

# **POLARIS MINE CLOSURE**

**TENDER**

**for**

**CONTRACT 2071-C.01**

**DEMOLITION AND SITE RECLAMATION**

Cascade  
Management

Project No.: 2071

October 5, 2001

ALL BIDDERS

**POLARIS MINE CLOSURE**  
**CONTRACT #2071-C.01 "Demolition and Site Reclamation"**  
**INVITATION TO TENDER**

Dear Sir:

Cominco Mining Partnership and Teck Cominco Limited in their respective capacities as participants in a Venture relating to the Polaris Mine (the "Owner") hereby invite Tenders for the above-noted Contract.

Sealed Tenders submitted in accordance with the enclosed Instructions To Bidders and other Tender Documents and clearly marked "Tender For Contract 2071-C.01," will be received at the offices of Cascade Management Inc., up until **2:00 p.m., local time in Saskatoon, Saskatchewan, on Wednesday, the 5th day of December, 2001**

The work generally involves the demolition and disposal of all equipment and facilities of the Polaris Mine, Mill and associated operations on Little Cornwallis Island in the Canadian High Arctic, including site remediation as outlined in the Closure Plan. Work includes overall site maintenance, provision of accommodations, logistics, and site administration during the Closure period.

Tenders must be accompanied by a Security Deposit in the amount of 10% of the Tender Price.

Any pre-qualification of Tenderers prior to this Invitation to Tender does not relieve each Bidder of the obligation in its Tender to demonstrate, to the satisfaction of the Owner, that the Bidder has sufficient financial resources, technical ability, equipment resources, personnel, qualifications and experience to perform the work

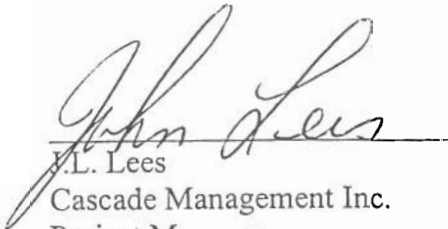
This Invitation to Tender and the enclosed Tender Documents supersedes and replaces any and all documentation previously issued to potential Bidders as part of the pre-qualification or preliminary site visit information packages.

Bidders are referred to the Instructions to Bidders. Tenders will be opened in private and as further described in the Instructions to Bidders the lowest or any Tender may not necessarily be accepted and the Owner reserves the right to evaluate Tenders and to award this Contract, or to execute the work, in whatever fashion is, at the Owner's sole discretion, most advantageous to the Owner. The Owner will not be responsible for any costs whatsoever incurred by any Bidder in preparing its Tender or for any loss of opportunity if its Tender is not accepted.

Any communications regarding this Invitation To Tender, including requests for additional site visits by Bidder's personnel should be directed to the undersigned. Requests for site visits will be handled on a first received basis and will require advance arrangements to be made for accommodations and services. Bidder's are encouraged to advise the undersigned of anticipated site visit requirements and preferred timing, as soon as possible.

Please note that the electronic copy of the Polaris Mine Reclamation Plan, dated March 2001, and previously provided to you as part of preliminary information packages, forms part of the Tender Documents.

Yours truly,

  
J.L. Lees  
Cascade Management Inc.  
Project Manager

Distribution:

Originals: Tenderers

Copies: Bruce Donald (3), John Knapp (2), Louise Malkin

**Cominco Polaris**  
**Demolition & Reclamation Contract**  
*BIDDERS LIST -- 2071-C.01*

	Company Information	Comments or Alternate Address
1	Nuna Logistics Limited (Executive Office) 340 Park Place, 666 Burrard Street VANCOUVER, B.C. V6C 2X8 Telephone: (604) 682-4667 Fax: (604) 682-4473 Contact: Courtland Smith, P. Eng., V.P. Email: <a href="mailto:psl_nuna@telus.net">psl_nuna@telus.net</a>	Alternate Telephone/Fax #'s:  Telephone: 1-888-734-5773 Fax: 1-888-734-5771
2	Monad Contractors Ltd. (Procon/PCL/Monad - Joint Venture) No. 101, 8575 Government Street BURNABY, British Columbia V3N 4V1 Telephone: (604) 444-7441 Fax: (604) 444-7442 Contact: Peter Monahan, Chief Estimator Email: <a href="mailto:pmonahan@monad.ca">pmonahan@monad.ca</a>	8838 - 60 <sup>th</sup> Avenue EDMONTON, Alberta T6E 6A6 Telephone: (780) 468-8026 Fax: (780) 468-8049 Contact: Warner W.F. Uhl, Mgr. Prairie Region
3	Tower Arctic Ltd. 1230 - 2045 Stanley Street MONTREAL, Quebec H3A 2V4 Telephone: (514) 849-3551 Fax: (514) 982-6127 Contact: Jean Barthe, Vice President Email: <a href="mailto:tower.group@qc.aibn.com">tower.group@qc.aibn.com</a>	Alternate Address: P.O. Box 717 Iqaluit, Nunavut X0A 0H0 Telephone: (867) 979-6465 Fax: (867) 979-6591
4	Qikiqtaaluk Corporation P.O. Box 1228 IQALUIT, NT X0A 0H0 Telephone: (867) 979-8406 Fax: (867) 979-8433 Contact: Harry Flaherty, Dir. Of Enviro. Serv. Email: <a href="mailto:hfgc@nunanet.com">hfgc@nunanet.com</a> Michael Hine Email: <a href="mailto:mhine@nunanet.com">mhine@nunanet.com</a>	[Resolution Jobsite] Telephone: (604) 881-6725 Fax: (604) 881-8356  Tel: (867) 979-8404 -- M. Hine
5	Kitnuna Projects Inc. Box 92 CAMBRIDGE BAY, NU X0E 0C0 Telephone: (867) 983-2331 Fax: (867) 983-2043 Contact: Barry Wilson, President Email: <a href="mailto:kitnuna@polarnet.ca">kitnuna@polarnet.ca</a>	

6	<p>Tercon Contractors Ltd.  100 - 2079 Falcon Road  KAMLOOPS, B.C., V2C 4J2  Telephone: (250) 372-0922  Fax: (250) 372-1555  Contact: Darryl Bell,  Email: <a href="mailto:tercon@direct.ca">tercon@direct.ca</a></p>	<p>Darryl Bell  Business Development Manager</p>
7	<p>Ledcor Industrial Limited  9910 - 39 Avenue, Box 4114  EDMONTON, Alberta T6E 4S8  Telephone: (780) 462-9616  Fax: (780) 469-4918  Contact: Paul Lange, Estimating Manager  (780) 465-8212  (780) 465-9441  Email: <a href="mailto:Paul.Lange@ledcor.com">Paul.Lange@ledcor.com</a></p>	<p>Glen L. Warren, P. Eng.,  V.P. - Bus. Development  (780) 465-8219  (780) 469-4918</p>
8	<p>SNC-Lavalin Engineers and Constructors Inc.  2200 Lake Shore Blvd. West  TORONTO, Ontario M8V 1A4  Telephone: (416) 252-5311  Fax: (416) 252-2407 or (416) 231-5356  Contact: Ray Venter  Email: <a href="mailto:ventr@snc-lavalin.com">ventr@snc-lavalin.com</a></p>	<p>Gary Mockler,  V.P., Construction</p>
9	<p>Denison Environmental Services  a division of Denison Mines Limited  8 Kilborn Way  ELLIOT LAKE, Ontario P5A 2T1  Telephone: (705) 848-9191  Fax: (705) 848-5814  Contact: Ian Ludgate, Manager (705) 461-6831  Email: <a href="mailto:iludgate@denisonmines.com">iludgate@denisonmines.com</a></p>	
10	<p>Équipements Industriels Robert Itée  2093, rue du Vallon  SHAWINIGAN, Quebec G9N 6T6  Telephone: (819) 539-8701  Fax: (819) 539-5911  Contact: Jean Hallé  Email: <a href="mailto:jean.halle@qc.aira.com">jean.halle@qc.aira.com</a></p>	<p>Toll Free: 1-866-990-8701</p> <p>Contact: Alain Gélinas, V.P.  Email: <a href="mailto:tr002.api@infoteck.qc.ca">tr002.api@infoteck.qc.ca</a>  Mobile Phone (819) 371-4430</p>
11	<p>Kudlik Construction Ltd.  (Rankin Inlet Office)  P.O. Box 009  Rankin Inlet, NU X0C 0G0  Telephone: (867) 645-2839  Fax: (867) 645-2493  Contact: Sylvio Ricard  Email: <a href="mailto:Kudlik@arctic.com">Kudlik@arctic.com</a></p>	

