

## EXHIBIT 2

### TECHNICAL PROPOSAL INSTRUCTIONS

#### 1. GENERAL INSTRUCTIONS

This Exhibit 2 describes the submission format for Technical Proposals and outlines the required information that will comprise a Technical Proposal.

Proposers shall submit the information required by this Exhibit 2 in the organization and format specified herein. The Technical Proposal shall be organized in the order listed in Exhibit 5 (except for appendices that may be included in the appropriate volume), and shall be clearly indexed. Each component of the Technical Proposal shall be clearly titled and identified.

All forms named herein are found in Exhibit 4 unless otherwise noted. All blank spaces in the Proposal forms must be filled in as appropriate. No substantive change shall be made in the Proposal forms.

Evidence of signature authority shall be provided for all individuals signing forms. Item B on page 5 of Form A identifies requirements regarding evidence of signature authorization for the Proposal Letter. Similar authorization shall be provided for all other signatories.

#### 2. FORMAT

The Technical Proposal shall be limited to an aggregate of 100 pages if single-sided (or 50 pages if double-sided), plus the executive summary, resumes, appendices, and Exhibits containing required forms, graphs, matrices, drawings, and other pertinent data. The materials required by Exhibit 2, Sections 3.1 through 3.3 shall not be included in the 100–page limit).

The Technical Proposal shall be contained in two volumes: Volume 1–Executive Summary, Administrative Materials and Forms, and Volume 2–Preliminary Performance Plans and Design-Build Technical Solutions.

#### 3. CONTENTS OF THE TECHNICAL PROPOSAL

The required contents and organization of the Technical Proposal are presented in this Exhibit 2 and summarized in the Proposal checklist provided in Exhibit 5. Proposers must provide all the information set out in this Exhibit 2. A copy of the checklist for the Technical Proposal shall be included in each volume of the Technical Proposal. Proposers shall not amend the order or change the contents of the checklist except to provide the required cross reference to its Proposal. The Technical Proposal shall not contain any information relating to the Project development costs or the Availability Payments.

The Technical Proposal shall consist of the following major elements:

- (a) Executive Summary (in Volume 1);
- (b) Proposal Security (in Volume 1);

- (c) Proposer Information, Certifications, and Documents (including required Forms A through I, and Q through S) (in Volume 1 unless otherwise noted); and
- (d) Preliminary Performance Plans and Design-Build Technical Solutions (in Volume 2).

### 3.1 Executive Summary

The Executive Summary shall be written in a non-technical style and shall contain sufficient information for reviewers with both technical and non-technical backgrounds to become familiar with the Proposal and Proposer's ability to satisfy the financial and Technical Provisions of the Project. The Executive Summary shall not exceed 10 single-sided pages. The Executive Summary shall not include any information regarding pricing. It shall, at a minimum, include the following:

- (a) an explanation of the organization and contents of the Proposal;
- (b) a summary of any material changes to the information submitted in the Proposer's SOQ;
- (c) a summary of any changes in the Proposer's organization, equity owners, other Major Participants, and Key Personnel since submission of Proposer's SOQ;
- (d) a summary of the proposed management, decision making, and day-to-day operations structure of the Proposer, and a statement that each Major Participant has committed to provide the specified people;
- (e) a summary of the Proposer's approach to delivering the Project given the multi-asset, multi-location nature of the Project;
- (f) a summary of the Preliminary Project Management Plan;
- (g) a summary of the Proposer's approach to addressing community relations and interaction with the Project;
- (h) a summary of the Proposer's approach to addressing environmental sensitivity, safety, traffic management, and construction staging;
- (i) a summary of the Proposer's approach to satisfying the applicable DBE goals;
- (j) a summary of any innovative concepts and approved ATCs included (including the listing of the ATC number);
- (k) a summary describing the Proposer's approach for working with the Department and third parties, including the approach to resolving conflicts;
- (l) a summary of the Proposer's conceptual project schedule, key milestones, and anticipated milestones for design, construction, and maintenance of the Project;
- (m) a summary of the Proposer's approach to quality in design; and

- (n) a summary of the Proposer's approach to maintenance and capital improvements, replacements, and handback.

Each Proposer shall attach to the Executive Summary the following two organization charts:

- (i) a table indicating the roles of the Equity Members and Major Participants (other than Equity Members) and their shares of ownership of any joint venture or other entities; and
- (ii) a table showing the relationship between any of the Equity Members and Major Participants (other than Equity Members) and any D&C Guarantors and Financially Responsible Parties.

These charts will not be counted towards the page limit for the Executive Summary.

The Executive Summary shall be contained in Volume 1.

### 3.2 Proposer Information, Certifications, and Documents

All materials in this Section 3.2 shall be contained in Volume 1 unless otherwise noted.

If a form required hereunder calls for execution or information concerning a Major Participant and that Major Participant (such as the D&C Contractor) is a joint venture, the form must be provided for the joint venture and the individual members of the joint venture; *provided, however*, that execution of the form, if required, on behalf of the joint venture need only be by an authorized signatory of the joint venture.

#### (a) **Proposal Letter**

The Proposal shall include the Proposal Letter (Form A). The Proposer shall attach to the Proposal Letter evidence of authorization to execute and deliver the Proposal, the PPA and all other documents required to be executed by the Proposer or Development Entity in connection with the PPA and award of the PPA, and shall identify its authorized representative(s). If Proposer is a consortium, partnership or any other form of joint venture, then the Equity Members of Proposer may each execute a single document authorizing a nominated and identified representative to execute documents on behalf of each of them in respect of the Proposer.

#### (b) **Information About the Proposer, Major Participants, and Other Contractors**

The Proposal shall include a completed chart on Form B-1, including the names, contact information, role in organization, licensing information, and description of work (if applicable) for the Proposer and Equity Members.

The Proposal shall include completed Form B-2 providing information about the Proposer and its team as specified therein.

The Proposal shall include a completed Form B-3 providing information regarding (i) each Major Participant (excluding Equity Members that do not fall into **clauses (a) through (d)** of the definition of Major Participants), and (ii) all other Contractors identified by the Proposer as of the Proposal Due Date, including those included in the Proposer's SOQ.

The Proposal shall include copies of organizational documentation described in pages 5 and 6 of Form A for Proposer and Equity Members, as well as other documentation required by Form B-2. If any modification to the organizational documents for such entity is contemplated prior to award or, if Proposer intends to form an affiliated entity to be Development Entity, Proposer shall provide a brief description of the proposed legal structure and draft copies of the underlying organizational documents (described in pages 5 and 6 of Form A) for such proposed entity.

If Proposer is a consortium, partnership or any other form of joint venture, the Proposal shall contain an executed teaming agreement or, if the entities making up the Proposer have not executed a teaming agreement, a summary of the key terms of the anticipated agreement.

If the Development Entity is to be a consortium, partnership or any other form of a joint venture, or an association that is not a legal entity, the Proposal shall contain a letter signed by each Equity Member and any other member who will make up the Development Entity indicating they will accept joint and several liability for the Development Entity's obligations under the PPA. If the Development Entity is not a consortium, partnership or any other form of a joint venture, or an association that is not a legal entity, such a letter shall not be required.

The Proposal shall contain executed contracts, or if a contract has not been executed, detailed, signed term sheets or heads of terms outlining the key commercial and required Key Contract terms between:

- (A) Proposer and D&C Contractor; and
- (B) Proposer and Lead Maintenance Contractor (*provided, however*, that if the Development Entity shall, and commits in the Proposal to, self-perform the Maintenance Work under the Project Documents in an amount no less than 30% of the Maintenance Work (excluding Renewal Work and Handback Requirements), the foregoing items relating to the Key Contract between the Development Entity and the Lead Maintenance Contractor shall not be required).

The Proposal shall also contain a detailed, signed term sheet or heads of terms outlining the key commercial and required Key Contract terms between Proposer or D&C Contractor and Lead Engineering Firm.

(c) **Responsible Proposer and Major Participant Questionnaire**

The Proposal shall include Form C, the **Responsible Proposer and Major Participant Questionnaire**, signed by the Proposer. As noted on the form, it may be provided by a Proposer on its own behalf and on behalf of the Proposer, Equity Members and other Major Participants, or it may be provided by a Proposer on its own behalf, and the individual Equity Members and other Major Participants may provide their own form individually. The form executed by a Proposer shall be signed by the same individual(s) who sign the Proposal Letter. The forms signed by Equity Members and other Major Participants shall be signed by an authorized representative of such Equity Member or other Major Participant, as applicable, and the Proposal shall include evidence of signature authorization for such individual(s).

(d) **Industrial Safety Record**

The Proposal shall include an industrial safety record on Form D for each Equity Member and Major Participant of a Proposer's team that will perform or supervise installation and/or construction on the Project. If any such entity does not have an industrial safety history (for example, if the firm is newly formed), Form D is not required for such entity, but a statement shall be provided explaining why the form is not included. If any such entity does not have an industrial safety history for as long as indicated in Form D, Form D is required for such entity for the applicable years, but a statement shall be provided explaining why all years on the form are not included. Should any of these parties have been a member of a joint venture on past projects, the safety record of the joint venture in full shall be included as part of Form D.

(e) **Key Personnel**

The Proposal shall contain copies of resumes for each Key Personnel listed in this Exhibit 2, Section 3.2(e) (which must contain the individual's qualifications and relevant work experience). Resumes shall be contained in an appendix in Volume 2.

Key Personnel:

- (i) Project Executive (if different than the Project Manager);
- (ii) Project Manager;
- (iii) Deputy Project Manager(s);
- (iv) Project Finance Lead;
- (v) Construction Manager;
- (vi) Lead Engineer;
- (vii) Maintenance Manager;
- (viii) Quality Manager;
- (ix) Public Information Coordinator;
- (x) DBE Coordinator;
- (xi) Construction Quality Control Manager;
- (xii) Construction Quality Acceptance Manager (appointed by the Construction Quality Acceptance Firm);
- (xiii) Financial Director;
- (xiv) Utility Manager;

- (xv) Design Quality Control Manager;
- (xvi) Safety Manager;
- (xvii) Environmental Compliance Manager;
- (xviii) Quality Assurance Manager; and
- (xix) any other key members of the Proposer's management team.

The Proposal shall identify the Key Personnel and shall include Form E identifying personnel work assignments, as well as a statement signed by the Proposer and the employer of each designated key person, committing to maintain such individual's availability for and active involvement in the Project. Each position designated as Key Personnel is intended to be a full-time position unless otherwise indicated in Section 2 of the Technical Provisions or Section 9.2(a) of the PPA. The Proposal shall contain written confirmation that these staff will be committed exclusively to the Project, and will have no other conflicting project assignments, during the periods indicated in the Technical Provisions. The Development Entity shall cause each individual filling a Key Personnel position to dedicate the full amount of time necessary for the proper prosecution and performance of the Works.

Form E shall be signed by the Proposer and the employer of each of the Key Personnel.

Form E shall be appended to the PPA as part of Appendix 1 (*Development Entity's Proposal Commitments*) thereof.

A Proposer may not make any changes in its Key Personnel identified in its SOQ except as provided in ITP Section 2.11(b) (*Changes in Key Personnel*).

**(f) Letter Approving Pre-Proposal Submittals**

The Proposal shall include the following:

- (i) the Department's approval letter of Proposer's Lead Underwriter(s) provided under ITP Section 1.9(b)(i) (*USDOT Private Activity Bonds*);
- (ii) (A) if a Proposer's organization or Key Personnel have changed since submission of the SOQ, the Proposer shall specifically describe such changes and, if applicable, include a copy of the Department's approval letter provided under sub-sections (a) or (b) (as applicable) of ITP Section 2.11 (*Changes in Proposer's Organization and Key Personnel*); and (B) the Proposer shall include a copy of the Department's approval letter(s) provided under ITP Section 2.11(c) (*New Key Personnel Positions Identified Following RFQ*).
- (iii) the Department's approval letter(s) regarding any ATCs used by Proposer in the Proposal provided under ITP Section 3.4 (*Response to Formal ATCs*);
- (iv) the Department's approval letter regarding the Model Auditor provided under ITP Section 5.10(b) (*Preliminary Financial Model Audit*);

- (v) the Department's approval letter regarding the Benchmark Rates and Credit Spreads provided under ITP Section 5.10(c) (*Market Interest Rate Adjustment*) and/or Section 5.10(d) (*Credit Spread Adjustment*); and
- (vi) the Department's approval letter regarding evidence of the qualification of Contractors provided under ITP Section 1.11(a).

