
Unsolicited proposal framework and guideline



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Alberta

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Contents

1.0 Introduction to Alberta’s unsolicited proposal framework and guideline	5
1.1 Introduction	5
1.2 Definition of an unsolicited proposal	5
1.3 Scope	5
1.4 Framework amendments	6
2.0 Unsolicited Proposals in Alberta	7
2.1 Key principles.....	7
2.2 Public interest considerations	7
2.3 Value for money	7
2.4 Affordability.....	7
2.5 Fair market pricing	7
2.6 Transparency and accountability	8
2.7 Lobbying	8
2.8 Contact person.....	8
3.0 Unsolicited proposal management framework	9
3.1 Framework objectives	9
3.2 Framework components.....	9
4.0 Unsolicited proposal submission process.....	11
4.1 Submission principles	11
4.2 Definition of roles and responsibilities	11
4.3 Submission requirements	11
4.4 Protection of confidential and proprietary information.....	12
4.5 USP completeness	13
5.0 Unsolicited proposal preliminary evaluation process.....	14
5.1 Introduction to stage 2 – preliminary evaluation process.....	14
5.2 Definition of roles and responsibilities	14
5.3 Assessment.....	14
5.4 Benchmarking and market testing In preliminary evaluation	15
5.5 Assessment timeframe	15
5.6 Determining project development and procurement methods	15
5.7 Disclosure requirements and approvals	15
5.8 Conclusion of preliminary evaluation stage	16

6.0 Unsolicited proposal project development process.....	17
6.1 Overview of the project development stage	17
6.2 Definition of roles and responsibilities	17
6.3 Project development activities	19
6.4 Timeline for USP evaluation and approvals	19
6.5 Benchmarking and market testing	19
6.6 Project development agreement with the USP proponent	19
6.7 Disclosure requirements and approvals	20
6.8 Conclusion of project development stage.....	20
7.0 Unsolicited proposal conclusion process.....	21
7.1 Overview of the conclusion stage.....	21
7.2 Definition of roles and responsibilities	21
7.3 Conclusion preparation	21
7.4 Conclusion stage timelines	22
7.5 Disclosure requirements and approvals	22
Glossary of Terms.....	23

1.0 Introduction to Alberta's unsolicited proposal framework and guideline

1.1 Introduction

Alberta (the "Province") believes that the private sector provides opportunities for both innovation and capacity to meet public infrastructure needs. The Province is interested in facilitating ways for private sector entities to contribute in the provision of public infrastructure while at the same time creating new job opportunities and supporting Alberta's economy.

Alberta's Unsolicited Proposal ("USP") Framework and Guideline ("Framework") is intended as a guide to ensure that projects initiated as USPs follow similar principles as the publicly initiated public-private partnership ("P3") projects during project development, and possible future steps, including public procurement or private implementation. This USP Framework does not supersede or replace existing or future policies or discretions; nor does it replace or supplant existing grant, regulatory and other processes or the Province's other support or actions already in place or as may be implemented from time to time. Projects that are mainly seeking government support (such as grants) where other processes to obtain such support already exist, are unlikely to meet the criteria of a USP under this Framework.

The Framework aims to harness private-sector investment in the delivery of infrastructure projects, while protecting public policy objectives, encouraging innovation while ensuring transparency and accountability.

The Province encourages private entities to present USPs that either:

- Identify new infrastructure needs in Alberta that conform with the Province's stated infrastructure policy, plans or objectives; or
- Propose innovative solutions to infrastructure needs identified by the Province in its infrastructure policy, plans or objectives.

The Province is committed to a timely, fair, and transparent process to support private sector initiatives with public benefit identified through this USP process; however, please note, this document is only a guide and the specifics of each USP project may not align with the processes and timelines outlined herein.

Infrastructure will prioritize proposals according to public interest, project feasibility, suitability, affordability and other considerations at the full discretion of the Province.

Timelines provided throughout are estimates, not representations. The Province reserves the right to defer assessment of proposals prior to entering into the USP process or adjust timelines within any or all of the USP stages, as determined by the Province at its sole discretion.

1.2 Definition of an unsolicited proposal

A USP is a proposal submitted by one or more legal persons ("Proponent") to Alberta's Ministry of Infrastructure ("Infrastructure") without an explicit request by the Province, for a project not currently being considered or developed by the Province. Generally, the Province will receive and evaluate USPs through the Ministry of Infrastructure, however, other Ministries and public stakeholders may be involved in the Province's process, as appropriate for each Proposal. Infrastructure will assess the USP against the Framework criteria identified herein and may engage with other Ministries and public entities or stakeholders for evaluation and analysis. Proponents that are wholly or substantially funded by the Province should consult with their funding Ministries before submitting a USP.

All USPs must align with the criteria set out in Section 1.1 above, and under no circumstances will the Province entertain a USP that:

- Has already been approved in the Capital plan; or
- Is already the subject of consideration or a decision by the Province; or
- Is under development or procurement by the Province.

1.3 Scope

An eligible USP must be aligned with the Province's stated infrastructure needs, develop or improve an infrastructure asset, and reasonably demonstrate commercial, financial and technical viability. The scope of a USP is limited to infrastructure projects. A USP proposal will not be considered eligible if it is solely for the purpose of seeking grants, loans or funding from the Province. A USP proposal will also be considered ineligible if it is limited solely to delivery of government services.

The Province is particularly interested in USPs that leverage innovative, multi-use infrastructure concepts which address various public needs coupled with strong public benefit. Proposals in infrastructure asset classes that are currently delivered through conventional provincial capital planning processes are not typically suitable for delivery under the USP Framework and Guideline without significant innovation or differentiation.

1.4 Framework amendments

Amendments will be made to this Framework from time to time as both industry and the Province engage in this process. The most current version of the Framework is available on the Alberta Infrastructure website at: www.alberta.ca/infrastructure.aspx

To ensure users are looking at the most current version of the Framework, a date-stamp can be found in the footer section of each page.