# **POLARIS MINE CLOSURE**

## **TENDER FOR**

### **CONTRACT 2071-C.01 Demolition and Site Reclamation**

## **INDEX**

- |          |                               |
|----------|-------------------------------|
| <b>1</b> | <b>Instruction To Bidders</b> |
| <b>2</b> | <b>Tender Form</b>            |
| <b>3</b> | <b>Scope of Work</b>          |
| <b>4</b> | <b>Sample Agreement</b>       |
| <b>5</b> | <b>General Conditions</b>     |
| <b>6</b> | <b>Special Conditions</b>     |
| <b>7</b> | <b>Compact Disk Files</b>     |
- Closure Plan (Issued Previously)
  - Drawings ( Two (2) Disks – CD1 and CD2)

**POLARIS MINE CLOSURE**

**TENDER  
FOR**

**CONTRACT 2071-C.01**  
**Demolition and Site Reclamation**

**INSTRUCTIONS TO BIDDERS**

TENDERS NOT COMPLYING WITH THESE INSTRUCTIONS TO BIDDERS MAY BE REJECTED OR DISQUALIFIED AT THE OWNER'S ABSOLUTE DISCRETION.

## 1 PROJECT INFORMATION

Owner: Cominco Mining Partnership and Teck Cominco Limited, as tenants in common, of the Polaris Mine Business, in their respective capacities as participants in a Venture relating to the Polaris Mine.  
#600 - 200 Burrard Street  
Vancouver, B.C.  
V1A 3E1  
(herein and in other Contract Documents referred to as "Polaris JV" and/or "Owner")

Project Name: Polaris Mine Closure

Site: Little Cornwallis Island  
Nunavut

Site of Work: Polaris Minesite  
Little Cornwallis Island

Project Manager: Cascade Management Inc.  
203 - 2225 Hanselman Court  
SASKATOON, Saskatchewan  
S7L 6A8

Attn: J. Lees, P. Eng.

## 2 TENDERS DUE

Sealed Tenders will be received until 2:00 p.m. local time in Saskatoon, Saskatchewan on the 5th day of December, 2001 (the "Closing Time"). Any Tenders received after the Closing Time will not be considered. The Owner reserves the right in its sole discretion to extend the closing time, but is not obligated to do so.

Deliver Tenders to:

Cascade Management Inc.  
203 - 2225 Hanselman Court  
SASKATOON, Saskatchewan  
S7L 6A8

Attn: J. Lees, P. Eng.



Tenders shall be submitted in a sealed envelope boldly marked "Tender For Contract 2071-C.01 Demolition and Site Reclamation" and clearly indicating the Bidder's name.

Telephone or Fax Tenders will not be accepted. However, Fax modifications to Tenders delivered before the Closing Time will be accepted if they are signed by a duly authorized representative of the Bidder and are received by the Owner at the facsimile number indicated below for delivery of fax amendments to Tenders prior to the Closing Time.

Fax modifications shall clearly indicate the Bidder's name, and shall be clearly titled "CONTRACT #2071-C.01 - TENDER MODIFICATION", and be transmitted to Fax telephone number (306) 652-0242. Fax modifications received at any other fax telephone number will be invalid.

The use of fax for modifications of Tenders shall be at the Bidder's sole risk, and without limiting the foregoing:

- .1 Bidders electing to use Fax as a means of transmitting Tender modifications are warned that the facsimile machine at (306) 652-0242 may not be available for receiving faxes, including due to prior use by others and mechanical or other breakdown, and if faxes are received confidentiality and risk of loss is not guaranteed by the Owner or Project Manager. The Owner and the Project Manager, and their respective agents, consultants and employees, shall not be liable to the Bidder for any damages whatsoever in connection with the disclosure of the amendment or any fax prior to the Closing Time, or for the loss of or failure to receive the fax amendment for any reason whatsoever. Further, Bidders shall assume the burden of proof that their communication has been received by the Owner, and that their transmission is:
  - a) in a readable state;
  - b) received prior to the Closing Time; and
  - c) in conformance with the requirements otherwise set forth in the Tender Documents.
- .2 Confirmation of the Owner's receipt of the Fax may be obtained verbally by telephoning Donna Reddick at (306) 244-7200.

Oral or telephone modifications to Tenders will not be considered.

### **3 COMPLETION OF TENDER FORM**

Tender forms furnished with the Tender Documents shall be used.

The Bidder must fill in ALL BLANK SPACES of the Tender Form completely. Tenders shall include a complete list of all Subcontractors which the Bidder proposes to use. No erasures or alterations will be accepted. Tenders shall be signed, sealed, witnessed and dated

in accordance with the legal requirements of the corporation, partnership or individual submitting the Tender.

Bidder shall submit his Tender in triplicate. EACH of the three copies shall be signed and sealed by Bidder.

All prices and quotations shall be in Canadian dollars and written in ink or typewritten. No erasures will be permitted. Mistakes crossed out and corrections typed or handwritten adjacent thereto should be initialed in ink by the person(s) signing the Tender Form on behalf of the Bidder.

#### **4 TENDER DOCUMENTS**

The Tender Documents include the Documents listed in Appendix A of the Tender Form and any addenda received by the Bidder prior to submission of the Tender.

The Bidder shall not remove any page from the Tender Documents, shall assume responsibility for the completeness of the Tender Documents and shall verify that the Tender Documents include all the documents, parts and pages indicated in Appendix A of the Tender Form, and shall insert in the Tender Form the numbers of all addenda received prior to the Closing Time. Unsuccessful Bidders shall return all Tender Documents to the Owner immediately following the expiry of the ninety (90) day acceptance period.

#### **5 TENDER PRICE BREAKDOWN**

The Tender Price is partly lump sum and partly estimated and will be comprised of two components:

- A Lump Sum amount, covering specific items of work and administration items and functions as defined in the Tender Form.
- A Cost Reimbursable amount, covering the estimated value of all cost reimbursable items of work as defined in the Tender Form, using estimated quantities and quoted unit rates and/or estimated costs for cost reimbursable items.

The Bidder shall itemize all rates/prices in accordance with Appendices 1, 2 and 3 of the Tender Form as presented.

## 6 BONDING

The successful Bidder may, at the discretion of the Owner, be required to provide bonding in accordance with Article 3.0 of the Tender Form. The cost of such bonds is NOT to be included in the Tender Price, and if required by the Owner shall be reimbursed by the Owner at the lesser of the premium specified in Article 3.0 of the Tender Form and the actual direct cost to the Contractor for the bonds as invoiced by the surety to the Contractor. The Bidder shall, however, be liable for the cost of the Security Deposits required by Section 7 hereof without reimbursement from the Owner.

The Contractor shall have the option to request separate performance or other bonds from Subcontractors and to pay for them without reimbursement from the Owner.

