

TRILLIUM LINE EXTENSION PROJECT FINANCIAL EVALUATION – CONSENSUS WORKSHEET

PROPONENT SCORE SUMMARY SHEET

RFP Reference	Criteria	TNext	T-Link	TEA
	A. Affordability Determination [Result Met – Yes/No]	Yes	No	No

RFP Reference	Criteria	Maximum Score	TNext	T-Link	TEA
	B. Total Submission Price	450.00	450.00	169.82	53.39
	C. Quality of Proposed Financing Plan <i>(Minimum score of 70% or 35pts is required)</i>	50.00	35.00 <i>(70%)</i>	42.50 <i>(85%)</i>	40.00 <i>(80%)</i>
	Financial Submission	500.00	485.00	212.32	93.39

FINANCIAL EVALUATION WORKSHEET – INSTRUCTIONS

Ensure that you have read the Instructions to Proponents (in particular RFP Schedule 3, Part 2). For your specific review, you will not need detailed familiarity with all parts of the RFP and PA, but you should take the time to get an overview of the overall content of the RFP and PA as well as ensuring that you know the detailed requirements for your area.

In your review:

State the Proponent's name and the specific documents from the Proponent's Proposal that you have reviewed.

Project Name	Trillium Line Extension Project
Proponent	Trillium NEXT (TNext)
Review Date	October 31, 2018
Reviewer	Consensus

Throughout, cross-reference the relevant sections of RFP Schedule 3, Part 2 and the definitive Project Agreement with the relevant sections of the financial proposal to facilitate the Financial Evaluation Team's review of your comments.

General Comments:

- Transit NEXT presented an affordable proposal with the lowest Total Submission Price and a financing plan that met the minimum quality threshold.

FINANCIAL EVALUATION WORKSHEET

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristics / Considerations	Comments
Main Body – Section 6.5.3	A. Affordability Determination		
	Affordability Determination	<p>The Financial Evaluation Team (the “FET”) shall review each Proposal to determine whether they constitute an Unaffordable Proposal based on the criteria defined in Part 2 of Schedule 3 to this RFP (“Affordability Determination”). Unaffordable Proposals will receive a score of zero (0) on the Price Proposal component of the evaluation of the Financial Submissions.</p> <p>In the event that:</p> <ul style="list-style-type: none"> (a) all Proposals are determined to be Unaffordable Proposals (the “Affordability Event”), or (b) the Preferred Proponent fails to achieve Financial Close or Commercial Close, or (c) only one of the Proposals has a Total Submission Price submitted in the Financial Submission that is an Affordable Proposal and, in such case, in order to establish the Second Negotiations Proponent, <p>then the FET <i>shall not</i> award a score of zero (0) to the Total Submission Price element and instead shall proceed to complete the financial evaluation of all Proposals as contemplated in this RFP Main Body, Section 6.5.3 and Section 6.5.4.</p>	<ul style="list-style-type: none"> • In respect of the Affordability Determination process, the following definitions apply: <ul style="list-style-type: none"> (a) Capital Cost Affordability Criteria means the sum of aggregate CPPs, the Substantial Completion Payment, aggregate amounts payable under the Revenue Vehicle Supply Contract and any amounts payable under the Early Works Agreement (if applicable) is less than or equal to the Capital Cost Affordability Cap; <p>Capital Cost Affordability Cap is \$663,100,000.00;</p> (b) Aggregate Cost Affordability Criteria means the aggregate of amounts accounted for in the Capital Cost Affordability Criteria plus amounts payable by the City to Project CO throughout the Maintenance Period, based on Service Level 1, is less than or equal to the Aggregate Cost Affordability Cap; and <p>Aggregate Cost Affordability Cap is \$1,733,200,000.00.</p>
		TOTAL CRITERIA SCORE	/ n/a

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
Schedule 3 Part 3 – Section 5.1	B. Total Submission Price		
	Net Present Value	<p>The FET will review the Price Form and Financial Model provided by the Proponent. The FET will carry out due diligence to ensure that the Proponent has calculated its Total Submission Price in accordance with the requirements of the RFP. The FET’s due diligence will also verify the inputs to the Price Form and Financial Model, where applicable, and the consistency of the Price Form inputs with the Proponent’s Financial Model and overall Proposal, where applicable.</p> <p>The Financial Evaluation Team may issue a Request for Clarification to a Proponent if any element of the Proponent’s Total Submission Price calculation is unclear. The Request for Clarification should be requested as per the guidelines of this Evaluation Framework.</p>	<ul style="list-style-type: none"> The Proponent with the lowest Total Submission Price will be assigned 450 points for this criterion. Other Proponents will be assigned a maximum of 450 points; with 30 points being deducted for every percentage point their respective Total Submission Price exceeds the lowest scoring Proponent’s Total Submission Price. Note that Proponents can score less than 0 points in this category.
			<p>TOTAL CRITERIA SCORE (maximum weighted score = 450)</p> <p style="text-align: right;">450.00/ 450</p>