The most current Framework is in all cases intended to guide the USP process for all Proposals, even if Proponents have submitted a Proposal at a time when a previous version of the Framework was available. Proponents should regularly consult the Alberta Infrastructure website for updates to the Framework.

2.0 Unsolicited Proposals in Alberta

2.1 Key principles

In the initial review of a USP, the Province will consider whether the proposal meets its key principles, including: serving the public interest, value for money, affordability, fair market pricing, transparency and accountability. When Proponents are developing a USP, these aspects must be addressed to the fullest extent possible including any regulatory or applicable federal, provincial, extra-provincial and municipal hurdles with respect to the USP. Alignment with any or all of these key principals does not mean that a USP will satisfy the criteria to proceed through any particular stage under this Framework. Each USP will be evaluated individually based on the project specifics and the Province's priorities at the time of submission.

2.2 Public interest considerations

The Province will assess the Proponent's USP project to ensure it aligns with one or more public needs and is in the public interest. The assessment of whether a USP project is in the public interest will take into consideration the Province's infrastructure strategy, policies and development goals, and the wider interest of Albertans. USPs should include and address how the project alternatively delivers or enhances delivery of government services.

This public interest assessment is relevant during each stage of a USP project, and it may be revised and reconfirmed throughout the project development and conclusion stages, if they occur. If the Province believes that other project solutions or actions may better address the public's need, it may, in its discretion, reject the USP or propose amendments to align it with public interest needs.

In assessing USP projects, the Province will consider public interest criteria that may include (but not be limited to) a review of the proposed project's impact on the economic and social development of Alberta, environment and climate change, indigenous rights, the statutory and regulatory regime, and other criteria that capture longevity and sustainability dimensions.

Proponents should also be aware that, as a public procuring entity, the Province is subject to trade agreements and other public procurement requirements. These trade restrictions must be considered and incorporated into any USP that proposes or contemplates government funding, subsidy, or support, in any form. A USP that fails to specifically consider and address such restrictions will be considered incomplete.

2.3 Value for money

For the purpose of USPs, the Value for Money ("VfM") assessments will be a significant consideration of economic and financial viability, social and sustainable development and any other parameters that can demonstrate value for money for Albertans. These criteria will be used to inform key approvals throughout the USP process. Proponents should be clear on their VfM proposition in their submission.

The USP should be developed in a way to enhance the project's market interest and value proposition with the possibility of a competitive procurement process, if required.

2.4 Affordability

Proponents may submit USPs that request direct or indirect government support. Please note, one goal of the USP Framework is to encourage and support private sector investment. USPs should include significant non-government funding, and the extent and details of all funding sources should be clearly detailed in the USP.

Any project that requires government funding will need to state the extent of such funding and will need to be developed in compliance with the Province's policies with respect to issues such as grant criteria and procurement rules.

The Province will also assess the direct and contingent liabilities associated with the USP and determine whether these can be adequately managed throughout the contract term.

2.5 Fair market pricing

The Province may utilize any method available to analyze and ensure that contracts resulting from USPs reflect market prices, reasonable private sector returns, and include risk allocation appropriate for the Province.

The Province may use or ask the Proponent to use market testing to determine whether there is likely to be market interest in the project to determine whether or not to organize a competitive approach.

2.6 Transparency and accountability

As a public entity, any information presented to the Province may be subject to public disclosure. The *Alberta Freedom of Information and Protection of Privacy Act* (“*FOIPP Act*”) applies to all aspects of the USP processes and documentation.

USP Proponents are advised that it is their responsibility to read and understand the *FOIPP Act*, including what information from the USP the Province is or may be required to disclose. By submitting a Proposal, the Proponent specifically represents and warrants that it is entitled to use and disclose any information contained in that Proposal to the Province and promises to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its Proposal or the further disclosure of such information pursuant to law, including under the *FOIPP Act*.

2.7 Lobbying

Once a USP is submitted, Proponents and their team members, advisors, and key individuals are prohibited from engaging in any form of political or other lobbying in relation to the assessment of a USP or influencing the outcome of the USP process.

Failure to comply with this provision may result in rejection of the USP.

2.8 Contact person

Proponents will be required to identify a contact person in their USP, who will interface with the Province. This interface will be the formal and principal point of contact and communication between the Proponent and the Province.

In response to a USP, the Province will indicate to the USP Proponent who the designated Province contact representative(s) is for the project and, once notified, the USP Proponent shall only communicate with such contact individual(s), as may be amended from time to time.

The Framework is designed to ensure consistent evaluation through Infrastructure. However, should it be deemed appropriate, based on the USP submission, another of the Province’s Ministries may also correspond directly with the Proponent regarding the USP.

3.0 Unsolicited proposal management framework

3.1 Framework objectives

The objectives of the Framework are to:

- Ensure clarity, predictability, transparency, and accountability for both public agencies and private entities.
- Provide guidance to USP Proponents in terms of the contemplated procedures and treatment of USPs, which helps foster and maintain private sector interest in public infrastructure development projects.
- Provide guidance to public officials, helping them to process USPs effectively and efficiently using consistent and transparent procedures.
- Identify a consistent approach but also allow for flexibility to process different types of USPs, provided appropriate. The Province's approvals are obtained, as determined by the Province in its discretion.
- Articulate the Province's policy objectives, ensuring that submitted USPs are in line with the government's infrastructure priorities and development plans.
- Outline the approval process and allow sufficient time in the process to obtain the required approvals to help ensure timely advancement of projects.

By establishing this Framework, the Province is defining what it considers a USP, setting out the principles on which USPs are based, and disclosing key criteria for projects that could be considered for USPs and their processing.

With this Framework, the Province is not making specific representations to Proponents that may be relied upon in any circumstances. The Province retains ultimate discretion to modify this Framework, or depart from the processes described in this Framework, as may be appropriate to each USP or in the public interest.

3.2 Framework components

The Framework includes USP principles, guidance, requirements for various USP stages, assessment and decision processes.