Each Tender shall be accompanied by a Consent of Surety from a Surety Company authorized to transact Guarantee Insurance in the Territory of Nunavut, agreeing to provide the required Bonding on request should the Tender be accepted by the Owner and the Bonding required by the Owner.

## 7 SECURITY DEPOSIT

The Bidder shall enclose with his Tender a Security Deposit in the amount of 10 percent of the Tender Price. Security Deposit shall be in the form of an irrevocable letter of credit in favor of the Owner, a certified cheque made payable to the Owner, or a Bid Bond endorsed "10 Percent of Tender Price". The Bid Bond shall be in favor of the Owner as identified in Item 1 of these Instructions to Bidders and shall be signed by a Surety Company authorized to transact Guarantee Insurance in the Territory of Nunavut and signed by the Bidder as principal. The Bid Bond shall be in such form as may be acceptable to the Owner in the Owner's sole discretion.

The Bid Bond shall be stated to be effective until 90 days following the closing of Tenders, or such later date as may be agreed upon between the Owner and the Bidder.

In the event of a Bidder's Tender being accepted within 90 days following the closing of Tenders and should such successful Bidder fail to fulfill its obligations under Article 5.0 of the Tender Form ("Declarations"), the successful Bidder's Security Deposit, limited to the lesser of the amount of his Security Deposit or the difference between the Tender Price of the successful Bidder's Tender and the Tender Price for which the Owner may contract with another party for the construction of the project, shall be due and payable to the Owner in lieu of damages to which the Owner may be entitled by reason of the successful Bidder's failure or refusal to execute the contract or to commence the Work of the contract within the allotted time.

Security Deposits of unsuccessful Bidders will be returned after expiry of the ninety (90) day acceptance period, or previous to such time at the discretion of the Owner.

**8 SITE EXAMINATION**

The Bidder shall examine the Site before submitting a Tender and shall satisfy himself as to the nature, extent, location and all other aspects of the Work, the means of access to the Site, and shall obtain necessary information as to risks, contingencies and circumstances which may affect his Tender. The Bidder is responsible for obtaining all information required for the preparation of the Tender.

The Owner shall not consider, have any obligation in relation to, or be liable for any claims arising from the failure of a Bidder to make such investigations or from the Bidder's interpretation of any site data provided by others or from any other misunderstanding of the Bidder.

**9 DISCREPANCIES AND OMISSIONS**

Bidders finding discrepancies or omissions in any of the Tender Documents, or having doubt as to the meaning or intent thereof, shall at once notify the Project Manager who will, if necessary, send written instructions or explanations in an Addendum to all Bidders.

Questions arising during the Tender period should be directed to the Project Manager:

Cascade Management Inc.  
203 - 2225 Hanselman Court  
Saskatoon, Sask.  
S7L 6A8  
Telephone: (306) 244-7200  
Fax (306) 652-0242

Attn: John Lees

**10 ADDENDA**

The Owner, through the Project Manager, may in its sole discretion issue Addenda prior to the Closing Time, including for extending the Closing Time. No Addenda are effective unless in writing and clearly identified as an "Addendum" to the Tender Documents, and issued to the Bidder by the Owner through the Project Manager. It is the responsibility of each Bidder to ensure it has obtained and reviewed all Addenda prior to submission of its Tender.

Addenda issued during the Tender period shall become a part of the Tender Documents.

Neither the Owner nor the Project Manager will be responsible for oral or written interpretations, instructions, explanations, answers or information unless confirmed in writing in an Addendum issued by the Project Manager.

Oral interpretations, instructions, explanations, answers and information made or given to any Bidder shall not effect a modification of any provision of the Tender Documents and are not binding on the Owner unless confirmed by an Addendum issued by the Project Manager. Further, no oral agreement or any conversation made or had at any time with any officer,

agent, consultant or employee of the Owner or the Project Manager, nor any oral representation by any such officer, agent, consultant or employee, shall add to, detract from, affect or modify the terms of the Tender Documents, or be relied upon by the Bidders in any way whatsoever, unless specifically incorporated into an Addendum issued by the Project Manager.

## **11 DURATION OF OFFER**

Tenders shall remain open to acceptance and shall be irrevocable for a period of ninety (90) days after the Tender Closing Time, irrespective of the acceptance of any Tender.

## **12 EVALUATION, ACCEPTANCE, REJECTION AND AWARD**

If a Bidder fails to complete its Tender in compliance with the Tender Documents, including these Instructions to Bidders, the Owner at its option and in its sole and absolute discretion may waive such non-compliance, seek clarification or additional information from the Bidder, and consider and treat the Tender as a conforming Tender even if any such non-conformance or failure to comply with the requirements of the Tender Documents would otherwise render the Tender null and void. Without limiting the generality of the foregoing, the Owner reserves the right at its sole option to accept or reject any Tender which is incomplete, obscure or irregular, which contains exceptions and variations, or which omits any matter required to be submitted.

The Owner is not bound to accept or reject any Tender and reserves the right in its sole and absolute discretion to postpone or cancel this tendering process at any time for whatever reason. Further and without limiting the foregoing, the Owner reserves the right to seek clarifications from or to negotiate with any Bidder, to reject any or all Tenders, to accept any Tender in whole or in part that it considers advantageous to it and to evaluate Tenders on any or all criteria that it considers relevant, whether or not such criteria are described herein, and which may include without limitation the Tender which in the Owner's opinion provides the Owner with the overall best value.

The Owner's evaluation, including all criteria upon which it is based, shall remain confidential and the Owner and the Project Manager shall not be obligated to disclose it to any Bidder. The fact of receiving an Invitation to Tender, whether following a prequalification process or not, shall not be considered or deemed to be an acceptance by the Owner that a Bidder is qualified or has sufficient financial resources, technical ability, equipment resources, personnel, or qualifications and experience to perform the Work which is the subject of its Tender, and Bidders shall remain responsible for demonstrating their resources, qualifications and abilities as required by the Tender Form.

Without limiting the foregoing, the Owner reserves the right to accept any Tender and to reject any or all Tenders, including without limitation the lowest Tender even if the lowest Tender is a compliant Tender and conforms in all respects with the requirements of the Instructions to Tenderers and other Tender Documents, and to award the Contract to whomever the Owner in its sole and absolute discretion deems appropriate and solely in the best interest of the Owner, notwithstanding any custom of the trade to the contrary, any

actual or implied duty of fairness to Bidders, or anything contained elsewhere in the Tender Documents. Further, if the Owner in its sole discretion is not satisfied with any of the Tenders received, for whatever reasons the Owner considers in its own best interests, then notwithstanding anything in the Tender Documents, custom of the trade, or duty of fairness to the contrary, the Owner may terminate this tendering process or negotiate with and award the Contract in whole or in part to anyone the Owner may decide may be acceptable to the Owner, whether or not such other person or persons were recipients of the Tender Documents and whether or not such persons or persons submitted Tenders.

Bidders are solely responsible for their own costs and expenses in relation to this Invitation to Tender, the Tender and its evaluation and the award of the proposed Contract.

After acceptance of a Tender, if any, the Owner will issue to the successful Bidder, a written Notice of Award.

### **13 THE AGREEMENT**

The Agreement to be signed between the Owner and successful Bidder will be in the general form of the Sample Agreement included with the Tender Documents and shall consist of all documents incorporated and referred to therein, and the successful Bidder shall execute the Agreement and return it to the Owner within five (5) calendar days of receipt of the completed, unexecuted Agreement from the Owner.

### **14 MATERIALS, EQUIPMENT AND SERVICES**

#### **14.1 Supplied by the Contractor**

The work methodology, equipment, materials and services supplied by the Contractor shall be based on the project scope as provided in the Tender Documents.

