

**OPERATION, MAINTENANCE AND MANAGEMENT OF  
THE MUNICIPALITY'S WATER AND WASTEWATER TREATMENT FACILITIES AND  
ASSOCIATED UTILITY INFRASTRUCTURE**

**REQUEST FOR PROPOSAL 002-2019**



THE CORPORATION OF THE TOWNSHIP OF SCHREIBER  
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**OPERATION, MAINTENANCE AND MANAGEMENT SERVICES REQUEST FOR PROPOSAL  
WATER AND WASTEWATER TREATMENT FACILITIES IN THE TOWNSHIP OF  
SCHREIBER**

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# **WATER & WASTE WATER TREATMENT PROPOSALS TERMS OF REFERENCE**

## **1.0 BACKGROUND**

### **1.1 General**

The Township of Schreiber is located on the North Shore of Lake Superior, 200 kilometres east of Thunder Bay. A variety of industrial, commercial and institutional uses exist throughout the Municipality.

Municipal water and wastewater facilities are present in the urban sectors of the community. There are no municipal water and wastewater facilities in the rural sectors.

Schreiber has its own independent municipal water supply system and wastewater collection network. The wastewater collected is treated at the secondary treatment plant.

The basic objective of the Municipality in issuing this Request for Proposal (RFP) is to encourage a competition among pre-selected firms to determine the most cost effective manner of providing for the operation, maintenance and management of the water and wastewater treatment facilities located in and owned by the Municipality. Cost is an important factor in this competition but it will not be the sole determining factor. The Municipality is seeking the most advantageous overall approach to providing for the reliable operations, maintenance and management of the Municipal facilities whose proper operation, maintenance and management is critical in the health, safety and welfare of the citizens of Schreiber.

The Municipality intends to negotiate an operation, maintenance and management services agreement (Services Agreement) with the Preferred Proponent for an initial five (5) year with an option for further five (5) year terms at the Municipality's discretion.

The Municipality is strongly committed to an equitable competition among the bidding firms and will make every effort to ensure that the requirements, as well as the information made available, are consistent, accurate and unbiased.

### **1.2 Works Included**

The works to be included in the proposed contract consist of the following:

#### **Overview of Water Treatment and Wastewater Treatment Plants, Distribution and Collection Systems, and Raw Water Source**

The Schreiber distribution system has approximately 763 (670 active) residential service connections serving a population of approximately 1056 people. The distribution system was built in the early 1980's, with a further subdivision added in 1985. The system is comprised of approximately 16 kilometres of various sized piping consisting of cement-lined, ductile iron. There are 103 fire hydrants located throughout the distribution system and fourteen dead ends. Due to the steep incline of Winnipeg Street, there is a pressure reducing chamber at the intersection of Bayview and Winnipeg Street. Breaks in the distribution system are infrequent.

Four of the dead ends in the distribution system have bleeder lines. The lines on Galena St, Walker Lake Road and Hill St. are connected to the sanitary sewer. The bleeder line at the end of Isbester's Drive discharges to a wooded area, as there is no sanitary sewer located nearby.

Raw water flows by gravity into the chlorination building, then to the main plant building for filtration. The system will be equipped with an elevated reservoir commencing June 2019. Currently treated water flows directly from the filters to the distribution system.

The water is chlorinated in a separate chlorination building, using chlorine gas injected into the raw water piping prior to entering the water treatment plant building, located several metres away. The chlorinator provides dosages based on the raw water flow with the operators making adjustments based on chlorine residuals measured through the use of a "contact loop" (a coiled tube located in the chlorination building) representative of the point in the distribution system where CT-value is achieved. A booster pump ensures that flow is maintained to the injector. This pump runs during periods of high flow and delivers treated water to the injector. Water from the distribution system is used in the chlorinator (as a back-up, raw water can be used for this purpose). The duty chlorinator has automatic switchover from one tank to another.

There are five pressure filters, with a design filtration rate of 0.49 to 3.3 L/s/m<sup>2</sup>. The filter media consists of an upper layer of 400 mm of anthracite and 380 mm of sand in the lower layer. The filter media was replaced with new material in early 2007 and PASS 10 (formerly designated by the manufacturer as PASS 100) is added continuously to aid in filtration. Soda ash is added to achieve a target pH of 7 on an operator adjusted basis, prior to water entering the distribution system. The source water for the Township is Cooks Lake. The lake is located north of Schreiber and has an elevation of approximately 18.4 metres above the town site. The dam intake structure is located approximately 1.0 km north of the water treatment plant. Coarse screening through 20 mm openings is provided at the dam. Water then flows through a 500 mm pipe into the first compartment of the valve chamber. A fine screen with 6.4 mm openings is located prior to the second compartment, which then directs flow to the raw water transmission main. Water flows by gravity to the chlorination building at the water treatment facility.

The Township is currently constructing an elevated reservoir. The Township will be solely responsible for its design, construction and financing. Construction is scheduled to be complete by June 30, 2019. Proponents should address their anticipated role in the project and any financial implications it may have on the operation.

Township of Schreiber Wastewater Treatment Plant has a capacity of 1300 m<sup>3</sup>/day to service the Township. It is an extended aeration system with two (2) cells Sludge-bagging/thickening system with the effluent to Cooks Creek.

The facility is designed, constructed and operated to an average daily flow of 1300 m<sup>3</sup>/day with a maximum peak hydraulic capacity of 4500 m<sup>3</sup>/day. The facility is comprised of inlet works consisting of comminutor, grit removal channels, emergency bypass and a flow meter (see attached performance assessment report). The facility is operated as an extended aeration plant with fine bubble diffusers.

Three air blowers are available to provide the air necessary for enhanced biological activity and keeping solids in suspension. Aeration is followed by concentric clarifiers with scum collection mechanism and return activated sludge (RAS). Sludge digestion is carried out in two tanks, with digestion sludge being dewatered via a bagging system. The dewatered sludge is then hauled to the local municipal landfill.

The sewage effluent is disinfected on a seasonal basis (May 01" - October 31") with gaseous chlorine.

The effluent flow is measured using the Parshall Flume, is a specially shaped open channel flow section which may be installed in a canal, lateral or ditch to measure the flow rate.

### **1.3 Information Dossier**

The Municipality has not compiled a detailed dossier of information of the facilities. Specific information, related to any of the facilities, in the possession of the Municipality, may be provided upon request, to assist Proponents with the preparation of the proposal. DWQMS documents containing more detailed information are available on our website.

### **1.4 Mandatory Site Visit**

A mandatory site visit and tour of the facilities has been arranged for April 16, 2019 commencing at 10:00 a.m. in Council Chambers (204 Alberta St.). The information session will be followed by a tour of the facilities.

### **1.5 Secondary Site Visit**

Any proponent may, at their own volition and expense, attend any of the facilities to be managed as part of the potential contract.

