

## SCHEDULE 8

### AFFORDABILITY AND RE-SCOPING

#### SECTION A - AFFORDABILITY

##### A1. General

A1.1 If the Affordability Prices in all of the Financial Submissions submitted by Proponents exceed the Affordability Threshold set out in Section A1.2 (an “**Affordability Threshold Event**”), the City may, in its sole discretion, decrease or change the scope of the Project (“**Project Re-scoping**”) in accordance with this Schedule 8.

A1.2 For the purpose of this RFP Process,

- (a) “**Affordability Price**” is comprised of two component parts, Affordability Price (Long-Term Private Capital) and Affordability Price (Capital and OMR Payments Share), calculated by the Proponent in accordance with Schedule 6, Part 1 for the purpose of the City’s assessment of the Project’s affordability.
- (b) The Affordability Threshold is defined as the following two component parts:
  - (i) Affordability Threshold (Long-Term Private Capital) is 28(1)(c)(iii) and is expressed as a nominal dollar value;
  - (ii) Affordability Threshold (Capital and OMR Payments Share) is 28(1) and is expressed as a nominal dollar value; (c)(iii)
- (c) The components that constitute the Proponent’s Affordability Price, namely, Affordability Price (Long-Term Private Capital) and Affordability Price (Capital and OMR Payments Share) as calculated in accordance with Schedule 6, Part 1 will each be assessed against the corresponding component part of the Affordability Threshold noted in A1.2(b) above. For clarity, if either one or both component parts of the Affordability Threshold are exceeded, the Proponent’s Affordability Price shall be considered as exceeding the Affordability Threshold.

##### A2. Process on Exceeding the Affordability Threshold

A2.1 On the occurrence of an Affordability Threshold Event, the City may, in its sole discretion,

- (a) decline to carry out any Project Re-scoping and elect to identify a Negotiations Proponent(s) or Preferred Proponent on the basis of the Proponents' Proposals as submitted;
- (b) elect to carry out a Project Re-scoping in accordance with this Schedule 8; or
- (c) elect to discontinue the RFP Process in accordance with RFP Section J.1.

A2.2 Once the City has made the election in accordance with Section A2.1(b), if the City identifies a Negotiations Proponent(s) or Preferred Proponent at all, it must do so on the basis of the completed Project Re-scoping(s) (and the related Proponent rankings).

## **SECTION B – RE-SCOPING**

### **B1. Re-scope Components and Price Adjustments**

B1.1 Component(s) of the Project scope, if any, that the City may, in its sole discretion, delete or change (each a “**Re-scope Component**”) on the occurrence of an Affordability Threshold Event are set out in Appendix 1 to this Schedule 8.

B1.2 In the event that the City establishes more than one Re-scope Component, the City shall specify the order in which it intends to apply the Re-scope Components to decrease or change the Project scope.

B1.3 Proponents may, as part of their Financial Submissions and in accordance with the requirements set out in Parts 1 and 3 of Schedule 3 of this RFP, include a Re-scoping Price Submission and a Re-scoping Financial Model for each Re-Scope Component on a cumulative basis that reflects all price adjustments (nominal and/or NPV, as applicable), that would be required to be made to implement each of the Re-scope Components and, if applicable, in the order in which they have been specified pursuant to Appendix 1 to this Schedule 8 (each, a “**Re-scoping Price Adjustment**”).

B1.4 The Re-scoping Price Submission(s) and Re-scoping Financial Model(s) of Proponents will not be taken into account in the evaluation of Proposals except on the occurrence of the Affordability Threshold Event. Re-scoping Price Adjustment(s) shall affect a Proponent's overall evaluation score and ranking in accordance with Section B3 of this Schedule 8.

B1.5 For clarity, the standard of “compliance” set out in RFP Section F.3.1 shall apply to Re-scoping Price Adjustments.