Requests to alter the work methodology, equipment, materials or services shall be lodged in writing with the Project Manager at least ten (10) days prior to the Tender Closing Time. Any approval will be confirmed by written Addenda issued by the Owner through the Project Manager.

Where prices based on work methodology, equipment, materials or services not specified or approved by Addenda are used by the Bidder in preparation of the Tender, the Bidder uses such at his own risk, and may be required by the Owner to supply as specified or approved equal at no increase to the Tender Price. If this relates to a cost reimbursable item, then the Contractor shall supply as specified or approved by Addenda and the amount which the Contractor will be entitled to receive for that cost reimbursable item will be limited to and not exceed the amount estimated therefor in the Breakdown of the Tender Price in Appendix 1 to the Tender Form.

The Owner, however, maintains the right to approve equals or substitutes after the contract has been awarded.



14.2 Supplied by the Owner

On completion of mining operations, the Owner will leave specific surplus supplies, equipment and materials on the site for the use of the Demolition and Reclamation Contractor. (Refer to Scope of Work, Item 2.2 for a complete description of work, materials and equipment provided by the Owner.)

14.3 Alternates

The Owner is prepared to consider alternates which have not been pre-approved in writing by an Addendum issued prior to the Closing Time. If a Bidder wishes to propose the use of alternates, including but not limited to alternate methodologies, materials, equipment, services, standards, specifications, labour or concepts, any one or more of which, in the Bidder's opinion, will improve the quality, safety, environmental protection or restoration, scheduling or success of the Work, the Bidder may include these in the Tender as described in the Tender Form, Appendix 4, for the Owner's consideration. However, these should be submitted as alternatives to, and not in substitution for, the base Tender which should include all the requirements of the Tender Documents, as stated in these Instructions to Tenderers and in the Tender Form.

For each alternate included in the Tender, Bidders should provide full details of the proposed alternate, the reasons for the proposed alternate, the specific benefits which will accrue to the Owner, any increase or decrease in cost which is applicable to the base Tender Price resulting from the alternate, any increase or decrease in the time required to perform the Contract, and any other factors which the Bidder wishes the Owner to consider in evaluating the alternate.

The Owner in its sole and absolute discretion:

- a) in respect to any alternates for which Bidders failed to obtain an Addendum from the Project Manager prior to the Closing Time approving such alternates, may reject any one or more of those alternates outright and without any consideration or reason, or alternatively may consider any one or more alternates; or
- ii) may reject outright any alternates where Appendix 1 or any other part of the Tender Form is incomplete, or may consider any one or more alternates even if the Tender Form is incomplete.

Without limiting but in addition to the foregoing, if any alternates are submitted then the Owner reserves the right, in the Owner's sole and absolute discretion, to either reject any one or more of the alternates or Tenders containing alternates outright without giving any reason, or to consider any one or more of the alternates in the same manner and to the same extent as any of the Tenders received by the Owner, and regardless of whether the alternates were submitted by the Bidder who submitted the lowest priced conforming Tender. Further, if the Owner decides, in the Owner's sole and absolute discretion, that any alternates provide benefits and advantages to the Owner over other Tenders received by the Owner, then notwithstanding anything to the contrary contained herein nor any custom of the industry to the contrary nor any actual or implied duty of fairness to any Bidders, the Owner may reject the alternate, seek clarification of the alternate from the Bidder, or enter into negotiations

with and award the Contract to the Bidder who submitted the alternate, even if the Bidder who submitted the alternate did not submit the lowest conforming Tender, all without first providing any other Bidder the opportunity to amend its price or to tender on the alternates proposed by the successful Bidder

## **15 PERMITS**

Only the required regulatory approvals of the overall Closure Plan will be obtained by the Owner. It is a condition precedent to the Contract that the Owner will have received the required regulatory approval of the overall Closure Plan within 30 days of award of the Contract. All other permits or approvals which may be required for the Work of this Contract are to be obtained and paid for by the Contractor, on a cost reimbursable basis in accordance with General Conditions 12.0.

## **16 TAXES**

With the exception of Goods and Services Tax (GST), the Tender Price is all-inclusive, including but not limited to all applicable duties, taxes, and brokerage fees. The successful Bidder will be required to provide sufficient detail and documentation as may be required by the Owner for exemption or for rebates on exempt items. All rebates and exemptions shall be to the Owner's account unless stated otherwise in the Tender Documents.

## **17 PROJECT EXECUTION PLAN**

The Bidder must furnish evidence that he has the necessary experience as well as financial resources and is prepared to use the necessary personnel and equipment to carry out the Work satisfactorily and within the time stated in the Tender Documents. The Owner reserves the right to make contract award conditional on the Bidder using the personnel and equipment identified in its Tender, and to include liquidated damages if they are not used for and dedicated to the Work after award of the Contract.

The Bidder's Project Execution Plan shall be submitted in order that his capabilities in this regard can be assessed by the Owner. Failure to prepare and submit an execution plan may result in the Tender being considered incomplete.

## **18 SCHEDULE OF THE WORK**

The Bidder must include with the Tender his proposed mobilization and construction schedule and manpower requirements necessary to complete the Work in accordance with the Owner's contemplated Project Schedule included in Appendix 7 of the Tender Form. The submitted schedule will form part of the Project Execution Plan and will be in sufficient detail to show separately the main tasks as indicated in the detailed Scope of Work description. In addition, all resources that will be required to maintain the work schedule must be included with the schedule submission.



**19 NUNAVUT CONTENT**

The Owner is committed to contributing to Nunavut Communities and Enterprises throughout the mine closure process. In order to ensure that Nunavut communities receive maximum benefit from the closure and reclamation of the Polaris Mine, evaluations and selection of contractors will be weighted in favour of Bidders that demonstrate constructive and innovative means to maximize Nunavut content by either direct hire of Nunavut residents or employment of Nunavut based subcontractors or business enterprises. To ensure Bidders' commitments to maximizing Nunavut content are met, Bidders should include in their Tenders the means by which they will satisfy their commitments and the remedies which will be available to the Owner if these commitments are not fully satisfied by them if awarded the contract.

To the extent that all other factors are equal when considering hiring of fully qualified individuals who are normally residents of Nunavut, or engaging purchasing agreements and subcontracting to business enterprises based in Nunavut, if the Tender Prices include any differentials for the preferenced northern content, the Bidder shall indicate the amounts of the differential in the appropriate place in "The Breakdown of the Tender Price."

**20 LIMITATION OF LIABILITY**

Notwithstanding any other provision of the Tender Documents, it is a fundamental condition of the tendering process, the Tender Documents and the receipt and consideration of Tenders by the Owner that the Owner and the Project Manager, and their employees, contractors, consultants and agents, will not and shall not under any circumstances, including without limitation whether pursuant to contract, tort, statutory duty, law, equity, any actual or implied duty of fairness, or otherwise, be responsible or liable for any costs, expenses, claims, losses, damages or liabilities (collectively and individually all of the foregoing referred to as "Claims") incurred or suffered by any Bidder as a result of or related to any one or more of the Invitation to Tender, the Tender Documents, the preparation, negotiation, acceptance or rejection of any conforming or non-conforming Tender, the rejection of any Bidder, and the cancellation, suspension or termination of the tendering process, and by submitting a Tender each Bidder shall be conclusively deemed to waive and release the Owner and its employees, contractors, consultants and agents, from and against any and all such Claims. By submitting a Tender, each Bidder shall be conclusively deemed to have accepted and agreed to the terms of this Section 20.