Proponents may perform Secondary Site Visits on regular business days during the period of April 16 to May 30, 2019 between the hours of 8:30 a.m. – 3:00 p.m.

Arrangements to schedule a Secondary Site Visit are to be made through email or written request to :

M. Gordon (Red) Fairservice, Director of Operations  
Township of Schreiber  
P.O. Box 40  
Schreiber, Ontario P0T 2S0  
[director@schreiber.ca](mailto:director@schreiber.ca)

The request is to outline the date of the visit, time of arrival and site(s) to be visited.

The municipality will make all efforts necessary to accommodate any and all requests, but will not be held liable for any requests it cannot satisfy.

## **2.0 OVERVIEW OF PROCESS AND PROPOSALS**

### **2.1 Evaluation Team**

All proposals submitted in response to this RFP will be reviewed and evaluated by an Evaluation Team which may consist of members of the Municipal Council and Staff. Engineering consultants and legal advisors may also be utilized for respective expertise/technical support. The proposal review and evaluation process is described later in this RFP. Evaluation results will be the property of the Municipality. The Municipality does not intend to disclose details of the evaluation results under any circumstances.

### **2.2 Conditions**

All proposals submitted must strictly adhere to the conditions and format outlined and described in this RFP as the failure by the Proponent to comply, as indicated, may be grounds to dismiss a particular proposal from further consideration.

### **2.3 Base Proposal**

Each responding Proponent must submit one Base Proposal and may submit any number of

Alternative Proposals.

## **2.4 Conforming**

All proposals, in their entirety, must conform to this Request for Proposals and the final operations, maintenance and management service agreement and their schedules.

## **2.5 Alternative Proposals**

Proponents who elect to provide (along with their Base Proposal) Alternative Proposals may wish to vary the technical approach or the contractual terms and conditions reflected in the Base Proposal. Proponents should incorporate, in such Alternative Proposals, those aspects that can be demonstrated as being beneficial to the Municipality, while keeping the Base Proposal entirely consistent with the terms and conditions of the RFP.

## **3.0 PROPRIETARY PROPOSALS**

If any portion of the proposal contains or involves any propriety right(s), the Proponent must clearly identify any and all such portions of the proposal and set forth in an Appendix to the proposal, the complete basis for the Proponent's assertion of such proprietary rights, including but not limited to, identifying the person and/or entity who owns such rights.

## **4.0 MUNICIPAL RIGHTS AND DISCLAIMERS**

### **4.1 Municipal Rights**

The Municipality, in its sole discretion, reserves the following rights:

- to reject any or all responses, proposals or information received pursuant to this RFP;
- to cancel this RFP with or without the substitution of another RFP;
- to issue additional requests for information or for proposals;
- to take any action affecting the RFP, the RFP process or the services or facilities subject to this RFP that would be in the best interests of the Municipality;
- to consider any alternative approach or proposal that meets the basic needs of the Municipality;
- to require one or more Proponents to supplement, clarify or provide additional information in order for the Municipality to evaluate any proposal submitted;
- to waive any defect or technicality in any proposal received;
- to require that all submissions made pursuant to this RFP shall be in accordance with the laws of the Province of Ontario and Canada applicable thereto;
- the Municipality is under no obligation to confirm whether any Proponent's submissions are complete or to request a Proponent to provide additional detail or clarification of any material provided pursuant to this RFP process;
- to negotiate with the Preferred Proponent, the final terms and conditions of the draft Services Agreement.

### **4.2 Withdrawal of RFP**

If this RFP process is withdrawn or cancelled by the Municipality at any time, the Municipality shall not be liable for any Proponent's costs, losses, damages, or expenses incurred in the preparation and submission of a response to this RFP.

### **4.3 Municipal Due Diligence**

The Municipality retains the right throughout the RFP process to conduct all due diligence that may be necessary to confirm the representations made by Proponent in a submission in response to this

RFP. The Municipality makes no warranties as to the accuracy of the information provided to Proponents at any time during the conduct of the RFP.

#### **4.4 Modification of Scope of Service**

The Municipality does not intend to modify the project described herein or the scope of the services to be provided by the Preferred Proponent. Notwithstanding this intention, the Municipality reserves the right to modify, amend, substitute or supplement any part of this RFP at any time upon notice in writing to the Proponents. The Municipality will provide Proponents with sufficient time to respond to such modifications including, without limitation, the opportunity to make necessary revisions to their respective submissions.

#### **4.5 Proponent Expenses**

The Municipality will not be responsible for any expense incurred by any Proponent in preparing or submitting a submission in response to this RFP or in providing any additional information necessary for the evaluation of the submissions made under this RFP. In submitting a response to this RFP, the Proponent waives any right of action or claim against the Municipality and its employees, advisors and consultants.

#### **4.6 Engineering and Legal Council**

The Municipality may retain, at its discretion, the services of an engineering firm as well as a legal firm to assist with the review and evaluation of all the Proposals submitted in response to this RFP.

### **5.0 PUBLIC DISCLOSURE**

The public disclosure of the contents of a proposal submitted in response to this RFP is governed by the regulations as outlined in the Municipal Freedom of Information and Protection of Privacy Act in the Province of Ontario.

### **6.0 ACCESS TO DATA**

#### **6.1 Providing Access**

To assist Proponents in preparing proposals, the Municipality will provide them with access to certain information with respect to the water and wastewater systems during regular office hours and as outlined in Section 8.0.

#### **6.2 Property of Municipality**

All requirements, designs, documentation, plans and other information obtained from the Municipality by the Proponents in connection with this request for proposals are the property of the Municipality and must be treated as confidential and not used for any other purpose than replying to this RFP and the fulfilment of any subsequent contract. Upon request of the Municipality, all such designs, documents, plans and information, including any photocopies, shall be returned to the Municipality. All material and information, prepared, conceived of or produced and delivered in the performance of the submission by the Proponents and delivered to the Municipality shall be the sole property of the Municipality. While the Municipality will endeavour to provide the requested information to the Proponents, at the Municipality's sole discretion, the Municipality does not represent and warrant that all information relevant to this RFP has been identified or disclosed.

### **7.0 NO LOBBYING AND SINGLE POINT CONTACT**

Questions regarding this process are to be in writing via email and are to be directed to both of the following individuals:

M. Gordon Fairservice  
Director of Operations  
[director@schreiber.ca](mailto:director@schreiber.ca)

Don McArthur  
CAO/Clerk  
[cao@schreiber.ca](mailto:cao@schreiber.ca)

Questions will be responded to in writing and distributed to all proponents. Lobbying or contact with other Township of Schreiber staff, officials or advisers, including Councillors' about this RFP is prohibited and can be considered grounds for disqualification from the process.