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
C. Quality of Proposed Financing Plan			
1.	Description of Financing Plan	<p>The Proponent will receive a score related to the quality of its proposed financing plan. The following information is required to be submitted by the Proponent and will be considered as part of the evaluation process:</p> <p>(a) a description of each equity investor along with the amount of funds and timing of investment of these funds. This description should also include, but not be limited to, clearly defining the sources of funds, levels of commitments and all necessary approvals required or received to commit/earmark the necessary funds by Financial Close. This must include clear identification of the identity and credit status of each investor as well as the amount to be provided by each investor;</p> <p>(b) a description of the proposed financing structure during the Construction Period and during the Maintenance Period including, but not limited to, lenders, funding structure, organizational chart of the consortium and role of its investors;</p> <p>(c) details of any working capital requirements and details of how these requirements will be met, including a description of any internally generated or other funds that may be used to finance the</p>	<p>Poor:</p> <ul style="list-style-type: none"> No discernible description of investors nor the investment allocation structure of the various investors; credit status of each investor is absent. Non-committed financing; or committed financing with non-standard conditions coupled with no strong plan to obtain commitments in a timely fashion. Committed financing is defined as having obtained credit committee approval. For public bond issues (or non-committed private placement for post-close refinancing): plan description not covering at least (i) detailed and clear description of terms/spreads, (ii) appropriate indicative rating by a reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes. <p>Satisfactory</p> <ul style="list-style-type: none"> Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. Committed financing with standard conditions; or committed financing with <p>Strengths</p> <ul style="list-style-type: none"> Short-term debt to be provided through financially strong, established lenders with relevant experience in project finance (National Bank and TD); Equity sponsor guarantor (SNC Lavalin Group Inc.) balance sheet demonstrates strong cash position. Equity sponsor demonstrates relevant experience in the Canadian P3 market; Submission demonstrates strong plan to achieve Financial Close with examples of relevant, recent experience; and Financing plan based on Held Pricing Facility. <p>Areas of Improvement</p> <ul style="list-style-type: none"> Lack of clarity was noted with regards to the funding organization structure, specifically with respect to Class A and Class B equity ownership interest. The FET was unable to ascertain the ownership relationship between SNC Lavalin Capital and the SPV (Project Co). Additional information was sought through an SME request (legal) and RFC issued to Proponent however responses received were non-conclusive.

Proponent:	TNext			
RFP Reference	Criteria		Desirable Characteristic / Considerations	Comments
		<p>Project or any part of the Project;</p> <p>(d) details of any standby facilities provided to meet the requirements of the Project Agreement; and</p> <p>(e) to the extent that other forms of finance, other than equity, are to be used, the Proponent is to provide appropriate details equivalent to those requested for equity.</p>	<p>non-standard conditions but including a clear and strong plan to satisfy conditions precedent. Committed financing is defined as having obtained credit committee approval.</p> <ul style="list-style-type: none"> • For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii)appropriate indicative rating by reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes Investors' reputation and experience are satisfactory <p>Good</p> <ul style="list-style-type: none"> • Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. • Fully committed financing with minimal, market standard conditions to financial close. • For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii) target investors, (iii) adequately completed due diligence (by an investment bank), (iv) appropriate indicative rating by a 	<ul style="list-style-type: none"> • No copy of Equity Subscription Agreement was included to help provide clarity with regards to the preceding point; • The introduction of a Hold Co loan structure as part of the financing plan in the form of Class B equity introduces the following risks: <ul style="list-style-type: none"> ○ Compensation payable to lender in case of cancellation are absent from the term sheet provided in the financial submission (a note to draft indicates that these will be included at the preferred proponent stage); ○ Term sheet indicates that interest rate is subject to a refresh at financial close which is in contradiction with RFP requirements (RFC response from the Proponent provided clarity that rates would not be refreshed with regards to Hold Co funding); ○ Term sheet includes provisions related to mandated accounts structure and it remains unclear how those accounts will be managed without contradicting PA Schedule 4 requirements in respect of accounts required by Project Co and reporting requirements to such accounts;

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
		<p>reputable rating agency, and (v) detailed description of how/why financing will be successfully achieved</p>	<ul style="list-style-type: none"> ○ Term sheets includes restrictions on change of ownership that risk interference with the City’s rights to activate an Equity Purchase Option under the PA; ○ Limitation on termination of M&R contractor provision in the term sheet is potentially inconsistent with City rights under the PA (e.g. in the event relevant Failure Point thresholds are reached); ○ Definition of DSCR and Projected DSCR left absent and would require further clarity; ○ Commitment letter is based on an Financial Model with time stamp that precedes the final Financial Model included in the financial submission; ● Equity distributions does not align with / are atypical of market standard practices (i.e., front loaded distribution of Class B Equity); ● High IRR achieved earlier than market precedent during the maintenance period; ● Cost of the Works form does not identify/breakout NMI costing;

Proponent:		TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations		Comments
				<ul style="list-style-type: none"> • Commitment letter is based on an Financial Model with time stamp that precedes the final Financial Model included in the financial submission (same time stamp referenced in the Hold Co loan term sheet); • Lifecycle sculpting is atypical to standard market practices (i.e., front ended loaded); • General financial statement audit qualifications is less than ideal e.g., risks of obtaining Government work; and • CCR sensitivity less than satisfactory (1.08x threshold breached at the ■% inflation sensitivity scenario).
	2. Achievability and Robustness of the Financing Plan	(a) Quality and strength of the various investors; (b) Levels of commitments provided by all investors (including equity funds, lenders, etc.); (c) Clear identification of Project Co's ownership structure and Project organizational structure; (d) Risks associated with the level of direct or indirect conditions that might contradict with or affect the existing Project Documents (such as the Lender's Direct Agreement); (e) Risks associated with achieving Financial Close due to the inclusion of any material adverse change clauses (MAC) or flex conditions in the lending terms and strategies/plans proposed by	Poor <ul style="list-style-type: none"> • No evidence that investors are experienced enough to reach financial close • Poor or no security provided by equity funders to guarantee future injections • Terms/conditions are expected to contradict with or require amendments to the PA • Terms/conditions are expected to result in significant risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity 	