**POLARIS MINE CLOSURE**

**TENDER  
FOR**

**CONTRACT 2071-C.01**  
**Demolition and Site Reclamation**

**TENDER FORM**

**Project Title:** Polaris Mine Closure  
**Location:** Little Cornwallis Island, Nunavut  
**Tender For:** "Demolition and Site Reclamation"  
**Submitted To:** Cominco Mining Partnership and Teck Cominco Limited in their respective capacities as participants in a Venture relating to the Polaris Mine

1.0 We, \_\_\_\_\_  
(Bidder's Company Name)  
of \_\_\_\_\_  
(Bidder's Business Address)

having carefully examined the Site and the Tender Documents as listed in Appendix "A" of this Tender, and Addenda No. \_\_\_\_\_ to No. \_\_\_\_\_ inclusive, hereby offer to enter into a Contract to perform the Work outlined herein and required by the Tender Documents for the total estimated price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) in Canadian funds (the "Tender Price"), which Tender Price is comprised of the lump sum and cost reimbursable items as indicated in Appendix 1 (Schedule 1) to this Tender, and includes any specified cash allowances in the Tender Documents and all applicable taxes in force at this date, except as may be otherwise expressly provided in the Tender Documents.

2.0 We have included herewith the Security Deposit as required by the Instructions to Bidders.

3.0 We attach a Consent of Surety, from the Surety Company named below, stating that it will, if requested, issue a Performance Bond and a Labour and Material Payment Bond, each in the amount of 50% of the total estimated Tender Price as shown herein. The bonds shall be in the current form of performance bond and labour and material payment bond endorsed for general use in the construction industry by the Canadian Construction Association and the Canadian Construction Documents Committee ("CCDC"), modified as necessary to delete references to CCDC forms of contract, or such other form of bonds as may be acceptable to the Owner in the Owner's sole discretion.

The premium payable for these bonds is not included in the Tender Price. If the Owner requires delivery of these bonds, but not otherwise, then the Contractor will be reimbursed the lesser of the amount determined for such bonds using the bonding premium specified below, and the actual direct cost paid by the Contractor for such bonds, as invoiced by the Surety to the Contractor.

Name of Bonding Company: \_\_\_\_\_

Total combined premium for both Bonds: \$\_\_\_\_\_

#### 4.0 SCOPE OF WORK

##### 4.1 General

In general, the Work consists of the provision of all labour, materials, equipment (other than Owner supplied equipment as expressly provided in the Tender Documents) and services to complete the demolition and reclamation of all facilities and works at the Polaris Mine Site, including administration of the site and all necessary support facilities during the closure period.

##### 4.2 Work Included

The Work shall include, but is not necessarily limited to the following:

All work described in detail in Part 3 - Scope of Work of the Tender Documents, save and except the related work that is expressly excluded in Part 3 - Scope of Work.

##### 4.3 Work Excluded

The related work that is excluded from this Tender, is described in Part 3- Scope of Work of the Tender Documents.

##### 4.4 Material / Services Supplied By Owner

The equipment, materials and services listed or described in Section 2.2 of Part 3 - Scope of Work will be furnished by the Owner at no charge to the Contractor. It will only be used by the Contractor for the performance of the Work and returned to the Owner, subject only to reasonable wear and tear, upon conclusion of the Work as described in the Tender Documents.

#### 5.0 DECLARATIONS:

We hereby declare, represent, warrant and agree:

- a) That this Tender is made without knowledge of the Tender Prices to be submitted for this Work by any other company, firm, or person.
- b) That this Tender is made without any connection or arrangement with any company, firm, or person submitting a Tender for this Work.
- c) That this Tender is made without any undisclosed connection or arrangement with any other company, firm, or person having an interest in this Tender or in the proposed contract.

- d) That this Tender shall be open for acceptance and is irrevocable for ninety (90) days from the Tender Closing Time, as defined in the Tender Documents, regardless of the acceptance of another Tender.
- e) That if this Tender is accepted by the Owner within ninety (90) days of the Tender Closing Time, and we receive written Notice of Award, we will:
- accept this written Notice of Award as authority to proceed with the Work pending execution of the Agreement;
  - execute the "Agreement", within seven (7) calendar days of receipt of the Agreement for execution;
  - if requested by the Owner, furnish the required bonds within fourteen (14) calendar days of receipt of the Notice of Award;
  - within ten (10) calendar days after the Notice of Award is received, furnish to the Owner copies of the insurance policy as required by the General Conditions, and not commence any part of the work on Site until after the Owner has confirmed to us that the insurance policy conforms to the requirements of the General Conditions;
  - commence work within 10 calendar days after receipt of the written the Notice of Award
  - perform the Work in compliance with the required schedule stated in the Tender Documents.
- f) That if this Tender is accepted within the time stated herein, and we fail to execute the Agreement and, if requested by the Owner to provide a performance bond and labour and material payment bond, fail to provide the required bonds, or we request to withdraw, or if we fail to commence the Work within the required time, the Security Deposit shall be immediately due and payable to the as damages to the Owner by reason of our failure, limited in amount to the lesser of the amount of the Security Deposit or the difference between this Tender Price and the amount which the Owner contracts with another party for the Work.
- g) That in the event our Tender is NOT accepted within the time stated herein, the required Security Deposit shall be returned to the undersigned in accordance with the provisions in the Instructions to Bidders, unless a mutually satisfactory arrangement is made for its retention and validity for an extended period of time.
- h) That at the request of the Owner and prior to award of the Contract, to provide a general analysis and balanced breakdown of our Tender Price, including any unit prices and lump sum prices contained in the Tender which the Owner may consider unbalanced, in whatever form the Owner may reasonably request, with the total agreeing with the total Tender Price.
- i) That any estimates of quantities shown in the appendices and Tender Documents are estimates only for the purpose of comparing Tenders and that neither the Owner nor the Project Manager represent that the actual quantities will correspond therewith, and further, that we will be paid at the tendered unit prices only for the actual quantities handled or performed and there shall be no change in the tendered unit prices even if actual quantities differ materially and substantially from estimated quantities.
- j) That the Owner may amend or delete from the Contract a portion or portions of the Work without any change in the unit prices.

## 6.0 ADDENDA

We hereby acknowledge receipt of the following addenda, as issued by the Project Manager, and which addenda forms part of the Tender Documents;

Addendum No.	No. of Pages	Date Issued
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## 7.0 APPENDICES TO TENDER FORM

The following Appendices are attached to and form an integral part of this Tender.

Appendix A	List of Tender Documents
Appendix 1	Remuneration and Breakdown of Tender Price (Includes Schedule 1 & 2)
Appendix 2	Cost Reimbursable Rates (Includes attached Tables)
Appendix 3	Force Account Rates – Extra Work
Appendix 4	Alternative Prices
Appendix 5	List of Subcontractors
Appendix 6	Construction Equipment List ( <u>Not Used</u> )
Appendix 7	Demolition & Reclamation Schedule
Appendix 8	Project Execution Plan
Appendix 9	Owner's Equipment, Materials or Supplies to be Claimed as Salvage By Contractor

8.0 SIGNATURES

Signed, sealed and submitted for and on behalf of:

Company: \_\_\_\_\_

*(Full Legal Name)*

\_\_\_\_\_

C/S

*(Street Address or Postal Box Number)*

\_\_\_\_\_

*(City, Province, & Postal Code)*

(APPLY SEAL ABOVE)

Signature: \_\_\_\_\_

Name & Title: \_\_\_\_\_

*(Please Print or Type)*

Witness: \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

## APPENDIX "A"

### LIST OF TENDER DOCUMENTS

The following is the list or description of the Tender Documents referred to in the Tender for the above-named Project:

- a) Agreement between Owner and Contractor.
- b) Tender Form including Appendices thereto.
- c) Instructions to Bidders
- d) Special Conditions
- e) General Conditions
- f) Scope of Work including Appendices thereto.
- g) Closure Plan

which consists of the report assembled and prepared by Gartner Lee Limited, dated March, 2001 and titled "'Polaris Mine Decommissioning and Reclamation Plan", Volumes 1 to 4 inclusive, including but not limited to the following supporting reports and associated documentation;

- "Garrow Lake Decommissioning, Polaris Mine Operations, Nunavut, September 2000." - EBA Engineering Consultants Ltd. (Project No. 0101-94-11552.002)
- "Decommissioning of Shoreline and Dock at Polaris Mine, November 2000." Westmar Consultants Inc.

and which includes all specifications and drawings and/or sketches referred to and included therein.