This Framework cannot anticipate every event and USPs are complex undertakings, judgment needs to be applied within the USP principles.

Table 1 provides a visual overview of the components, systems, and interactions that may be required to achieve each of the objectives underlying the Framework.

TABLE 1: PROCESS FLOW

Stage	USP Stage	USP Process Flow	Estimated Timelines
1	Submission	<p>Proponent submits USP to Ministry of Infrastructure.</p> <p>Infrastructure in consultation with relevant public entities and stakeholders may request clarifications from USP Proponent.</p> <p>Completeness check</p> <p>Infrastructure checks whether the USP submission is complete. Determination of completeness does not mean that the submitted information is sufficient for the USP to clear the Preliminary Evaluation Stage.</p> <p>Infrastructure may establish additional requirements for completeness of information as may be appropriate for each USP.</p> <p>Once a USP submission has been verified to be complete, Infrastructure will advise the Proponent that it is advancing to the Preliminary Evaluation Stage.</p>	<p>Confirmation of completeness or requests for clarification or additional information within 30 Business Days.</p>
2	Preliminary Evaluation	<p>Infrastructure:</p> <ul style="list-style-type: none"> Identifies the relevant government department(s) and public stakeholders necessary to evaluate the USP to determine if the project is supported for further advancement. Requests evidence of USP Proponent qualifications (if relevant). Uses benchmarking, risk analysis and allocation, and market testing (if relevant) to evaluate the project. Discloses relevant information as required to evaluate the USP. Determines the appropriate implementation processes for the project (if any). May request further clarifications or information from USP Proponent. May engage with the Proponent to participate in discussions or meetings relevant to the Preliminary Evaluation. Identifies project development next steps, which may include further investigation and information from the USP Proponent or could result in development of public procurement documents. May advance the Proposal to the Project Development stage, return the Proposal to the Submission stage (if significant revision of the submission is required), decline to advance the Proposal, or reject the Proposal. 	<p>Preliminary Evaluation is subject to project-specific complexity and availability of the necessary Province's resources and authority.</p> <p>Timelines for issuance of decisions to request more information, move to the Project Development Stage, or otherwise identify next steps, will be determined by the Province on a project-specific basis.</p>
3	Project Development	<p>The Province may:</p> <ul style="list-style-type: none"> Undertake project development which may require project approval in the Province's Capital Plan. Sign a project development agreement with the USP Proponent for specific studies and next steps, identifying obligations and expectations of both the Province and USP Proponent. Use benchmarking, risk analysis and allocation, and market testing (if relevant) to evaluate the project. Determine or confirm the most appropriate procurement method(s) for all or any part of the USP project. 	<p>Decisions made in respect of typical Project Development stages are anticipated within of 6 to 12 months after advancement to this stage, if possible, as determined on a project- and Proposal-specific basis.</p>
4	Conclusion	<p>To commence the Conclusion Stage, the Province will:</p> <ul style="list-style-type: none"> Determine tasks as deemed necessary; Determine the appropriate role of the Province; and Determine the appropriate form of agreement to formalize the rights and obligations of parties involved in the project (e.g., grant agreements, license, lease, construction agreements, consulting agreements, etc.). <p>Infrastructure or another public entity may award the necessary contracts, subject to required approvals.</p>	<p>Proposal of appropriate formal agreements with USP Proponents are anticipated within approximately 6 months of advancement to the Conclusion stage, subject to project complexity and number of agreements and stakeholders involved.</p>

4.0 Unsolicited proposal submission process

4.1 Submission principles

The principles identified in Section 2 attempt to illustrate the bases for the assessment of USPs and public procurement of the projects resulting from a USP, if applicable. As the Framework cannot anticipate every situation, these principles can only provide broad direction. Infrastructure should be consulted when interpretation or direction is required.

4.2 Definition of roles and responsibilities

During the submission stage, the roles and responsibilities of the USP Proponent and Infrastructure are generally as follows:

- The USP Proponent submits a well-developed proposal to Infrastructure. The USP must meet the submission requirements and align with the evaluation criteria, as well as any additional information required by the Province.
- Infrastructure receives the proposal and checks the USP for completeness. Infrastructure communicates the results of its completeness check in written form with the USP Proponent. Infrastructure may consult other public entities as required to support this assessment. For clarity, a determination of completeness with the submission requirements does not mean that the submitted information is sufficient for the USP to advance to or clear the Preliminary Evaluation Stage and does not constitute the acceptance of the proposal, which will be determined during USP process.

4.3 Submission requirements

4.3.1 Process requirements

USPs can be submitted to the Province through email at unsolicited.proposals@gov.ab.ca as stated in the USP portal website.

Infrastructure may prioritize review and evaluation of proposals according to public interest, project feasibility, suitability, affordability and other considerations at the full discretion of the Province.

The Province reserves the right to defer assessment of proposals prior to entering into the USP process or adjust timelines associated with USP stages where the nature of proposals may require additional considerations, resources, or engagement by the Province or other stakeholders.

A USP Proponent must submit, at minimum, the following information and documentation as part of the USP Submission.

Public-interest requirements:

- A description of the proposed project, including conceptual design, sketches, or land or alignment maps, if applicable;
- A preliminary assessment of the public need for the proposed project, including a description of the benefits to Albertans and alignment with the Province's infrastructure policies, plans and objectives;
- A description of the environmental and social features and impacts of the proposed project, including the proposed project's resilience to climate change/contribution to sustainability;
- An assessment of relevant trade agreement and public procurement restrictions, if any, along with a detailed explanation of how the restrictions may impact the Province and alternatives for avoiding or mitigating them; and
- A preliminary assessment of economic feasibility or a cost-benefit analysis.