(g) **Non-Collusion Affidavit**

The Proposal shall include Form F, certifying that the Proposal is not the result of and has not been influenced by collusion.

Form F shall be executed by each Proposer on its behalf and by each of the Equity Members separately on their own behalves.

(h) **Certification Regarding Buy America**

The Proposal shall include Form G, regarding Buy America requirements.

(i) **DBE Pledge**

The Proposal shall include a pledge in the form of Form H, confirming, among other things, that the Proposer shall (A) exercise good faith efforts to obtain DBE commitments equal to the DBE participation goal set forth above with respect to the D&C Work, (B) exercise good faith efforts to encourage DBE participation in the Maintenance Work, and (C) in each case, substantiate and document such good faith efforts.

(j) **Conflict of Interest Disclosure**

Attention is directed to ITP Section 2.10(b) (*Organizational Conflicts of Interest*). Proposers' attention is also directed to the State Adverse Interest Act and 23 CFR Part 636 Subpart A.

Each Proposer, on behalf of itself and all entities on the Proposer's team, shall voluntarily disclose to the Department, in writing, any fact that may provide it with an unfair competitive advantage and/or potential or actual conflict of interest prior to the Proposal Due Date. The Proposal shall include a certification on Form I by Proposer, on behalf of itself and all entities on the Proposer's team, describing potential organizational conflicts of interest, including disclosure of all relevant facts concerning any past, present, or currently planned interest that may present an organizational conflict of interest. Each Proposer, on behalf of itself and all entities on the Proposer's team, shall complete and deliver a certification on Form I even if Proposer, on behalf of itself and all entities on the Proposer's team, has nothing to disclose, in which case, Proposer shall so indicate on Form I.

If Proposer made a disclosure regarding conflicts of interest in its SOQ, Proposer shall complete and deliver the Form I certification, appending its RFQ response to Form I.

The Department may preclude or disqualify a Proposer from participation in the procurement if the Proposer is deemed to have an unfair competitive advantage or a conflict of interest under applicable Commonwealth or federal law.

(k) **Certification Regarding Equal Employment Opportunity**

The Proposal shall include Form N, regarding participation in contracts or subcontracts subject to the equal opportunity clause and the filing of required reports.

A Form N shall be provided by the Proposer, each Equity Member, Major Participant, and each proposed contractor.

(l) **Use of Contract Funds for Lobbying Certification**

The Proposal shall include executed copies of Form O, regarding use of contract funds for lobbying. One copy of Form O must be executed by each of the Proposer, each Equity Member, and each Major Participant and any proposed contractors.

Form O should be modified and duplicated as needed and must be executed by Proposer, Equity Members, Major Participants, and all proposed contractors.

(m) **Debarment and Suspension Certification**

The Proposal shall include an executed copy of Form P, regarding debarment and suspension of contractors. The form is to be signed by the Proposer's authorized representative as defined in ITP Section 2.2(b) (*Identification of Authorized Proposer Representative*).

(n) **Insurance**

The Proposal shall contain either (A) certificates of insurance policies evidencing proof of insurance coverages required by the PPA, or (B) written confirmation from an insurance company(ies), broker(s) or agent(s) that the signatories have read the PPA and insurance requirements set forth therein and that the entities required to obtain insurance under the PPA have the capability, as of the Proposal Due Date, of obtaining such insurance in the coverages and under the conditions listed in the PPA.

(o) **Confidential Contents Index**

A page executed by the Proposer that sets forth the specific items (and the Section and page numbers within the Proposal at which such items are located) that the Proposer deems confidential, trade secret or proprietary information protected by applicable Law. Blanket designations that do not identify the specific information shall not be acceptable and shall be cause for the Department to treat the entire Proposal as public information. Notwithstanding the foregoing, the list required under this Exhibit 2, Section 3.2(o) is intended to provide input to the Department as to the confidential nature of a Proposer's Proposal, but in no event shall such list be binding on the Department, determinative of any issue relating to confidentiality or a request under the Right-to-Know Law or the P3 Records Provision, or override or modify the provisions of the Right-to-Know Law, the P3 Records Provision or the Department's responsibilities thereunder.

**3.3 Proposal Security; Liquidated Damages**

(a) The Proposal shall include the Proposal Security.



- (b) By submitting its Proposal, the Proposer agrees and acknowledges that any draw by the Department on the Proposal Security shall constitute liquidated damages and that such liquidated damages are reasonable in order to compensate the Department for damages it will incur as a result of Proposer's failure to satisfy the obligations under the RFP to which the Proposer agreed when submitting its Proposal. Such damages include potential harm to the credibility and reputation of the Project, the Department and the Department's transportation improvement program, with policy makers and with the general public, delays to the Project and additional costs of administering this or a new procurement (including engineering, legal, accounting, overhead and other administrative costs). By submitting its Proposal, the Proposer further acknowledges that these damages would be difficult and impracticable to measure and prove, are incapable of accurate measurement because of, among other things, the unique nature of the Project and the efforts required to receive and evaluate proposals for it, and the unavailability of a substitute for those efforts. The amounts of liquidated damages stated herein represent good faith estimates and evaluations as to the actual potential damages that the Department would incur as a result of the Proposer's failure to satisfy the obligations under the RFP to which the Proposer agreed when submitting its Proposal, and do not constitute a penalty. By submitting its Proposal, the Proposer agrees to such liquidated damages in order to fix and limit Proposer's costs and to avoid later disputes over what amounts of damages are properly chargeable to Proposer. The right of the Department to draw on the Proposal Security as provided in this RFP shall be the sole and exclusive remedy of the Department for the damages the Department incurs as a result of the Proposer's failure to satisfy the obligations under the RFP to which Proposer agreed when submitting its Proposal.
- (c) For the avoidance of doubt, the Proposer confirms by submitting its Proposal that, to the extent the Proposer has secured its commitments herein with Proposal Security in the form of Form K-2 (a **Demand Guarantee**), (i) the Proposer has the obligation to pay to the Department the amount specified therein, in cash upon demand by the Department, in the event that the Department would be entitled to draw on Proposal Security pursuant to ITP Section 4.7 (*Forfeiture of Proposal Security*), and (ii) the payment of such amount is guaranteed in accordance with the terms of such Demand Guarantee.

#### 4. **PRELIMINARY PERFORMANCE PLANS AND DESIGN-BUILD TECHNICAL SOLUTIONS**

The Technical Proposal shall contain the following documents that will be used by the Proposer to execute and manage the Project, and each document will demonstrate, at a minimum, compliance with the relevant requirements of the Technical Provisions:

- (a) the following preliminary performance plans (**Preliminary Performance Plans**):
- (i) Preliminary Project Management Plan (Exhibit 2, Section 4.1);
  - (ii) Preliminary Quality Management Plan (Exhibit 2, Section 4.2);
  - (iii) Preliminary Maintenance Management Plan (Exhibit 2, Section 4.3);
  - (iv) Preliminary Transportation Management Plan (Exhibit 2, Section 4.4);
  - (v) Preliminary Safety Plan (Exhibit 2, Section 4.5);

- (vi) Preliminary Public Information and Communications Plan (Exhibit 2, Section 4.6); and
- (b) the Design-Build Technical Solutions (Exhibit 2, Section 4.7).

The Preliminary Performance Plans and Design-Build Technical Solutions shall describe the project management philosophy, the plan, and schedule for executing the Project and any related PPA administration, and how Proposer plans to achieve and satisfy the Project requirements.

#### **4.1 Preliminary Project Management Plan**

The Technical Proposal shall include the Preliminary Project Management Plan that will be used by the Proposer in connection with the Project. The Preliminary Project Management Plan will demonstrate, at a minimum, compliance with the relevant requirements of Section 2 (*Project Management*) of the Technical Provisions. Proposer shall present a Preliminary Project Management Plan, and several complementary management plans and components that describe the Development Entity's managerial approach. The Preliminary Project Management Plan shall describe the project management philosophy, plan, and schedule for executing the Project and any related PPA administration, and how Proposer plans to achieve and satisfy the requirements of the Project Documents.

- (a) Project Management Approach

The Technical Proposal shall provide a description of the proposed approach to managing all project activities during design, construction and maintenance of the Project.

- (i) Management Structure and Staffing Plan

Describe the proposed overall project management organization for the design, construction, and maintenance of the Project, identifying participating firms/organizations and individuals that will be used to execute the Work and manage the Project. It shall include:

- (A) an organization chart outlining the structure of Proposer's project management organization for design, construction, and maintenance (including for quality assurance, quality control, and quality acceptance) and a description of the roles allocated, responsibilities, interrelation and Work to be accomplished by each member of the management team and each quality sub-organization, including identified material subcontractors and suppliers (at all tiers); the Project Manager shall oversee all design and construction Work and personnel during the design and construction phase and shall report to the Project Executive (if different from the Project Manager), the Maintenance Manager shall oversee all maintenance Work and personnel and shall report to the Project Manager (or the Project Executive if different from the Project Manager);
- (B) information describing how each of the Key Personnel involved with design, construction, and maintenance will fit into the organization, including a description of each key person's function and responsibility relative to the Project, and indicating the anticipated percent of time that he/she will devote to the Project;

- (C) qualification and experience required for task managers in each quality sub-organization reporting to the Key Personnel involved with design, construction, and maintenance;
- (D) a description of the qualifications and experience of proposed staff members who will be engaged for purposes of public information and community outreach; and
- (E) information regarding the current and projected workload and backlog of Proposer team (including all Major Participants), and a description of Proposer's plan and overall ability to provide the experienced personnel, equipment, and facilities required to successfully complete all aspects of the Project on a timely basis and within any applicable time frames set forth in the Project Documents.

(ii) Internal Organization Systems Plan

Describe the organizational systems that will be used by Proposer, and how these systems address the unique needs of the Project given its multi-asset, multi-location nature. The description of the internal organization systems shall include:

- (A) a detailed description of how Proposer's Key Contractors and Key Personnel will work together to provide a unified design, construction, maintenance, and quality approach to all elements of the Work;
- (B) a description of Proposer's team decision-making process, how internal disputes between team members will be resolved, and how the Proposer will avoid adverse impacts to the Project (cost, schedule, or quality) in the event of such disputes;
- (C) a description of the methods to be used to establish lines of communication and documentation within Proposer's team, and between the Proposer's team and the Department, including communication among the quality sub-organizations and management personnel;
- (D) a description of how Proposer intends to interface with the Department, its respective consultants, applicable third parties, and relevant federal, state, and local agencies, including the Stakeholders, and emergency management agencies, including local police, fire departments and ambulance services, as well as school bus services, on all matters including planned transportation and utility infrastructure in the Project area; and
- (E) a description of the quality process for the Project, and how the quality process will function independently of design, construction, and maintenance.