## **8.0 SCHEDULE OF EVENTS**

The schedule of events for the RFP and associated deadlines is as follows:

|  |                          |
|--|--------------------------|
| Circulation of RFP to pre-selected contractors | April 1, 2019            |
| Pre-submission site meeting                    | April 16, 2019           |
| Submission of Round # 1 Questions              | May 1, 2019              |
| Addenda/answers to Round # 1 Questions         | May 10, 2019             |
| Secondary Site Visit (as required)             | April 25 –May 30, 2019   |
| Proposal submission date                       | May 31, 2019             |
| Proposal Review Period                         | June 1 – August 31, 2019 |
| Contract recommendation to Council             | September 10, 2019       |
| Execution of agreement                         | October 1, 2019          |
| Transition Period begins                       | Dec 2, 2019              |
| Contract starts                                | January 1, 2020          |

## **9.0 PROJECT OBJECTIVES**

### **9.1 General**

The following represent, in no particular order, the Municipality's objective in pursuing a public- private partnership in delivering the water and wastewater services. In preparing responses to the RFP, Proponents should ensure that their proposals address and meet the Municipality's objectives as described herein.

### **9.2 Effective Management**

The Municipality requires a level of service that is at least commensurate with that currently provided and which complies with all applicable provincial legislation and regulations in effect at the time of RFP submission, and as amended from time to time. It is intended that the Preferred Proponent will demonstrate its ability to exceed these minimum expectations, enhance the performance of the facilities, demonstrate efficiency and reduce costs while delivering the services in the manner suggested in this RFP. It is also intended that this level of service would be maintained throughout the term of the Services Agreement and through any transition period to any future provider of the services. The Preferred Proponent will assume responsibilities for the position of Overall Responsible Operator for the water facilities as detailed in O. Reg. 128/04 (as amended to 256/05) Sec 22 & 23.

### **9.3 Control and Accountability**

The Municipality will retain the user rate-setting function in any proposed partnership relating to the services. The Municipality will expect the contractor to employ systems that provide complete and comprehensive financial and operating details for the operation and maintenance activities related to plant functions. The Municipality will require immediate and complete access to all available information relating to the facilities as well as regular reporting and input into material decisions relating to the facilities. It is intended that the Preferred Proponent will recognize their role as a full partner in the servicing of the Municipality's residents and address itself to meeting the information needs of the Municipality and public in connection with providing the services.

#### **9.4 Cost of Services (Innovation and Improvement)**

The Municipality is seeking the best value for each dollar expended in connection with the delivery of the services. It is anticipated the Proponent will have the initiative and ability to optimize the Plant's operating costs. The Proponent should take an active role in highlighting innovative strategies to the Municipality for enhancing performance and reducing the overall costs of the Plant operation without impacting health and safety or acceptable operating standards.

#### **9.5 Capital Improvements**

The Municipality expects that the Preferred Proponent will propose capital projects and introduce innovations to the facilities, subject in each case, for the Municipality's consent. The Proponent will identify capital projects that will serve to optimize plant operation and preserve the Municipality's assets. The Municipality will retain the right to make capital improvements to the facilities of its own initiative and at its sole discretion during the term of the Services Agreement. The Municipality will at no time during the term of the Services Agreement be under any obligation to make such improvements.

For small projects, the expectation is they will be entirely managed by the Proponent. Major capital works should also be managed by the Proponent, but with significant input of the Municipality. The Proponent will be required to assist the Municipality, their Consultant, and their Contractor in capital upgrading of the Plant by providing advice from an operational, maintenance, and practical operating perspective. However, any and all capital projects shall be subject to the approval of the Municipality.

#### **9.6 Asset Protection**

The successful Proponent will be a steward of the facilities on the Municipality's and its resident's behalf and will accept, preserve and return the facilities in accordance with the terms of the Services Agreement between it and the Municipality. At a minimum, it is intended that the facilities will be maintained to an acceptable standard of care and will be returned to the Municipality in as good or better condition than their condition at the start of the Service Agreement, normal wear and tear excepted.

The Municipality will expect the Proponent to employ a computerized maintenance management system to control and document all maintenance activities such as; preventative, scheduled and emergency maintenance.

#### **9.7 Compliance Responsibility**

The successful Proponent must ensure complete and timely compliance with all applicable legislation and directives from the Ministry of the Environment (MOE) and all other governing Ministries and agencies as amended from time to time.

The successful Proponent shall, as part of the Base Proposal, provide proof accreditation as the operating authority for a municipal drinking water system based on Ontario Regulation 188/07 – Licensing of Municipal Drinking-Water Systems Regulation (DWQMS) adopted under the Safe

Drinking Water Act, 2002. The Proponent will be required to implement its own QMS.

## **9.8 Liability**

The Municipality is seeking the optimum balance of risk and benefit throughout the term of its contractual relationship with the successful Proponent.

## **9.9 Future Expansion**

The Municipality anticipates limited population growth in the community served by the facilities during the initial term of the Service Agreement. The Proponent must, however, include in their proposal, a method to acknowledge any significant increase or decrease in treatment requirements, through the term of the Services Agreement.

## **10.0 SCOPE OF SERVICES**

### **10.1 General**

The services include the operation, routine maintenance and management, including asset protection of the facilities. The description of the services in this RFP is for general purposes only and does not necessarily reflect the entire scope of the services to be provided by the Preferred Proponent.

Proponents should nevertheless address these general descriptions in their response to this RFP. Capital improvements may be funded wholly by the Municipality, wholly by the Proponent, or pursuant to some other financing structure to be agreed by the Municipality and the Proponent. The Municipality will have final approval for any capital projects proposed by the Preferred Proponent during the term of the Service Agreement.

The Municipality does not intend to transfer any of the facilities at this time. All property, capital improvements, trademarks, manuals, software and all documents and records required to operate the facilities shall belong to the Municipality. It is intended that, where applicable, the Proponent shall provide the Municipality with a license to use any software, design, or process to be used at any of the facilities.

### **10.2 The Municipality's Role**

The Director of Operations will manage the water and wastewater operations and maintenance contract and be the project manager for capital projects undertaken by the municipality. The Director (or his designate) will provide daily contact between the municipality and the Proponent.

It is expected that the Business, Operations and Maintenance Plans required below will reflect the Municipality's role in the following manner:

- provision for up-to-date monitoring and reporting of operations including, without limitation, ensuring asset maintenance, technological currency, customer concerns resolution and compliance with the terms of the Services Agreement;
- provision for review of budgets, expenditures, and updated business planning;
- provision for review of annual fees if applicable;
- provision for Municipality's approval of capital projects and other innovations; and
- approval of maintenance items over a certain minimum dollar limit.

