

CONTRACT BRIEF

WORKER ACCOMMODATION

MARCH 4, 2014

The Worker Accommodation RFQ can be found on BC Bid at www.bcbid.gov.bc.ca, document number 1807.

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1.0 PURPOSE OF THE CONTRACT BRIEF

This Contract Brief, and all comments included in it, is intended only as a convenient summary describing the Site C Clean Energy Project Worker Accommodation Contract (the “**Contract**”), the business opportunity, and the anticipated competitive selection process.

The Site C Clean Energy Project (“**Site C**”) requires environmental certification and other regulatory permits and approvals before it can proceed to construction.

The Contract Brief is not included as part of the Request for Qualifications (“RFQ”) or Request for Proposals (“RFP”), and it is not intended to be included with, or referred to in any way in interpreting the requirements of, the RFQ, the RFP, the Contract, or to in any way define or describe any party’s rights with respect to the Contract.

2.0 THE BUSINESS OPPORTUNITY

BC Hydro is seeking to enter into a contract with a qualified entity for the design, construction, partial financing, operation and maintenance for the Site C Worker Accommodation (the “Contract”).

The Contract is also anticipated to include the design, construction and construction financing of the following ancillary buildings: materials testing labs, BC Hydro offices and an emergency response building, and potential maintenance of some of the ancillary buildings.

The Contract will be procured using a Design Build Finance Operate Maintain (“DBFOM”) approach. BC Hydro expects the Contract will be with a single entity (a firm, partnership or consortium) that will be responsible to provide these integrated services, assuming and sharing defined risks and participating in the financing of the Contract.

BC Hydro believes that the Contract is an opportunity for participants to form a qualified entity (“Project Co”) consisting of an experienced, highly qualified, multi-disciplinary team supported by the appropriate financial and corporate commitment, resources and experience necessary to undertake the Contract.

Features of the opportunity are anticipated to include:

- an approximately eight year operating term structured with payment linked to availability and performance;
- an interactive competitive selection process in which short-listed teams and BC Hydro will have the opportunity to discuss procurement issues and key elements of the Contract including design, and provisions of the Contract such as appropriate risk allocation and payment mechanism;
- a limited notice to proceed to allow fabrication activities to proceed for any modular units at an early stage;
- a phasing approach for construction that will be flexible to respond to variations in the number of workers required, including in terms of timing and capacity; and
- an approach to realizing potential residual value of assets through effective allocation of residual value risk between BC Hydro and Project Co.

Site C requires environmental certification and other regulatory permits and approvals before it can proceed to construction.

3.0 THE CONTRACT

3.1 BACKGROUND

Site C is a proposed third dam and hydroelectric generating station on the Peace River in northeast B.C. BC Hydro is proposing Site C to help meet the long-term electricity needs of the province. Subject to approvals, Site C would provide 1,100 megawatts of dependable capacity, and about 5,100 gigawatt hours of electricity each year — enough energy to power the equivalent of about 450,000 homes per year in B.C. More information on Site C can be found at: www.sitecproject.com.

Worker accommodation is a key component of BC Hydro's labour strategy to provide the housing and recreational facilities necessary to attract and retain workers engaged on Site C.

Construction of Site C would be undertaken in what is expected to be a period of high demand for skilled workers. Therefore, the quality of worker accommodation is key to workforce attraction, retention and well-being of workers.

3.2 OBJECTIVES

The objectives for the Worker Accommodation Contract include:

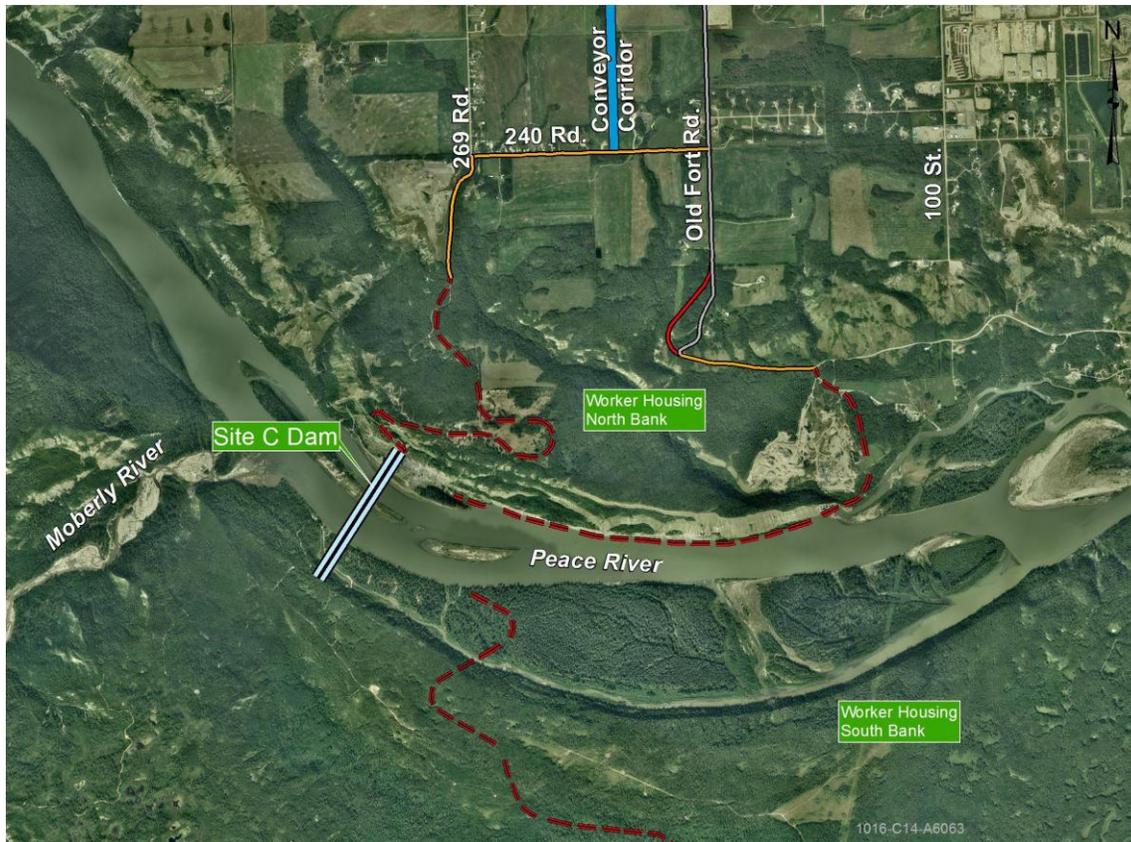
- (a) safety for public and workers;
- (b) workforce attraction, retention, and well-being of workers;
- (c) Site C construction productivity, cost, and schedule;
- (d) being appropriately timed and scaled to meet occupancy requirements; and
- (e) support the Site C project objectives, including providing economic opportunities for Aboriginal groups, northern communities and the province.

3.3 SITE

The site is located approximately seven kilometres southwest from the City of Fort St. John in northeastern B.C. Worker accommodation camps are proposed for both sides of the Peace River to provide the safest and most efficient work site access.

Figure 1 presents the general location of the north and south bank worker accommodation camps.

Figure 1 General Location of North and South Bank Worker Accommodation Camps



North Bank Camp

The north bank camp is planned to be built in the first year of construction and to operate through to the end of the Site C construction phase, with a capacity for approximately 500 workers. In addition to the camp facilities, the site would include general and commuter parking, offices and shuttle stops.

South Bank Camp

The south bank camp is planned to be built following the north bank camp and to operate through to the end of Site C construction phase as required. The peak work force at the south bank camp is anticipated to be 1,200 workers. In addition to the camp facilities, this site would include supporting facilities, restricted parking, offices and shuttle stops.

Where possible, workers would be housed in the north or south camp based on the location of their work site.

3.4 SCOPE

The camps are anticipated to be self-sustaining and typically include the elements listed in the following table.

Table 1 Anticipated Camp Elements

Accommodation	Operations Services*	Maintenance Services
<ul style="list-style-type: none"> • Bedrooms • Washrooms • Kitchen and dining facilities • Washing and laundry facilities • Recreation and leisure facilities • Offices • Transportation stops • Parking • Roads • Grid electricity and other fuel supply • Water supply, treatment, and distribution • Wastewater • Landscaping • Perimeter fencing 	<ul style="list-style-type: none"> • Food services • Recreation services • Housekeeping • Commissary • Fire protection and fire-fighting • Medical services and first-aid • Security • Water supply, treatment and distribution • Solid waste management (recycling and disposal) • Liquid waste management • Telecommunications • Shuttle service • Pest control • Help desk services 	<ul style="list-style-type: none"> • General management • Grounds maintenance and landscaping • Utilities maintenance

* The items listed in the table relate to the Worker Accommodation Contract and not to Site C construction activities.

Both camp utilities and infrastructure are to be planned to accommodate the potential peak occupancy.

3.5 REGULATORY APPROVALS AND PERMITTING

Site C is undergoing a cooperative environmental assessment by the federal and provincial environmental assessment agencies, which includes a Joint Review Panel process. The environmental assessment process for Site C started in August 2011 and is anticipated to take approximately three years to complete; Site C is currently in the Joint Review Panel stage. Site C requires environmental certification and other regulatory permits and approvals before it can proceed to construction.

3.6 ADVANCE WORK

BC Hydro anticipates engaging third party contractors to clear, grub and strip the north camp and south camp sites.

BC Hydro also anticipates providing the north camp and the south camp with connection points to the electricity grid, a central communications system and road access to the camp locations.

3.7 GENERAL RESPONSIBILITIES

Table 2 identifies and describes the elements of the Contract that will be delivered by Project Co, and the elements that will be delivered, managed or owned by BC Hydro.