Project feasibility requirements:

- A preliminary technical description of the proposed project, including project delivery approach, high level construction schedule and requirements for connections to existing assets/infrastructure or services (if required);
- A preliminary assessment of financial feasibility, including a detailed financial model with costs and revenues, and a preliminary funding and financing plan, particularly addressing anticipated the Province funding, inclusive of all funding requirements including but limited to, development costs, land acquisition costs, construction costs, and long-term operating costs, as applicable;
- A preliminary service and operating plan for the proposed project; and
- Identification of any local, provincial or federal statutory or regulatory changes or approvals that might be required to develop the project and a preliminary analysis of the wider impacts of such proposed changes.

USP suitability requirements:

- A preliminary assessment of project risks and proposed risk allocation between all parties involved in the proposed project, including but not limited to the Proponent, the Province, and any third parties; and

- A preliminary assessment of any landowners, indigenous groups, municipalities or other third parties likely to be impacted by the project.

Affordability requirements:

- Confirmation that the proposed project does not require significant Provincial financial support; or
- A description of the type and range of Provincial financial support that the proposed project is expected to require.
- Detailed disclosure of all proposed sources of funding for the project, including but not limited to all public funding sources (e.g., Federal grants, tax credits, subsidies, funding from outside Canada, etc.).

By submitting a USP, the Proponent grants the Province the right to investigate the veracity of all of the Proponent’s declarations and representations, including those relating to funding sources.

4.3.2 Requirements for engagement in project development

In the event of the project progressing to the Project Development phase, the USP Proponent must submit any further or more detailed information, as requested by Infrastructure to evaluate the USP Proponent’s experience and qualifications with project development.

The USP Proponent must demonstrate its capability and capacity to develop the proposed project. This will also include demonstration of appropriate due diligence and risk allocation considerations regarding the project. This includes but may not be limited to developing the following:

- Designs and Technical Feasibility Studies
- Financial Feasibility Studies
- Detailed Financial Model(s)
- Economic Feasibility Studies
- Social and Environmental Impact Studies
- Feasibility Assessment of any required statutory or regulatory changes
- Risk Allocation Matrix

Subject to the terms of an executed project development agreement (if any) between the Province and the Proponent, the Province may, pursue, modify, reject or abandon any USP at any time during the process described herein, at its sole discretion, without regard to the interests of the Proponent, and without liability to the Proponent. By submitting a USP, the Proponent acknowledges and agrees to release, hold harmless, and indemnify the Province from any loss, harm, or claims associated with the Province’s decisions with respect to the USP. Similarly, a Proponent may abandon its involvement in this process upon written notice to the Province. The Province reserves the right to continue project development based on the USP if abandoned by the Proponent.

Engagement by the Province with a Proponent does not grant the Proponent any exclusivity, entitlement to a contract, or advantage over other proponents or entities, should the Province later pursue a different form of procurement in respect of or in any way related to the subject matter of the USP.

4.3.3 Requirements for engagement in project implementation

The USP Proponent must submit information that enables the Province to evaluate the Proponent’s capability and capacity, or methodology to implement the project. At any stage of the USP process, the Proponent may be required by Infrastructure to clarify or update its submissions in order to provide the information that the Province requests.

4.4 Protection of confidential and proprietary information

USP Proponents are reminded that it is their responsibility to read and understand the FOIPP Act, including what information from the USP the Province is or may be required to disclose. By submitting a USP, the Proponent specifically represents and warrants that it is entitled to use and disclose any information contained in that USP to the Province, and promises to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its USP or the further disclosure of such information pursuant to law, including under the FOIPP Act. If the USP Proponent wishes to request protection of confidential and proprietary information contained within its USP submission, it must specifically identify the confidential and proprietary information prior to submission of that information to the Province. The Province may, but is not obliged to, engage with the Proponent to come to an agreement on the processes and procedures that will be adopted in order to prevent further disclosure of the confidential and proprietary information.

However, the Province does not guarantee or warrant that any information disclosed as part of the USP will remain confidential or private, and the Proponent acknowledges and understands that all such information may be subject to further disclosure. For example, the FOIPP Act disclosure rules supersede any information identified as confidential or proprietary. The USP Proponent must promise to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its USP or the further disclosure of such information pursuant to law, including under the FOIPP Act. The Province reserves the right to deny or refuse to progress any USP based on non-disclosure of required information, whether or not such information is identified as confidential or proprietary.

If any confidential, proprietary, or private information or intellectual property is created or developed in the course of Province's engagement in the USP process, it will be deemed to be the property of the Province unless otherwise agreed to, in writing, by the Proponent, the Province, and all other relevant stakeholders.

4.5 USP completeness

During the Submission stage, Infrastructure performs a 'completeness check' of the submitted USP.

Infrastructure may deem a USP complete if the USP meets, at minimum, the following two criteria:

1. The USP meets the definition of a USP in Clause 1.2; and
2. The USP meets the submission requirements in Clause 4.3 in its entirety.

Infrastructure estimates that confirmation of completeness or requests for clarification or additional information will be returned to the Proponent within 30 Business Days of the submission of the USP. Please note, however, that this timeline is an estimate and Infrastructure may require additional time depending on the nature and priority of each project, as determined by the Province, in its sole discretion.

Infrastructure will reject any USP that does not meet the submission criteria. If Infrastructure rejects a USP submission, it will notify the USP Proponent in writing and provide a brief explanation of why the USP was rejected, and may inform the USP Proponent if resubmittal is permitted or if the proposal should be diverted to a different public entity.

If the USP is complete, Infrastructure will notify the Proponent in writing that the USP is complete and is proceeding to Preliminary Evaluation stage. Notification of USP completeness does not mean that the submitted information is sufficient for the USP to clear the Preliminary Evaluation stage and does not create any obligation on the part of the Province to advance the USP project into the Project Development stage, nor enter into any agreement with the USP Proponent.

5.0 Unsolicited proposal preliminary evaluation process

5.1 Introduction to stage 2 – preliminary evaluation process

The USP Preliminary Evaluation process starts when Infrastructure has deemed the USP submission as complete. This stage is comprised of two components: assessment and approval.