(b) Preliminary DBE Performance Plan

The Technical Proposal shall include the Proposer's Preliminary DBE Performance Plan, which shall describe the contents of the plan, as well as the general approach of the Proposer in order to meet the DBE goals for the Project and complying with the DBE requirements of the Project

Documents, including Attachment 9 (*Disadvantaged Business Enterprises*) to Schedule 15 (*Additional Federal Requirements*) of the PPA. The Preliminary DBE Performance Plan shall include the following elements:

- (i) a comprehensive and aggressive approach to achieving all DBE goals;
  - (ii) an approach to encourage participation by current DBE firms certified by the PA UCP;
  - (iii) identification of race-neutral means used to meet overall DBE goals;
  - (iv) an approach to outreach and assistance for potential DBE firms that may be eligible to become certified and participate as DBEs; and
  - (v) a description of how the Proposer shall challenge and expand technical, management and business capabilities of participating DBE firms by incorporating mentoring, training and assistance efforts for firms wishing to expand their capabilities.
- (c) Preliminary Comprehensive Environmental Protection Plan

Describe the management approach to environmental approvals, compliance and permitting that will be used by the Proposer. The Proposer shall:

- (i) confirm the Proposer's commitment to respecting and complying with NEPA;
- (ii) describe applicable qualifications and experience of the Environmental Compliance Manager and the environmental team that will be available during the term of the Project;
- (iii) describe how the Proposer's schematic design for each type of bridge used to complete Form L-2 (*Unit Price Information*) will meet the requirements of Governmental Approvals, the NEPA process and documents and other Project and environmental commitments, which are the most representative of the Replacement Bridges, considering such characteristics as geometry, extent of traffic management, extent of utility adjustments or construction means and method;
- (iv) describe the approach to developing the component parts of the Comprehensive Environmental Protection Plan described in the Project Documents and describe the main components of this plan;
- (v) describe Proposer's methods aimed to meet its environmental obligations including securing NEPA approvals to the extent required by the PPA, ensuring permits, issues, and commitments associated with Governmental Approvals are integrated into maintenance;
- (vi) identify the environmental commitments, permits, mitigation, potential re-evaluations, and documentation necessary to complete the Project;
- (vii) identify potential environmental risk and describe the approach to mitigate, eliminate, or reduce those environmental risks; and

- (viii) describe Proposer's compliance with the Environmental Commitment and Mitigation Tracking System (**ECMTS**) during the Term.

(d) Preliminary Document and Data Management Plan

The Technical Proposal shall describe the electronic data management approach and systems that will be used for the Project and include at least the following:

- (i) a description of the Proposer's approach to storing, cataloging, maintaining, controlling, accessing, searching, and retrieving all Project-related documents and records in an electronic format;
- (ii) a description of the Electronic Document Management System (**EDMS**), including the Maintenance Management Information System (**MMIS**), that the Proposer will implement and how such systems meet the requirements of Section 2.1.3 (*Document and Data Management*) and Section 17.3 (*Maintenance Management Information System*) of the Technical Provisions;
- (iii) a description of the electronic format that the Proposer will use to maintain and control the Project documents;
- (iv) a description of the Proposer's approach for security and backup of the project documents;
- (v) an explanation of how the EDMS will be integrated with the Department's electronic data management systems to meet the requirements of the Project Documents; and
- (vi) transfer of the data to the Department at the end of the Term.

(e) Preliminary Risk Management Plan

The Technical Proposal shall describe the approach to identify, assess, manage, mitigate, and allocate project-specific risks relating to design, construction, delivery, logistics, and maintenance in the context of the multi-asset, multi-location nature of the Project that will be used by the Proposer. The Proposal shall include at a minimum:

- (i) a description of the approach to identify, assess, manage, mitigate and allocate Project-specific risks. The Technical Proposal shall include at a minimum:
  - (A) identification of significant risk categories, such as Governmental Approvals including NEPA, resources and resource management, planning, design, ROW, utilities, logistics and supply chain management, traffic management, construction, geological conditions, hazardous materials, asset performance management over the Term, maintenance and residual value, inflation, and financing;
  - (B) description of the potential consequences of the identified risks;
  - (C) description of the probability of identified risks;

- (D) proposed procedures and tools to conduct a risk sensitivity analysis;
  - (E) risk-mitigation strategies to eliminate or reduce specific risks; and
  - (F) proposed or desirable allocation of risks among Proposer and its Key Contractors.
- (ii) a description of Proposer's document, cost control, and schedule management system to be used to control, review and coordinate the cost and schedule of the Work during the Term, including during design, construction, and maintenance.
- (f) Preliminary Project Baseline Schedule

The Technical Proposal shall include:

- (i) a narrative description of the overall approach to scheduling in the context of the multi-asset, multi-location nature of the Project;
- (ii) a description of the Proposer's strategy to minimize impacts or recover from schedule delays in the context of the multi-asset, multi-location nature of the Project;
- (iii) a schedule of anticipated dates of Substantial Completion of each Replacement Bridge (the **Preliminary Project Baseline Schedule**); and
- (iv) a summary level Preliminary Project Baseline Schedule and narrative describing (A) the Preliminary Project Baseline Schedule, including the timing of all Governmental Approvals, ROW, utility adjustments, design and construction portions of the Project, and for each Replacement Bridge comprising the Project, (B) the anticipated date of Entire Project Completion.
- (v) a description of Proposer's approach for preparing, controlling and updating the Project Baseline Schedule, for calculating progress performance on a monthly basis, and preparing monthly payment requests;
- (vi) a description of Proposer's approach to integrate subcontractor's activities into Proposer's scheduling and reporting system and controlling the performance of the subcontractors; and
- (vii) a description of Proposer's approach to managing resources and activities, both those of Proposer and subcontractors, in order to achieve the Project Baseline Schedule, and if necessary to recover schedule slippage.

The Preliminary Project Baseline Schedule shall include key activities and milestones for the Project and each Replacement Bridge. The Preliminary Project Baseline Schedule shall use a high level critical path method and shall represent Proposer's plan for completing the Work between NTP1 and Entire Project Completion. Proposer's Preliminary Project Baseline Schedule submission shall not limit, modify, or alter the Department's ability to review and approve the Preliminary Project Baseline Schedule in accordance with the Project Documents,

and selection of a Proposer as the Preferred Proposer shall not be deemed to be acceptance or approval of Proposer's Preliminary Project Baseline Schedule.

The Proposer shall confirm its commitment to respecting the Project delivery timeline set out in the Preliminary Project Baseline Schedule.

The Preliminary Project Baseline Schedule shall be in the form described in Section 2 of the Technical Provisions pertaining to the Project Baseline Schedule and shall otherwise include at least the following:

- (i) a narrative which describes the proposed execution of the Work for the Term;
- (ii) a schedule of activities representing all Governmental Approvals, ROW, utility adjustments, design, and construction during the design and construction phase for each Replacement Bridge meeting or exceeding the WBS level requirements specified in Table 2-2; and
- (iii) a schedule of anticipated dates of Substantial Completion of each Replacement Bridge, on a "bridge-by-bridge" basis.

The Preliminary Project Baseline Schedule will be appended to the PPA as part of Appendix 1 (Development Entity's Proposal Commitments) thereof.

#### **4.2 Preliminary Quality Management Plan**

The Technical Proposal shall describe Proposer's approach that will be used for the Project to meet the quality objectives described in the Project Documents, including without limitations in Section 2.2 (*Quality of Work*) and Section 2.3.11 (*Quality Management Plan*) of the Technical Provisions, with respect to design, fabrication, construction, and maintenance for the Project with a particular emphasis on the multi-asset, multi-location nature of the Project, including at least the following:

- (a) For the design quality component, the Technical Proposal shall include:
  - (i) the quality control, quality assurance and quality acceptance activities and procedures in the Project delivery process and how the quality process will be integrated into the design process to effect changes, as necessary;
  - (ii) a description of the approach for ensuring the minimization of impacts to Utilities;
  - (iii) a description of the approach for ensuring the minimization of ROW impacts;
  - (iv) a description of the approach for all Final Design Documents prepared by Development Entity for Development or Development Entity-Related Entities to be independently reviewed, verified for constructability, completeness, clarity, accuracy, and back-checked;
  - (v) a description of the design deliverables and a description of the internal process for design reviews;

- (vi) a description of the process for stopping Design Work or elevating an issue;
  - (vii) the procedure for submitting Design Documents;
  - (viii) a description of quality assurance and quality control functions;
  - (ix) the approach to reporting, including relationships;
  - (x) a description of how the Department's comments will be integrated into the design;
  - (xi) a description of how the program will integrate with the Department's oversight and how the Proposer will conform with federal oversight requirements;
  - (xii) a description of how changes will be made to correct design deficiencies;
  - (xiii) a description of the approach for incorporating audit findings; and
  - (xiv) a description of how design quality management will be documented.
- (b) For the construction quality component, the Technical Proposal shall include:
- (i) the quality control, quality assurance and quality acceptance activities and procedures in the Project delivery process and how the quality process will be integrated into construction inspections to effect changes, as necessary in construction procedures and performance;
  - (ii) a description of the approach for integrating with design, the control of materials, acceptance testing, inspection and monitoring of construction and fabrication activities, including reporting organization and procedures, methodologies, hold points, rejection procedures, and corrective actions;
  - (iii) a description of the internal processes for preparing and reviewing incident reports, non-conformance reports, noncompliance reports, and how non-compliance issues will be documented and corrected;
  - (iv) the roles and functions of the Construction Quality Acceptance Firm (CQAF) and how the Proposers will interact with the CQAF;
  - (v) how the program will integrate with the design activities, the Department's oversight, and all quality-related activities;
  - (vi) a description of how the program will integrate with the Department's oversight and how the Proposer will conform with federal oversight requirements; and
  - (vii) a description of how construction quality management will be documented.
- (c) For the maintenance quality component, the Technical Proposal shall include:



- (i) the quality control, quality assurance and quality acceptance activities and procedures in the Maintenance Work and how the quality process will be integrated into the self-monitoring and self-reporting program and inspection and certification program to effect changes, as necessary;
- (ii) a description of the approach to the self-monitoring and self-reporting program in order to ensure a safe and reliable bridge and roadway system with the main objective of maximizing public safety, reliability, roadway availability, and overall compliance with the Maintenance Performance Requirements;
- (iii) a description of the internal process for preparing and reviewing monthly maintenance reports, incident reports, non-conformance reports, traffic reports and maintenance work reports, how maintenance quality management will be documented, and how non-compliance issues will be documented and corrected;
- (iv) a description of how the quality process will be integrated into remedial and preventative maintenance inspections and action plans to effect changes, as necessary, in maintenance procedures and performance; and
- (v) a description of how the Department will be involved and how the Proposer will conform with federal oversight requirements.

#### **4.3 Preliminary Maintenance Management Plan**

The Technical Proposal shall describe the Proposer's technical solutions during the maintenance period and the Proposer's approach to maintenance for the Project, including Proposer's approach to maintenance quality management which will be used by the Proposer. Such approach shall demonstrate, at a minimum, compliance with the relevant requirements of the Technical Provisions.

- (a) Internal Organization System
  - (i) a description of the proposed overall project management organization relating to maintenance, identifying participating firms/organizations and individuals, which shall include:
    - (A) an organization chart outlining the structure of Proposer's project management organization during the Maintenance Period of the Project. Include a description of the roles allocated, responsibilities, interrelation, and Work to be accomplished by each member of the Proposer's team;
    - (B) information describing how each of the Key Personnel involved with maintenance will fit into the organization, including a description of each key person's function and responsibility relative to the Project, and indicating the percent of time that they will devote to the Project during the Maintenance Period;
    - (C) qualification and experience required for task managers in each role reporting to the Key Personnel involved with maintenance; and

- (D) details and locations of maintenance contractors, yard(s), facilities and offices;
- (ii) a description of how Proposer's team members will work together (and how the Proposer will coordinate subcontractors) to provide all aspects of the Maintenance Work;
- (iii) a description of Proposer's team decision-making process, how internal disputes between team members will be resolved during the Maintenance Period;
- (iv) a description of the methods to be used to establish lines of communication and documentation within the Proposer's team during the Maintenance Period, including communication among the sub-organizations and management personnel; and
- (v) a description of the public information and communications approach used during the Maintenance Period of the Project, including the qualifications and experience of proposed staff members who will be engaged for purposes of public information and community outreach during the Maintenance Period of the Project and a preliminary Public Information and Communications Plan for the Maintenance Period that presents the approach to addressing all items of the Public Information and Communications Plan as referred to in the Project Documents.

