

Line 5 Tunnel Project: Draft Procurement & Contracting Execution Plan

Deliverable #3 - Tunnel Agreement
Addendum 24 August, 2021

Great Lakes Tunnel Project: Draft Procurement and Contracting Execution Plan, Revised as of August 2021

Meeting the key milestones identified in the Tunnel Agreement signed between the Mackinac Straits Corridor Authority (Authority) and Enbridge on December 19, 2018 is a top priority for Enbridge. The information contained in this document is a revision to the Draft Procurement and Contracting Execution Plan provided to the Authority on April 26, 2019 and describes the activities associated with the following deliverables:

7.5 Request for Proposals and Contracting Strategy

(a) Enbridge shall, by **April 30, 2019**, prepare for the Authority’s review a Draft Procurement and Contracting Execution Plan, including, without limitation:

- (i) The applicable Contract execution model(s) to complete design and construction of the Tunnel;
- (ii) Enbridge Procurement and Quality processes that include a general description of the RFP and bid solicitation process, contractor qualification process, and contractor proposal evaluation and selection criteria; and
- (iii) Timeline for the execution of each applicable Request for Proposals (RFP) package.

Design Process: Phase 1

Enbridge proceeded with a Construction Manager/General Contractor (CM/GC) commercial model pursuant to which:

- (1) a Design Engineer (DE) designs the Tunnel;
- (2) an Owner’s Engineer (OE) provides an added measure of assurance that the design, construction, and commissioning of the Tunnel and related facilities align with Enbridge’s specifications and good engineering and operating practices;
- (3) a Preconstruction Services Contractor provides Enbridge, the DE, and the OE with constructability input during the design phase of the Tunnel;¹ and
- (4) a CM/GM constructs the Tunnel using the design developed by (1)-(3);

In 2019, Enbridge selected Arup as the DE, WSP as the OE, and Great Lakes Tunnel Constructors as the Preconstruction Services Contractor. Working together, these three parties and Enbridge advanced the design of the Tunnel to a stage where it is now possible to select—and ultimately enter into a Tunnel Construction Agreement with—a CM/GM. The below figure illustrates the CM/GC commercial model:

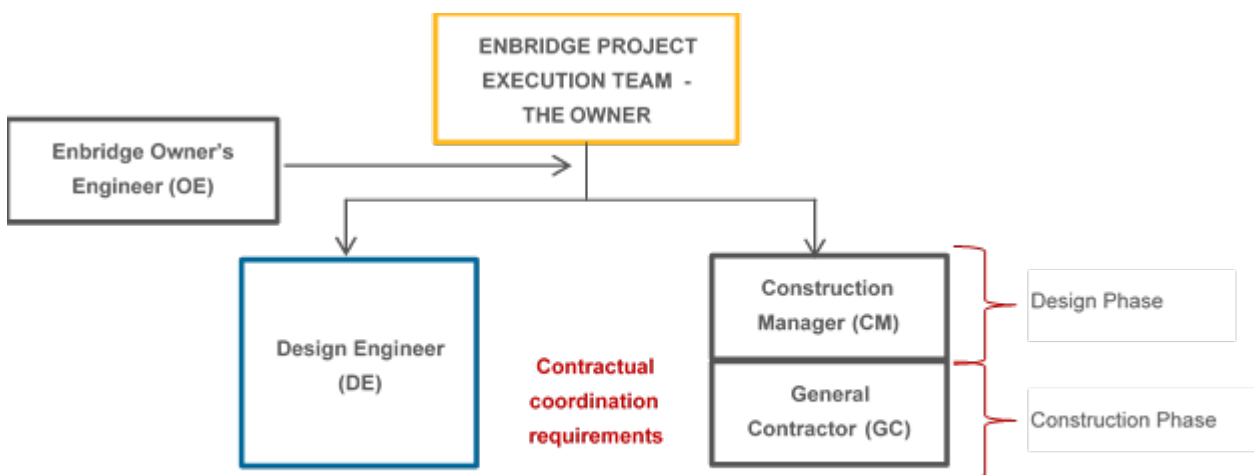


Figure 1: The Enbridge CM-GC Model

Phase 1 included a pre-construction services agreement where the pre-construction services contractor provided constructability input throughout the detailed design of the Great Lakes Tunnel Project. The pre-construction services work has concluded. The agreement also provided an option to allow for an off-ramp whereby Enbridge could go back to the market for a competitive bid for Phase 2 (Construction), all parties agreed to use this option. Enbridge will now exercise that option and go back to the market with a request for proposal (RFP) utilizing the design bid build approach for the construction services phase of the project.

¹ While the DE and OE will continue to advise Enbridge through the construction phase, the Preconstruction Services Contractor has completed its work.

Procurement and Quality Process: Phase 2

Enbridge will issue a request for proposal (Phase 2 RFP) package that includes among other items the most current Issued for Construction Drawings, the Joint Specifications developed with the Authority, and other relevant information necessary for potential construction contractors to prepare a response.