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>the Proponents to eliminate and/or mitigate risks associated with such terms and conditions;</p> <p>(f) Plan to achieve Financial Close including, but not limited to, obtaining all necessary approvals required by investors and/or addressing condition precedent to Financial Close and/or obtaining more efficient financing prior to Financial Close;</p> <p>(g) Strength and type of security provided by equity funders guaranteeing future injection;</p> <p>(h) Strength of financial position of each source(s) of equity capital (i.e. specific fund or investing entity) evidenced by supporting documentation such as, but not limited to, financial statements, fund performance reports, rating reports, etc. (as applicable);</p> <p>(i) Plan which describes how funding of all development costs leading up to Financial Close will be secured including costs for Early Works as part of the Early Works Agreement, if applicable;</p> <p>(j) The scope and value of the Early Works, if applicable, relative to the size of the total Cost of the Works;</p> <p>(k) Clear description of any anticipated change in Project Co’s ownership structure (i.e. exchange of equity shares) either prior to Substantial Completion or during the Maintenance Period;</p>	<p>returns which are more concentrated towards the front-end</p> <ul style="list-style-type: none"> • No/little evidence provided on plan to successfully achieving Financial Close • Equity distributions are skewed towards the early years of the concessions term and do not reasonably follow the spending pattern of maintenance and lifecycle costs • Restrictive provisions (e.g., poison pill provision) in the drop-down agreement between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions <i>not</i> aligned with standard, market-accepted provisions, particularly with regards to termination clauses • Capital Coverage Ratio is not maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. <p>Satisfactory</p> <ul style="list-style-type: none"> • Satisfactory security provided by equity funders to guarantee future injections • Terms/conditions are not expected to contradict with or require amendments to the PA 	

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>(l) Reasonableness of equity distributions and Annual Service Payment – Capital Portion payments that follow industry practices and standards for availability based public-private partnerships in Canada;</p> <p>(m) Clear explanation and cost breakdown of the proportion of services that will be performed by Project Co and the proportion of services that will be performance by Maintenance and Rehabilitation Contractor, separately for: (i) maintenances services covered through the Annual Service Payment – Service Portion; and (ii) lifecycle and major rehabilitation works covered by the Lifecycle Payments;</p> <p>(n) Quantum of long-term financing (i.e., Equity) not only meets the minimum requirement of \$█ but also reasonable compared to the Total Capital Cost; and</p> <p>(o) Stability of the Capital Coverage Ratio due to the effects of a change in inflation assumptions. [Note to reviewer: Proponent’s are expected to provide sensitivity on inflation assumption to show █% increase, █% increase, and █% increase]</p>	<ul style="list-style-type: none"> • Terms/conditions are not expected to result in significant risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being fairly spread over the concession term (i.e., not frontend-loaded) • Equity distributions are reasonably distributed (i.e., not front-end loaded) across the entire concessions period and follow the spending pattern of maintenance and lifecycle costs as reasonably expected • Some evidence provided of contingency plan to successfully achieve Financial Close • No restrictions (e.g., poison pill provision) in the drop-down agreement between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions aligned with standard, market-accepted provisions, particularly with regards to termination clauses. • Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. 	

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
		<p>Good</p> <ul style="list-style-type: none"> • Investors are well reputable and experienced in achieving financing for projects of similar scope • Clear and good security provided by equity funders to guarantee future injections • Terms/conditions are not expected to contradict with or require amendments to the PA • Terms/conditions are not expected to result in risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being more concentrated towards the back-end; • Clear contingency plan in place demonstrating ability to successfully achieve Financial Close; • Equity distributions are distributed relatively evenly throughout the duration of the concession period and match the spending pattern of maintenance and lifecycle costs as reasonably expected; and • Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio 	

Proponent:	TNext			
RFP Reference	Criteria		Desirable Characteristic / Considerations	Comments
			Reporting Period as part of the test of 1% increase to the inflation rate assumption.	
	3. Stability of the Financial Model as Evidenced by:	<p>(f) The level of volatility to changes in underlying interest rates (prior to Financial Close); and</p> <p>(b) The reasonableness and volatility of the Indicative Credit Spreads Benchmark submitted by the Proponents and its consistency with the movement of the Credit Spreads at the First Credit Spread Lock-in Date and the Final Credit Spread Lock-in Date.</p>	<p>Poor</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) underlying rates used are mostly illiquid; (ii) an unreasonable and volatile Indicative Credit Spread Benchmark has been proposed and has moved materially for the Credit Spread Lock-in Dates; and (iii) a higher proportion of the Annual Service Payment indexed than appears justified based on the Proponent’s stated costs and/or dropdown agreements <p>Satisfactory</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) limited use of illiquid underlying rates; (ii) a reasonable Indicative Credit Spread Benchmark has been proposed and has not materially moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service Payment is indexed is supported by the Proponent’s costs and dropdown agreements. <p>Good</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) No illiquid underlying rates being used; (ii) an appropriate Indicative Credit Spread Benchmark has been proposed and has minimally moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service 	

Proponent:	TNext		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
			Payment indexed is clearly supported by the Proponent's costs and dropdown agreements.
		QUALITY OF PROPOSED FINANCING PLAN	TOTAL CRITERIA SCORE <i>(minimum score of 70% or 35pts is required)</i>
			35.00 / 50

FINANCIAL EVALUATION WORKSHEET – INSTRUCTIONS

Ensure that you have read the Instructions to Proponents (in particular RFP Schedule 3, Part 2). For your specific review, you will not need detailed familiarity with all parts of the RFP and PA, but you should take the time to get an overview of the overall content of the RFP and PA as well as ensuring that you know the detailed requirements for your area.

In your review:

State the Proponent's name and the specific documents from the Proponent's Proposal that you have reviewed.