(b) Maintenance Management Plan

The Technical Proposal shall include the Preliminary Maintenance Management Plan that will be used by the Proposer. The Preliminary Maintenance Management Plan will demonstrate, at a minimum, compliance with the relevant requirements of Section 17 (*Maintenance Work*) of the Technical Provisions. The Preliminary Maintenance Management Plan shall provide in preliminary form the components listed in Section 17.4 (*Maintenance Management Plan*) of the Technical Provisions, with a particular emphasis on how asset performance and maintenance work will be managed in the context of the multi-asset, multi-location nature of the Project, and including in particular:

- (i) a description of the Maintenance Management Information System (MMIS) and how the MMIS will be used to meet the requirements of Section 17 (*Maintenance Work*) of the Technical Provisions;
- (ii) a description of the Development Entity's approach for fully utilizing the MMIS per Section 17.3 (*Maintenance Management Information System*) of the Technical Provisions and in particular how the MMIS will be used to track maintenance work, asset performance, noncompliance, and generate reports;
- (iii) a description of how the proposer will efficiently, coordinate the consistent implementation of the Maintenance Manual, Safety Plan, Transition and Coordination Plan, Renewal Work Plan required for the performance of the Maintenance Work;
- (iv) a description of how the Proposer will coordinate and interface with the Department, their respective consultants, applicable third parties, and relevant federal,

Commonwealth, and local agencies on all matters including planned transportation and utility infrastructure in the Maintenance Period of the Project area;

- (v) a description of the approach for monitoring, inspecting, and evaluating the condition of the Project and self-monitoring and self-reporting processes for identifying and tracking Noncompliance Events and curing Noncompliance Events;
  - (vi) a description of the approach for achieving the Maintenance Performance Requirements in Table 17-1 of the Technical Provisions, establishing performance target metrics, measurement procedures, threshold values at which Maintenance Work is required, inspection procedures and frequencies and subsequent Maintenance Work to address deficiencies noted in such inspections, for each Element of the Project;
  - (vii) a description of the approach for corrective and preventative actions to eliminate or minimize future occurrences of Noncompliance Events;
  - (viii) a description of the approach for coordination with the Department and third parties following Emergencies, Incidents, and extreme weather events;
  - (ix) a description of approach to minimize the risk of harm to the general public and minimize the risk of damage, disturbance, or destruction of Department property and third party property;
  - (x) a description of approach to prevent encroachment onto third party property during the performance of Maintenance Work;
  - (xi) a description of Proposer's training program for maintenance personnel;
  - (xii) a description of the approach used to minimize the impact of proposed maintenance activities on traffic;
  - (xiii) a description of the approach used to minimize the environmental impact of proposed maintenance activities;
  - (xiv) a preliminary list of specialized maintenance equipment proposed for use throughout the life of the Project;
  - (xv) a description of the approach to supply and management of maintenance spare parts; and
  - (xvi) a description of the approach for incorporation of audit findings.
- (c) Routine and Preventive Maintenance Program

The Technical Proposal shall describe the Proposer's approach to maintenance, including at a minimum:

- (i) a description of the approach to maintaining the Project assets in a safe and functional condition during construction;

- (ii) a description of the approach to minimizing the life-cycle cost of the Replacement Bridges, including design choices, not just over the Term but over the useful life of the Replacement Bridges;
  - (iii) a description of the Proposer's approach to preventive maintenance; and
  - (iv) a description and schedule of planned maintenance and preventative maintenance that the Proposer will conduct to meet the Maintenance Performance Requirements.
- (d) Renewal Work Program

The Technical Proposal shall describe the approach to Renewal Work, which shall include at a minimum:

- (i) a description of the processes that will be employed for developing a rolling program of major maintenance repairs and replacements;
- (ii) a preliminary Renewal Work schedule for each type of bridge proposed. The schedule shall be accompanied by a narrative explaining the Proposer's approach to scheduling the Renewal Work and the timing of periodic maintenance activities, rehabilitation activities, and other Renewal Work; and
- (iii) a description of how the Proposer will manage staged construction relating to Renewal Work, including how the Proposer will minimize traffic disruptions and maximize uninhibited travel flow of the Patrons.

The information will be based on the designs used to complete Form L-2 (*Unit Price Information*) which are the most representative of the Replacement Bridges, considering such characteristics as geometry, extent of traffic management, extent of utility adjustments or construction method and shall describe the approach to programming of works and costing and ensuring that handback requirements will be met.

#### **4.4 Preliminary Transportation Management Plan**

The Technical Proposal shall include the Preliminary Transportation Management Plan that will be used by the Proposer. The Preliminary Transportation Management Plan will demonstrate, at a minimum, compliance with the relevant requirements of Section 16 (*Maintenance and Protection of Traffic*) of the Technical Provisions, to provide for the safe and efficient movement of people, goods, and services, through and around the Project, while minimizing negative impacts to the Patrons, residents, and businesses. This preliminary plan will address the design, construction and maintenance periods. The Preliminary Transportation Management Plan shall include at a minimum:

- (a) a description of the construction sequencing for each type of bridge and overall approach to traffic management and control proposed to accommodate traffic during the construction of the Project;
- (b) a description of how business and residential accesses will be provided;

- (c) a description of how Proposer intends to schedule and sequence the construction, including lane closures and detours, to minimize impacts on the environment, communities and traveling public while still providing acceptable construction performance, and in particular confirmation that the Proposer will design and construct the Project with the objective to minimize traffic disruption and respect the requirements in Table 10-1 of the Technical Provisions;
- (d) a description of the intended laydown, recycling, staging, disposal and maintenance locations to be used during construction;
- (e) a description of the proposed approach to coordinate with the Department and local Governmental Entities on the development and ongoing monitoring of the Traffic Control Plans (TCPs) for each Replacement Bridge;
- (f) a description of how Proposer intends to research, identify and include special events, including fairs, expositions, shows and other community events for inclusion in each TCP;
- (g) a description of the how the Proposer intends to address Emergencies, Incidents, and release of Hazardous Materials;
- (h) a description of how the Proposer intends to identify and incorporate the needs of transit operators, Utility Owners, Governmental Entities, emergency service providers, school districts, business owners, hospitals, farmers, local residents and other related Users or entities affected by the Replacement Bridge and surrounding affected areas;
- (i) a description of how the Proposer intends to coordinate the TMP with other Department, local Governmental Entities and private projects that are or will be under construction;
- (j) a description of how the proposer intends to comply with all local ordinances (including, but not limited to, city, borough and township noise ordinances);
- (k) a description of how the Proposer intends to incorporate the accommodation of snow plowing and other Department maintenance procedures into the TCPs;
- (l) a description of how the Proposer intends to provide continuous access to established truck routes and Hazardous Material routes, and to provide suitable detour routes, including obtaining any approvals required by the appropriate governmental entities for these uses; and
- (m) a description of how the Proposer intends to perform night work to incorporate Publication 213 requirements and to include a work zone light system design in accordance with NCHRP Report 498 – Illumination Guidelines for Nighttime Highway Work.

#### **4.5 Preliminary Safety Plan**

The Technical Proposal shall include:

- (i) a preliminary Safety Plan that will be used by the Proposer in meeting the requirements set forth in Section 2.3.14 (*Safety Plan*) of the Technical Provisions;

- (ii) an industrial safety record on Form D for each Major Participant that will perform or supervise installation and/or construction Work for the Project, including information for any entity in which such team member holds a controlling interest. If any such entity does not have an industrial safety history (for example if the firm is newly formed), Form D is not required for such entity, but a statement shall be provided explaining why the form is not included. Should any of these parties have been a member of a joint venture and have a controlling interest in such joint venture on past projects, the safety record of the joint venture in full shall be included as part of Form D. As used herein, "controlling interest" means the possession, directly or indirectly, of the power to cause the direction of the management of the entity, whether through voting securities, by contract, family relationship or otherwise;
- (iii) a description of how Proposer proposes to coordinate with Governmental Entities on issues related to fire, security, and life safety;
- (iv) a description of how Proposer will track, document and report safety compliance; and
- (v) a description of how Proposer will incorporate audit findings.

#### **4.6 Preliminary Public Information and Communications Plan**

The Technical Proposal shall include the Preliminary Public Information and Communications Plan that will be used by the Proposer. The Preliminary Public Information and Communications Plan will, at a minimum, demonstrate compliance with the relevant requirements of Section 3 (*Public Information and Communications*) of the Technical Provisions in the context of the multi-asset, multi-location nature of the Project and will describe how the Proposer will identify and reach out to customer groups, including the mode of communication and methods to measure the effectiveness of these activities and how the activities will be coordinated with the Department. Such plan will describe the methods to communicate impacts from Project activities during the design phase, Construction Period, and Maintenance Period to inform the public and effectively manage the public's expectations related to these impacts.

#### **4.7 Design-Build Technical Solutions**

The Technical Proposal shall include the Design-Build Technical Solutions that will be used by the Proposer. The Design-Build Technical Solution will demonstrate, at a minimum, compliance with the design and construction requirements of the Project Documents. The Technical Proposal shall include a narrative presenting the Proposer's overall approach to delivering the Project and more specifically the approach to designing and constructing the Project and its technical solutions to meet the unique characteristics of the Projects, as well as the approach to managing construction logistics and supply chain, developing the right-off way plans, developing the utility relocation plans and performing the utility adjustment work, and presents the elements of the context sensitive aesthetic solution.

The Technical Proposal shall be based on the designs used to complete Form L-2 (*Unit Price Information*) which are the most representative of the Replacement Bridges, considering such characteristics as geometry, extent of traffic management, extent of utility adjustments or construction means and methods and include the Proposer's schematic and proposed approach to the Replacement Bridges and the Project's structures, including retaining walls and other surface structures and roadway elements, in each case as set forth in this Exhibit 2, Sections 4.7(a)(i) and 4.7(a)(ii).

The Technical Proposal shall include a narrative describing the Proposer's approach to minimizing the life-cycle cost of the Replacement Bridges, not just over the Term but over the useful life of the Replacement Bridges.

(a) Replacement Bridge Structures

The Proposal shall describe the type of bridge design proposed by the Proposer for one or more Replacement Bridges. Accordingly, the information provided in response to this Section 4.7(a) should be provided with reference to each type of design proposed by the Proposer for a Replacement Bridge, and not with respect to each individual Replacement Bridge. The Proposer shall provide the following information pertaining to Proposer's approach and solutions to the design and construction of each type of Replacement Bridge and other structures:

- (i) a preliminary bridge schematic, in both plan and profile along with a typical Section or Sections showing the bridge concept for each type of bridge, technical solutions, and innovations. Proposer's schematic shall be presented in English units on maximum 11-inch by maximum 17-inch plan sheets at a scale of 1 inch = 30 feet and shall clearly identify the Work to be completed;
- (ii) a description of the Proposer's approach to addressing geotechnical related issues for the Project, including the presence of swelling soil and rock, as well as mines and karsts; and identification of the scope and objectives of future investigations (as applicable);
- (iii) a description of Proposer's preliminary schematic design for each type of bridge superstructure, including sequencing, construction and erection methods, erection sequence, and the order of construction of all spans; and
- (iv) a description of the drainage system for each type of bridge.