Construction Contractor Selection Process

To ensure the best qualified firms are hired to construct the Great Lakes Tunnel Project Enbridge conducted an Expression of Interest and Qualifications (EOI). An EOI was sent to multiple worldwide tunneling contractors to solicit their qualifications to demonstrate that they are qualified to perform this challenging project. The Project Team also conducted interviews with the EOI contractors to gain further feedback in addition to their written responses. Enbridge also contacted several of the contractors' reference projects to verify contractors' claims and gain insights on their performance. Enbridge enlisted the assistance of the OE and a Tunnel Subject Matter Expert to ensure the qualifications were technically sound and accurate.

The Phase 2 RFP will be issued only to those firms that the EOI process identified as having the requisite qualifications, ability, proficiency, knowledge, and experience with the following:

- Hard rock tunneling;
- Mixed ground tunneling;
- High water pressure tunneling;
- Operation of slurry or variable density Tunnel Boring Machine (TBM);
- Light oil/high pressure natural gas pipeline design and installation within a tunnel;
- Key personnel (including prime or sub-consultants) with experience that closely matches or most similar match to the anticipated conditions for the project; and
- safely executing such work.

Evaluation Process and Criteria

Evaluation and award of the contract will follow a two-phase process:

Phase 1: Submission and Evaluation of Written Proposals

- Interested and qualified applicants will submit a written responses to questions provided by Enbridge, which describe their qualifications and technical experience in executing work of similar type, scale, and complexity of the Great Lakes Tunnel Project.
- Interest and qualified applicants also will submit cost proposal(s) and proposed revisions to contract documents.
- The responses will be ranked based on the answers to the technical questions, the cost proposal, and proposed revisions to contract documents, and a short list of approximately three firms may be determined.
- Evaluation criteria will include the following:

EVALUATION CRITERIA	Examples of information applicant needs to describe to support criteria evaluation
Project Approach	<ul style="list-style-type: none"> • Key issues and constraints associated with constructing the proposed facilities. • Proposed means and methods for installation of the tunnel and pipeline. • A cost proposal/level of effort for the construction services. • Overall construction schedule.
Key Project Personnel	<ul style="list-style-type: none"> • Proposed staff and their associated roles and responsibilities of all key staff for the construction phase. Resumes for all key individuals and approximate percentage of the time this person will be working on the project.
Project Management Plan/ Approach	<ul style="list-style-type: none"> • Overall plan to manage the project, for example, approach to managing costs and schedule during construction; approach to outreach and utilization of subcontractors in the execution of the work; approach to risk management.
Safety Approach	<ul style="list-style-type: none"> • Proposed safety program approach and how safety will be managed during construction.

Phase 2: In-Person Interview Process

Applicants from Phase I will be invited to participate in interviews where applicants will present and elaborate on their qualifications, experience, and approach to executing the required scope of work, including the four evaluation criteria set forth above.

The below figure illustrates the Design Bid Build commercial model for Phase 2:

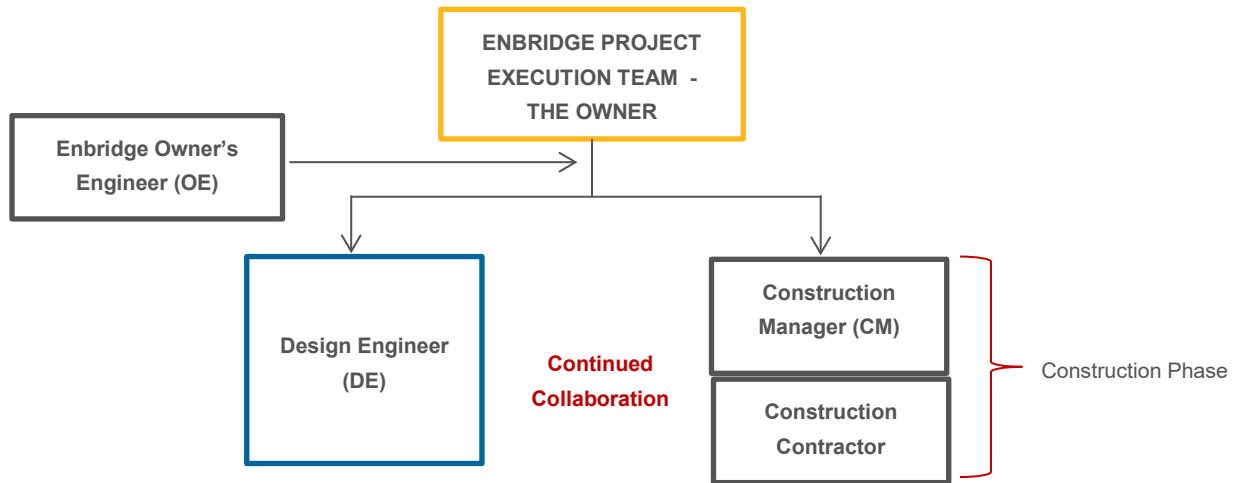


Figure 2: The Enbridge Design Bid Build Model

Enbridge's Procurement and Quality Process and Estimated Timeline

The MSCA will review the Phase 2 RFP per the provisions of the Tunnel Agreement. It is anticipated that the MSCA will take any official actions necessary regarding the Phase 2 RFP at its regularly scheduled October 2021 meeting. Once, the MSCA has concluded its review, Enbridge will be in a better position to provide a timeline for issuing the Phase 2 RFP and eventually securing a contractor for the construction phase.