### **10.3 General Description of Services**

The successful Proponent will use trained and certified operators to properly operate and maintain the wastewater treatment and water supply systems so as to:

- comply with all applicable Certificates of Approval and other relevant government and agency regulations and standards;
- provide insurance coverage for all facilities and Proponent owned vehicles;
- have in place adequate contingency and emergency plans acceptable to the Municipality and a Workplace Safety Program that meets provincial standards;
- Properly handle and dispose of treatment process residuals including Biosolids management;
- Properly handle and dispose of all debris and materials that may accumulate from time to time in grit channels and other operating areas of the facilities.
- deliver frequent and detailed reports, to the Municipality, that demonstrate compliance and support all future planning;
- manage all human resource functions such as payroll, recruitment, termination and employee relations;
- provide for 24-hour 7-day per week coverage at the facilities. Provide details as to how 24/7 coverage will be accomplished and when overtime provisions will be invoked; and
- provide distribution sampling requirements in accordance to regulations and standards.

All of the above shall be done in a manner that gives the Municipality confidence in the operation and future of the facilities and ensures appropriate interaction with regulatory bodies and customers of the systems.

Some specific details are as follows:

### **10.3.1 Capital Improvements**

The successful Proponent will record information on the frequency of equipment breakdown and repair costs to determine replacements needs. Parts of the facilities requiring upgrading or improvement will be identified and brought to the attention of the Municipality.

### **10.3.2 Optimization and Compliance of Operation**

The successful Proponent will, as part of their daily operations regime, continually investigate and implement measures to improve the effectiveness and efficiency of all facilities.

### **10.3.3 Reporting**

The successful Proponent will be responsible for providing, at a minimum, formal quarterly, or as regulated by the Ministry, performance reports to the Municipality by the end of the month following each quarter.

The formal reports will identify, as a minimum, the following criteria:

#### For wastewater:

- flows (average, maximums);
- volumes (treated, by-passed);
- loadings and concentrations (raw and treated);
- facility and equipment repair and maintenance details;
- related sewer blockage and backups;
- complaints and other public inquiries received and action taken;
- regulatory issues - inspections, orders, reports filed with regulators;
- health and safety issues; and
- status of capital projects.

#### For water:

- flows (average, maximums);
- volumes (treated, by-passed);
- raw and treated water quality, distribution sample results;
- facility and equipment repair and maintenance details;
- related watermain breaks;
- complaints and other public inquiries received and action taken;
- regulatory issues - inspections, orders, reports filed with regulators;
- adverse water quality responses;
- health and safety issues; and
- status of capital projects.

It is expected that the Proponent will have periodic (approx. third week of each month) face to face meetings with Municipal Staff to discuss operational and maintenance activities.

Other parameters may be added from time to time by the Municipality or successful Proponent.

The Municipality expects to have immediate and complete read only access to any SCADA system the Proponent uses, as well as operations and maintenance databases, via an on-line terminal.

#### **10.3.4 Regulatory Matters**

The successful Proponent will handle day-to-day regulatory requirements and contacts with regulatory authorities in respect of operating issues concerning the facilities. The Proponent will review any inspection reports prepared by regulatory authorities that are provided to the Proponent or the Municipality. Subject to any approvals of the Municipality, the Proponent will either correct all deficiencies identified in such inspection reports or negotiate changes with the regulatory authorities.

#### **10.3.5 Operational and Maintenance Duties**

The successful Proponent will perform regularly scheduled inspections and carry out associated operational and maintenance duties at the facility, including all related equipment, buildings and property to ensure that the facility is operated and maintained efficiently and effectively.

### **11.0 PROPOSAL FORMAT**

#### **11.1 Structure of Response**

Proponents are required to submit the following documents in response to this RFP:

- Covering letter;
- Business plan;
- Operations plan;
- Maintenance plan;
- Transition plan; and
- Price proposal (to be submitted in a separate sealed envelope).

Submissions must be signed and sealed by an authorized representative of the Proponent.

The Proponent shall disclose a full relationship, if any, between any Council person or other officer, employee or person who is employed by or on contract or otherwise compensated by the Township of Schreiber if any such person has or had any direct or indirect personal interest in the Proponent within the current calendar year.

It is essential that the Proponent has the capabilities, within their own corporate structure to operate and maintain both water and waste water facilities.

## **11.2 Covering Letter**

The covering letter shall confirm the Proponent's contact person as well as its address, e-mail address, telephone and facsimile numbers. The covering letter shall also contain a clear statement that the response constitutes a firm and binding offer to the Municipality, which shall remain effective until December 31, 2019. Note: The Proponent information is to be submitted for the Proponent and not its parent company, joint venture partners or other corporate affiliate.

## **11.3 Business, Operations, Maintenance and Transition Plans**

As indicated above, the Municipality intends to negotiate an agreement with an initial five (5) year term with a potential five (5) year renewal option that may be exercised at the Municipality's sole discretion. After forty-eight (48) months (12 months prior to expiry) of the initial term, the Municipality and Proponent will review the success of the contract with a view of whether either or both wish to continue or terminate the arrangement at the end of the first term.

With this time frame in mind, the Municipality requires each Proponent to develop and submit Business, Operations and Maintenance Plans ("Plans") for at least a five (5) year period following the Preferred Proponent's assumption of the duty to provide the services on the Municipality's behalf. It is expected that the first year of the Plans will be detailed with the second and subsequent years containing less detail. The Municipality will expect the Proponent to review and update (as required) these Plans on an annual basis and the Plans may form part of the Services Agreement between the Municipality and the Proponent.

The Plans portion should generally outline the objectives of each Proponent in delivering the services as well as the strategies for meeting these and the Municipality's objectives within the appropriate time frame. The Plans should also address the Proponent's proposals for providing the residents of the Municipality with the best value as regards the provision of the services.

Specifically, the Plans should address the items set out below. The items are listed in no particular order and Proponents should feel free to organize this aspect of the response in any manner they see fit.

## **11.4 Business Plan**

### **11.4.1 Objectives**

Specifically, describe the objectives of the Proponent during the first term (and beyond, if relevant) of the Services Agreement. Include statements regarding assumption of risk, future years' price adjustments, repair and replacement, capital improvements and guarantees.

#### **11.4.2 Corporate and Operating Philosophy**

Provide a brief but definitive statement of the Proponent’s corporate philosophy and operational approach pertaining to the water and waste water facilities and related services.

#### **11.4.3 Reporting**

Detail the manner in which the Proponent will facilitate the Municipality’s active role in monitoring the operations. This section should address how the Proponents propose to develop a thorough process for regular formal and informal reporting to Municipality staff and/or Council. The Proponent should provide suggestions for changes to SCADA implementation as a means of improving monitoring functions. It should be noted that the current remote monitoring system (SCADA) is owned by the Municipality, as are all the systems that may be utilized by the Proponent for monitoring purposes. Any adaptation of existing equipment or acquisition of equipment for monitoring purposes will be at the cost of the Proponent.

#### **11.4.4 Public Relations**

Proponents should address the manner in which they will provide a convenient and consistent process to respond to inquiries from residents and to effectively deal with their questions and concerns. It is the intent of the Municipality that the citizens will have a satisfactory level of comfort with the successful Proponent.