(b) Roadway Elements

The Proposal shall include an overview of the roadway elements for the Project and shall include the following:

- (i) an overview of the construction staging and traffic control and sequencing proposed to accommodate traffic during the construction of the Project. The construction traffic control shall include the following:
  - (A) the overall traffic control and sequencing approach;
  - (B) a general description of how access to business and residential properties will be provided;
  - (C) a narrative overview of how Proposer intends to schedule and sequence the construction to minimize impacts on the environment, communities, and traveling public while still providing acceptable construction performance; and
  - (D) an overview of the methods of coordination with the Department and local transportation agencies;

- (ii) a description of the Proposer's approach to addressing geotechnical related issues for the Project, including the presence of swelling soil and rock; and identification of the scope and objectives of future investigations (as applicable);
  - (iii) a description of how the Project right-of-way and adjacent roads and properties will be maintained and protected, including the intended measures to be used to mitigate and minimize noise, vibration, light, dust, erosion and sediment control and local road damage;
  - (iv) a preliminary and indicative roadway schematic showing the roadway concept and technical solutions that are representative of the approach to be taken by the Development Entity. Proposer's schematic shall be presented in English units on a maximum 11-inch by maximum 17-inch plan sheets at a scale of 1 inch = 30 feet and shall clearly identify the Work to be completed. Proposer's preliminary and indicative schematic shall include:
    - (A) Proposer's approach to pavement and slope design, including details of the proposed design method, material types, roadway classifications, traffic loading and design life considerations;
    - (B) a description of all existing roadways and structures to be closed, demolished, left as is, or incorporated into the Project;
    - (C) general project roadway information including Project limits, design speeds, functional classifications, and design values met;
    - (D) project plan metrics including curbs and barriers, driveways, edge of pavement, and surface roadways' edge of shoulders;
    - (E) proposed right-of-way limits and access control limits; and
    - (F) typical Sections including ROW limit, existing ground, pavement cross slope, super elevation, lane and shoulder widths, roadside ditches, and slope ratio for fills and cuts.
  - (v) an overview of the approach to drainage on the Replacement Bridges and illustrative drawings of the same.
- (c) Construction Logistics and Supply Chain Management

The Proposal shall include a description of the supply chain management and logistics addressing the fabrication and delivery of fabricated elements, including the tools, software, and techniques that the Proposers will implement in order to meet the cost, quality and schedule objectives of the Project in the context of multi-asset, multi-location nature of the Project and shall include at a minimum the following:

- (i) a description of the Proposer's approach to coordinating activities between the Development Entity and Development Entity-Related Entities execution of the D&C Work;



- (ii) a description of the Proposer's approach to materials sourcing and procurement;
- (iii) a description of the Proposer's approach to inspection and testing of materials or equipment at the source of supply, manufacture and/or fabrication;
- (iv) a description of how labor forces, materials and equipment will be delivered to the Project Sites;
- (v) a description of the sequencing of fabrication and prefabrication activities and how such activities will be integrated with the overall construction to support the schedule objectives;
- (vi) a description of the Proposer's approach ensuring quality of workmanship;
- (vii) a description of Proposer's approach to preventing encroachment onto third party property during the performance of D&C Work;
- (viii) a description of Proposer's approach to coordinating with the CQAF to allow the CQAF to effectively carry out its quality acceptance responsibilities for the Development Entity and the Department;
- (ix) a description of Proposer's approach to documenting and reporting compliance;
- (x) a description of Proposer's corrective and preventative action processes;
- (xi) a description of Proposer's approach to incorporation of audit findings; and
- (xii) a description of the contingency plans for reallocating resources from one Project Site to another in case of delay or unexpected conditions in a Project Site in order to minimize impact on the overall schedule.

(d) ROW Plan Development

The Technical Proposal shall set forth the following information pertaining to Proposer's approach and solutions involving ROW plan development to accommodate the Project:

- (i) a Description of how the Project ROW plans will be developed; and
- (ii) a preliminary description of the impacts on right-of-way based on the proposed bridge types and a description of how the Proposer will minimize right-of-way impacts as required in the Project Documents.

(e) Utility Relocation and Adjustment Work Elements

The Technical Proposal shall set forth the following information pertaining to Proposer's approach and solutions involving utility relocations and adjustments to accommodate the Project:

- (i) Description of how the Project utility relocations, adjustments and protections in place will be performed, including the intended interface between the Utility Owners and the Department;
  - (ii) A description of Proposer's approach to utility coordination and scheduling of utility adjustments; and
  - (iii) Description of how Proposer will proactively coordinate and engage the Utility Owners in order to define Work elements and responsibility, betterments and coordination in order to ensure cooperation and mitigate potential delay.
- (f) Context Sensitive Aesthetic Solution Elements

The Technical Proposal shall include the Proposer's approach and solutions surrounding aesthetic treatments that will be used for the Project. Using the aesthetic design guidelines set forth in the Technical Provisions, the Technical Proposal shall include a Preliminary Context Sensitive Design and Aesthetics Master Plan that employs context sensitive solutions for all aesthetics and landscape work addressing each of the Base, Nominal, and Enhanced Context categories set forth in Section 14.2.3 (*Aesthetics Concepts*) of the Technical Provisions. The Preliminary Context Sensitive Design and Aesthetics Master Plan shall be an overview, without "bridge-by-bridge" detail for each Replacement Bridge, of aesthetic treatments that are context-sensitive with the local setting and to harmonize with the local landscape and architecture in recognition of the Department's desire to create a unifying "look" so that all the bridges associated with the Project are at some level recognizable as belonging to the Project. The Preliminary Context Sensitive Design and Aesthetics Master Plan shall also include indicative or illustrative color renderings on 11x17-inch sheets for major aesthetic features as listed below for each of Base, Nominal and Enhanced categories set forth in Section 14.2.3 (*Aesthetics Concepts*) of the Technical Provisions.

- (i) Color;
- (ii) Abutments and Wingwalls;
- (iii) Visible Structural Elements;
- (iv) Parapets;
- (v) Railings;
- (vi) Low Barriers to divide vehicular traffic from pedestrians;
- (vii) Signing;
- (viii) Lighting;
- (ix) Landscaping and Plant Material;
- (x) Accent Features (Stamp);

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- (xi) Rip Rap and Visible Hydraulic Protection Elements; and
- (xii) Walls and Fencing.

For the avoidance of doubt, the Technical Proposal shall include each of the forms specified in Section 1 (*Technical Proposal Components*) of Exhibit 5 in the order prescribed therein, each fully completed, executed, and/or acknowledged as required therein or herein.

## EXHIBIT 3

### FINANCIAL PROPOSAL INSTRUCTIONS

#### 1. GENERAL INSTRUCTIONS

This Exhibit 3 describes the submission format for financial proposals and outlines the required information that will comprise a Financial Proposal.

Each Proposer shall submit the information required by this Exhibit 3 in the organization and format specified herein. The Financial Proposal shall be organized in the order listed in Exhibit 5, and shall be clearly indexed. Each component of the Financial Proposal shall be clearly titled and identified.

All forms named herein are found in Exhibit 4 unless otherwise noted. All blank spaces in the Proposal forms must be filled in as appropriate. No substantive change shall be made in the Proposal forms unless expressly requested by the Proposer and approved by the Department; *provided that* alterations or additions to complete missing information and conforming the forms to the Project Documents shall not be deemed to be substantive.

The Financial Plan (with such redactions or removals as mutually agreed upon between the Department and the Development Entity) may be appended by the Department to the PPA as part of Appendix 1 (*Development Entity's Proposal Commitments*) thereof.

##### 1.1 Format of Financial Proposal

All financial information provided in the Financial Proposal shall be in U.S. Dollar currency only and all amounts shall be clearly identified as real or nominal dollars.

If there are any discrepancies between the hard copy and electronic copy of any quantitative information provided in the Financial Proposal, the hard copy version will prevail. If there are any differences between the sum of individual line amounts and totals, the individual line amounts will prevail.

##### 1.2 Contents of Financial Proposal

All parts of the Proposal that indicate price and financial terms are to be included in the Financial Proposal.

The required contents and organization of the Financial Proposal are presented in this Exhibit 3 and summarized in the Proposal checklist provided in Exhibit 5. Proposers are to provide all the information set out in this Exhibit 3. A copy of the checklist for the Financial Proposal shall be included in the Financial Proposal. The Proposer shall not amend the order or change the contents of the checklist except to provide the required cross reference to its Proposal.

#### 2. FINANCIAL CAPACITY INFORMATION

Proposers shall clearly identify any material differences between the financial capacity information submitted in the Proposal and the information submitted in the SOQ.

The Financial Proposal shall include the following information for the Proposer, all Equity Members, the D&C Contractor (if the D&C Contractor is a consortium, partnership or any other form of a joint venture, all such entities comprising D&C Contractor), any D&C Guarantor and any Financially Responsible Party:

- Audited financial statements (in printed form and on a CD-ROM or DVD) for all periods subsequent to those included in the SOQs, audited by a certified public accountant in accordance with generally accepted accounting principles (**GAAP**) or International Financial Reporting Standards (**IFRS**).
- In addition, interim unaudited statements (in printed form and on a CD-ROM or DVD) for the period since the most recent completed fiscal year for the above entities are to be provided.

The financial statements, whether for the most recent completed fiscal year or for the period since the most recent completed fiscal year, must meet the following requirements:

(a) Financial statement information must include:

- (i) Opinion Letter (Auditor's Report);
- (ii) Balance Sheet;
- (iii) Income Statement;
- (iv) Statement of Changes in Cash Flow; and
- (v) Footnotes audited by a certified public accountant in accordance with GAAP or IFRS.

(b) Financial statements must meet the following requirements:

(i) **GAAP/IFRS**

Financial statements must be prepared in accordance with U.S. Generally Accepted Accounting Principles (**U.S. GAAP**) or International Financial Reporting Standards (**IFRS**). If financial statements are prepared in accordance with principles other than U.S. GAAP or IFRS, a letter must be provided from a certified public accountant discussing the areas of the financial statements that would be affected by a conversion to U.S. GAAP or IFRS. A restatement of the financial information in accordance with U.S. GAAP or IFRS is not required.

(ii) **U.S. Dollars**

Financial statements must be provided in **U.S. dollars**. If financial statements are not available in U.S. dollars, the Proposer must include summaries of the income statements and balance sheets for the applicable time periods converted to U.S. dollars by a certified public accountant.

(iii) **Audited**

Fiscal year-end financial statements must be audited by an independent party qualified to render audit opinions (*e.g.*, Certified Public Accountant). If audited financials are not available for the Proposer, an Equity Member, the D&C Contractor, D&C Guarantor or Financially Responsible Party, the Proposal shall include unaudited financial statements for such entity, certified as true and correct by the chief financial officer or treasurer of the entity (or if neither position exists for the entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification).

(iv) **English**

Financial Statement information must be prepared in English. If audited financial statements are prepared in a language other than English, translations of all financial statement information must be accompanied with the original financial statement information.

(c) Other information and requirements:

(i) **Newly Formed Entity**

If the Proposer is a newly formed entity, Proposer shall expressly state that Proposer is a newly formed entity and does not have independent financial statements.

(ii) **Financially Responsible Party Letter of Support**

If financial statements of a parent company or affiliate company (**Financially Responsible Party**) are provided to demonstrate financial capability of an Equity Member, a letter from the Financially Responsible Party must be provided confirming that it will guarantee all the obligations of such Equity Member with respect to the Project; *provided, however*, that if an Equity Member intends to fund its equity contribution in full at Financial Close, or post a letter of credit to lenders at Financial Close to secure its obligations to fund its equity contribution and evidence of the foregoing is provided to the Department, the foregoing guarantee shall not be required.

If a Financially Responsible Party was identified for the D&C Contractor in the SOQ, Proposer must provide a description of how that Financially Responsible Party will financially support the D&C Contractor and include copies of all documents intended to provide that support (guaranties, letters of credit, etc.).

(iii) **SEC Filings**

If the team or any other entity for which financial information is submitted hereby files reports with the Securities and Exchange Commission, then such financial statements shall be provided through a copy of their latest annual report on Form 10-K. For all subsequent quarters, provide a copy of any report filed on Form 10-Q or Form 8-K which has been filed since the latest filed 10-K.

(iv) **Credit Ratings**

Appropriate credit ratings must be supplied for Proposer, Equity Members, D&C Contractor, any D&C Guarantor and any Financially Responsible Party, to the extent such entities have credit ratings. If no credit ratings exist, include a statement specifying that no credit ratings exist for that entity.

(v) **Materially Adverse Changes in Financial Condition**

A letter from the chief executive officer, chief financial officer or treasurer (or, if neither a chief financial officer nor treasurer exists for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification) for each of Proposer, Equity Members, D&C Contractor, any D&C Guarantor and any Financially Responsible Party, either (i) providing information on any materially adverse changes in financial condition since submission of the SOQs and those that are pending, or (ii) certifying that no such material changes have occurred. Additionally, Proposers shall be required to provide updated information following the Proposal Due Date about such entities as such information becomes public.