As part of the assessment process, the Province will determine if the USP process is the right path for the proposed project, and the Province reserves the right to make this determination at any point during the Preliminary Evaluation stage.

The assessment criteria has been developed to ensure that the Province only accepts USPs that meet the following requirements:

- **Public Interest:** Determines if the USP project advances the public interest and is aligned with the Province's infrastructure priorities.
- **Project Feasibility:** Evaluates the proposed project's technical, financial, economic, environmental and social feasibility at a preliminary level.
- **Suitability:** Assesses whether the proposed project is expected to be suitable for development, based on factors such as infrastructure development goals and objectives and proposed risk allocation between public and private sector.
- **Affordability:** Assesses the proposed project's implications for government support, including direct and contingent liabilities.

5.2 Definition of roles and responsibilities

During this stage, the roles and responsibilities of the USP Proponent and the Province are as follows:

- The USP Proponent may be required to submit any additional information at this stage, as requested by the Province, at which point the USP Proponent must provide the necessary information in written form.
- Infrastructure, in consultation with relevant departments, will evaluate the USP against the evaluation criteria. Timelines for issuance of decisions to request more information, move to the Project Development Stage, or otherwise identify next steps, will be determined by Infrastructure on a project-specific basis. Proponents

may request, and Infrastructure may advise, its anticipated Preliminary Evaluation timelines with respect to specific USPs. Please note, however, that these timelines are estimates and Preliminary Evaluation may require additional time depending on the nature of each project, as determined by the Province, in its sole discretion.

- The evaluation will be based on the best judgement and sole discretion of the evaluators. The evaluation will be final and binding.

The Province may retain external advisors, if necessary, to verify aspects of the proposal or to provide additional guidance in decision making.

Infrastructure may contact the USP Proponent with requests for clarification or additional information. Communication shall take place in written form.

Infrastructure, in consultation with relevant public stakeholders, will assess and determine whether the USP should proceed to the Project Development stage. The Province will also make a determination regarding the role of the USP Proponent in project development, and the most appropriate delivery approach.

5.3 Assessment

5.3.1 Public interest criteria

Infrastructure, in consultation with relevant public stakeholders, will assess the proposed project using the following criteria and sub-criteria by:

- Confirming that the proposed project aligns with the Province's stated infrastructure needs, policy objectives and priorities; and;
- Evaluating the societal need for the proposed project. The Province may require the Proponent to provide needs-based or options analysis to confirm the benefit to Alberta, if not provided with the initial proposal.

5.3.2 Project feasibility criteria

Infrastructure, in consultation with relevant public stakeholders, will assess the proposed project using the following criteria and sub-criteria by:

- Confirming that the proposed project aligns with the Province's stated infrastructure needs, policy objectives and priorities;

- Confirming the technical feasibility of the proposed project at a preliminary level; and
- Evaluating the expected social and environmental impact and/or the economic feasibility of the proposed project.

5.3.3 Suitability criteria

Infrastructure, in consultation with relevant departments, will assess the proposed project using the following criteria and sub-criteria by:

- Confirming that the proposed project has the potential to generate VFM;
- Confirming that the proposed project includes a robust assessment and alignment of the risks between the public and private entities; and
- Evaluating the advantages and disadvantages of the proposed project in general.

5.3.4 Affordability criteria

Infrastructure, in consultation with relevant departments, will assess the proposed project's affordability using the following criteria and sub-criteria by:

- Evaluating expected direct and contingent liabilities for the Province, or
- Confirming that the proposed project is affordable to the end user, if a user-pays model is being proposed.

5.4 Benchmarking and market testing In preliminary evaluation

The Province may undertake benchmarking to inform the evaluation of the proposed project. If benchmarking is not able to provide the required information, the Province may use market testing and any other method to inform the evaluation of the proposed project.

Benchmarking allows the Province to undertake a structured comparison of the proposed project with similar projects in the same sector or jurisdiction, thereby testing the reasonableness of specific elements of the USP.

Where benchmarking yields insufficient information, market testing and other methods may also help to inform project evaluation.

5.5 Assessment timeframe

Timelines for issuance of decisions to request more information, move to the Project Development Stage, or otherwise identify next steps, will be determined by Infrastructure on a project-specific basis. Proponents may request, and Infrastructure may advise, its anticipated

Preliminary Evaluation timelines with respect to specific USPs. Please note, however, that these timelines are estimates and Preliminary Evaluation may require additional time depending on the nature of each project, as determined by Infrastructure, in its sole discretion.

5.6 Determining project development and procurement methods

The Province, in its sole discretion, may consider any one or more of the following project-development methods:

- Project development by USP Proponent (which may require inputs from the Province):
 - potential Province involvement, including, for example, grant funding, or a lease/license for the Province lands;
 - competitively procuring components of the USP project, as directed by the Province;
 - alternative procurement models, including but not limited to the Swiss Challenge method.
- Project development by the Province (which may require project approval in Capital Plan and services of the other Province departments and may result in a public procurement); and
- Rejection of USP proposal.

5.7 Disclosure requirements and approvals

5.7.1 Disclosure requirements

Following the Province's decision to move forward with the USP, the Province may publicly disclose critical elements of the USP submission, the process and results of the assessment phase, and a description of the proposed project development and procurement process, including any special conditions and advantages that will be provided to the USP Proponent.

USP Proponents are reminded that it is their responsibility to read and understand the *FOIPP Act*, including what information from the USP the Province is or may be required to disclose. By submitting a USP, the Proponent specifically represents and warrants that it is entitled to use and disclose any information contained in that USP to the Province, and promises to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its USP or the further disclosure of such information pursuant to law, including under the *FOIPP Act*.

5.7.2 Approvals

The Province will provide its assessment based on the evaluation criteria and the recommendation to the appropriate Province approval body, which may include Members of the Executive Council, to proceed to project development stage.

The Province will determine whether the proposed project will enter the project development stage. It shall also determine which project development and procurement method will be followed.