- h) Reference Drawings of existing installation, all as listed in Scope Of Work, Appendix SW7.

**Note:** Item h) above is provided in electronic format (on compact disk) with the Tender Documents. Item g) above forms part of the Tender Documents and was issued previously in electronic format (on compact disk) with the site visit information package.

END OF APPENDIX "A"



## APPENDIX 1

### REMUNERATION AND BREAKDOWN OF TENDER PRICE

**A1.1** The Tender Price stated in Section 3.0 of the Tender Form consists of the following Lump Sum and estimated reimbursable costs.

1. **Lump Sum** ..... \$ \_\_\_\_\_  
(Reference attached Appendix 1 - Schedule 2, Item 1)
2. **Estimated Value of Cost of Reimbursable Price Items** \$ \_\_\_\_\_  
(Reference attached Appendix 1 - Schedule 2, Item 2)
3. **TENDER PRICE** (excl. only GST)..... \$ \_\_\_\_\_

**A1.2** The above Tender Price is broken down and allocated to various Project Cost Centers as listed in Schedule 1 of this Appendix. In the event of extension errors in Schedule 1, individual unit prices and/or rates as quoted in Appendix 2 will govern and Schedule 1 shall be adjusted accordingly. In the event of discrepancy between extended totals of Schedule 1 (subject to correction for extension errors, if any) and the Tender Price as stated above, the extended totals of Schedule 1, as corrected if necessary, shall govern and the Tender Price above shall be adjusted accordingly. Project Cost Centers are provided for convenience only.

**A1.3** Changes to the Estimated Value of Cost Reimbursable Price Items as specified in Item 2 of Section A1.1 above, will be made to reflect actual cost of the Work based on quoted rates and actual quantities as determined from field measurements and/or time records in accordance with the General Conditions, as well as other Contract Documents. Subject to the requirements of both General Condition GC 18 and GC 19, no change will be made to the Lump Sum specified in Item 1 of Section A1.1 above resulting from variations in estimated quantities.

**A1.4** Changes may be made to the Tender Price as a result of Contract Change Orders issued in accordance with GC 18 of the Contract Documents.

**A1.5** Cost of Performance Bond and Labour & Material Supply Bond:

The Contractor combined Bonding Rate for both the Performance Bond and Labour & Material Supply Bond is \$ \_\_\_\_\_/\$1,000.

**A1.6** Attached Schedules 1 and 2 form part of this Appendix.

\_\_\_\_\_  
Signature of Bidder

END OF APPENDIX 1

**APPENDIX 1**

**Schedule 1 – Tender Price Breakdown**

(As per attached Table)

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Signature of Bidder

Polaris Mine Closure  
Contract No: 2071-C.01 "Demolition and Site Reclamation"

Tender Form  
Appendix 1 - Schedule 1  
BREAKDOWN OF TENDER PRICE

Cost Center	Description	Est Qty	Units	Estimated Labour Cost			Equipment Rental	Material & Supplies	Sub Contracts	Other	EXTENDED TOTAL	
				Est Mhrs	Ave Rate	Cost					Lump Sum	Reimbursible
100	Mine Equipment Removal and/or Disposal											
101	Mine Access Sealing											
110/111	Concentrator Equipment, Building/Barge Demolition and Disposal											
120	Concentrate Storage Structure & Equipment Demolition & Disposal											
130	Ship Load Out Tower & Conveyors Demolition & Reclamation											
131	Dock Removal & Shoreline Reclamation											
140	Tailings Thickener & Pipelines Demolition & Disposal											
141	Garrow Lake Dam/Spillway Modifications & Reclamation											
150	CRF Plant Structure & Equipment Demolition & Disposal											
160	Accommodation Complex Structure & Equipment Demolition & Disposal											
170	Fuel Storage & Distribution Modifications, Demolition & Disposal											
172	Miscellaneous Buildings/Structures Demolition & Disposal											
179	Utilities Supply/Distribution, External Piping & Misc. Demolition & Disposal											
180	General & Final Site Grading											
181	Landfill Cover Installation & Reclamation											
182	Cleanup & Disposal of Chemical, Metal & Hydrocarbon Contaminated Soils											
183	Quarry Cover Installation & Reclamation											
191	Preparation, Handling & Loading of Owner's Haz. Wastes & Salvage Equipment											
191	Shipping & Transportation of Owner's Haz. Wastes & Salvaged Equipment											
191	Shipping costs for contractor supplied equipment and supplies											

Polaris Mine Closure  
Contract No: 2071-C.01 "Demolition and Site Reclamation"

Tender Form  
Appendix 1 - Schedule 1  
BREAKDOWN OF TENDER PRICE

Cost Center	Description	Est Qty	Units	Estimated Labour Cost			Equipment Rental	Material & Supplies	Sub Contracts	Other	EXTENDED TOTAL	
				Est Mhrs	Ave Rate	Cost					Lump Sum	Reimbursible
192	Contractor Mobilization/Demobilization											
192	Site office facilities;office furniture/equipment;communications equipment											
192	Design & Procurement of Temporary Facilities											
192	Contractor Home Office & Site Supervisory/Admin/Clerical/Safety Costs											
193	Contractor Costs for Demolition/Mobile Equipment Over & Above Unit Rates											
194	Contractor's Costs for Communications											
194	Contractor's Costs for Warehousing, Freight, Receiving of Misc. Supplies											
195	Accommodation Complex Modifications for Stand Alone Operation											
195	Accommodation Complex Operation for Contractor & Owner's Personnel											
196	Personnel Transport To/From Site (personnel not included in hourly categories)											
196	Personnel Transport On-Site											
197	Supply of Fuel Oil (additional to quantities supplied by owner)											
198	Mine Service Vehicles/Equipment Maintenance											
198	Surface Equipment & Vehicle Maintenance											
198	Electrical Power & Communications Equipment Maintenance											
198	Fire/Water/Sewage Systems & Equipment Maintenance											
198	Buildings and Buildings Systems Maintenance											
198	General Maintenance Personnel, Equipment & Supplies											
199	Environmental, Health & Safety											
199	Permits and Licences											

Cost Center	Description	Est Qty	Units	Estimated Labour Cost			Equipment Rental	Material & Supplies	Sub Contracts	Other	EXTENDED TOTAL	
				Est Mhrs	Ave Rate	Cost					Lump Sum	Reimbursible
	Unallocated - Contractor To Specify & Include if Required)											
	Northern Content Differential											
	Contractor Profit											
	Net Credit Value for Contractor Claim to Salvage (per Tender Form Appendix9)											

Total Tender Price

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## APPENDIX 1

### Schedule 2 - Remuneration

#### Item 1. Lump Sum Price Items

The Lump Sum Price shall be comprised of the following items:

- 1.1.2 Contractor's Profit
- 1.1.3 Contractor's home office overhead and administration costs including, but not limited to, design, procurement, expediting, scheduling, accounting, insurance, and general project administration, all as required to support the work on site.
- 1.1.4 Purchased/leased site office facilities, office furniture, office equipment, office supplies, and communication equipment as may be required to supplement existing Owner supplied items.
- 1.1.5 All offsite mobilization and preliminary planning costs (excluding on site labour and equipment).
- 1.1.8 Design and procurement of temporary facilities except as noted in Item 2 below.
- 1.1.7 Salaries and salary burdens for Contractor's site manager and site office personnel including administrative clerical staff, such as project accounting, payroll, purchasing, timekeepers, schedulers, safety coordinators and Occupational Health Nurses. or equivalent medical technicians. (Accommodation and "Turnaround" costs including travel & expenses for administrative and supervisory personnel will be reimbursed on a Unit Price basis in accordance with Item 2 below).
- 1.1.6 Off site demobilization and project wrap-up costs.
- 1.1.9 Net credit for Contractor salvaged equipment and/or materials. Shipping costs for Contractor salvaged equipment, including on site costs for special decontamination, preparation, packaging, and loading for shipment will be to the Contractor's account.
- 1.1.10 Everything else required for the performance of the Contract, except only those specific items which are expressly Cost Reimbursable Price Items pursuant to Item 2 of this Appendix 1 - Schedule 2.