The following list identifies certain items that the Department would consider a material change in financial condition. This list is intended to be indicative only. At the discretion of the Department, any failure to disclose a prior or pending material change may result in disqualification from further participation in the selection process. In instances where a material change has occurred, or is anticipated, the affected entity shall provide a statement describing each material change in detail, the likelihood that the developments will continue during the period of performance of the Project development, and the projected full extent of the changes likely to be experienced in the periods ahead. Estimates of the impact on revenues, expenses and the change in equity shall be provided separately for each material change as certified by the chief financial officer or treasurer (or, if neither position exists for the entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification). References to the notes in the financial statements are not sufficient to address the requirement to discuss the impact of material changes. The affected entity shall also provide a discussion of measures that would be undertaken to insulate the Project from any recent material adverse changes, and those currently in progress or reasonably anticipated in the future. If the financial statements indicate that expenses and losses exceed income in the fiscal periods between submission of the SOQ and most recent completed fiscal periods (even if there has not been a material change), the affected entity shall provide a discussion of measures that will be undertaken to make the entity profitable in the future and an estimate of when the entity will be profitable.

**List of Representative Material Changes**

- (A) An event of default or bankruptcy involving the affected entity, a related business unit within the same corporation, or the parent corporation of the affected entity;
- (B) A decrease in tangible net worth of 10% or greater of shareholder equity;

- (C) A sale, merger or acquisition exceeding 10% of the value of shareholder equity prior to the sale, merger or acquisition which in any way involves the affected entity, a related business unit, or parent corporation of the affected entity;
- (D) A downward change in credit rating for the affected entity, a related business unit, or parent corporation of the affected entity;
- (E) Inability to meet material conditions of loan or debt covenants by the affected entity, a related business unit or parent corporation of the affected entity which has required or expects to require a waiver or modification of agreed financial ratios, coverage factors or other loan stipulations, or additional credit support from shareholders or other third parties;
- (F) The affected entity, a related business unit in the same corporation, or the parent corporation of the affected entity either:
  - I. incurred a net operating loss;
  - II. sustained charges exceeding 5% of the then shareholder equity due to claims, changes in accounting, write-offs or business restructuring; or
  - III. implemented a restructuring/reduction in salaried personnel exceeding 10% of its workforce or involving the disposition of assets exceeding 10% of the then shareholder equity; and
- (G) Other events known to the affected entity, a related business unit or parent corporation of the affected entity which represents a material change in financial condition since submission of the SOQs or may be pending for the next reporting period.

(vi) **Off-Balance Sheet Liabilities**

A letter from the certified public accountant, chief financial officer, or treasurer (or, if neither a chief financial officer nor treasurer exists for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the letter) for each entity for which financial information is submitted, identifying all off-balance sheet liabilities in excess of \$25 million dollars in the aggregate.

The information required under this Exhibit 3, Section 2 shall be packaged separately for each separate entity with a cover sheet identifying the name of the organization and its role in Proposer's organization (*i.e.*, Equity Member, D&C Contractor, subcontractor, etc.). Financial statements shall be provided in electronic, searchable PDF or Microsoft Word format, in addition to "hard-copy" submissions as part of the Financial Proposal. In the event that financial statements are provided in a PDF format, the PDF files may not be secured, locked, or password-protected.

**3. FINANCIAL PLAN**

Committed financing, to the extent described below, is required under the RFP. The Financial Proposal and Financial Plan will be based upon committed finance plans at the Proposal stage (subject to the



requirements below). Details of the committed financing requirements are included in Exhibit 3, Section 3.4 (*Additional Information*).

### **3.1 Financial Plan Executive Summary**

The Financial Plan shall contain a short (no more than three pages) Financial Plan Executive Summary outlining the Proposer's plan of finance and plan, schedule and approach to achieve Financial Close.

### **3.2 Identity of Persons Providing Certain Security**

The Financial Proposal shall identify the Person(s) that will provide the Closing Security, any Construction Security or any letter of credit contemplated by Sections 2.2 (*Conditions Precedent to the Commercial Closing Date*) and 2.3 (*Conditions Precedent to the Financial Closing Date*) of the PPA and the rating information for such Person(s). The Financial Proposal shall also identify at least one Core Lender and/or one Lead Underwriter.

### **3.3 Range of Financing Sources**

Proposers shall describe their Financial Plan, which shall be fully developed, consider the use of, and include, as applicable, the following:

- (a) Senior debt finance;
- (b) Mezzanine debt finance;
- (c) Equity and quasi-equity finance (including subordinated debt or loan stock);
- (d) Use of PABs (subject to the limitations set forth in ITP Section 1.9(b)(i) (*USDOT Private Activity Bonds*)); and
- (e) Any other forms of finance; *provided, however*, that unless otherwise notified via an Addendum to the RFP:
  - (i) Proposers shall not assume the use of TIFIA in their Financial Plans; and
  - (ii) Proposers shall not assume or otherwise include in their Financial Plans (or in any other part of their Financial Proposals) the use of monoline insurance; *provided that*, following the designation of any Proposer as the Preferred Proposer hereunder and subject to the Department's prior approval and ITP Section 5.10(d) (*Monoline Insurance*), such Proposer may include the use of monoline insurance in its Financial Plan.

### **3.4 Additional Information**

The proposed Financial Plan shall also provide the following information:

- (a) Identity of the investors and include commitments from Equity Members per the requirements of Section 3.6 (*Details of Equity Source and Equity Member Letters*) of this Exhibit 3;

- (b) Identity of the Core Lender(s) and/or Lead Underwriter(s), and any other lead arrangers, lead managers and/or underwriting banks, and/or quasi-equity providers that have given indications/commitments;
- (c) Letter(s) of commitment from the Core Lender(s) and/or Lead Underwriter(s) other lead arrangers, lead managers, and/or underwriting banks per the requirements of Section 3.5 (*Details for Core Lender(s) and Lead Underwriter(s) Commitment Letters*) of this Exhibit 3;
- (d) If the Financial Plan includes a Bond Financing (hereinafter defined), letters from at least two (2) Rating Agencies providing an indicative investment grade rating, together with information on the assumptions used (*e.g.*, quantum of debt, tenor, amortization) in establishing the rating;
- (e) [Reserved];
- (f) Type and purpose of each funding source and facility;
- (g) The proposed steps and timeframes for reaching the Commercial Closing Date and Financial Close, which must be consistent with the requirements of the Project Documents per the requirements of Section 3.8 (*Schedule for Commercial Closing Date and Financial Close*) of this Exhibit 3;
- (h) Evidence of unconditional acceptance by the Core Lender(s) and/or Lead Underwriter(s) of the Project Documents in the form included in the RFP Documents;
- (i) Written confirmation by the Proposer that it will keep the Base MAP (shown in the Financial Model as of the Commercial Closing Date) unchanged, subject only to referenced interest rate movements and, to the extent permitted by the Department hereunder, the inclusion of monoline insurance; and
- (j) Average life of each debt facility.

### 3.5 Details for Core Lender(s) and Lead Underwriter(s) Commitment Letters

Exhibit 3, Section 3.5 provides the requirements for commitment letters with respect to bank financings (a **Bank Debt Financing**) and capital markets financing (a **Bond Financing**) included in a Proposer's Financial Plan.

Proposer should consider Bank Debt Financings and Bond Financings or a combination thereof. PABs allocations can be assumed in the financing structure in accordance with ITP Section 1.9(b)(i) (*USDOT Private Activity Bonds*). The final amount of any PABs allocation obtained by the Department is set forth in ITP Section 1.9(b)(i) (*USDOT Private Activity Bonds*).

For the avoidance of doubt, with respect to a Bond Financing, a letter from a Lead Underwriter whereby such Lead Underwriter agrees to purchase one hundred percent (100%) of the volume of bonds to be issued at market prices shall be deemed to be a letter of commitment from such Lead Underwriter. In the event that a Proposer has more than one Lead Underwriter, the aggregate volume commitments of the Lead Underwriters must equal 100% of the volume.

For each Bank Debt Financing and each Bond Financing included in the Financial Plan, Proposers shall provide a letter of commitment from each Core Lender or each Lead Underwriter, as the case may be, that includes the following:

- (a) With respect to a letter of commitment from each Core Lender, if applicable, confirming that final due diligence has been completed (*i.e.*, legal, insurance and technical due diligence), the Project Documents are acceptable in the form included in the RFP Documents, final credit approval has been received subject only to completion of final credit documents and satisfaction of customary conditions precedent;
- (b) With respect to a letter of commitment from each Lead Underwriter, if applicable, confirmation that certain due diligence (*i.e.*, legal, insurance, and technical due diligence) has been performed, the Project Documents are acceptable in the form included in the RFP Documents, final credit approval has been received subject only to completion of final documentation and satisfaction of customary conditions precedent, including final due diligence required to comply with applicable securities Law;
- (c) A detailed term sheet providing terms and conditions, including, but not limited to, (i) in respect of bank financing, interest rates specifying the base rate and applicable margins or spreads, (ii) amounts in U.S. Dollars of the facilities provided, (iii) customary conditions precedent to Financial Close, (iv) required documentation, (v) principal covenants (affirmative and negative), (vi) financing security (including guarantees), (vii) events of default, (viii) structural features, (ix) cover ratios, (x) reserve accounts and the requirements with respect to such accounts, (xi) redemption/prepayment features, (xii) drawdown schedule, (xiii) capital repayment grace period, (xiv) repayment schedule and final maturity date, (xv) flow of funds, (xvi) representations and warranties, (xvii) any proposed hedging arrangements in relation to interest rate risk, (xviii) arrangement and other fees, as applicable and (xix) any other material terms and conditions relevant to the financing; and
- (d) A description of the fees payable to the Core Lender(s) and Lead Underwriter(s) as the case may be.

### **3.6 Details of Equity Source and Equity Member Letters**

For each equity source, Proposers shall provide:

- (a) Identity of the investors, and in cases where the equity is contributed by a fund please identify: (i) the date the fund was established, (ii) the total amount raised in the investment fund, (iii) the total amounts of undrawn and uncommitted funds available to be invested in the Project, (iv) confirmation that the Project is an eligible investment of the fund, (v) confirmation that the amount to be contributed does not exceed the maximum investment permitted by the fund bylaws, based on the amount raised in the investment fund as of the bid date, (vi) fund managers and general characteristics of the fund investors, and (vii) the percentage of participation;
- (b) The amount of funds the shareholder is to commit and the timing of such subscription;

- (c) The terms and conditions of the subscription, including dividend rights attaching to shares and/or repayment terms for shareholder loans, the extent to which funds are committed and the length of time funds will remain in the project vehicle;
- (d) A minimum committed equity investment throughout the construction period consistent with the value required in Section 2.3(h)(ii) of the PPA; and
- (e) If, as of the Proposal Due Date, there is a reasonable expectation that the total amount of equity finance (including quasi equity) will change during the life of the Project, then the terms and conditions of any further planned equity subscription, if known, including the expected timing and amount, and whether this will be provided by the existing shareholders or by third party investors.

The Proposal shall include certified copies of the board minutes or other written evidence of approval of the contents of the Financial Proposal by each Equity Member, together with appropriate evidence of the authorization of the person/body giving the approval. Sufficient documentation must be *provided that* provides appropriate assurance that private equity will be in place, including, to the extent applicable, letters from the Equity Members evidencing their commitment to provide equity funding.

If a Financially Responsible Party or D&C Guarantor has been identified for a Proposer or Equity Member and a guarantee is required as set forth in Section 2(c)(ii) (*Financially Responsible Party Letter of Support*) of this Exhibit 3, the Proposal shall include written confirmation from the Financially Responsible Party stating that it is willing to provide a guaranty in relation to the availability of equity/quasi-equity for the Project, and that it has adequate funds available.

### **3.7 Financial Advisor Letter**

The Proposal shall include a letter from the Proposer's financial advisor (or if one has not been appointed by the Proposer as of the Proposal Due Date, by the Proposer's chief financial officer or treasurer) indicating that, as of the date of such letter, the debt funding is achievable and, together with any other sources of funding (*e.g.*, equity), is sufficient to fulfill Proposer's commitments as set out in the Proposal.