Project Name	Trillium Line Extension Project
Proponent	Trillium Extension Alliance (TEA)
Review Date	October 31, 2018
Reviewer	Consensus

Throughout, cross-reference the relevant sections of RFP Schedule 3, Part 2 and the definitive Project Agreement with the relevant sections of the financial proposal to facilitate the Financial Evaluation Team's review of your comments.

General Comments:

- TEA presented an unaffordable proposal with the highest Total Submission Price and a financing plan that met the minimum quality threshold.

Proponent:	TEA			
RFP Reference	Criteria	Desirable Characteristic / Considerations		Comments
Schedule 3 Part 3 – Section 5.1	E. Total Submission Price			
	Net Present Value	<p>The FET will review the Price Form and Financial Model provided by the Proponent. The FET will carry out due diligence to ensure that the Proponent has calculated its Total Submission Price in accordance with the requirements of the RFP. The FET’s due diligence will also verify the inputs to the Price Form and Financial Model, where applicable, and the consistency of the Price Form inputs with the Proponent’s Financial Model and overall Proposal, where applicable.</p> <p>The Financial Evaluation Team may issue a Request for Clarification to a Proponent if any element of the Proponent’s Total Submission Price calculation is unclear. The Request for Clarification should be requested as per the guidelines of this Evaluation Framework.</p>	<ul style="list-style-type: none"> The Proponent with the lowest Total Submission Price will be assigned 450 points for this criterion. Other Proponents will be assigned a maximum of 450 points; with 30 points being deducted for every percentage point their respective Total Submission Price exceeds the lowest scoring Proponent’s Total Submission Price. Note that Proponents can score less than 0 points in this category. 	
			TOTAL CRITERIA SCORE (maximum weighted score = 450)	53.39 / 450

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	F. Quality of Proposed Financing Plan		
	<p>1. Description of Financing Plan</p>	<p>The Proponent will receive a score related to the quality of its proposed financing plan. The following information is required to be submitted by the Proponent and will be considered as part of the evaluation process:</p> <p>(g) a description of each equity investor along with the amount of funds and timing of investment of these funds. This description should also include, but not be limited to, clearly defining the sources of funds, levels of commitments and all necessary approvals required or received to commit/earmark the necessary funds by Financial Close. This must include clear identification of the identity and credit status of each investor as well as the amount to be provided by each investor;</p> <p>(h) a description of the proposed financing structure during the Construction Period and during the Maintenance Period including, but not limited to, lenders, funding structure, organizational chart of the consortium and role of its investors;</p> <p>(i) details of any working capital requirements and details of how these requirements will be met, including a description of any internally generated or other funds that may be used to finance the</p>	<p>Poor:</p> <ul style="list-style-type: none"> • No discernible description of investors nor the investment allocation structure of the various investors; credit status of each investor is absent. • Non-committed financing; or committed financing with non-standard conditions coupled with no strong plan to obtain commitments in a timely fashion. Committed financing is defined as having obtained credit committee approval. • For public bond issues (or non-committed private placement for post-close refinancing): plan description not covering at least (i) detailed and clear description of terms/spreads, (ii) appropriate indicative rating by a reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes. <p>Satisfactory</p> <ul style="list-style-type: none"> • Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. • Committed financing with standard conditions; or committed financing with

Proponent:	TEA			
RFP Reference	Criteria		Desirable Characteristic / Considerations	Comments
		<p>Project or any part of the Project;</p> <p>(j) details of any standby facilities provided to meet the requirements of the Project Agreement; and</p> <p>(k) to the extent that other forms of finance, other than equity, are to be used, the Proponent is to provide appropriate details equivalent to those requested for equity.</p>	<p>non-standard conditions but including a clear and strong plan to satisfy conditions precedent. Committed financing is defined as having obtained credit committee approval.</p> <ul style="list-style-type: none"> • For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii)appropriate indicative rating by reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes Investors' reputation and experience are satisfactory <p>Good</p> <ul style="list-style-type: none"> • Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. • Fully committed financing with minimal, market standard conditions to financial close. • For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii) target investors, (iii) adequately completed due diligence (by an investment bank), (iv) appropriate indicative rating by a 	

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
		<p>reputable rating agency, and (v) detailed description of how/why financing will be successfully achieved</p>	
	<p>2. Achievability and Robustness of the Financing Plan</p> <p>(p) Quality and strength of the various investors;</p> <p>(q) Levels of commitments provided by all investors (including equity funds, lenders, etc.);</p> <p>(r) Clear identification of Project Co’s ownership structure and Project organizational structure;</p> <p>(s) Risks associated with the level of direct or indirect conditions that might contradict with or affect the existing Project Documents (such as the Lender’s Direct Agreement);</p> <p>(t) Risks associated with achieving Financial Close due to the inclusion of any material adverse change clauses (MAC) or flex conditions in the lending terms and strategies/plans proposed by the Proponents to eliminate and/or mitigate risks associated with such terms and conditions;</p> <p>(u) Plan to achieve Financial Close including, but not limited to, obtaining all necessary approvals required by investors and/or addressing condition precedent to Financial Close and/or obtaining more efficient financing prior to Financial Close;</p>	<p>Poor</p> <ul style="list-style-type: none"> • No evidence that investors are experienced enough to reach financial close • Poor or no security provided by equity funders to guarantee future injections • Terms/conditions are expected to contradict with or require amendments to the PA • Terms/conditions are expected to result in significant risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns which are more concentrated towards the front-end • No/little evidence provided on plan to successfully achieving Financial Close • Equity distributions are skewed towards the early years of the concessions term and do not reasonably follow the spending pattern of maintenance and lifecycle costs • Restrictive provisions (e.g., poison pill provision) in the drop-down agreement 	<p>Strengths</p> <ul style="list-style-type: none"> • Portion of equity to be injected at Financial Close (rather than Substantial Completion) which provides for higher level of “skin in the game” earlier in the Construction Period; • Financing plan based on Held Pricing Facility; • Short-term debt to be provided through financially strong, established lenders with relevant experience in project finance (Mizuho and ATB) including projects they co-financed; • Key team members (construction and maintenance contractors) are also equity participants in the project; • Due diligence regarding Financial Close activities well planned and articulated (demonstrated by inclusion of Financial Close Protocol and Rate Set Protocol in the financial submission); and • Distribution of equity during the concession period follows standard market practices including delayed initial distribution.