#### **11.4.5 Regulatory Compliance**

The Proponent shall be responsible for regulatory compliance and ensure that the wastewater effluent and water supply meets the quantity/quality parameters identified in the applicable Certificate of Approval and any amendments that may be forthcoming.

#### **11.4.6 Environmental Management System**

Proponents shall detail their environmental management system. More specifically, a plan for complete compliance with environmental regulations and the Occupational Health and Safety Act shall be described. A program for health and safety practices within the workplace shall be provided.

#### **11.4.7 Insurance and Liability**

The Proponents shall outline the method to indemnify and save the Municipality harmless from all costs, expenses, damages and claims of third parties. Proponents shall detail the general and environmental liability, boiler and machinery, and automobile insurances provided for the following minimum insurance requirements:

|   | <u>Limits:</u>             |
|---|----------------------------|
| Property Insurance                        | Replacement Value          |
| Boiler and Machinery Insurance            | \$10,000,000 per Accident  |
| Automobile Insurance                      | \$5,000,000                |
| Comprehensive General Liability Insurance | \$5,000,000 per Occurrence |
| Pollution Liability Insurance             | \$5,000,000 per Loss       |

The Municipality will maintain property insurance on all property owned by the Municipality.

#### **11.4.8 Performance Guarantees**

Describe the method and amount (at a minimum the amount of the Services Agreement annual operating price proposal) by which the Proponent will provide service guarantee to the Municipality.

### **11.5 Operations Plan**

#### **11.5.1 Staffing, Training and Corporate Resources**

Detail the corporate structure of the Proponent and its related or affiliated companies by means of an organizational chart. Describe the management structure to be implemented at the facilities including any potential interaction with Municipal staff and/or elected officials. Provide details on individuals that will be performing managerial functions on the Proponent's behalf. Discuss staffing levels at the facilities, training, salary/wage/benefits in relation to industry standards and any other matters relating to the human resources aspects of the Services Agreement. A detailed list of proposed operations and maintenance personnel (including number of staff, duties to be performed and an estimation of time that the Proponents staff would be performing work related specifically to the Township's facilities each week), categorized by license, is to be provided. Details should include but not be limited to, current or desired qualifications and relevant operation experience of all staff to be used in performing the work included in this Service Agreement. Proponents and their staff shall be certified as required by Regulation 435/93 under the Ontario Water Resources Act and Regulation 128/04 under the Safe Drinking Water Act.

#### **11.5.2 Operations Procedures**

Describe, in detail, the specific services to be provided by the Proponent to the Municipality. These shall include any additions or specific exclusions the Proponent may feel are necessary. The outline should include sections dealing with operations procedures and systems at the facilities and any other services to be provided by the Proponent. Any specific changes that are proposed to the current operating procedures employed by the Municipality or present Service Provider in connection with its operation of the facilities should be described with a rationale for their inclusion.

#### **11.5.3 Residuals Management**

The Proponent will be responsible for the safe disposal of any and all solid and liquid waste materials produced by the water and waste treatment processes. The Proponent will provide all equipment (Township owns a dump trailer), apparatus, personnel and permits required for the management of sludge from the Activated Sludge Wastewater Treatment Plant and as may be required under the Nutrient Management Act, as amended from time to time.

#### **11.5.4 Disaster, Contingency and Emergency Programs**

The Proponent should detail the content of any and all plans that relate to disaster recovery, emergency situations and other operational contingencies. The details should include discussions on potential problems and their solutions that normally may be expected to occur.

#### **11.5.5 Participation in Municipal Emergency Plan**

It is expected that the Proponent will identify one contact person and one alternative to participate as an active member of the municipal Emergency Management Program Committee over the life of the contract to establish site specific disaster, contingency and emergency programs in accordance to legislative requirements. (May include, but not be limited to, the Township's Emergency Control Group.) In the event an emergency is declared, it is expected that a competent person of the Proponent is available to provide assistance to the Emergency Control Group.

## **11.6 Maintenance Plan**

### **11.6.1 Overview**

The Proponent shall provide the Municipality with full documentation validating that the appropriate maintenance procedures are being performed on all municipally-owned equipment in accordance with manufacturers' recommendations and best practices. The documentation should indicate the defined service intervals and a description of the service activities in sufficient detail to satisfy the interest of the Municipality. Such a maintenance program must include documentation of maintenance and include a spare parts inventory.

Except for capital expenditures as defined in the Services Agreement, the Proponent shall provide all personnel, materials, parts, equipment, supplies and services necessary to maintain the Municipal facility structures, process equipment, buildings, HVAC systems, electrical equipment, instrumentation and controls, to maintain high efficiency operations, long-term reliability and preservation of capital investment as may be outlined in the price proposals.

Maintenance categories are as follows:

### **11.6.2 Routine Maintenance**

Maintenance and care of all facilities including all cleaning/janitorial, equipment adjustments, lubrication, repairs and painting to preserve the condition and appearance of all facilities.

### **11.6.3 Preventive Maintenance**

Regularly scheduled and follow-up maintenance activities, as recommended by equipment manufacturers or using best practices, including routine inspections, warranty maintenance activities, and calibration. This maintenance should also include lubricants, testing, vibration analysis, motor winding, other electrical equipment testing and load testing, including all MCC panels and emergency standby generator.

Routine and Preventive Maintenance costs are the Proponent's responsibility and the cost of labour, services, materials, supplies and replacement parts including lubricants, filters, belts and all other consumable materials must be included in the price of proposals.

### **11.6.4 Breakdown Maintenance**

Breakdown maintenance is defined as repair, replacement or renewal of equipment or other capital items that have failed or when failure is deemed to be imminent.

The Proponent shall submit an Expenditure Request to the Municipality for all Breakdown Maintenance items in advance of conducting any work to ensure such maintenance is properly approved. If delay in any such repair, replacement or renewal of equipment would immediately compromise the applicable Certificate of Approval, the Director of Operations must be consulted prior to any work being performed and an Expenditure Request must be submitted within seventy- two (72) hours of approved repairs being completed.

Where applicable, costs for repairs and/or parts and materials by competitive quotations will be obtained by the Proponent and provided to the Municipality prior to consultation and approval.

### **11.6.5 Emergency Plan**

As previously noted, the Proponent is required to prepare and provide an Emergency Plan to the Municipality for approval. When measures are required due to systems failure, the Proponent is responsible to ensure all necessary actions are performed including those specified in the Emergency Plan. The costs associated are to be extra to the Services Agreement with the Municipality paying all invoicing, e.g., if there is a need to provide potable water to residences within the Municipality's supply system due to water system failure.

The Proponent must monitor and enforce all equipment warranties, and perform all activities in accordance with manufacturer recommendations to preserve such warranties both those in effect on the date of the execution of the Services Agreement and those for new equipment purchased during the term of the Services Agreement. Within ninety (90) days of the effective date of the Services Agreement, the Proponent shall provide a complete and detailed schedule of all routine and preventive maintenance activities, for approval by the Municipality. Threshold values for preventive maintenance testing along with appropriate justification shall also be provided to the Municipality for approval. Upon approval by the Municipality, the Proponent shall diligently perform maintenance according to such a schedule.

