

### Highlights of DBFOM Project Agreement

<b>Financial Close</b>	The DBFOM Project Agreement is expected to be executed in early April 2017 once Financial Close has been achieved.
<b>Commencement of Design and Construction Phase</b>	Coincides with Financial Close.
<b>Substantial Completion</b>	May 2020 (*subject to confirmation of Preferred Proponents schedule)
<b>Commencement of Operations</b>	May 2020 *
<b>Handback of Facility</b>	May 2050 *
<b>Financial Requirements</b>	Refer to Appendix A.
<b>Technical Requirements</b>	<p>Are defined within the DBFOM Project Agreement as the Output Specifications. Key requirements include:</p> <ul style="list-style-type: none"> <li>• Compliance with the approved Environmental Assessment and obtaining all necessary and related approvals;</li> <li>• Produces a Product that meets Canadian Food Inspection Agency (CFIA) certification;</li> <li>• The Project must fit within the Site boundaries;</li> <li>• A design capacity to meet Annual Feedstock Tonnage of 40,000 to a maximum of 60,000;</li> <li>• Coordination with the City's existing Biosolids contractor during the construction period; and</li> <li>• Compliance with Acceptance test requirements prior to the commencement of operations.</li> </ul>
<b>Technical Solution</b>	<ul style="list-style-type: none"> <li>• Single Drum Drying System;</li> <li>• Rotary drum direct heat drying with high-rate gas recirculation;</li> <li>• Ability to process up to 81,031 Wet Tonnes of Biosolids ('Feedstock') per year;</li> <li>• Feedstock mass reduction of approximately 74%;</li> <li>• Produces a Product in the form of a pellet that will be sold as a fertilizer regulated under the Canadian Food Inspection Agency (CFIA);</li> </ul>

- Significant reduction in off-Site trucking & handling;
  - Three Tier Marketing Strategy for the sale of Product to:
    - Horticultural Users;
    - Agriculture, Fertilizer Blenders;
    - Land Reclamation, Land Remediation and Pellet to Fuel (as an alternative fuel source)
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**Review Procedure**

In order to prepare its bid, the recommended Preferred Proponent has likely completed a design that is approximately 30% complete. Once Financial Close is reached, the recommended Preferred Proponent will submit a series of design, construction and operating plans, as defined in the PA, for review by the City. The City will provide input with respect to the Output Specifications.

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**Testing and Commissioning**

As part of the Output Specifications, the City has defined the testing and commissioning process that must be met for the recommended Preferred Proponent to achieve Substantial Completion.

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**Independent Certifier**

The City and recommended Preferred Proponent will jointly procure an engineering firm to act as the independent certifying agent during the construction period, the costs of which have been factored into the bid prices and City Budget.

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**Handback Requirements**

The PA defines the conditions that must be met at the handback of the facility to the City. The PA also includes additional security provisions that may be applied prior to the handback date to ensure that the related conditions are met.

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**Risk Allocation**

Risk allocation is based on an Infrastructure Ontario project agreement template that formed the basis of the DBFOM Project Agreement, with revisions made by the City to apply its lessons learned.

Project specific adjustments, such as those related to Environmental Change in Law, were made to address comments and concerns raised by Proponents during the RFP period.

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