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>(v) Strength and type of security provided by equity funders guaranteeing future injection;</p> <p>(w) Strength of financial position of each source(s) of equity capital (i.e. specific fund or investing entity) evidenced by supporting documentation such as, but not limited to, financial statements, fund performance reports, rating reports, etc. (as applicable);</p> <p>(x) Plan which describes how funding of all development costs leading up to Financial Close will be secured including costs for Early Works as part of the Early Works Agreement, if applicable;</p> <p>(y) The scope and value of the Early Works, if applicable, relative to the size of the total Cost of the Works;</p> <p>(z) Clear description of any anticipated change in Project Co’s ownership structure (i.e. exchange of equity shares) either prior to Substantial Completion or during the Maintenance Period;</p> <p>(aa) Reasonableness of equity distributions and Annual Service Payment – Capital Portion payments that follow industry practices and standards for availability based public-private partnerships in Canada;</p> <p>(bb) Clear explanation and cost breakdown of the proportion of services that will be performed by Project Co and the proportion of services that will be performance by Maintenance and</p>	<p>between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions <i>not</i> aligned with standard, market-accepted provisions, particularly with regards to termination clauses</p> <ul style="list-style-type: none"> Capital Coverage Ratio is not maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. <p>Satisfactory</p> <ul style="list-style-type: none"> Satisfactory security provided by equity funders to guarantee future injections Terms/conditions are not expected to contradict with or require amendments to the PA Terms/conditions are not expected to result in significant risks due to the inclusion of MAC clauses or flex conditions Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being fairly spread over the concession term (i.e., not frontend-loaded) Equity distributions are reasonably distributed (i.e., not front-end loaded) 	<p><u>Areas of Improvement</u></p> <ul style="list-style-type: none"> Financial submission indicates that vehicle maintainer is to be identified at the preferred proponent stage and will have a direct contractual relationship with Project Co and not the Maintenance JV. This creates a risk related to uncertainty of vehicle maintenance interface with maintenance works carried out by the Maintenance JV – creates uncertainty regarding application of deductions and other payment mechanism provisions that could lead to poor performance that ultimately impacts the project and the City; Vehicle maintenance contract not included as part of the submission and therefore unclear if any provisions may be included therein that carry risks associated with the Sponsor’s ability to undertake a System Extension as outlined in Schedule 36 of the Project Agreement and/or to execute Equity Purchase Agreement; Equity Support Letter is absent from Parent Company related to Colas’ equity members; Colas Canada Inc. and Colas Projects SAS (collectively referred to as Colas Equity) submitted financial statements that indicate limited availability of cash and cash equivalents. Amounts in financial statements are sufficient to cover contemplated equity portions but are limited in comparison to project size (i.e. minor sensitivities in project costs

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>Rehabilitation Contractor, separately for: (i) maintenances services covered through the Annual Service Payment – Service Portion; and (ii) lifecycle and major rehabilitation works covered by the Lifecycle Payments;</p> <p>(cc) Quantum of long-term financing (i.e., Equity) not only meets the minimum requirement of \$ [REDACTED] but also reasonable compared to the Total Capital Cost; and</p> <p>(dd) Stability of the Capital Coverage Ratio due to the effects of a change in inflation assumptions. [Note to reviewer: Proponent’s are expected to provide sensitivity on inflation assumption to show [REDACTED]% increase, [REDACTED]% increase, and [REDACTED]% increase]</p>	<p>across the entire concessions period and follow the spending pattern of maintenance and lifecycle costs as reasonably expected</p> <ul style="list-style-type: none"> Some evidence provided of contingency plan to successfully achieve Financial Close No restrictions (e.g., poison pill provision) in the drop-down agreement between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions aligned with standard, market-accepted provisions, particularly with regards to termination clauses. Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of [REDACTED]% increase to the inflation rate assumption. <p>Good</p> <ul style="list-style-type: none"> Investors are well reputable and experienced in achieving financing for projects of similar scope Clear and good security provided by equity funders to guarantee future injections 	<p>pose a liquidity risk, particularly when noting lack of Colas parent equity support letter);</p> <ul style="list-style-type: none"> Unclear funding source for “early works” including high Mobilization Credit in the first month of the Construction Period resulting in early receipt of Construction Period Payments (i.e. front-loaded cost structure); Lack of clarity regarding responsibilities within Maintenance JV to perform M&R duties; CCR sensitivity less than satisfactory (1.08x threshold breached at the [REDACTED]% inflation sensitivity scenario); High SPV costs relative to overall maintenance period costs; and Unable to reconcile total value of works in the Cost of the Works form (\$ [REDACTED]) to the total amount shown in the cost-loaded schedule (\$ [REDACTED]).

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
		<ul style="list-style-type: none"> • Terms/conditions are not expected to contradict with or require amendments to the PA • Terms/conditions are not expected to result in risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being more concentrated towards the back-end; • Clear contingency plan in place demonstrating ability to successfully achieve Financial Close; • Equity distributions are distributed relatively evenly throughout the duration of the concession period and match the spending pattern of maintenance and lifecycle costs as reasonably expected; and • Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. 	