### **3.8 Schedule for Commercial Closing Date and Financial Close**

The Financial Plan shall include a schedule for completing activities and deliverables necessary to reach the Commercial Closing Date, and reach Financial Close, taking into consideration the review period for deliverables set forth in ITP Section 6.1 (*Execution*) (as to Commercial Closing Date). The schedule shall reflect Proposer's estimated date for Commercial Closing Date and Financial Close, which may not be after the last applicable deadlines set forth in ITP Section 1.7(a) (*Procurement Schedule*) (as to Commercial Closing Date) and the PPA (as to Financial Close).

### **3.9 Summary Cost Table and Financial Plan Summary Forms**

Proposer shall complete a Summary Cost Table Form (Form L-1) and include the completed forms in the Financial Proposal. Form L-1 may be appended by the Department to the PPA as part of Appendix 1 (*Development Entity's Proposal Commitments*) thereof.

Proposer shall submit its completed Form M. Table 6 of Form M must contain the Benchmark Rate(s) and Credit Spread(s) that have been pre-approved by the Department pursuant to ITP Section 5.10(c) (*Market Interest Rate Adjustment*) and ITP Section 5.10(d) (*Credit Spread Adjustment*). As part of the Financial Plan, Form M shall be appended by the Department to the PPA as part of Schedule 4 (*Benchmark Rates*), and Form L-1-1 of Form L-1, and Form L-1-3 of Form L-1 shall be appended by the Department to the PPA as part of Schedule 4 (*Benchmark Rates*) or as part of Appendix 1 (*Development Entity's Proposal Commitments*), as the Department determines in its discretion.

#### **4. FINANCIAL PRICE PROPOSAL**

Proposer shall complete Form J-1 and Form J-2.

Proposers shall submit the percentage of the Base MAP to be linked to CPI in Form J-2 in the range of 10% to 20%. The remainder of the Base MAP, in the range of 80% to 90% of the Base MAP (depending on the amount proposed to be linked to CPI), shall not be indexed.

#### **5. GENERAL PRELIMINARY FINANCIAL MODEL REQUIREMENTS**

Proposers shall submit a Preliminary Financial Model. The format of the Preliminary Financial Model is at the discretion of the Proposers, but must comply with the requirements set out in this Exhibit 3, Section 5.

##### **5.1 Preliminary Financial Model Structure and Supporting Documents**

###### **(a) Preliminary Financial Model Format Requirements**

The Preliminary Financial Model shall be compatible with Microsoft Excel Version 2003, 2007 or 2010 for Windows XP or later operating system. The file name of the Preliminary Financial Model shall clearly identify the date of the Preliminary Financial Model version (*e.g.*, Project Preliminary Financial Model\_MM-DD-YY.xls) and change with each successive version of the Preliminary Financial Model issued. Where additional Preliminary Financial Models based on the same version are issued (*i.e.*, where the additional Preliminary Financial Model is generated by changing input cells only), the file name shall reflect that the same version is being used (*e.g.*, Project Preliminary Financial Model\_MM-DD-YYb.xls).

Preliminary Financial Models shall also contain as a minimum the following on a title page in a separate worksheet:

- (i) Model name;
- (ii) Proposer's name;
- (iii) Model author;
- (iv) Version;
- (v) Date (Preliminary Financial Model date and run date);
- (vi) Key to formats (*e.g.*, blue font for inputs); and

- (vii) Key to sheet names (*i.e.*, "Inputs" for input sheets, "Calculations" for calculation sheets etc.).

Each output sheet of the Preliminary Financial Model shall identify the Preliminary Financial Model version and the date of issue.

No password protection may be included in the Preliminary Financial Model (including password protected macros, or hidden rows columns, cells or sheets). The Preliminary Financial Model shall be formatted to facilitate printing.

(b) **Preliminary Financial Model Consistency**

The Preliminary Financial Model shall have time periods across the columns and calculations down the rows and across the columns. This shall be consistent in all sheets of the Preliminary Financial Model. There are two areas where consistency is most important:

- (i) Columns — a column shall be used for the same period in each of its occurrence in model worksheets; and
- (ii) Rows — a row shall contain only one formula, copied across all columns.

(c) **Preliminary Financial Model Integrity**

All calculations shall be coded to provide exactly what they purport to represent, *i.e.*, no balancing figures. Use of a macro is acceptable provided it is appropriately documented in the model and the Assumptions Book and is functional. For purposes of clarity, the Preliminary Financial Model shall present all formulae, not simply "pasted values."

(d) **Preliminary Financial Model Linearity**

The Preliminary Financial Model shall calculate in one pass. The model shall not utilize any "add-ins" other than those provided by Microsoft.

**5.2 Preliminary Financial Model Organization**

(a) **Elements of Preliminary Financial Model**

The Preliminary Financial Model shall have three distinct elements:

- (i) Inputs — which shall include data and assumptions but no calculations;
- (ii) Calculations — individual calculations that support each line of all outputs and reports. There shall be no duplication of calculations nor shall input cells be hard-coded in calculations sheets; and
- (iii) Outputs — no input cells hard-coded in output sheets and no calculations except for simple formulae such as sums and check totals.

(b) **Preliminary Financial Model Inputs and Specifications**

Models shall be developed with reference to the following key inputs and assumptions:

- (i) Specific Project Dates — All milestone dates for the Project set in the RFP shall be met, including, but not limited to:
  - (A) Commercial Closing Deadline as provided in ITP Section 1.7(a) (*Procurement Schedule*);
  - (B) Substantial Completion of all Early Completion Bridges and Remaining Eligible Bridges by the Substantial Project Completion Deadline; and
  - (C) Construction commencement by the Construction Commencement Deadline;
- (ii) Periods — Preliminary Financial Model shall be constructed using monthly periods from Financial Close until Substantial Project Completion and quarterly or monthly periods (with roll ups to annual) from Substantial Project Completion until two years after the end of the PPA term and shall use a December 31 reporting year end;
- (iii) Revenues — All sources of revenue shall be clearly stated in the Preliminary Financial Model, with supporting detail being provided in the supporting Assumptions Book. Revenues should clearly identify the Maximum Milestone Payment and Base MAP, including a breakdown of the Base MAP components and adjustments consistent with Form J-1, Form J-2 and Schedule 8 (Payment Mechanism) of the PPA;
- (iv) Expenditure — All cost assumptions shall be clearly stated in the Preliminary Financial Model, with additional detail being provided in the supporting Assumptions Book. The level of detail in the Assumptions Book shall be sufficient to enable independent verification of individual cost assumptions. Where aggregate costs are used as an input within the Preliminary Financial Model, a detailed breakdown shall be supplied as an annex to the Assumptions Book, such that there is a transparent relationship between costs and the price of the service to the Department;
- (v) Macroeconomic assumptions — All macroeconomic assumptions used within the Preliminary Financial Model shall be clearly stated;
- (vi) Base MAP escalation — an assumption of 2.5% per annum is to be used for the portion of the Base MAP linked to CPI;
- (vii) Inflation — If inflation indices other than the CPI All items (BES Series ID: CUUR0000SA0) are used within the model (*e.g.*, to inflate wages), then these shall be clearly stated as separate inputs;
- (viii) Generally Accepted Accounting Principles (**GAAP**) — The Preliminary Financial Model shall be compliant with U.S. GAAP;
- (ix) Taxation Rates — The Preliminary Financial Model shall use the appropriate rates for tax in force at the submission date;
- (x) Tax Allowances — The Preliminary Financial Model shall clearly show the assumptions regarding tax allowances being claimed; and

- (xi) PEDFA's Issuance Fees — The Preliminary Financial Model shall include the issuance fees of the conduit issuer of the PABs, if applicable, equal to the lesser of (x) \$500,000 and (y) 0.2% of the par value of the PABs issued.

(c) **Preliminary Financial Model Outputs**

The Preliminary Financial Model shall be provided and will include:

- (i) A summary sheet which includes a sources and applications of funds statement for construction and maintenance periods, graphs of cover ratios and a profile of cash balances that confirms the financial feasibility of the Project, including all required reserves as prescribed by the Core Lender(s), and the Base MAP, as applicable, under the Preliminary Financial Model;
- (ii) Construction schedules, including (A) monthly sources and uses that include construction phase drawdown requirements, capitalized interest payable or accrued, fees payable or accrued, funding of reserves, source of capital funding for the monthly requirements, investment earnings, and (B) for each source of funding, monthly schedules showing beginning drawn and undrawn balances (funded or committed), construction draws, capitalized interest payable or accrued, fees payable or accrued, funding of reserves and ending drawn and undrawn balances;
- (iii) Financial statements (cash flow, sources and uses of funds, balance sheet and profit and loss), in nominal terms for each period;
- (iv) A schedule outlining calculation of taxes payable in each period, and showing tax carry forward and un-depreciated balances;
- (v) Cash flow waterfall in order of seniority (consistent with the lenders' requirements);
- (vi) Spreadsheet representing cash flow, to include revenues, expenses and Base MAP, showing debt and equity payouts;
- (vii) Spreadsheet providing debt coverage ratios, loan life coverage ratio and project coverage ratio. If there are multiple tiers of debt, ratios must be provided for each tier;
- (viii) Spreadsheet representing repayment schedule for each financial component, any accretion schedules with a separation of principal and interest included;
- (ix) The *nominal post-tax* internal rate of return on Equity Investment (on a Cash-on-Cash Basis) over the full Term calculated using the Financial Model, as the discount rate that, when applied to the Distributions gives a net present value equal to the net present value of the Equity Investment; provided that: (A) the phrase “post-tax” refers only to U.S. federal, state and local income tax liability of the Development Entity (or, if the Development Entity is a passthrough entity for tax purposes, its Equity Members) and specifically excludes (x) any foreign income tax and other tax of any kind, and (y) any federal, state or local withholding tax, including any tax that the Development Entity is obligated to withhold on Distributions (whether actual or constructive) or other payments or allocations to Equity Members or holders of debt of or equity interests in an Equity Member under 26 U.S.C. §§ 1441 – 1446, notwithstanding 26 U.S.C. § 1461; and (B) in calculating such rate of return, a single level of corporate income taxes for a



regularly-taxed, U.S.-organized, domestic C corporation should be taken into account (such rate of return, the **Base Case Equity IRR**);

- (x) The *post-tax* internal rate of return on Equity Investment stated in *real* terms but otherwise calculated as provided in sub-clause (ix) above;
- (xi) The *nominal* and *real* internal rates of return on Equity Investment stated on a *pre-tax* basis but otherwise calculated as provided in, respectively, sub-clauses (ix) and (x) above;
- (xii) Debt to equity ratio for all periods, including at the time of Substantial Project Completion, defined as the ratio of total debt to total equity and quasi-equity;
- (xiii) Spreadsheet showing notional principal outstanding on a combined basis and separate in each period;
- (xiv) Weighted average cost of capital (the average cost of equity and debt weighted by the prevailing proportions of debt to equity for the initial design and construction) at the project company-level over the term of the PPA;
- (xv) Net present value of construction costs, maintenance costs, public funds and revenue payment, separately and in total, discounted to the Proposal Due Date using a discount rate equivalent to the stated weighted average cost of capital. Additionally, the Base MAP will be stated in nominal amounts as well;
- (xvi) For each annual period of each loan, show all actual and average ratios required by the Core Lender's/Core Lenders' term sheets, including as a minimum, the debt service cover ratio, loan life cover ratio (being the net present value of future net cash flow available to service debt over the loan life including cash balances but excluding the balance of the lifecycle maintenance reserve, divided by the senior debt outstanding);
- (xvii) Appropriate reserves as required by the funder's term sheets, which may include a debt service reserve account and a maintenance reserve account. The Department will expect the Preliminary Financial Model to incorporate the benefit of interest earned on all project company cash balances;
- (xviii) If a refinancing is assumed, any cashflows associated with such refinancing; and
- (xix) The impact of all claims for tax allowances made by the project company.