### **B2. Submitting the Re-scoping Price Adjustments**

B2.1 The City shall not open any Re-scoping Price Submissions or Re-scoping Financial Models for Re-scope Components unless the Affordability Threshold Event has occurred, and the City has not elected to identify a Negotiations Proponent(s) or Preferred Proponent in accordance with Section A2.1(a) of this Schedule 8.

### **B3. Procedure for Re-scoping**

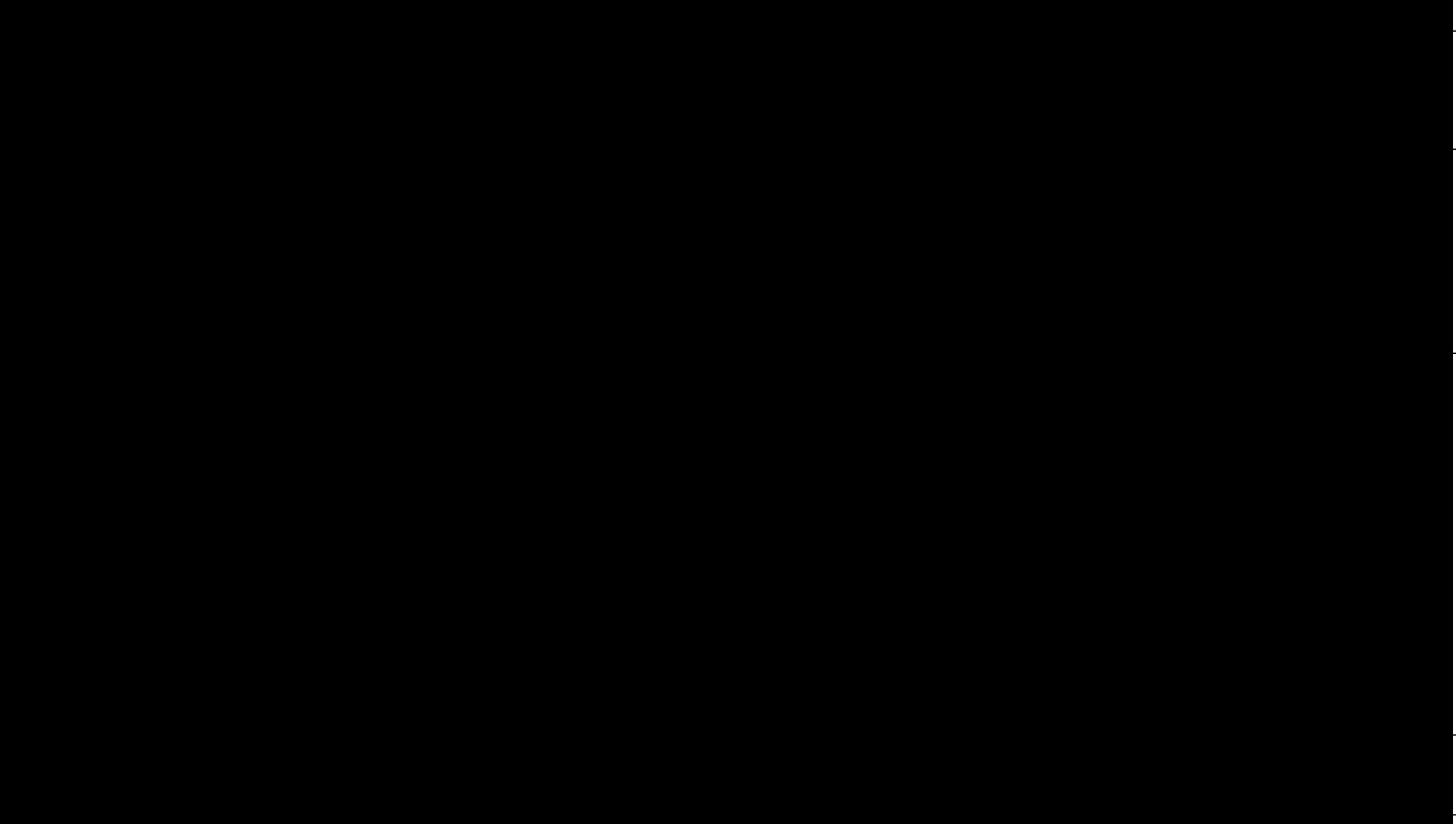
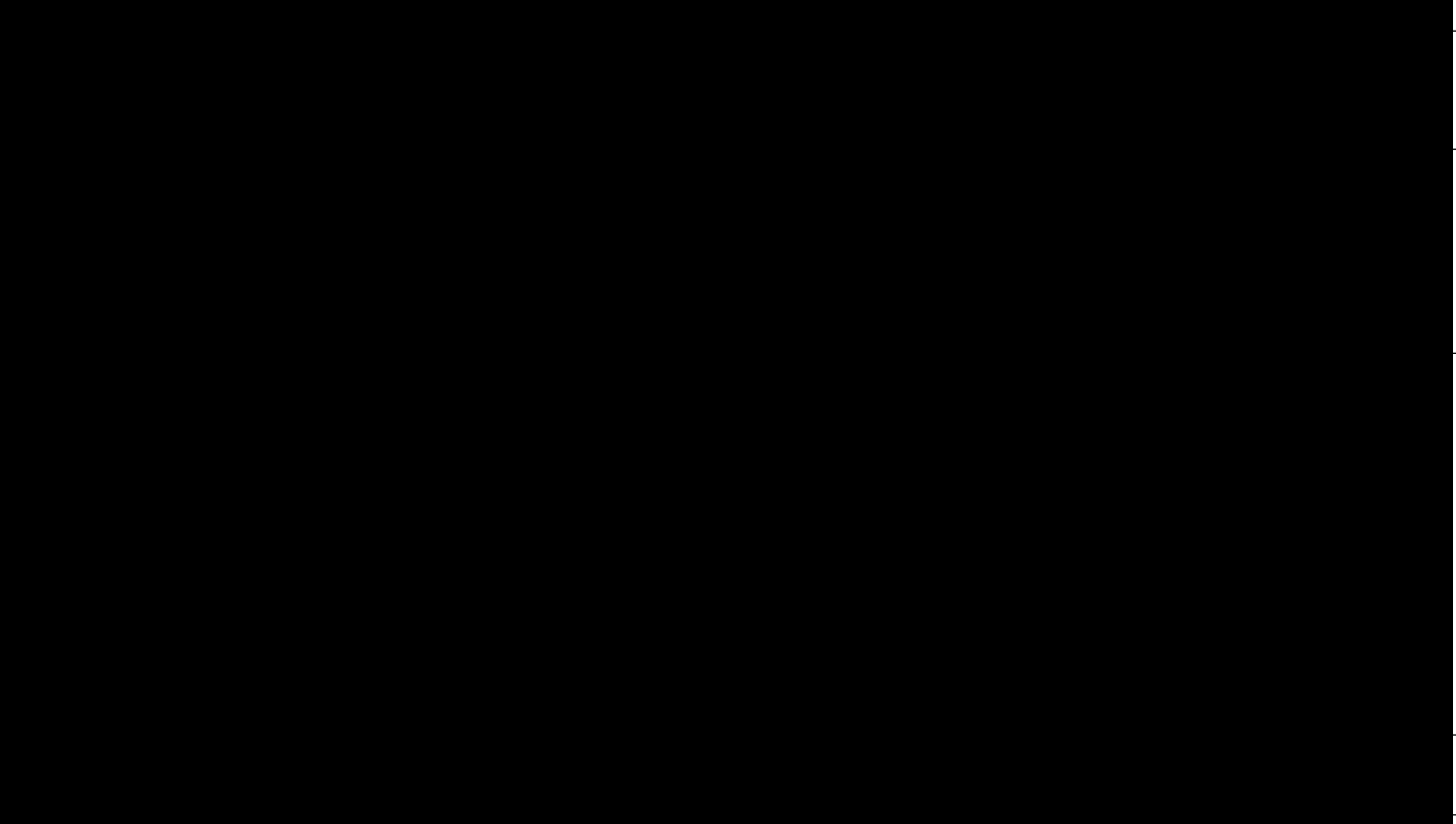