Proponent:	TEA		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>3. Stability of the Financial Model as Evidenced by:</p> <p>(l) The level of volatility to changes in underlying interest rates (prior to Financial Close); and</p> <p>(b) The reasonableness and volatility of the Indicative Credit Spreads Benchmark submitted by the Proponents and its consistency with the movement of the Credit Spreads at the First Credit Spread Lock-in Date and the Final Credit Spread Lock-in Date.</p>	<p>Poor</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) underlying rates used are mostly illiquid; (ii) an unreasonable and volatile Indicative Credit Spread Benchmark has been proposed and has moved materially for the Credit Spread Lock-in Dates; and (iii) a higher proportion of the Annual Service Payment indexed than appears justified based on the Proponent’s stated costs and/or dropdown agreements <p>Satisfactory</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) limited use of illiquid underlying rates; (ii) a reasonable Indicative Credit Spread Benchmark has been proposed and has not materially moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service Payment is indexed is supported by the Proponent’s costs and dropdown agreements. <p>Good</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) No illiquid underlying rates being used; (ii) an appropriate Indicative Credit Spread Benchmark has been proposed and has minimally moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service Payment indexed is clearly supported by the Proponent’s costs and dropdown agreements. 	

Proponent:	TEA			
RFP Reference	Criteria		Desirable Characteristic / Considerations	Comments
		<p>QUALITY OF PROPOSED FINANCING PLAN</p>	<p>TOTAL CRITERIA SCORE <i>(minimum score of 70% or 35pts is required)</i></p>	<p>40.00 / 50</p>

FINANCIAL EVALUATION WORKSHEET – INSTRUCTIONS

Ensure that you have read the Instructions to Proponents (in particular RFP Schedule 3, Part 2). For your specific review, you will not need detailed familiarity with all parts of the RFP and PA, but you should take the time to get an overview of the overall content of the RFP and PA as well as ensuring that you know the detailed requirements for your area.

In your review:

State the Proponent's name and the specific documents from the Proponent's Proposal that you have reviewed.

Project Name	Trillium Line Extension Project
Proponent	Trillium Link (T-Link)
Review Date	October 31, 2018
Reviewer	Consensus

Throughout, cross-reference the relevant sections of RFP Schedule 3, Part 2 and the definitive Project Agreement with the relevant sections of the financial proposal to facilitate the Financial Evaluation Team's review of your comments.

General Comments:

- Transit Link presented an unaffordable proposal with the second lowest Total Submission Price and a financing plan that met the minimum quality threshold.

FINANCIAL EVALUATION WORKSHEET

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristics / Considerations	Comments
Main Body – Section 6.5.3	G. Affordability Determination		
	Affordability Determination	<p>The Financial Evaluation Team (the “FET”) shall review each Proposal to determine whether they constitute an Unaffordable Proposal based on the criteria defined in Part 2 of Schedule 3 to this RFP (“Affordability Determination”). Unaffordable Proposals will receive a score of zero (0) on the Price Proposal component of the evaluation of the Financial Submissions.</p> <p>In the event that:</p> <ul style="list-style-type: none"> (g) all Proposals are determined to be Unaffordable Proposals (the “Affordability Event”), or (h) the Preferred Proponent fails to achieve Financial Close or Commercial Close, or (i) only one of the Proposals has a Total Submission Price submitted in the Financial Submission that is an Affordable Proposal and, in such case, in order to establish the Second Negotiations Proponent, <p>then the FET <i>shall not</i> award a score of zero (0) to the Total Submission Price element and instead shall proceed to complete the financial evaluation of all Proposals as contemplated in this RFP Main Body, Section 6.5.3 and Section 6.5.4.</p>	<ul style="list-style-type: none"> • In respect of the Affordability Determination process, the following definitions apply: <ul style="list-style-type: none"> (a) Capital Cost Affordability Criteria means the sum of aggregate CPPs, the Substantial Completion Payment, aggregate amounts payable under the Revenue Vehicle Supply Contract and any amounts payable under the Early Works Agreement (if applicable) is less than or equal to the Capital Cost Affordability Cap; <p>Capital Cost Affordability Cap is \$663,100,000.00;</p> (b) Aggregate Cost Affordability Criteria means the aggregate of amounts accounted for in the Capital Cost Affordability Criteria plus amounts payable by the City to Project CO throughout the Maintenance Period, based on Service Level 1, is less than or equal to the Aggregate Cost Affordability Cap; and <p>Aggregate Cost Affordability Cap is \$1,733,200,000.00.</p>
		TOTAL CRITERIA SCORE	/ n/a

Proponent:	T-Link			
RFP Reference	Criteria	Desirable Characteristic / Considerations		Comments
Schedule 3 Part 3 – Section 5.1	H. Total Submission Price			
	Net Present Value	<p>The FET will review the Price Form and Financial Model provided by the Proponent. The FET will carry out due diligence to ensure that the Proponent has calculated its Total Submission Price in accordance with the requirements of the RFP. The FET’s due diligence will also verify the inputs to the Price Form and Financial Model, where applicable, and the consistency of the Price Form inputs with the Proponent’s Financial Model and overall Proposal, where applicable.</p> <p>The Financial Evaluation Team may issue a Request for Clarification to a Proponent if any element of the Proponent’s Total Submission Price calculation is unclear. The Request for Clarification should be requested as per the guidelines of this Evaluation Framework.</p>	<ul style="list-style-type: none"> The Proponent with the lowest Total Submission Price will be assigned 450 points for this criterion. Other Proponents will be assigned a maximum of 450 points; with 30 points being deducted for every percentage point their respective Total Submission Price exceeds the lowest scoring Proponent’s Total Submission Price. Note that Proponents can score less than 0 points in this category. 	
			TOTAL CRITERIA SCORE (maximum weighted score = 450)	169.82 / 450