#### Item 2. Cost Reimbursable Price Items

Work items expressly classed as Cost Reimbursable (the terms "Cost Reimbursable", "Cost Reimbursable Items" and "Cost Reimbursable Price Items" are synonymous and interchangeable and mean the items identified in this Item 2) shall be priced and paid for utilizing the unit rates specified in Appendix 2 or at actual invoiced cost, all as specified

in Appendix 2. All profit, head office and site office overheads, as specified in Item 1 above shall be included in the Lump Sum Price.

The following items will be paid on a cost reimbursable basis as noted and in accordance with the Contract Documents;

## 2.1 Unit Rates

### 2.1.1 Direct Labour

At hourly rates specified in Item A2.1 of Appendix 2

Payment will be made only for actual hours worked as indicated on daily time sheets approved and signed at the end of each day by the Project Manager.

"Direct Labour" means labour up to and including the level of general superintendents while actively engaged in the performance of the Work which is cost reimbursable, but excludes all supervisory and other staff above the level of general superintendents as specified in Item 1.1.7 above.

Hourly Rates To Include;

- Payroll and payroll burdens
- Miscellaneous travel expenses and paid travel time allowances (pro-rated and included in Standard Hourly Rate, reference Appendix 2 Item A2.1) associated with personnel "Turnaround" costs but excluding air travel costs.
- Applicable clothing & small tools allowances

### 2.1.2 Accommodation Cost for All Personnel

At rates specified in Item A2.3.1 of Appendix 2

### 2.1.3 Air Travel Cost for All Personnel

At rates specified in Item A2.3.2 of Appendix 2

### 2.1.4 Temporary Facilities And Maintenance

At rates specified in Item A2.3.5 of Appendix 2

On site labour for construction and maintenance of temporary facilities of any kind, including modification of existing systems and facilities required to allow stand alone operation during demolition and reclamation of existing facilities and utilities. (Other costs including transportation to and from site and any purchase/lease/rental costs of temporary facilities at actual cost.



2.1.5 Equipment Rental

At rates specified in  
Item A2.2 of Appendix 2

All equipment rented or purchased by the Contractor for use on the site  
excluding only routine maintenance, fuel, and operating labour.

2.1.6 Bonding (If requested By Owner)

As specified in  
Article 3.0 of Tender Form

**2.2 At Cost**

Payment for the following items will be made based on reimbursement to the Contractor of actual direct invoiced cost to the Contractor by third party Suppliers or Sub Contractors, subject to the requirements of Special Conditions SC 10.

2.2.1	Sub Contractors	At cost
2.2.2	Routine Maintenance Supplies & Purchased Spares	At cost
2.2.3	Other Materials & Supplies	At cost
2.2.4	Shipping costs for Owner's Salvaged Equipment/Supplies	At cost
2.2.5	Shipping Costs For Contractor Supplied Equipment And Supplies	At cost
2.2.6	Shipping & Disposal Costs for hazardous materials requiring off-site disposal	At cost
<b>Note:</b> "Shipping" as used in 2.2.4, 2.2.5 and 2.2.6 above shall include costs of shipping by land, by sea, or by air and shall be by the most economical means available taking into account delivery requirements.		
2.2.7	Fuel Costs	At cost
2.2.8	Permits & Licences	At cost
2.2.9	Air transport of all employees and Owner's personnel to and from the Site, excluding paid travel time and miscellaneous personal travel expenses.	At cost

Unless the Owner otherwise agrees in writing, any Subcontractor or Supplier who is affiliated with the Contractor (as such term is used in the Income Tax Act, Canada) shall be deemed for the purposes of payment under this Contract to be the same as the Contractor, such that costs will be reimbursed not as invoiced by the Subcontractor or Supplier but as if the labour, equipment, material or services were provided directly by the Contractor itself rather than through the Subcontractor or Supplier.

**Item 3. Target Price (Optional – For Discussion Purposes Only)**

At the Owner's discretion and subject to negotiation of suitable Terms and Conditions acceptable to the Owner, consideration will be given to the establishment of a Target Price for the final cost of Item 2 above, based on establishing the Bidder's original Tender Price as the Target Price. The Owner reserves the right to negotiate a mutually acceptable Target Price with the selected Bidder prior to Award. If the Owner elects to proceed with Target Price for Item 2 and if mutually acceptable Terms and Conditions for the Target Price are agreed to, this will be confirmed in the Contract at the time of award and then any variation between the actual final cost of work outlined in Item 2 above and the Target Price, subject to adjustment for changes in the scope of work of Item 2, if any, in accordance with the Contract, would be shared between the Owner and the Contractor as follows;

	<u>Owner's Account</u>	<u>Contractor's Account</u>
<b><u>Overrun</u></b>		
0 to 5% Target Price	_____ %	_____ %
>5% to 10%	_____ %	_____ %
>10%	_____ %	_____ %

The maximum cumulative amount of the Contractor's share of any overrun in the Target Price, as adjusted for changes in scope of the Work in accordance with the Contract, shall be limited to and not exceed 15 % of Target Price

<b><u>UNDERRUN</u></b>		
0 to 5% Target Price	_____ %	_____ %
>5% to 10%	_____ %	_____ %
>10%	_____ %	_____ %

The maximum cumulative amount of the Contractor's share of any under-run in the Target Price, as adjusted for changes in scope of the Work in accordance with the Contract, shall be limited to and not exceed 15 % of Target Price

\_\_\_\_\_  
Signature of Bidder

## APPENDIX 2

### COST REIMBURSABLE RATES

The following calculated rates for labour, equipment and provision of materials or services shall be applicable for all work items included in the Scope of Work and classed as Cost Reimbursable in Appendix 1, "Breakdown of Tender Price." These rates are exclusive of all site office overhead, head office overhead, profit and all other allowances for amounts included in the Lump Sum.

#### A2.1 - Labour Rates

- a) The calculated Standard hourly labour rates shall be based on an 8-hour workday (40 hours/week) and shall be all-inclusive (except only GST), and include without limitation the following:

- Statutory Holiday and Vacation Pay
- All payroll burdens including WCB, Employment Insurance and Canada/Quebec Pension Plan
- Fringe Benefits, including special site premiums, clothing allowances, etc. (if applicable)
- Allowance for paid travel/turnaround time
- Allowance for miscellaneous "out-of-pocket" travel expenses reimbursable to employee
- Contractor supplied small tool allowances\*\*

\*\* Small tools are defined as tools and equipment with a replacement value of less than \$1,000.00 per item.

- b) The calculated Overtime Rates shall be all-inclusive (except only GST) and consist of Standard Rate plus overtime premium and applicable payroll burdens or benefits (if any) for work in excess of 8 hours/day or 40 hours/week up to the maximum of 66 hours/week included in the proposed weekly work schedule.