The Province approval body may require additional due diligence and solicit independent advice from internal and external resources, which may require additional time for the conclusion of this stage.

Approval of the USP during the Preliminary Evaluation stage does not create any obligation on the part of Infrastructure or the Province to implement the project. In submitting a USP, the Proponent releases, indemnifies, and holds harmless the Province from any loss, harm, expenses, costs (including legal costs on a solicitor client basis) or claims from itself or any other party, directly or indirectly related to the Province's decisions in respect of proceeding with or not proceeding all or any part of a proposed project under the USP, whether or not that project resulted in a development agreement or any other form of agreement with the Province.

5.8 Conclusion of preliminary evaluation stage

The Preliminary Evaluation stage ends when the Province approval body approves or rejects the proposed project for entry to the Project Development stage.

6.0 Unsolicited proposal project development process

6.1 Overview of the project development stage

During the Project Development stage, the Province determines whether the proposed project is feasible; whether it is expected to generate value for Albertans through the proposed USP project; whether entering into a development agreement is in the best interests of the Province and Albertans, and how it should be structured to achieve those objectives.

The feasibility studies and other evaluations undertaken during this stage are expected to be significantly more detailed than the preliminary feasibility studies developed by the USP Proponent as part of its USP submission. Full, robust, and in-depth technical, financial, environmental, and other specific professional assessments may be required by Infrastructure (at its discretion) to be provided by the Proponent.

USP Proponents may be required to pay a non-refundable review fee of \$20,000 (in Canadian dollars) at the start of –this stage of Project Development. The Province reserves the right to determine, in its sole discretion, that the USP will not be reviewed further until the review fee has been paid in full and cleared. The fee, if required, is intended to cover the costs of resources expended by the Province in reviewing the USP.

- The review fee, if required, must be paid in the form specified by the Province.
- Payment of the review fee will not in any way create a legal obligation on the part of the Province toward the USP Proponent nor bind the Province to advance the USP process or enter into Project Development Agreement ("PDA") with the USP Proponent.

6.2 Definition of roles and responsibilities

The roles and responsibilities of the parties for this stage are subject to the project development approach.

The project development approaches are as follows:

6.2.1 Approach 1 – Project development by the USP proponent

Under this approach:

- The USP Proponent must undertake specific project development activities requested by Infrastructure in consultation with relevant departments.
- The project development process and requirements will be governed by PDA between the USP Proponent and the Province.
- The Province and external advisors (if required), will oversee any studies developed by the USP Proponent. The Province may directly or jointly hire external advisors with or without the USP Proponent to independently assess the studies developed by the USP Proponent.
- Subject to the terms of a PDA and/or any cost sharing arrangements for third party services, the Province will not compensate the USP Proponent for any costs incurred by their own forces or advisors during this stage.

6.2.2 Approach 2 – Project development by the Province

If the Province elects to proceed with its own development of the proposed project, then it will oversee the project development process and may limit the role of the USP Proponent. This approach helps establish equal opportunities for a competitive procurement for the proposed project. In this case, the formal role of the USP Proponent may conclude.

Under this approach:

- Infrastructure, in consultation with relevant stakeholders and external advisors (if required), will undertake project development.
- Infrastructure, in consultation with relevant stakeholders, may contact the USP Proponent with requests for clarification or additional information. Communication shall take place in writing.

The Province will evaluate the USP against the evaluation criteria and determine whether the proposed project should be considered for public procurement.

Under this approach, the USP process will end at this stage and the Province may engage in a standard or alternative public procurement process. In this event, the USP Proponent may or may not receive any benefit or advantage (including but not limited to any Automatic Shortlisting) within such alternative public procurement process.

Table 2 below identifies examples of the documentation and studies that the USP Proponent may be required to develop and complete with recommended roles and responsibilities. Each USP may require different documentation and studies, as necessary.

TABLE 2: STUDIES AND DOCUMENTATION WITH RECOMMENDED ROLES AND RESPONSIBILITIES

Studies and documentation	Recommended roles and responsibilities
Definition of the Project Scope Technical Feasibility Study Financial Feasibility Study Detailed Financial Model	These studies will be developed by the USP Proponent, utilizing available information, analysis, experience, abilities and understanding of their proposed project. Appropriate supporting information will be required by the Province.
Social and Environmental Impact Assessment Economic Feasibility Study Statutory and Regulatory Feasibility Study Legal document structure and Risk Allocation Matrix Stakeholder outreach to ensure support for the proposed project	Infrastructure will coordinate the review process and if required will engage internal / external advisors and may request or require the Proponent to engage with or perform these studies.
Procurement Structure and Contract Procurement Strategy Suitability Assessment Fiscal Impact Assessment Legal Feasibility Assessment	Infrastructure will coordinate the development of these documents (supported by its legal and internal/external advisors, if required).

6.3 Project development activities

The Project Development stage will consist of the activities necessary to enable the Province to undertake further, in-depth analysis of the proposed USP in order to be able to make a final decision for the project.

In event of project development by the USP Proponent, this stage consists of the following activities by the USP Proponent:

- Collaborate with the Province on development of a mutually agreed upon PDA. The Province will lead drafting and preparation of the PDA;
- Development of a detailed functional and geographical scope and schedule of the proposed project, any land (and land-acquisition) requirements, as well as a description of its alignment with the Province priorities;
- Development of a technical feasibility study, including a preliminary technical design and technical requirements;
- Development of a financial feasibility study, including a detailed risk assessment, complete with proposed risk allocation;
- Development of a legal feasibility study, including an assessment of regulatory and statutory requirements and necessary approvals from all applicable authorities, levels of government, and third parties;
- Development of a social and environmental impact assessment;
- Development of an economic feasibility study or cost-benefit analysis;
- Development of a fiscal impact assessment or affordability assessment;
- Development of an assessment of partnership suitability;
- Development of a delivery strategy for the decision stage, if applicable;
- Development of a preliminary deal structure and high-level risk matrix; and
- Stakeholder outreach and engagement strategies to ensure support for the proposed project.