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
I. Quality of Proposed Financing Plan			
1.	Description of Financing Plan	<p>The Proponent will receive a score related to the quality of its proposed financing plan. The following information is required to be submitted by the Proponent and will be considered as part of the evaluation process:</p> <p>(m) a description of each equity investor along with the amount of funds and timing of investment of these funds. This description should also include, but not be limited to, clearly defining the sources of funds, levels of commitments and all necessary approvals required or received to commit/earmark the necessary funds by Financial Close. This must include clear identification of the identity and credit status of each investor as well as the amount to be provided by each investor;</p> <p>(n) a description of the proposed financing structure during the Construction Period and during the Maintenance Period including, but not limited to, lenders, funding structure, organizational chart of the consortium and role of its investors;</p> <p>(o) details of any working capital requirements and details of how these requirements will be met, including a description of any internally generated or other funds that may be used to finance the</p>	<p>Poor:</p> <ul style="list-style-type: none"> No discernible description of investors nor the investment allocation structure of the various investors; credit status of each investor is absent. Non-committed financing; or committed financing with non-standard conditions coupled with no strong plan to obtain commitments in a timely fashion. Committed financing is defined as having obtained credit committee approval. For public bond issues (or non-committed private placement for post-close refinancing): plan description not covering at least (i) detailed and clear description of terms/spreads, (ii) appropriate indicative rating by a reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes. <p>Satisfactory</p> <ul style="list-style-type: none"> Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. Committed financing with standard conditions; or committed financing with <p>Strengths</p> <ul style="list-style-type: none"> Strong redundancy with regards to construction financing facility in terms of amount (1.7x) and lender (N+1, i.e. commitment amounts from 2 out of the 3 lenders sufficient to meet the funding requirement); Financing plan based on Held Pricing Facility; Short-term debt to be provided through financially strong, established lenders with relevant experience in project finance (Mizuho, Desjardins and CIBC); Equity sponsors demonstrated strong ability to fund equity requirements through strong cash positions in financial statements; CCR sensitivity is favourable (1.08x threshold breached at the █% inflation sensitivity scenario but maintained at the █% and █% scenarios); and Distribution of equity during the concession period follows standard market practices including delayed initial distribution. <p>Areas of Improvement</p> <ul style="list-style-type: none"> Proposal structure not organized favourably;

Proponent:		T-Link	
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>Project or any part of the Project;</p> <p>(p) details of any standby facilities provided to meet the requirements of the Project Agreement; and</p> <p>(q) to the extent that other forms of finance, other than equity, are to be used, the Proponent is to provide appropriate details equivalent to those requested for equity.</p>	<p>non-standard conditions but including a clear and strong plan to satisfy conditions precedent. Committed financing is defined as having obtained credit committee approval.</p> <ul style="list-style-type: none"> For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii)appropriate indicative rating by reputable rating agency, and (iii) detailed description of how/why financing will be successfully achieved (including development costs) and the respective timings/approval processes Investors’ reputation and experience are satisfactory <p>Good</p> <ul style="list-style-type: none"> Clear description of investors and the investment allocation structure of the various investors; credit status of each investor is provided. Fully committed financing with minimal, market standard conditions to financial close. For public bonds issues (or non-committed private placement for post-close refinancing): plan description covering at least: (i)detailed and clear description of terms/spreads, (ii) target investors, (iii) adequately completed due diligence (by an investment bank), (iv) appropriate indicative rating by a 	<ul style="list-style-type: none"> Financial submission indicates that equity amount is subject to adjustment at financial close which is in contradiction with RFP requirements (RFC response from the Proponent provided clarity that amount will not be subject to change); High proportion of “SPV Costs” and “Administrative and Other costs” in relation to overall Maintenance Costs; and Maintenance Contract is high-level and lacking in details which may introduce risks related to Sponsor’s ability to undertake a System Extension as outlined in Schedule 36 of the Project Agreement and/or to execute Equity Purchase Agreement.

Proponent:	T-Link			
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments	
			<p>reputable rating agency, and (v) detailed description of how/why financing will be successfully achieved</p>	
	<p>2. Achievability and Robustness of the Financing Plan</p>	<p>(ee) Quality and strength of the various investors;</p> <p>(ff) Levels of commitments provided by all investors (including equity funds, lenders, etc.);</p> <p>(gg) Clear identification of Project Co’s ownership structure and Project organizational structure;</p> <p>(hh) Risks associated with the level of direct or indirect conditions that might contradict with or affect the existing Project Documents (such as the Lender’s Direct Agreement);</p> <p>(ii) Risks associated with achieving Financial Close due to the inclusion of any material adverse change clauses (MAC) or flex conditions in the lending terms and strategies/plans proposed by the Proponents to eliminate and/or mitigate risks associated with such terms and conditions;</p> <p>(jj) Plan to achieve Financial Close including, but not limited to, obtaining all necessary approvals required by investors and/or addressing condition precedent to Financial Close and/or obtaining more efficient financing prior to Financial Close;</p>	<p>Poor</p> <ul style="list-style-type: none"> • No evidence that investors are experienced enough to reach financial close • Poor or no security provided by equity funders to guarantee future injections • Terms/conditions are expected to contradict with or require amendments to the PA • Terms/conditions are expected to result in significant risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns which are more concentrated towards the front-end • No/little evidence provided on plan to successfully achieving Financial Close • Equity distributions are skewed towards the early years of the concessions term and do not reasonably follow the spending pattern of maintenance and lifecycle costs • Restrictive provisions (e.g., poison pill provision) in the drop-down agreement 	