Table 2 General Responsibilities

Responsibility	Description
Elements delivered by Project Co	
Design and Construction	Design, construction and commissioning of the accommodation and site servicing elements identified in Table 1 including site preparation and obtaining all permits and approvals necessary for construction excluding permits obtained by BC Hydro
Operations	Provide the operations services listed in Table 1.
Facilities Maintenance Services	Provide the maintenance services listed in Table 1.
Furniture and Equipment	Supply and installation of furniture and equipment, including equipment that is integral to the design such as building mechanical, electrical, telecommunications, security and other systems.
Finance	It is anticipated that BC Hydro will make no payments during construction of the worker accommodation infrastructure. Following completion of construction of the worker accommodation infrastructure, BC Hydro intends to make a substantial completion payment for the majority of the construction costs and Project Co will be required to provide all other required financing.
End of Term	Decommissioning and removal of temporary facilities and reclamation of the site.
Elements delivered by BC Hydro	
Approvals	Obtaining environmental certification and other regulatory permits and approvals, and decisions to proceed.
Power supply	BC Hydro grid electricity supply for heating, lighting and other systems for the operations period.
Payments	Substantial completion payments to Project Co for eligible construction costs following construction of the worker accommodation infrastructure and service payments commencing when the worker accommodation is available for use.

3.8 PROJECT TEAM

3.8.1 BC Hydro

BC Hydro is a Crown corporation owned by the Province of British Columbia.

BC Hydro was created to generate and deliver clean, reliable and competitively priced electricity to its 1.9 million customers. BC Hydro serves 95 per cent of B.C.'s population and invests in the electrical system and in energy conservation to meet the needs of its customers. BC Hydro operates 31 hydroelectric facilities and three thermal generating plants, totalling approximately 12,000 megawatts (MW) of installed generating capacity.

Additional information about BC Hydro is available at: www.bchydro.com

3.8.2 Partnerships BC

Partnerships British Columbia Inc. ("Partnerships BC") is managing the Competitive Selection Process on behalf of BC Hydro for the Worker Accommodation Contract. Additional information about Partnerships BC is available at www.partnershipsbc.ca.

4.0 THE COMPETITIVE SELECTION PROCESS

BC Hydro intends the competitive selection process to be a two-stage process as follows:

- Request for Qualifications (“RFQ”)
- Request for Proposals (“RFP”)

Table 3 provides an outline of the competitive selection process.

Table 3 Competitive Selection Process

Stage	Description
Request for Qualifications	<ul style="list-style-type: none"> • Identify and select respondents who will be invited to respond to the RFP. • The RFQ sets out the information requested from respondents, and the evaluation criteria that will be used to evaluate responses. • BC Hydro intends to shortlist a maximum of three respondent teams who will then be invited to submit proposals based on the specifications that will be included in the RFP.
Request for Proposals	<ul style="list-style-type: none"> • Proponents will be invited to submit proposals based on the performance specifications, the final draft contract, and requirements included in the RFP. • The RFP will detail the business opportunity to which proponents will be invited to submit proposals. • It is anticipated that a technical submission addressing technical aspects of the RFP will be submitted in advance of the financial submission. • Collaborative Discussion Process: <ul style="list-style-type: none"> ○ BC Hydro expects the RFP process to include a series of collaborative meetings with each proponent. ○ The purpose of such meetings is to aid proponents in submitting quality proposals that effectively address the needs of BC Hydro. ○ Meetings will typically include: program, design, operations, maintenance and commercial/legal. • Contract: <ul style="list-style-type: none"> ○ The draft contract will be included with the RFP. ○ Proponents will be invited to provide comments on the draft contract and BC Hydro will respond to these comments while the RFP is open. ○ Prior to the close of the RFP, BC Hydro will issue a contract in final form to which the proponents will be expected to provide a proposal.

4.1 TRANSPARENCY OF THE COMPETITIVE SELECTION PROCESS

The RFQ and RFP will be public documents, although only respondents short-listed through the RFQ process will be invited to respond to the RFP. The number of respondents and the names of the short-listed teams will be made public.

A fairness advisor will issue reports documenting the procurement process from a fairness perspective and provide an unbiased opinion on the fairness of the entire competitive selection process. The fairness advisor's reports will be publicly available.

The entire process is subject to the *Freedom of Information and Protection of Privacy Act* (FOIPPA).

4.2 PARTIAL COMPENSATION

BC Hydro will not pay any partial compensation during the RFQ stage. BC Hydro intends to offer partial compensation in the amount of \$200,000 to a maximum of three unsuccessful proponents in accordance with the terms of the RFP.

5.0 CONTRACT SCHEDULE

Table 4 provides BC Hydro's estimated timeline for the Worker Accommodation Contract competitive selection process.

Table 4 Estimated Worker Accommodation Contract Timeline

Activity	Timeline
RFQ issue date	March 4, 2014
Respondent Information Meeting	March 12, 2014
RFQ Submission Time	April 30, 2014
Due Diligence Period	May 2014
Announce Proponents	June 2014
Issue RFP and Draft Project Agreement to Proponents	June 2014
Collaborative Meetings	Summer 2014
Issue Final Draft Project Agreement	October 2014
Submission Time for Technical Submissions	October 2014
Submission Time for Financial Submissions	December 2014
Selection of Preferred Proponent	January 2015
Fabrication Commences (Limited Notice to Proceed)	January 2015
Financial Close	March 2015
Substantial completion of phase one	Summer/Fall 2015

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