA) charterholder in 2003.

### **Elena Generalova – Project Consultant**

Elena will support the Procurement Advisor and the Project team in a range of activities.

Elena joined Partnerships BC in 2012. Prior to joining PBC she worked as a Business Analyst at Ledcor Civil Mining Infrastructure Ventures Group. Her areas of responsibilities included business case analysis, financial due diligence, financial modeling and feasibility studies for a number of projects in the waste water treatment, waste to energy, sustainable and green energy projects and private public partnerships (Sierra Yoyo Desan Road, South Fraser Perimeter Road).

As a Project Consultant at PBC she is currently involved in the procurement process of the financial and technical advisory services for the Surrey Biofuel Processing Facility project as part of PBC team advising the City of Surrey. Elena recently assisted in the evaluation of Financial Advisor RFP responses and is a contact person for technical advisory services procurement for the Surrey Biofuel Processing Facility.

Elena has an MBA degree in Finance from California State University Hayward (East Bay).

## 5.2 OTHER PERSONNEL

### Legal Resource

Karen Mill, Assistant Vice-President Legal, joined Partnerships BC in 2002. As in-house Corporate Legal Counsel, she provides advice on corporate legal issues and also project legal support. Karen would assist with managing development of the Project Agreement and would work closely with CRD's internal and external legal advisors.

### Communications Resource

Partnerships BC has a dedicated group of communications professionals who specialize in assisting the public sector with planning and executing communication strategies for public private partnerships. The communications team will assist CRD's communications team, in the development of a project report in keeping with P3 Canada's requirements for disclosure.

### Other Resources

Partnerships BC has a number of qualified project staff that will be drawn upon to assist other team members.

## 5.3 AVAILABILITY OF PERSONNEL

Partnerships BC can commit to Doug Ewing, Jeff Good, Steve Gibson, Elena Generalova and supporting Partnerships BC resources being available through to the end of Phase II. We view this as an important project for both the CRD and Partnerships BC, and will ensure that every appropriate resource is made available for this exciting and challenging Project.

## 5.4 DBF SPECIALIST ADVISOR

Partnerships BC has identified an opportunity to benefit from the services of a consultant who possesses uniquely specialized and advanced knowledge of current DBF project agreement contracts.

Bobby Stewart is a consultant in the finance practice of Freshfields Bruckhaus Deringer and is based in London, UK. He has recently provided services to Partnerships BC on a major PPP DBF project and is able to bring this unique knowledge and understanding to the creation of an a precedent DBF agreement for CRD prior to commencement of work by CRD's external legal counsel on this project. Partnerships BC is recommending that Bobby be engaged by Partnerships BC to carry out this work in consideration of his specific knowledge and assumed savings of time and cost to CRD under an alternate approach.

Bobby Stewart has considerable experience principally in the infrastructure and transportation sectors. In particular, he has been active in the PFI/PPP market since its inception in the UK and subsequently in other jurisdictions that have undertaken similar programmes, as well as in the secondary market.

Bobby acts for the public sector, project sponsors, commercial banks, monoline guarantors, multilaterals and other infrastructure investors.

Transactions in which he has been involved include:

- Advising the Russian government and the City of St Petersburg on the Western High-Speed Diameter and Orlovski Tunnel projects;
- Advising the Province of British Columbia on the Port Mann/Highway 1 project;
- Advising the Province of British Columbia on the South Fraser Perimeter Road project;
- Advising the Province of British Columbia on the Evergreen light rapid transit project;
- Advising the lenders to the successful bidder on the New Tyne Crossing project;
- Advising Road Management Group on two of the first wave of DBFO shadow toll road projects in the UK;
- Advising the funders (Ambac and EIB) to the Road Management Group consortium on the A1 Darrington to Dishforth DBFO road project;
- Advising the commercial banks on the N4 Maputo Corridor Toll Road and the Gautrain rapid rail link PPP projects in South Africa;
- Advising London Underground on the Northern Line refurbishment project and on the interface between the Northern Line arrangements and the main LUL PPP;
- Advising Telereal (a joint venture between Land Securities Trillium and William Pears) on the outsourcing by British Telecom of its UK property portfolio;
- Advising infrastructure investors on various secondary market acquisitions of PFI/PPP projects; and
- Advising the sponsors on projects in the health sector.

## 6 FEE PROPOSAL

Partnerships BC proposes that the Partnerships BC staff involved in the procurement management of the Project be invoiced to the Project at the fees stated below:

Partnerships BC Project Resource	Hourly rates
President and CEO	\$400.00
Vice Presidents	\$325.00
Assistant Vice Presidents	\$300.00
Project Directors	\$240.00
Senior Project Consultants	\$180.00
Project Consultants	\$135.00
Project Liaison	\$110.00
Administration	\$85.00

The following table summarizes the estimated fees for this engagement by phase. A more detailed fee budget is provided in Appendix 3 for Phase I to support the summary below. This budget has been prepared based on our experience with similar projects previously completed, in consideration of the unique characteristics of this Project.

Activity	McLoughlin Wastewater Treatment Plant and Facilities
Phase I: To Release of RFP	\$596,300
Total	\$596,300

Therefore, total Partnerships BC fees for this project are estimated at \$596,300.

Partnerships BC can confirm general liability coverage for \$10 million per occurrence.

