

## VANCOUVER ISLAND CALL FOR TENDERS

### MANDATORY CRITERIA/DEVELOPMENT RISK INFORMATION

#### PART 2 – SUPPLEMENTARY FINANCIAL INFORMATION GUIDELINES

Issued: 30 June 2004

#### **Background:**

*Bidder should note that, in Step 1 – Mandatory Criteria, the SEC will re-assess bidders and projects to ensure compliance with the Mandatory Criteria. As indicated in section 9.8 of the CFT, Bidders meeting this criterion based on information contained in, or filed with, their Pre-Qualification Form for purposes of pre-qualification will not necessarily be considered to have met this criterion for purposes of Tender Evaluation, and BC Hydro reserves the right to require further supporting information for the purposes of re-assessing compliance with this criterion for Tender Evaluation purposes.*

#### **Supplementary Financial Information Required from Bidder:**

1. Provide a letter from a financial institution meeting the applicable credit rating requirements set out in section 14.4 of the Final Form EPA describing the conditions upon which that financial institution would provide the required Development Security.
2. With respect to the Financing Plan provided in the Pre-Qualification Phase (section 1.2.1 of Pre-Qualification Mandatory Criteria Guidelines and Information Requirements), also provide the following information:
  - (a) A financing schedule that outlines all key financing-related milestones;
  - (b) Credit ratings, and the rating agencies, of the project debt for the tendered projects, if applicable;
  - (c) The lead underwriter for the required debt/equity;
  - (d) The status of the bidder's discussion with lenders/underwriters to secure both construction and long term funding (including both equity and debt) and provide evidence, if any, of commitments (e.g. term sheets, letters of offers or executed financing documents). If multiple lenders/underwriters are involved, also specify the arrangements and amount of capital each lender/underwriter would provide; and
  - (e) Conditions upon which debt/equity financiers would provide/underwrite necessary debt/equity capital as described in the Financing Plan.

#### **Reassessment of Financial Capacity and Creditworthiness Criterion**

The Submission Evaluation Committee will assess whether:

1. Based on the updated Financial Statements, bidders continue to meet the level of credit and financial strength, as was required during the pre-qualification assessment;
2. Bidder's Key Financing Personnel continue to meet the level of experience, as was required during the pre-qualification assessment;

3. Bidders can reasonably be expected to raise the necessary Development Security based on conditions outlined in the comfort letter; and
4. taking the Financing Plan and updated Financial Statements into consideration, bidders have, or have access to, funds to finance the major development activities identified in the Project Schedule submitted with the Tender. Assessment will include the following:
  - (a) For bidders who made the VIGP Election, demonstrated capability to fund the \$5,000,000 Deposit upon signing of VIGP Transfer Agreement and \$45,000,000 upon Closing of the VIGP Transfer Agreement.
  - (b) Financing schedule meets the funding requirements of key construction and procurement activities.
  - (c) Financing documents contain no provisions that, in BC Hydro's judgment, are likely to prevent project financing from being closed and/or funded.
  - (d) Satisfactory conditions from underwriter/arranger.
  - (e) Other considerations (e.g. status of discussion with lenders, retaining a financial advisor etc.).