(d) **Preliminary Financial Model Functionality and Sensitivity Analysis**

The Preliminary Financial Model is to provide the ability to run pre-Financial Close sensitivities to absolute or percentage changes, whichever is appropriate, in each of the following areas:

- (i) Deductions to revenue;
- (ii) Inflation rates;
- (iii) Interest rates;

- (iv) Capital costs; and
- (v) Maintenance cost and rehabilitation costs.

Proposers are to provide the results of each of the following sensitivity analyses derived from the Preliminary Financial Model as part of their Financial Proposal:

- (A) **Scenario #1**
  - Set inflation to 1% above CPI for O&M Costs
  - Increase Lifecycle Costs by 10%
  - Reduce Availability Payments by 0.5% in each period
- (B) **Scenario #2**
  - Starting from Scenario #1, increase O&M Costs until LLCR reaches 1.00x
- (C) **Scenario #3**
  - Starting from Scenario #1, increase CPI until LLCR reaches 1.00x

The methodology for running such sensitivities shall be clearly defined in the model instructions guide submitted as part of the Proposal.

### 5.3 Preliminary Financial Model Assumptions Book

Proposers shall submit an Assumptions Book describing fully all the assumptions underlying the financial projections within the Preliminary Financial Model and at a minimum include the items listed below:

- Dates as listed in the RFP documents;
- Assumptions relating to general inflation and, where different, specific inflation relating to each component of expenditure, including construction costs and revenue for each year;
- Forecast capital expenditure, presented in prices at the Proposal Price Date and classified in accordance with the construction cost categories outlined in the Summary Cost Table Form (Form L-1) and Financial Plan Summary (Form M);
- Tax and GAAP depreciation assumptions — split between the various categories of fixed asset;
- Maintenance costs, presented in prices at the Proposal Price Date analyzed in the categories outlined in the Summary Cost Table Form (Form L-1) and Financial Plan Summary (Form M); and
- All financing assumptions, including but not limited to drawdowns, capital repayment moratoria, repayment schedules and maturity, refinancing assumptions and gains, interest rates and margin, and arrangement and other fees (all must be referenced to the relevant credit provider term sheet).

Any third-party reports developed to support the revenue and cost estimates used in developing the financial offer shall be appended to the Assumptions Books.

#### **5.4 Preliminary Financial Model Instructions Guide**

Proposers shall provide details of how the Preliminary Financial Model operates.

The instructions shall include step-by-step instructions on the procedure to run and to optimize the Preliminary Financial Model, including any constraints imposed by the credit providers on results of downside sensitivities. The instructions shall also explain how to print the model.

#### **6. UNIT PRICE INFORMATION**

Proposers shall also provide Form L-2 (*Unit Price Information*) populated with the information described therein (the **Unit Price Information**).

#### **7. INDEPENDENT INSURANCE BROKER/CONSULTANT LETTER**

Proposer shall submit an executed letter in the form of Form T (with such modifications as shall be necessary to complete missing information or conform to the internal policies and procedures of such consultant or broker) from its independent insurance consultant or broker.

#### **8. VERIFICATION**

Each Proposer shall satisfy itself as to the revenues, payments, costs and tax consequences of entering into a PPA and becoming the Development Entity. The Department makes no representations or warranties, express or implied, and assumes no liability whatsoever, with respect to revenues, payments, costs or the consequences of federal, state, local or other income tax treatment of Development Entity under the PPA.

For the avoidance of doubt, the Financial Proposal shall include each of the forms specified in Section 2 of Exhibit 5 (*Financial Proposal Components*) in the order prescribed therein, each fully completed, executed, and/or acknowledged as required therein or herein.

**EXHIBIT 4**  
**REQUIRED FORMS**

Form A	Proposal Letter
Form B-1	Identification of Proposer and Equity Members
Form B-2	Information About Proposer Organization
Form B-3	Information About Major Participants and Identified Contractors
Form C	Responsible Proposer and Major Participant Questionnaire
Form D	Industrial Safety Record for Equity Members and Major Participants
Form E	Personnel Work Assignment Form and Commitment of Availability
Form F	Non-Collusion Affidavit
Form G	Buy America Certification
Form H	DBE Pledge
Form I	Conflict of Interest Disclosure Statement
Form J-1	Financial Price Proposal Form–Milestone & Availability Payments
Form J-2	Financial Price Proposal Form–Present Value Calculation
Form K-1	Form of Proposal Security (Proposal Letter of Credit)
Form K-2	Form of Proposal Security (Proposal Demand Guarantee)
Form L-1	Summary Cost Table Form
Form L-2	Unit Price Information
Form M	Financial Plan Summary
Form N	Equal Employment Opportunity Certification
Form O	Use of Contract Funds for Lobbying Certification
Form P	Debarment and Suspension Certification
Form Q	Form of Waiver and Release Re: Stipend
Form R	RFP Comment Form
Form S	Form of Stipend Agreement
Form T	Independent Insurance Broker/Consultant Letter

(see attached)

## EXHIBIT 5

## SUMMARY AND ORDER OF PROPOSAL CONTENTS

<b>Section 1 - Technical Proposal Components</b>		
Proposers shall follow the order of this Technical Checklist in their submissions. A referenced copy of this document shall be submitted with the Technical Proposal.		
<b>Technical Proposal Component</b>	<b>Form (if any)</b>	<b>ITP Section Cross-Reference</b>
<b>A. Executive Summary</b>		
Executive Summary ( <b>Exclude price information</b> )	No forms are provided	Exhibit 2, Section 3.1
<b>B. Proposer Information, Certifications and Documents</b>		
Proposal Letter	Form A	Exhibit 2, Section 3.2(a)
Stipend Agreement [ <i>If submitting with Proposal</i> ]	Form S	Form A
Authorization Documents	No forms are provided	Exhibit 2, Section 3.2(a)
Identification of Proposer and Equity Members	Form B-1	Exhibit 2, Section 3.2(b)
Information About Proposer Organization	Form B-2	Exhibit 2, Section 3.2(b)
Information About Major Participants and Identified Contractors	Form B-3	Exhibit 2, Section 3.2(b)
Letter accepting joint and several liability, if applicable	No forms are provided	Exhibit 2, Section 3.2(b)
Responsible Proposer and Major Participant Questionnaire	Form C	Exhibit 2, Section 3.2(c)
Industrial Safety Record for Proposer and Major Participants	Form D (as applicable)	Exhibit 2, Section 3.2(d)
Personnel Work Assignment Form and Commitment of Availability	Form E	Exhibit 2, Section 3.2(e)
Letter(s) Regarding Pre-Proposal Submittals	No forms are provided	Exhibit 2, Section 3.2(f)

Non-Collusion Affidavit	Form F	Exhibit 2, Section 3.2(g)
Buy America Certification	Form G	Exhibit 2, Section 3.2(h)
DBE Pledge	Form H No forms are provided for the DBE Performance Plan or Job Training Plan	Exhibit 2, Section 3.2(i)
Conflict of Interest Disclosure Statement	Form I	Exhibit 2, Section 3.2(j)
Equal Opportunity Employment Certification	Form N	Exhibit 2, Section 3.2(k)
Lobbying Certification	Form O	Exhibit 2, Section 3.2(l)
Debarment and Suspension Certification	Form P	Exhibit 2, Section 3.2(m)
Insurance	No forms are provided	Exhibit 2, Section 3.2(n)
Confidential Contents Index	No forms are provided	Exhibit 2, Section 3.2(o)
<b>C. Volume 1 Appendices</b>		
Copies of Organizational Documents	No forms are provided	Exhibit 2, Section 3.2(b)
Proposer Teaming PPA or Key Terms	No forms are provided	Exhibit 2, Section 3.2(b)
Executed Contracts or Term Sheets/Heads of Terms	No forms are provided	Exhibit 2, Section 3.2(b)
<b>D. Proposal Security</b>		
Proposal Letter of Credit	Form K-1	Exhibit 2, Section 3.3
Proposal Demand Guarantee	Form K-2	Exhibit 2, Section 3.3
<b>F. Preliminary Performance Plans and Design-Build Technical Solutions</b>		
Preliminary Project Management Plan	No forms are provided	Exhibit 2, Section 4.1
Preliminary Quality Management Plan	No forms are provided	Exhibit 2, Section 4.2
Preliminary Maintenance Management Plan	No forms are provided	Exhibit 2, Section 4.3
Preliminary Transportation Management Plan	No forms are provided	Exhibit 2, Section 4.4

Preliminary Safety Plan	No forms are provided	Exhibit 2, Section 4.5
Preliminary Public Information and Communications Plan	No forms are provided	Exhibit 2, Section 4.6
Design-Build Technical Solutions	No forms are provided	Exhibit 2, Section 4.7
<b>G. Volume 2 Appendices</b>		
Key Personnel Resumes	No forms are provided	Exhibit 2, Section 3.2(e)
Technical Drawings, Graphs and Data	No forms are provided	Exhibit 2, Section 4.2

<b>Section 2 - Financial Proposal Components</b>			
Proposers shall follow the order of this Financial Checklist in their submissions. A referenced copy of this document shall be submitted with the Financial Proposal.			
	<b>Financial Proposal Component</b>	<b>Location of information within submission documentation</b>	
		<b>Document Reference</b>	<b>Preliminary Financial Model Sheet Reference</b>
<b>A</b>	<b>Updated financial information</b> Proposer must provide the corporate and financial information identified in Section 2 of Exhibit 3, for the Proposer and Equity Members		
<b>A1</b>	Audited fiscal financial statements for all periods subsequent to SOQ and unaudited interim financial statements (Exhibit 3, Section 2)		
<b>A2</b>	Financially Responsible Party letters of support (as required) (Exhibit 3, Section 2)		
<b>A3</b>	For publicly held companies, most recent SEC 10-K and 10-Q reports and any 8-Ks filed since the SOQs (Exhibit 3, Section 2)		
<b>A4</b>	Credit Ratings (Exhibit 3, Section 2)		

<b>A5</b>	Letter regarding material change in financial condition since submission of the SOQ and for next reporting period (Exhibit 3, Section 2)		
<b>A6</b>	Letter disclosing all material off balance sheet liabilities (Exhibit 3, Section 2)		
<b>B</b>	<b>Financial Plan</b> (Exhibit 3, Section 3)		
<b>B1</b>	Financial Plan Executive Summary (Exhibit 3, Section 3.1)		
<b>B2</b>	Identity of Persons Providing Certain Security (Exhibit 3, Section 3.2)		
<b>B3</b>	Range of Financing Sources (Exhibit 3, Section 3.3)		
<b>B4</b>	Additional Information (Exhibit 3, Section 3.4)		
<b>B5</b>	Details for Core Lender(s) and Lead Underwriter(s) Commitment Letters (Exhibit 3, Section 3.5)		
<b>B6</b>	Details of Equity Source and letters from Equity Members (Exhibit 3, Section 3.6)		
<b>B7</b>	Financial Advisor letter (Exhibit 3, Section 3.7)		
<b>B8</b>	Schedule for Commercial and Financial Close (Exhibit 3, Section 3.8)		
<b>B9</b>	Summary Cost Table and Financial Plan Summary Forms ( <b>Forms L-1, and M</b> ), Exhibit 3, Section 3.9)		
<b>C1</b>	<b>Financial Price Proposal — Milestone &amp; Availability Payments</b> (as shown in the Financial Model as of the Commercial Closing Date)		



	<b>(Form J-1)</b> (Exhibit 3, Section 4)		
<b>C2</b>	<b>Financial Price Proposal — Present Value Calculation (Form J-2)</b> (Exhibit 3, Section 4)		
<b>D</b>	<b>Preliminary Financial Model</b> (Exhibit 3, Section 5)		
<b>D1</b>	Preliminary Financial Model (Exhibit 3, Section 5.1 to 5.2)		
<b>D2</b>	Preliminary Financial Model Assumptions Book (Exhibit 3, Section 5.3)		
<b>D3</b>	Instructions on operations of the Preliminary Financial Model (Exhibit 3, Section 5.4)		
<b>E</b>	<b>Unit Price Information (Form L-2)</b> (Exhibit 3, Section 6)		
<b>F</b>	<b>Independent Insurance Broker/Consultant Letter (Form T)</b> (Exhibit 3, Section 7)		