Notwithstanding the above time frame, the Proponent will perform all the necessary maintenance at the facilities as per regulations or established industry standards and best practices from the effective date of the Services Agreement.

The Proponent is required to supply and implement a computerized maintenance management system for the Municipal facilities. This computerized system will identify all equipment and indicate all maintenance schedules. In addition, the program will identify all labour, material, and the cost for all parts for each individual maintenance function or repair to each piece of equipment or facility.. Any proposed computerized maintenance management system shall be non-proprietary and all software (or a licensed copy) and data in the system will become the property of the Municipality. The Municipality will be consulted on which system is to be used and will have final approval over the system.

The Proponent will supply, at a minimum, quarterly summaries of maintenance activities and related costs by the end of the month following each quarter. A yearly summary is also required (may include 4th quarter summary). The Municipality will have unimpeded "read only" access to the database to review maintenance activities and costs. The Proponent will detail the types of reports that will be available from the maintenance software. All reports will be in duplicate, with one copy for the Municipality.

### **11.6.6 Innovation**

Detail the improvements to be immediately implemented and those considered for implementation in the future to address any identified deficiencies in the operations and maintenance of the facilities or that may increase the efficiency and effectiveness of the operations.

### **11.6.7 Capital Investment Recommendations**

Detail any capital improvement projects that the Proponent would recommend during the term of the Services Agreement.

### **11.6.8 Any Additional Matters Identified by Proponent**

Identify on an individual basis.

### **11.7 Transition Plan**

Each Proponent should prepare and submit a Transition Plan with two aspects. The first aspect (the “Initial Transition Plan”) will deal with transition issues associated with the Proponent commencing operation of the facilities and provision of the services as of the effective date. The Municipality expects this period to last approximately one (1) month from December 2, 2019 to December 31, 2019.

The second aspect (the “Ending Transition Plan”) shall deal with transition issues associated with the Proponent ceasing to operate the facilities upon the termination of the Services Agreement. The Initial Transition Plan shall address the following issues in addition to any other issues identified by the Proponent:

- execution of the Services Agreement;
- transition time table;
- conduct of initial condition survey;
- issues that the Proponent will deal with during the transition period;
- issues that the Municipality will deal with during the transition period;
- cost to Municipality and requirements for staff resources to deal with issues;
- issues relating to immediate implementation of suggested improvements; and
- procurement policies (e.g. contracts for biosolids handling, chemicals, utilities, etc.).

The Ending Transition Plan shall identify and describe in sufficient detail the Proponent’s estimate of the costs associated with the transition at the conclusion of the Services Agreement. The Ending Transition Plan should further identify any other issues which would be required to be addressed in order to ensure the smooth transition back to the Municipality or to a new Proponent upon termination of the Services Agreement including, without limitation, staffing issues and the licensing or transfer of any software, designs, or processes used at any of the facilities.

Proponents should ensure that the costs associated with the initial and ending transition periods are set out in the Price Proposals during the appropriate years.

## **12.0 PRICE PROPOSALS**

### **12.1 Base Price Proposal and Alternative Proposals**

The price proposals shall be submitted in **separate sealed envelopes** marked as “Base Price Proposal” and “Alternative Proposals”, as applicable.

### **12.2 Base Proposal**

The fixed price Base Proposal, in Canadian Dollars, shall be for the first year and each of the subsequent years. These subsequent years may be at an established fixed price or on an annual adjustment as detailed in the Base Proposal. The Base Proposal shall also include the methodology for the fixed or annual price adjustment for the subsequent five-year renewal option. The proposal should include any terms and conditions.

The Base Proposal shall include a fixed price for the overall operating, maintenance and management of the water and wastewater facility, itemized in the following suggested categories. The Base Proposal may set maximum costs for items such as utilities and maintenance with any cost savings being passed on to the Municipality.

The price proposals shall be submitted in accordance with the following format and shall be complete in every detail. The Proposal shall identify all terms and conditions associated with the price proposal. All pricing exceptions will be noted. Failure to do so would be considered cause for disqualification. Following definitions shall be applicable to the price items requested in this section:

#### **12.2.1 Personnel Services**

Includes, but is not limited to, salaries, wages, overtime, pay differential, longevity, unemployment compensation, holiday pay, meal allowance, education assistance, hospital, medical, dental plans, life insurance, retirement contributions, sick leave and other costs directly attributable to employees.

#### **12.2.2 Utilities**

Utility costs which include electricity, propane, water and heating fuels will be the responsibility of the Municipality. The Proponent shall be responsible for any utility services related to communications such as but not limited to telephone, computer connections and facsimiles.

#### **12.2.3 Chemical**

Ordering and direct payment shall be the responsibility of the Proponent.

#### **12.2.4 Equipment**

Includes, but is not limited to, office equipment, laboratory equipment, safety equipment, tools, communication equipment, maintenance equipment, vehicles, mechanical equipment and manually operated equipment. An inventory of municipally owned equipment is to be provided by the Proponent, to the Municipality, during the Initial Transition period.

#### **12.2.5 Materials and Supplies**

Includes, but is not limited to, gasoline and diesel fuel, vehicle supplies, vehicle accessories, office supplies, duplicating and photo supplies, medical supplies, chemicals, laboratory supplies, clothing, uniforms, cleaning, personal hygiene, janitorial and maintenance supplies and other materials and supplies.

#### **12.2.6 Outside Services**

Includes, but is not limited to, equipment rentals, temporary and/or part time help, legal fees, registrations, telephone, internet, courier service, dues, subscriptions postage and freight charges, advertising, printing and binding, insurance and other professional services.

#### **12.2.7 Other**

Includes amortization of Proponent furnished capital and start-up costs and any and all expenses not identified in any other specific category (must be detailed separately and attached).

#### **12.2.8 Maintenance and Repair**

Includes the total of all maintenance and repair expenditures including, but not limited to, repair parts, maintenance equipment, and maintenance supplies, outside maintenance services, oil and grease, janitorial, grit removal, packing and maintenance equipment rental. Proponent's on-site labour shall not be included.

### **12.2.9 Included**

- a) Any cost that is required to adhere to the applicable Certificate of Approval; and
- b) Any cost that is required as a result of a Ministry or other regulatory inspection and Order that relates to the responsibilities of the operator.

### **12.2.10 Excluded**

- a) Any cost that is required to comply with new legislation or regulation; and
- b) Anything that results in an amendment or replacement of the Certificate of Approval.

### **12.2.11 Included Optional Operation and Maintenance of Networks**

The Optional Operation and Maintenance of Networks shall include a fixed price for the overall operating, maintenance and management for each separate water and wastewater facility, itemized in categories as those suggested for the Base Proposal.