In addition to the proposed service fees above, project related expenses are anticipated as follows:

- Reasonable in-province travel expenses incurred by Partnerships BC in providing the Services estimated at \$15,000 (per procurement).
- Where approved by the CRD or their delegate, out of pocket expenses including third party consulting costs incurred by Partnerships BC in providing the Services. Third party consulting fees are estimated follows :

Party	McLoughlin Wastewater Treatment Plant and Facilities
DBF Specialist Advisor	\$100,000

Therefore, total project related expenses for this project are estimated at \$115,000.

We are very pleased to have the opportunity to work with the CRD on this Project. We look forward to discussing this proposal with you in detail.

Yours truly,

Jeff Good  
Project Director  
Partnerships BC



## APPENDIX 2 – ROLE MATRIX

The following role responsibility matrix is intended to show who is accountable for specific procurement duties throughout the project with ultimate responsibility for approval of the project tasks resting with the CRD. The supporting role is to be provided by other members (CRD staff or external advisors) of the Project Management Office (PMO).

Project Task	Accountable	Supporting
<b>1 Phase 1: Services to Release of RFP</b>		
Procurement Kick-off Meeting	PBC	PMO
Support Procurement of Project Team Advisors (as Required)	PMO	PBC
Develop Detailed Procurement Workplan and Schedule with PMT	PBC	PMO
Transition Workshop	PMO	PBC
Commercial Issues (Technology, Financing, Operation Tail, Innovation)	PBC	PMO
Re-engage Market	PMO	PBC
Prepare Project Brief	PBC	PMO
Approval of Project Brief	PMO	PBC
Prepare RFQ and Evaluation Criteria	PBC	PMO
Approval of RFQ and Evaluation Criteria	PMO	PBC
Host Bidders Information Session	PMO	PBC
Manage RFQ In-market Processes	PBC	PMO
Manage Evaluation of RFQ Responses, Compliance	PBC	PMO
Evaluate Proposals	PMO	PBC
Shortlist Approvals, Announcement and Debrief	PMO	PBC
Prepare RFP and Submission Requirements	PBC	PMO
Approval of RFP and Submission Requirements	PMO	PBC
Facilitate Development of Project Agreement and Schedules	PBC	PMO
Facilitate Development of Evaluation Criteria	PBC	PMO
Document Review and Due Diligence Processes	PMO	PBC

## APPENDIX 3 – DETAILED BUDGET

Team Member	Doug Ewing	Jeff Good	Steve Gibson	Legal	Communications	Project Consultant	Total Hours	PBC Estimated Fees
Fees/HR	\$ 300	\$ 240	\$ 180	\$ 300	\$ 180	\$ 135		
<b>Pre-Procurement</b>								
Support procurement of project team advisors (as required)	10	40	40	5	0	10	105	22,650
Develop detailed procurement workplan and schedule	20	35	40	0	0	0	95	21,600
Procurement kick-off meeting	10	10	10	0	0	12	42	8,820
Transition workshop	15	15	15	0	0	5	50	11,475
Commercial issues addressed	20	20	20	0	0	0	60	14,400
Market re-engagement	25	27	27	0	0	0	79	18,840
<b>RFQ</b>								
Administration (billing, contract management, data room)	0	15	0	0	0	23	38	6,705
Communications	0	6	6	0	8	6	26	4,770
Commission Meetings (Attendance + Prep)	12	12	12	0	0	0	36	8,640
Weekly scheduled status meeting	12	12	12	0	12	24	72	14,040
Approvals (includes Peer Review)	5	10	10	6	8	15	54	10,965
Prepare RFQ and Evaluation Criteria	30	45	45	5	0	45	170	35,475
Issue	0	0	0	0	0	5	5	675
Prepare and Host Bidders Information Session	14	20	20	0	0	30	84	16,650
Manage Respondents during RFQ process (Addenda, RFI, etc)	8	12	10	0	0	10	40	8,430
Receive RFQ Submissions, Completeness Check	0	2	3	0	0	16	21	3,180
Conflict of Interest review	0	0	0	4	0	0	4	1,200
Evaluation Manual	2	8	12	2	0	10	34	6,630
Evaluations (including EC meetings, evaluation, Evaluation report)	80	85	80	4	0	13	262	61,755
Establish Shortlist, Debrief	0	20	20	0	0	0	40	8,400
<b>RFP</b>								
Administration (contract management, data room)	5	35	35	0	0	25	100	19,575
Communications	0	12	0	0	15	14	41	7,470
Commission Meetings (Attendance + Prep)	30	36	0	0	0	0	66	17,640
Weekly scheduled status meeting	32	32	32	0	0	47	143	29,385
Approvals (includes peer review)	15	15	15	10	10	20	85	18,300
Prepare RFP	55	74	48	12	0	53	242	53,655
Prepare Main Body of Project Agreement	45	80	70	15	0	0	210	49,800
Review Technical Schedules (Performance Specifications)	20	20	25	0	0	0	65	15,300
Prepare Payment Mechanism (Review)	25	62	62	20	0	0	169	39,540
Re-QS concept design in context of output spec	0	5	10	0	0	15	30	5,025
Due Diligence Committee	0	0	0	0	0	0	0	-
Issue RFP and Draft Project Agreement	0	0	0	0	0	8	8	1,080
Contingency	49	77	68	8	5	41	248	54,207
<b>Total</b>	<b>539</b>	<b>842</b>	<b>747</b>	<b>91</b>	<b>58</b>	<b>447</b>	<b>2,724</b>	<b>596,277</b>