6.4 Timeline for USP evaluation and approvals

Decisions made in respect of typical Project Development stages are anticipated within of 6 to 12 months after advancement to this stage, if possible, as determined on a project and Proposal-specific basis. Additional time may be required to complete project development based on the nature of each project and this may require additional approvals through the Province approval bodies.

6.5 Benchmarking and market testing

The Province may use benchmarking in cases where it requires additional information to support decision-making during the project development stage. If this information cannot be sourced through benchmarking, the Province may undertake market testing or/and any other suitable methods.

6.6 Project development agreement with the USP proponent

The Province in its discretion, may enter into PDA with the USP Proponent that outlines the terms under which the parties will undertake project development activities.

The Province will lead preparation of the PDA, which will at minimum, outline:

- Objectives of the project and of the PDA;
- Responsibilities and any obligations of the Province and the USP Proponent;
- Modalities for coordination and communication between the Province and the USP Proponent;
- Timelines for project development;
- Provisions for termination of the Project Development Agreement;
- Ownership of intellectual property rights, copyrights and moral rights;
- Any legal or regulatory obligations; and
- Policies related to transparency, accountability, confidentiality, and conflicts of interest.

Subject to express inclusion in the negotiated PDA, the Province will not compensate the USP Proponent for any project development activities and costs. However, the Province may provide permissible incentives for participation in any public procurement process by the USP Proponent. For clarity, this PDA is an agreement for further development of the proposed project and is not development of public procurement documents or a project agreement that gives the USP Proponent exclusive rights or any specific advantage with respect to procuring, constructing or otherwise implementing the proposed project.

6.7 Disclosure requirements and approvals

6.7.1 Disclosure Requirements

At the end of the Project Development stage, the Province may publish the outcome of this stage, with updated project information and next steps, in accordance with Sections 2.6 and 4.4 of this Framework.

USP Proponents are reminded that it is their responsibility to read and understand the *FOI/PP Act*, including what information from the USP the Province is or may be required to disclose. By submitting a USP, the Proponent specifically represents and warrants that it is entitled to use and disclose any information contained in that USP to the Province and promises to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its USP or the further disclosure of such information pursuant to law, including under the *FOI/PP Act*.

6.7.2 Approvals

Infrastructure, in consultation with relevant stakeholders will evaluate the project development documentation as per the evaluation criteria.

In entering into a PDA, the Proponent releases, indemnifies, and holds harmless the Province from any loss, harm, expenses, costs (including legal costs on a solicitor client basis) or claims from itself or any other party, directly or indirectly related to the Province's decisions in respect of proceeding with or not proceeding all or any part of a proposed project under the USP or PDA, whether or not that project resulted from the development agreement or any other form of agreement with the Province.

6.8 Conclusion of project development stage

The Project Development Stage ends when there is a decision to:

- Approve the proposed project for entry to Stage 4 – Conclusion, or
- Decline to proceed the proposed project to Stage 4.
 - The Province may recommend other options to the Proponent, outside the USP process.

7.0 Unsolicited proposal conclusion process

7.1 Overview of the conclusion stage

During the Conclusion stage, the Province manages the delivery process in accordance with public policy and directives ensuring that proposed projects align with Province's trade agreement obligations. Proponents are reminded of the Key Principles underlying this USP Framework, specifically that, as a public procuring entity, the Province is subject to trade agreements and other public procurement requirements. Any applicable trade agreements or requirements must be complied with at all times throughout the project implementation or conclusion process, including under a PDA or any other agreements entered into in pursuit of the project.

An effective conclusion process ensures that the result represents value for Albertans, incorporates clear and sustainable risk allocation, and furthers the public interest.

A transparent and accountable conclusion process also ensures stakeholder support and minimizes the potential for loss or legal challenge.

At the end of this stage, the Province, in its discretion, may enter into one or more agreements that allow the USP Proponent a role in delivering the proposed project, implementing the project itself through competitive procurement, engage in alternative procurement methods including but not limited to a Swiss Challenge method, or abandoning the project.

7.2 Definition of roles and responsibilities

The roles and responsibilities of the parties during the Conclusion stage are subject to the approach chosen which is coordinated by Infrastructure for finalization, in consultation with relevant departments.

Project delivery by USP Proponent will conclude with, or without, appropriate agreements with the Province (for example grant, lease, license), as applicable.

7.3 Conclusion preparation

7.3.1 USP proponent project delivery preparation activities

Infrastructure, in consultation with relevant stakeholders, will prepare for project delivery by the USP Proponent.

Infrastructure in consultation with relevant stakeholders, may extend the PDA with the USP Proponent for the continuation of project development activities during the Conclusion stage, if agreed to by both parties.

Infrastructure, in consultation with relevant stakeholders will draft and finalize the appropriate contracts.

The Province may request reconfirmation of the project development information and documentation.

7.3.2 Benchmarking and market testing during the conclusion stage

The Province may use benchmarking and consulting to help inform the design of the deal structure, strategy and contract.

In cases where the Province requires further information to validate the proposed structure or promote the project, it may undertake or require the USP Proponent to undertake further market testing.

7.3.3 Clearance and approval activities

The USP Proponent will be responsible for all necessary approvals, permitting, licensing etc., required for implementing the project, unless specifically identified as an obligation of the Province or another party in the PDA or in the executed contract document(s).

7.4 Conclusion stage timelines

Infrastructure in consultation with relevant stakeholders will establish clear and realistic timelines for preparing any agreement required for delivery of the project by the USP Proponent.

Proposal of appropriate formal agreements with USP Proponents are anticipated within approximately 6 months of advancement to the Conclusion stage, subject to project complexity and the number of agreements and stakeholders involved. Agreements with other participants, stakeholders, or third parties (as may be required by the project) are not captured by this timeline estimate.