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>(kk) Strength and type of security provided by equity funders guaranteeing future injection;</p> <p>(ll) Strength of financial position of each source(s) of equity capital (i.e. specific fund or investing entity) evidenced by supporting documentation such as, but not limited to, financial statements, fund performance reports, rating reports, etc. (as applicable);</p> <p>(mm) Plan which describes how funding of all development costs leading up to Financial Close will be secured including costs for Early Works as part of the Early Works Agreement, if applicable;</p> <p>(nn) The scope and value of the Early Works, if applicable, relative to the size of the total Cost of the Works;</p> <p>(oo) Clear description of any anticipated change in Project Co’s ownership structure (i.e. exchange of equity shares) either prior to Substantial Completion or during the Maintenance Period;</p> <p>(pp) Reasonableness of equity distributions and Annual Service Payment – Capital Portion payments that follow industry practices and standards for availability based public-private partnerships in Canada;</p> <p>(qq) Clear explanation and cost breakdown of the proportion of services that will be performed by Project Co and the proportion of services that will be performance by Maintenance and</p>	<p>between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions <i>not</i> aligned with standard, market-accepted provisions, particularly with regards to termination clauses</p> <ul style="list-style-type: none"> • Capital Coverage Ratio is not maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. <p>Satisfactory</p> <ul style="list-style-type: none"> • Satisfactory security provided by equity funders to guarantee future injections • Terms/conditions are not expected to contradict with or require amendments to the PA • Terms/conditions are not expected to result in significant risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being fairly spread over the concession term (i.e., not frontend-loaded) • Equity distributions are reasonably distributed (i.e., not front-end loaded) 	

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>Rehabilitation Contractor, separately for: (i) maintenances services covered through the Annual Service Payment – Service Portion; and (ii) lifecycle and major rehabilitation works covered by the Lifecycle Payments;</p> <p>(rr) Quantum of long-term financing (i.e., Equity) not only meets the minimum requirement of \$ [redacted] but also reasonable compared to the Total Capital Cost; and</p> <p>(ss) Stability of the Capital Coverage Ratio due to the effects of a change in inflation assumptions. [Note to reviewer: Proponent’s are expected to provide sensitivity on inflation assumption to show [redacted]% increase, [redacted]% increase, and [redacted]% increase]</p>	<p>across the entire concessions period and follow the spending pattern of maintenance and lifecycle costs as reasonably expected</p> <ul style="list-style-type: none"> • Some evidence provided of contingency plan to successfully achieve Financial Close • No restrictions (e.g., poison pill provision) in the drop-down agreement between Project Co and the Maintenance and Rehabilitation Contractor that would limit the City’s ability execute a system extension at a later date; drop-down agreements include provisions aligned with standard, market-accepted provisions, particularly with regards to termination clauses. • Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of [redacted]% increase to the inflation rate assumption. <p>Good</p> <ul style="list-style-type: none"> • Investors are well reputable and experienced in achieving financing for projects of similar scope • Clear and good security provided by equity funders to guarantee future injections 	

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
		<ul style="list-style-type: none"> • Terms/conditions are not expected to contradict with or require amendments to the PA • Terms/conditions are not expected to result in risks due to the inclusion of MAC clauses or flex conditions • Level of involvement of various risk investors during the high risk stages of concession term is evidenced by equity returns / distributions being more concentrated towards the back-end; • Clear contingency plan in place demonstrating ability to successfully achieve Financial Close; • Equity distributions are distributed relatively evenly throughout the duration of the concession period and match the spending pattern of maintenance and lifecycle costs as reasonably expected; and • Capital Coverage Ratio is maintained above the Threshold Capital Coverage Ratio in all Capital Coverage Ratio Reporting Period as part of the test of █% increase to the inflation rate assumption. 	

Proponent:	T-Link		
RFP Reference	Criteria	Desirable Characteristic / Considerations	Comments
	<p>3. Stability of the Financial Model as Evidenced by:</p> <p>(r) The level of volatility to changes in underlying interest rates (prior to Financial Close); and</p> <p>(b) The reasonableness and volatility of the Indicative Credit Spreads Benchmark submitted by the Proponents and its consistency with the movement of the Credit Spreads at the First Credit Spread Lock-in Date and the Final Credit Spread Lock-in Date.</p>	<p>Poor</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) underlying rates used are mostly illiquid; (ii) an unreasonable and volatile Indicative Credit Spread Benchmark has been proposed and has moved materially for the Credit Spread Lock-in Dates; and (iii) a higher proportion of the Annual Service Payment indexed than appears justified based on the Proponent’s stated costs and/or dropdown agreements <p>Satisfactory</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) limited use of illiquid underlying rates; (ii) a reasonable Indicative Credit Spread Benchmark has been proposed and has not materially moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service Payment is indexed is supported by the Proponent’s costs and dropdown agreements. <p>Good</p> <ul style="list-style-type: none"> Stability of the financial model as evidenced by: (i) No illiquid underlying rates being used; (ii) an appropriate Indicative Credit Spread Benchmark has been proposed and has minimally moved for the Credit Spread Lock-in Dates; and (iii) the proportion of the Annual Service Payment indexed is clearly supported by the Proponent’s costs and dropdown agreements. 	

Proponent:	T-Link			
RFP Reference	Criteria		Desirable Characteristic / Considerations	Comments
		<p>QUALITY OF PROPOSED FINANCING PLAN</p>	<p>TOTAL CRITERIA SCORE <i>(minimum score of 70% or 35pts is required)</i></p>	<p>42.50 / 50</p>