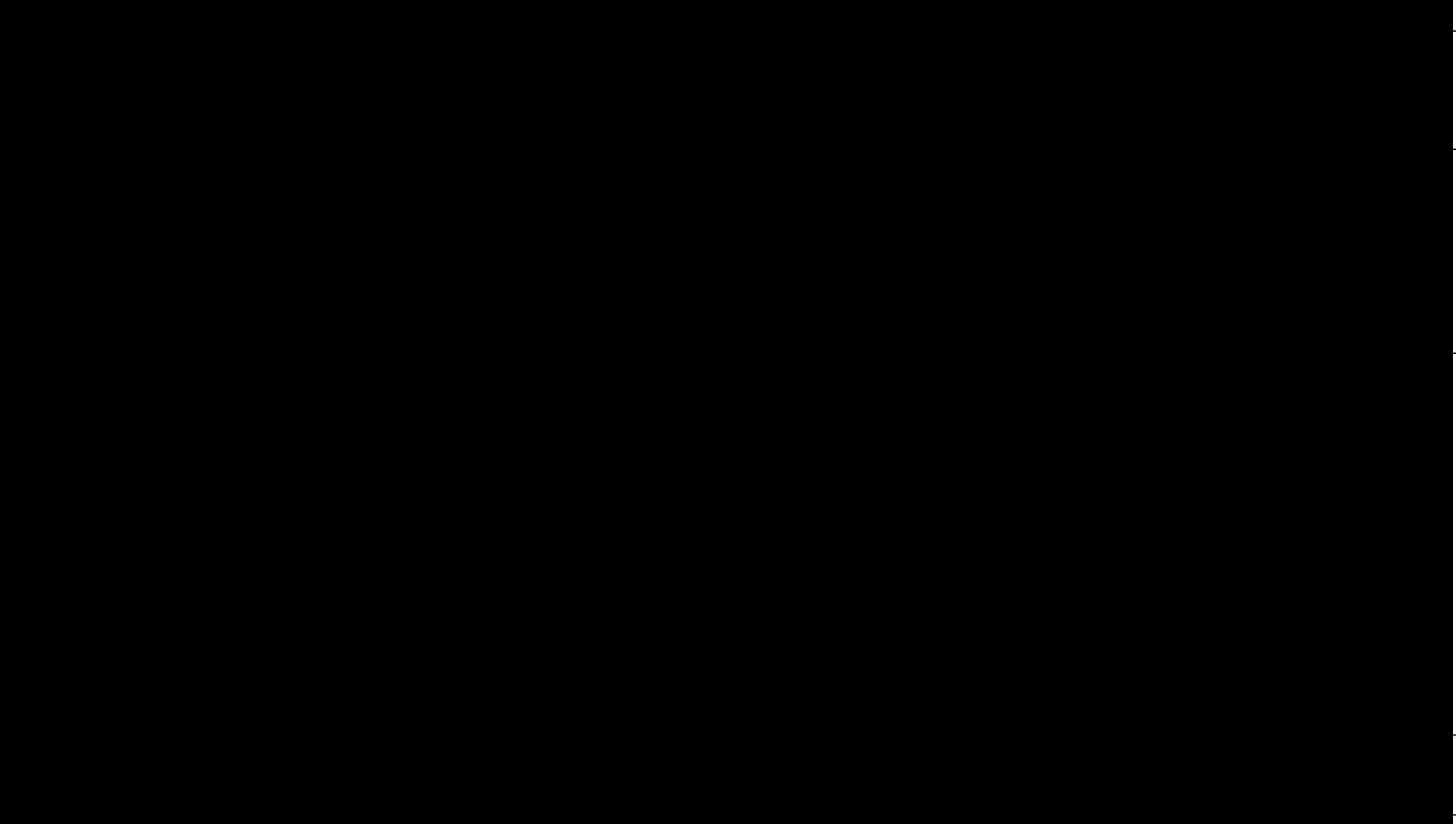
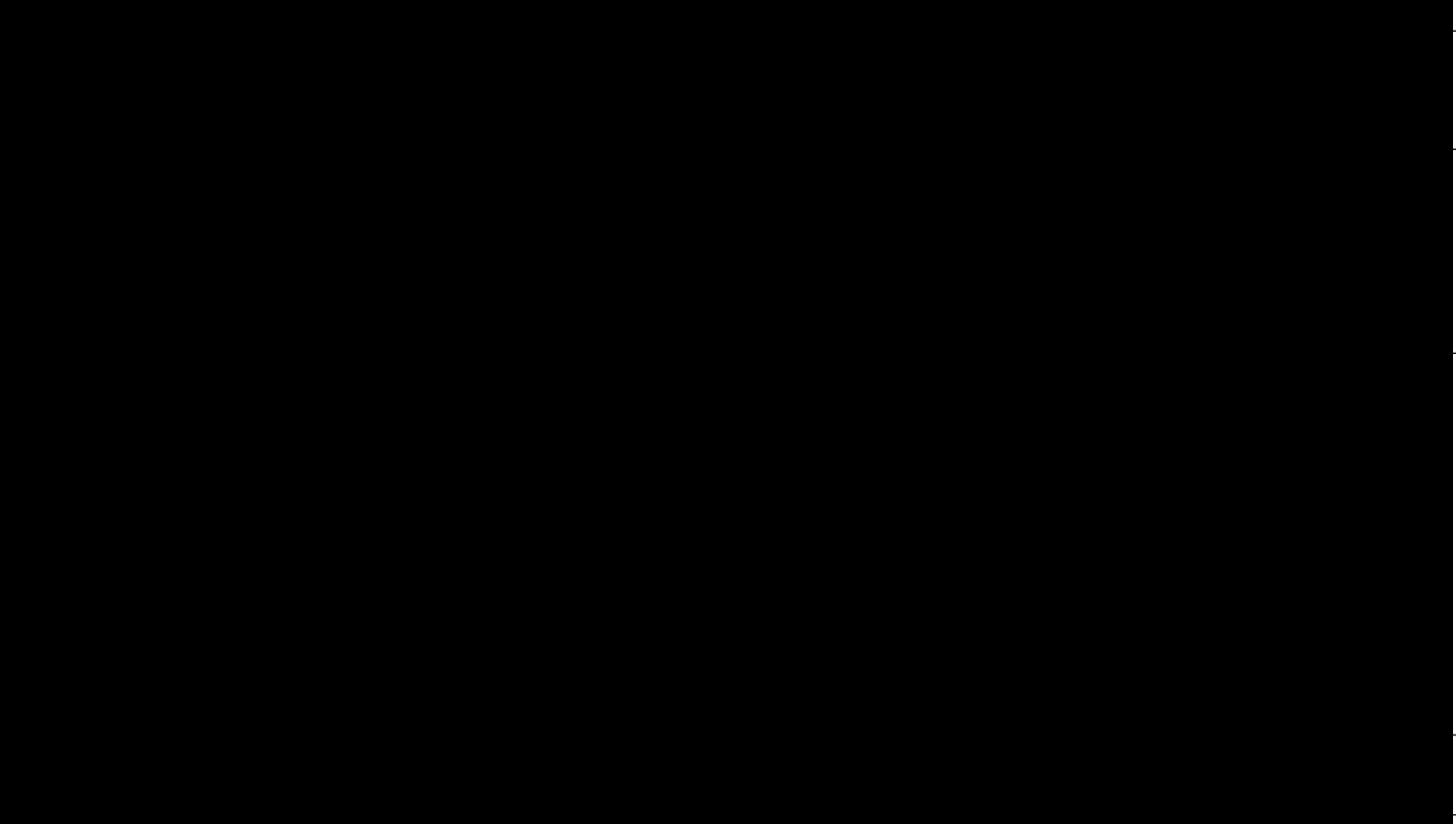
B3.1 If the City elects, in accordance with this Schedule 8, to carry out a Project Re-scoping in response to an Affordability Threshold Event, the City shall revise the Proponent ranking based on the Proposal Price and the resulting overall evaluation score of each Proponent taking into account the applicable Re-scoping Price Adjustment(s) reflected in each Proponent's Re-scoping Price Submission(s) and Re-scoping Financial Model(s),

