

- all works needed to maintain operation of the DWU during the construction period;
- the relocation of any existing utilities affected by plant construction; and
- the provision of a power supply to the plant site limits.

Further, the City will be responsible for all health and environmental approvals but will require the support of the Proponent in gaining such approvals. The City will also be responsible for obtaining necessary approvals from the Nova Scotia Utility and Review Board but will require the Proponent to provide all documentation in support of the approval. All other approvals will be the responsibility of the Proponent but the City will assist in obtaining these approvals as the Proponent may require. All approvals will be subject to the conditions contained therein and the Proponent will be responsible for ensuring compliance with all approvals.

With respect to the regulatory approvals related to the Nova Scotia Department of Health, Environment and the Utility and Review Board, the City anticipates that it will achieve final approvals within three months of receiving a process pre-design submission from the successful Proponent. Should that period be exceeded, the successful Proponent will have cause to negotiate additional payment for unanticipated delays based on reasonable proof of the costs incurred. The current state of the approval process with the province is as set out in Appendix D.

IV. Cost Estimate of the City Approach

If the City does not receive attractive responses to this RFQ, it will proceed with a traditional tender call for either separate or combined engineering and construction contracts.

The City has determined that the best estimate for carrying out the works proposed herein, as a regular capital works project under a traditional tender call with municipal financing, ownership and operation, is as follows:

Capital cost of providing a 16 MIGD water treatment plant, a 20 MIGD pumping station, a new water intake and a new 42-inch diameter 3,300 feet raw water line including contractor's overhead and profit (9%), engineering fees (10%), plus legal costs and interim financing over 36 months: **\$31,588,000** (excludes all taxes, includes 15% contingency).

Table 4 - Capital Cost Estimate

Treatment Plant With all Process Units	\$ 20,273,000
Lake Major Intake and Pumping Station	2,500,000
Raw Water Line	1,462,000
Site Development, Yard Piping, Roads	1,800,000
Subsurface Conditions	0
Standby Power	0
Sludge Lagoons	300,000
TOTAL CONSTRUCTION COST	26,335,000
Contractor's Overhead and Profit (9%)	2,370,000
Engineering fees (10%)	2,633,000
Legal, Fiscal, Administrative	100,000
Interim Financing	150,000
TOTAL CAPITAL COST	\$31,588,000

Initial operating costs for the proposed plant based on an average 16 MIGD plant throughput and a total operating staff equivalent of five persons plus operational costs of the two pumping stations: **\$1,568,000** (excludes all taxes).

Table 5 - Operating Cost Estimate

Labour (stand-alone plant)	\$ 225,000
Maintenance (plant and pumping station)	240,000
Chemicals (including fluoride)	451,000
Power (plant and pumping station)	574,000
General Supplies (heating fuel, etc.)	18,000
TOTAL OPERATING COST	1,508,000
Overhead (4% of total operating cost)	60,000
TOTAL ANNUAL COST	\$1,568,000

The foregoing represents works to be carried out within the plant site limits plus the intake, raw water low lift pumping station and raw water line. They **do not** include supplementary capital costs relating to works needed to accommodate the new plant within the DWU system. As well, **no provision** has been made in the foregoing for the facility replacement considering the useful life of the various components of the plant. Monies relating to replacement costs should theoretically be accumulated by the City in a reserve fund that will be used to pay for the replacement of the plant as required. Finally the cost estimates **do not** consider any tax rebates available to the City nor do they include the administrative and overhead costs of the City in its responsibilities with respect to this project.

V. Proposed Payment Terms

The Proponent should respond to this RFQ assuming that payment for the provision of the proposed works, their operation, maintenance and the discharge of treated water in acceptable quantity and quality will be made over the 20-year contract by the City or its successors as:

- an annual fixed payment, payable in 12 equal monthly instalments, one month in advance to cover all costs of capital in financing the works;
- an annual payment for fixed components in the operating and maintenance of the plant including direct salaries, wages and related benefits, maintenance supplies and equipment, operating supplies (excluding chemicals), communications, motor vehicle costs, contractual services, all insurance and liability coverage overhead and administrative charges, etc.; and

a monthly payment based on a unit rate applied to the actual volume of water delivered to the DWU at the plant site limits, covering electric power, chemicals, sludge and refuse disposal, etc.

The annual payments for capital financing will not vary throughout the contract period unless additional capital works should be authorized. The annual payment for fixed components of operation will be varied on some agreed basis relating to an appropriate index. Variations to the unit rate will be considered annually according to evidence of actual changes in charges to the Proponent by its/their suppliers.

The City would work with the Proponent to minimize the impact of taxation not presently borne by the ratepayers.

The foregoing represents tentative definitions to give respondents evidence of the City's intent. The City is open to alternative terms of payment and reserves the right to adjust the proposed payment terms at the time proposals are requested.

VI. Submission Requirements

The Proponent should respond to this RFQ assuming that it/they will design, construct, finance own and operate the water treatment plant and related works described in Section III over a 20-year period. The Proponents who are short-listed, if any, will be expected to specify the proposed ownership and turnover terms in their responses to the City's RFP that may be issued at a later date. Proponents shall provide a written submission responding in detail to each and every point set out below:

A. Identification of the Proponent

1. Identify the form of **business structure** expected to be used throughout the life cycle of this project (e.g., corporation, partnership, joint venture, etc.).
2. Provide the name, address and telephone number of the **specific firm** that is proposed to be the Proponent for this project.
3. Provide the names, addresses and telephone numbers of the firms, if the submission is being made by a **consortium**, that are proposed to be the Proponent for this project.
4. If the Proponent is proposed to be a **corporation or corporations**, provide the names, addresses and telephone numbers of all persons (i.e., individuals or corporations) holding or expected to hold shares in the Proponent corporation or corporations together with the number of shares held or to be held by each person. Identify the principal or lead corporation if the Proponent is proposed to be a group of corporations.