## **12.3 Alternative Proposals**

The Municipality will consider Alternative Proposals in addition to the required Base Proposal provided the Proponent clearly identifies the proposal(s) as an Alternative Proposal and otherwise provides the responses required by this RFP. Proponents should ensure that the Alternative Proposals are capable of being assessed against the other responses in the manner provided herein. Any Alternative Proposal should contain all relevant information (including, where applicable, all relevant cost/benefit analyses, financial and other assumptions, and related calculations) as are necessary to properly understand and evaluate the Alternative Proposal. The format for an Alternative Proposal should adhere to the prescribed format as closely as possible and should address the objectives of the Municipality as set out above.

## **12.4 Transition Costs**

The Proponent is to outline and include the costs associated with the Initial Transition and the Ending Transition as detailed in the Transition Plan. Specifically, costs associated with transferring information and data from the existing or future SCADA, maintenance database and operations database if new software programs are proposed by the Proponent.

## **12.5 Value Added Services**

The Proponent is to outline any value added services that may be provided annually to the Municipality at no additional fees.

## **12.6 Combined Value Services**

The Township of Terrace Bay has simultaneously released an RFP's for the operation of their Water systems with the same length of term. If there are cost savings from the coordination of award with Terrace Bay those saving should be detailed separately in a sealed envelope marked "Combined Value Services"

**12.7 Suggested Fixed Price Base Proposal**

| Description                                   | January 1, –<br>December 31,<br>2020 | January 1, –<br>December 31,<br>2021 | January 1, –<br>December 31,<br>2022 | January 1, –<br>December 31,<br>2023 | January 1, –<br>December 31,<br>2024 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>1.0 <u>Base Proposal</u></b>               |                                      |                                      |                                      |                                      |                                      |
| 1.1 Personal Service                          |                                      |                                      |                                      |                                      |                                      |
| 1.2 Materials/Supplies                        |                                      |                                      |                                      |                                      |                                      |
| 1.3 Outside Services<br>(including Insurance) |                                      |                                      |                                      |                                      |                                      |
| 1.4 Plant Operational<br>Maintenance          |                                      |                                      |                                      |                                      |                                      |
| 1.5 Transition Costs                          |                                      |                                      |                                      |                                      |                                      |
| 1.6 Other (Identify)                          |                                      |                                      |                                      |                                      |                                      |
|   |                                      |                                      |                                      |                                      |                                      |
| <b>TOTAL 1.0:</b>                             |                                      |                                      |                                      |                                      |                                      |
| <b>2.0 <u>Optional Proposal</u></b>           |                                      |                                      |                                      |                                      |                                      |
| 2.1 Personal Service                          |                                      |                                      |                                      |                                      |                                      |
| 2.2 Materials/Supplies                        |                                      |                                      |                                      |                                      |                                      |
| 2.3 Outside Services<br>(including Insurance) |                                      |                                      |                                      |                                      |                                      |
| 2.4 Network Operational<br>Maintenance        |                                      |                                      |                                      |                                      |                                      |
| 2.5 Transition Costs                          |                                      |                                      |                                      |                                      |                                      |
| 2.6 Other (Identify)                          |                                      |                                      |                                      |                                      |                                      |
|   |                                      |                                      |                                      |                                      |                                      |
| <b>TOTAL 2.0:</b>                             |                                      |                                      |                                      |                                      |                                      |
| <b>GRAND TOTAL:</b>                           |                                      |                                      |                                      |                                      |                                      |

Note: All applicable taxes will be extra to the above noted Total.

**13.0 EVALUATION AND NEGOTIATION PROCESS**

**13.1 General**

The Municipality will carry out the evaluation of the proposals by an Evaluation Team consisting of Municipal Council and Staff. Engineering consultants and legal advisors may also be utilized for respective expertise / technical support if required. The evaluation will be on a points scoring of the criteria as outlined below.

### **13.2 Due Diligence Period**

Proponents are solely responsible for conducting their own independent research, due diligence or other work necessary for the preparation of responses to this RFP. The Municipality will use its best efforts to make relevant information available to Proponents in connection with their preparation of responses to this RFP. To this end, the Municipality invites Proponents to make requests for information in writing to Don McArthur, CAO/Clerk as provided in Clause 7 above, during the period of April 1 to May 10, 2019. All questions must be tabled on or before 4:00 p.m. on May 10, 2019. The Municipality will use its best efforts to respond to such requests as they are received with final comments on or before May 22, 2019 and will make available to each of the Proponents copies of all such requests and responses thereto. It is expected that Proponents will use the full period to ask questions and not leave them to the very last to allow sufficient time for a response. Proponents shall not rely on any oral statements made by the Municipality, its employees, or its advisors. All questions must be in writing and all responses will be in writing.

Commencing at 10:00 a.m., April 16, 2019, in Council Chambers (204 Alberta St.), an information session will be conducted for all Proponents followed by a tour of the facilities. The tour will be guided by the Director of Operations. All questions from the session will be recorded and subsequently answered, in writing, by the Municipality.

By contacting the Municipality, periods can be scheduled by each Proponent to review reports, records, drawings and other material. Copies of this material, within reason and at the Municipality's discretion, can be viewed or made and taken by the Proponent, if desired.

Notwithstanding the foregoing, the Municipality is under no obligation to provide additional information requested by any Proponent. In addition, the Municipality shall have the right to disregard any request for additional information by the Municipality after the deadline noted above. All requirements, designs, documentation, plans or other information obtained from the Municipality by the Proponents in connection with this RFP are the property of the Municipality and shall be treated as confidential and not used for any purpose other than responding to this RFP or for the fulfilment of the Services Agreement.

### **13.3 Submission Deadline**

Submissions must be received **no later than 3:00 p.m. on May 31, 2019** at the following location:

TOWNSHIP OF SCHREIBER  
P.O. Box 40  
204 Alberta St  
Schreiber, Ontario P0T 2S0  
Attn: Don McArthur,  
CAO/Clerk

All packages containing proposals must be clearly marked **Proposal for the Township of Schreiber Water and Waste Water Treatment Operating, Maintenance and Management Services**. One original and four (4) copies must be submitted.

Submissions must be signed and sealed by an authorized representative of the Proponent.

The Proponent shall disclose all full relationship, if any, between any Council person or other officer, employee or person who is employed by or on contract or otherwise compensated by the Township of Schreiber if any such person has or had any direct or indirect personal interest in the Proponent within the current calendar year.

The covering letter shall confirm the Proponent's contact person as well as its address, e-mail address and telephone and facsimile numbers. The covering letter shall also contain a clear statement that the response constitutes a firm and binding offer to the Municipality, which shall remain effective until December 31, 2019. Note: the Proponent information is to be submitted for the Proponent and not its parent company, joint venture partners or other corporate affiliate.