7.5 Disclosure requirements and approvals

7.5.1 Disclosure requirements

At the end of the Conclusion stage, Infrastructure in consultation with relevant departments, will publish the result in accordance with its disclosure policies and FOIPP.

The above disclosure requirements are applicable to any contracts resulting from a USP.

USP Proponents are reminded that it is their responsibility to read and understand the *FOIPP Act*, including what information disclosed pursuant to the USP, the PDA, and any other agreements, the Province is or may be required to disclose. By submitting a USP, entering into a PDA, or any other agreement with the Province, the Proponent specifically represents and warrants that it is entitled to use and disclose any information required to be disclosed to the Province, and promises to indemnify and protect the Province from any loss, harm, or claims from any party caused by the use or disclosure of such information as part of its USP or the further disclosure of such information pursuant to law, including under the *FOIPP Act*.

7.5.2 Approvals

The Province may be required to obtain necessary approvals from other public, regulatory, or extra-Provincial entities before entering into any contracts to deliver a USP project.

Any decisions by the Province to enter into any agreements (including but not limited to a PDA or agreement for delivery of a project) are subject to and conditional upon the Province obtaining all such necessary approvals.

In entering into a PDA, the Proponent releases, indemnifies, and holds harmless the Province from any loss, harm, expenses, costs (including legal costs on a solicitor client basis) or claims from itself or any other party, directly or indirectly related to the Province's decisions in respect of proceeding with or not proceeding all or any part of a proposed project under PDA, whether or not that decision was made due to or influenced by the Province's ability to obtain any necessary public, regulatory, or extra-Provincial approval.

Glossary of Terms

Affordability

The project's fiscal impact on public finances, including whether the resulting direct and contingent liabilities and project risks are sufficiently manageable.

Automatic Shortlisting

An incentive mechanism under which the USP Proponent may be shortlisted for competitive public procurement.

Conclusion (phase)

The last phase of the USP process concluding with the decision on the USP.

Cost-benefit Analysis (CBA)

Also known as economic cost-benefit analysis or economic feasibility study. Assesses whether society will be better off if the project is implemented versus pursuing an alternative project solution.

Direct Negotiation

An approach under which Province negotiates the contract one-on-one with the USP Proponent. The direct negotiation is governed by a direct-negotiation protocol under project development agreement between the USP Proponent and Province.

Economic Feasibility

An assessment of whether the social and economic and environmental benefits of the proposed project outweigh the socioeconomic costs. It assesses whether Albertans will be better off if the project is implemented rather than pursuing an alternate course of action. See cost-benefit analysis (CBA).

Feasibility Study

The detailed assessment of the proposed project during the project-development stage in order to prepare it for the procurement stage. It may include assessments of economic feasibility, financial feasibility, technical feasibility, legal feasibility, and social and environmental feasibility.

Financial Feasibility

The extent to which the proposed project's revenues are sufficient to cover expected capital and operating expenditures, considering key project risks, and the project is able to provide acceptable returns to equity holders and to service its debt on time and in full. Outputs may include the net-present value (NpV) and internal rate of return (IRR). Financial feasibility is typically assessed in conjunction with the funding and financing plan.

Infrastructure

His Majesty the King in right of Alberta, as represented by the Minister of Infrastructure.

Legal Feasibility

An assessment of whether the proposed project meets legal requirements or is expected to involve any legal uncertainties or risks, such as the risk that a party to a contract will not be able to enforce its rights and obligations.

Partnership Suitability

An assessment conducted during the preliminary evaluation and project development stages that enables the Province to determine whether a proposed project is suitable for development.

Proposed Project

The project that is the subject of a USP, submitted by the USP Proponent to Infrastructure.

Project Development

The third stage of the USP process, during which the USP Proponent and/or the Province develops a feasibility study (or business case) as well as the documentation required for the procurement stage. See feasibility study.

Project Development Agreement

An agreement between Infrastructure and the USP Proponent that governs the involvement of the USP Proponent and the Province in project development. For clarity, this is an agreement for further development of the proposed project. It is not a project agreement that gives the USP Proponent exclusive rights to construct or implement the proposed project nor any specific advantage with respect to procurement of materials or services in relation to the project. A Project Development Agreement may or may not create binding legal obligations and may or may not include or involve parties other than the USP Proponent and the Province, as may be suitable for the project.

Project Feasibility

The evaluation criteria that the Province uses to assess a proposed project during the evaluation and project-development stages. It will include assessments of technical feasibility, economic feasibility, financial feasibility, legal feasibility, and social and environmental feasibility.

Province

The Province means His Majesty the King in right of Alberta, generally as represented by the Minister of Infrastructure, but may include other Ministers or public entities.

Public Interest

The evaluation criteria that the Province uses to assess whether the proposed project is in the best interests of the Province and society. Includes at minimum two sub-criteria: conformity with the Province infrastructure objectives and priorities, and ability to meet Albertan's infrastructure need.

Social and Environmental Impact Assessment or Feasibility

A qualitative or quantitative assessment of the intended and unintended social and environmental consequences of the project, both positive and negative. May be combined with the cost-benefit analysis or economic feasibility study.

Swiss Challenge

A public procurement method where a public authority, which has received an unsolicited proposal, allows a third party to bid on the project during a designated period, and the USP Proponent may counter-match any superior offers.

Technical Feasibility

The feasibility of the technical and engineering elements of the proposed project. Which includes, but may not be limited to, assessments of the project site; the proposed technology; equipment; sourcing of materials; supporting infrastructure; construction activities and schedule; physical outputs; performance standards; service levels; operations and maintenance standards; and major technical and operational risks.

USP Process

The four stages of USP process: Submission (Stage 1), Preliminary Evaluation (Stage 2), Project Development (Stage 3), and Conclusion (Stage 4).

USP Proponent

The private entity that has presented a USP submission to the Province.

Value for Money (VfM)

For the purpose of USPs, the VfM is the economic and financial viability, social and sustainable development and any other parameters that can demonstrate value for Albertans.