and shall re-rank the Proponents based on the overall evaluation score of each Proponent.

- B3.2 If more than one Re-scoping Component has been set out in Appendix 1 to this Schedule 8, the City shall carry out the Project Re-scoping on a Re-scope Component by Re-scope Component basis in the order set out in Appendix 1 to this Schedule 8 and, in respect of each Re-scope Component that is implemented, shall carry out the procedure set out in Section B3.1.
- B3.3 The City shall carry out the process described in Section B3.1 and B3.2 until the Project Re-scoping results in at least one of the Proponents having an Affordability Price which is less than the Affordability Threshold.
- B3.4 Unless explicitly set out in Appendix 1 to this Schedule 8, City shall not revise the Technical Submission Scores of Proponents as a result of a Project Re-scoping.
- B3.5 Proponents are strongly encouraged to submit Re-scoping Price Submission(s) and Re-scoping Financial Model(s) when requested by the RFP Documents, in order to continue to be considered in the RFP Process evaluation in the event of the occurrence of an Affordability Threshold Event. Subject to Section B3.6, if any Proponent fails to submit the requested Re-scoping Price Submission(s) and Re-scoping Financial Model(s), that failure to submit will not be considered a material deviation or a failure to comply substantially with the RFP.
- B3.6 Notwithstanding Section B3.5, if the City elects, pursuant to Section B3.1, to carry out a Project Re-scoping and a Proponent,
- (a) has not submitted the applicable Re-scoping Price Submission or Re-scoping Financial Model; or
  - (b) has submitted the Re-scoping Price Submission and the applicable Re-scoping Financial Model, and either is not compliant with the requirements of the RFP Documents,
- that Proponent will not be considered in the applicable re-ranking process and, if the City identifies a Negotiations or Preferred Proponent based in whole or in part on the Project Re-scoping, the Proponent will not be considered further in the RFP Process evaluation.
- B3.7 In the event that the City has elected, in accordance with Section A2.2, to carry out Project Re-scoping and, on the completion of such Project Re-scoping (including taking all Re-scope Components into account), and such process has failed to bring any of the Proponents' Affordability Price below the Affordability Threshold, if the City elects to continue with the RFP Process, it shall identify the Negotiations Proponent(s) or the Preferred Proponent on the basis of the ranking that arises after the completed Project Re-scoping process as set out in this Section B3.

- B3.8 For clarity, if in Step 1 of the Evaluation Process, as set out in the RFP, the Proponent is determined to have submitted a non-compliant Proposal, that determination will not be reconsidered as a result of any Project Re-scoping. For example, if a Proponent's failure to comply was in regard to a component of the Project scope that is subsequently deleted from the Project by a Project Re-scoping, the "non-compliant" determination made in Step 1 of the Evaluation Process will not be reversed.

**Appendix 1 to Schedule 8**  
**Project Re-scoping by Category**

Order of Application of Re-scope Component	Re-scope Component
1	
2	
3	
4	

5	
6	