### **13.4 Interview Process**

The Municipality reserves the right in its sole discretion to conduct interviews with any or all of the Proponents at such times and dates and in such order as the Municipality may determine.

### **13.5 Evaluation and Selection Process**

The evaluation of the proposals will be based on a scoring system using points as outlined below:

| <b>Criteria</b>  | <b>Maximum Points</b> |
|--|-----------------------|
| 1. Proponent Profile   |                       |
| - Years in business  | 3                     |
| - Years in business in Ontario   | 3                     |
| - Financial Capability   | 4                     |
| 2. Proponent Experience in Water and Wastewater  |                       |
| - Number of current water o/m/m projects   | 5                     |
| - Number of current wastewater o/m/m projects  | 5                     |
| - Legal action, prosecution and orders (previous three years)  | 3                     |
| - References   | 3                     |
| 3. Proponent Business Plan   | 8                     |
| 4. Proponent Operating Plan  | 8                     |
| 5. Proponent Maintenance Plan  | 8                     |
| 6. Proponent Transition Plan   | 5                     |
| 7. Personnel Assigned to this Project  |                       |
| - Management & staff qualifications and experience plus any additional information provided in the Proposal. | 10                    |
| 8. Asset Protection  | 5                     |
| 9. Price   |                       |
| - Base Proposal  | 20                    |
| - Value Added Services Offered   | 10                    |
| 10. Total  | 100                   |

The Municipality reserves the right to reduce points scored for price proposal based on terms and conditions associated with price proposal or exceptions taken which in the Municipality's view would be unfavourable.

Selection of a respondent to perform these professional services will be based on qualifications, experience, historical performance record, financial capability, understanding of needs, and suggestions for improvements, price, suggested innovations and the respondent's proven technical capabilities. In addition to the data and documentation being submitted by the respondent in response to this request, the Municipality reserves the right to make an on-site inspection and evaluation of any facility at which operation, maintenance and management services are currently being performed by the respondent.

If the Municipality chooses to exercise this right, the respondents shall provide a representative, with sufficient notice, to accompany the Municipality or its designated representatives on any on-site inspection. The inspection is not limited to only one facility. All costs for transportation and subsistence to inspect any facilities incurred by Municipality personnel shall be borne by the Municipality.

The Municipality reserves the right to reject any and all proposals and is under no obligation to award a partnership.

#### **14.0 DRAFT SERVICES AGREEMENT**

The Municipality requests that the proponent include in their response a draft Services Agreement that will form the basis for negotiating a final Services Agreement based on the requirements in this RFP and the Preferred Proponents proposal. The acceptance and incorporation of the options and opportunities outlined in the Proponent's proposal and in the Alternative Proposal pricing will be at the sole discretion of the Municipality.

It is intended that the Council of the Township of Schreiber will select a Proponent (the "Preferred Proponent") or reject all proposals at its meeting on September 10, 2019. The Municipality intends to immediately commence negotiations with the Preferred Proponent to reach a final Services Agreement. Notwithstanding the foregoing, it is not the Municipality's intention to engage in price negotiations with the Preferred Proponent. The materials contained in the Preferred Proponents response to this RFP may be attached to any Services Agreement executed between the parties.

The Municipality intends to negotiate a Services Agreement with the Preferred Proponent in good faith and, at least initially, on an exclusive basis. Notwithstanding the foregoing, the Municipality may, at any time in its sole discretion, cease negotiations with the Preferred Proponent and commence negotiations with another Proponent. In addition, the Municipality may elect, at any time in its sole discretion, to cancel the entire process without liability for the cost or expenses incurred by the Preferred Proponent or any other Proponent in conducting negotiations with the Municipality or in responding to this RFP.

The Municipality expects the Preferred Proponent to negotiate a final Services Agreement in good faith in a timely and efficient fashion. The Municipality shall not be under any obligation whatsoever to any Proponent until such time as the Municipality has executed a Services Agreement between the parties.

#### **15.0 TERMINATION OF AGREEMENT**

##### **15.1 Condition for Termination**

The Operations and Maintenance Services Agreement may only be terminated during the term of the contract either by the Municipality or the Contractor under the following conditions:

(a) At least twelve (12) months before the expiry of the Initial Term, the Municipality or the Proponent shall notify the other party in writing whether it wishes to renew or terminate this Agreement at the end of the Initial Term;

(b) During the Initial Term or any Renewal Term, this Agreement may be terminated by either the Municipality or Contractor ("Termination for Cause") if:

- (i) there has been a material breach of the Agreement; and
- (ii) the party complaining of the breach has given written notice of the breach to the other party; and
- (iii) the other party does not correct the breach within thirty days of receiving the notice.

(c) Where there is a material breach and:

- (i) such material breach has not been corrected within the 30 day time period;
- (ii) the material breach has not been referred to mediation; or
- (iii) the Parties have not otherwise agreed in writing, then the complaining party may terminate this Agreement by giving at least six months' notice in writing to the other Party.

(d) If either Party disputes the existence of a breach or that the breach is material, the dispute may be referred to mediation.

(e) After the Initial Term of this Agreement, notwithstanding the term of any renewal, either the Municipality or Contractor may terminate this Agreement as follows:

- (i) for any reason, upon twelve months prior written notice; or
- (ii) if there has been a material breach of the Agreement, in accordance with the procedure described in Paragraphs 15.1(b) and (c) above and Section 15.2 below.

## **15.2 Early Termination**

If there has been Termination for Cause, then the terminating party shall be paid its actual costs up to the date of termination. Such costs may include, on the part of the Municipality, the costs of re-tendering or hiring a replacement and temporary operator until a permanent operator can be retained, and in the case of Contractor, the costs of demobilization.

## **16.0 TRANSITION PERIOD**

### **16.1 Equipment Owned by the Municipality**

All land, buildings, improvements and permanent equipment which are presently in place or new facilities that may be added by future construction projects, shall remain or become the property of the Township of Schreiber. Should the Proponent fund any facilities improvement at the request and approval of the Municipality, such facilities shall become the Municipality's after the completion of a repayment schedule. All existing facilities shall be made available to the Preferred Proponent for its use in providing the services under the Services Agreement.

Expendable supplies and spare parts, which are on hand on the date of the commencement of the contract, shall be inventoried for review and agreement by the Municipality. The Proponent shall assume responsibility for such inventory and at the end of the contract period, the inventory shall be returned to the Municipality with a value equal to the beginning value, less normal wear and tear.

The Proponent shall maintain all lands, buildings, improvements, vehicles and permanent equipment that are within the scope of the contract. Equipment and vehicle maintenance shall be performed by the Proponent in accordance with manufacturer's recommendations or good industry practices and the Proponent will be required to provide proof thereof to the satisfaction of the Municipality.

**17.0 CONTRACTOR INFORMATION**

The Contractor information shall include the audited financial reports for the year 2018, or most recent corresponding fiscal year, available at time of submission.