Bidder shall use the attached Table to indicate the job categories (up to and including the level of general superintendent) that it intends to use for the Work. All job categories above general superintendent shall be included in the Lump Sum Price Item in Item 1 of Appendix 1 - Schedule 2.

- c) The following is intended only to indicate the proposed work schedule and is the basis on which the Labour Rates quoted in the attached Table, and the resulting Labour cost portion of the cost reimbursable work, indicated in Appendix 1, have been calculated .

Proposed Work Week: 6 Days/Week @ 11 Paid Hours/Day

Proposed "Turnaround" Schedule: 8 weeks on site followed by 4 weeks home

### **A2.2 - Equipment Rates**

The bidder shall attach hereto a complete list of the equipment (over and above that provided by the Owner) that it intends to provide to the site and make available for cost reimbursable work at the site, and agrees to ensure the availability of replacement equipment of equivalent standard until completion of the work. The equipment listed must be adequate for the satisfactory execution of the work. Tenders which do not provide a complete list of the equipment available for the work and to be placed upon the site are subject to rejection by Owner without further review.

Equipment list and rates to be submitted in the attached Table and are **exclusive of delivery, fuel, routine maintenance, and operator** (covered elsewhere);

### **A2.3 - Services and Materials Unit Rates**

Following are unit rates (also referred to herein as "unit prices") for the provision of items of work, services or goods which are to be applied to the Scope of Work and classed as Cost Reimbursable. These unit rates are all-inclusive and shall exclude all site office overhead, head office overhead, profit and all other allowances and items which are to be included in the Lump Sum Price Items as specified in Item 1 of Appendix 1 - Schedule 2.

Unit Prices quoted herein will be subject to review and adjustment on an annual basis, at the anniversary of the date of the Contract, as agreed between the parties or failing agreement, subject to receipt by the Owner, from the Contractor of satisfactory and verifiable evidence in the form of accounting records and/or supplier quotations substantiating any price changes.

#### **A2.3.1 Accommodation Unit Rates**

Includes all costs associated with the operation of the Accommodation Complex for all site personnel, including food, lodging, janitorial, housekeeping, laundry, recreation and entertainment facilities, but not including costs for power, water, sewage, heating or facility maintenance.

Allow estimated 10 persons for Owner's personnel and Owner's subcontractors through project duration.

**Accommodation Unit Rates**

On Site Manpower	\$/Person/Day
1-50 Persons	
51-100 Persons	
100-150 Persons	
150+ Persons	

Note: Bidder may submit alternate pricing structure for accommodation costs provided that such proposal is consistent with the intent of this Tender Form

**A2.3.2 Transportation Unit Rate (Personnel)**

a) Contractor's Personnel:

Transportation unit costs will be established by the Contractor and the Owner on the basis of long term agreements with public carriers and/or private charter firms, all in accordance with Special Conditions SC 10. Contractor will be reimbursed actual cost per trip, preferably to and from designated points of origin. Established unit rates will include all costs associated with the transportation of personnel by air from agreed points of origin including airfares, airport fees, taxes (except GST), site airstrip operation and ground transport as required.

For information and bid comparison purposes only, Bidders are to indicate below estimated unit costs and assumed points of origin used by the Bidder in determining travel costs for all personnel including Subcontractors (excluding Owner's personnel) included in the Tender Price;

<u>Point Of Hire/Return</u>	<u>Trips/Year*</u>	<u>Unit Cost</u>	<u>Total Cost*</u>

\* Based on 8 and 4 week turnaround schedule

b) Owner And Project Manager's Personnel, consultants and subcontractors:

(as above – airfare only)

A2.3.5 Other (Reference Appendix 1 – Schedule 2, Item 2.2)

Other costs incurred by the Contractor in carrying out the Work which are not specifically listed above or included in the Lump Sum Price Items of the Tender Price will be reimbursed at direct cost based on supporting documentation and subject to prior approval of the Project Manager.

---

Signature of Bidder

END OF APPENDIX 2

Contract No: 2071-C.01 "Demolition and Site Reclamation"

## Appendix 2 - Item A2.1

## Labour Rates

[illegible]

Bidder to attach additional sheets if required.

**Note 1:** For purposes of the Tender only, allowances for small tools, travel time and miscellaneous travel expenses are to be pro-rated over 320 (8x40) hours, assuming a work schedule of 8 weeks on site, 4 weeks home leave. Actual work schedules will be subject to approval of Authorities Having Jurisdiction and calculated adjustments will be made to the hourly rates, to reflect actual approved work schedules.

**Note 2:** Overtime premiums are to be exclusive of all pro-rated expense allowances. Applicable Burdens (if any) to be included

**Polaris Mine Closure  
Contract No: 2071-C.01 "Demolition and Site Reclamation"**

**Polaris Mine Closure  
Contract No: 2071-C.01 "Demolition and Site Reclamation"**

[illegible]

Bidder to attach additional sheets if required.

**Note 1:** "Standby Rates" as quoted in column (G) above shall apply only to equipment time on site in excess of the normally scheduled or actual period during which the equipment is required for the Work. Standby time may be necessitated due to the restricted shipping season which limits the times when equipment can be delivered to, or removed from, the site.



**APPENDIX 3****FORCE ACCOUNT RATES – EXTRA WORK**

Additional work not included in Part 3 - Scope of Work of the Tender Documents and required to be performed by the Contractor, outside the Scope of the Contract and as specifically authorized by the Project Manager in accordance with G.C. 18, will be compensated in accordance with G.C. 19. Where a lump sum price for Extra Work cannot be mutually agreed upon, the following will apply;

**A) Extra Work Provided by Labour, Equipment or Other Items for Which Rates are Established in Appendix 2.**

Where labour rates, equipment rates or other rates are specified in Appendix 2, those rates shall be used for determining the value of the Extra Work provided by the Contractor and approved in advance by Extra Work Order issued and signed by the Project Manager. In addition to the actual, direct cost to the Contractor, exclusive of all site office overhead, head office overhead, profit and all other items referred to in Item 1 of Appendix 1 - Schedule 2, the Contractor will be paid the following all-inclusive mark-ups, which include everything referred to in Item 1 of Appendix 1 - Schedule 2. These mark-ups shall be applied and calculated at the time the Extra Work Order is issued by the Project Manager, based on the values of labour, equipment, material, services and subcontract costs estimated in the Extra Work Order and, once calculated, shall be deemed to be lump sum costs and added to the applicable Lump Sum Price Item in Item 1 of Appendix 1 - Schedule 2. There shall be no increase to the aforesaid lump sum costs if the direct cost of the Extra Work exceeds the original estimated values. If there are no values of labour, equipment, material, services and subcontract costs in the Extra Work Order at the time it is issued, the mark-ups shall be applied and calculated after the Extra Work has been completed and the actual direct cost to the Contractor has been determined. :

To Estimated Labour Cost	_____ %
To Estimated Equipment Cost	_____ %
To Estimated Materials or Services Cost	_____ %
To Estimated Subcontract Cost	_____ %.

**B) Extra Work Where Rates for Labour, Equipment or Other Items are Not Established in Appendix 2**

If the Extra Work provided by the Contractor cannot be valued utilizing the rates specified in Appendix 2 and is performed on a "cost plus" basis (as provided by G.C. 19), then the percentages to be added to the actual direct cost to the Contractor pursuant to G.C. 19.3(c) shall be as follows, which percentages include without limitation everything in G.C. 19.3(c) and all site office overhead, head office overhead, profit and all other items referred to in Item 1 of Appendix 1 - Schedule 2:

To Labour	Actual Direct Cost + ____%
To Equipment	Actual Direct Cost + ____%
To Materials or Services	Actual Direct Cost + ____%
To Subcontract Work	Actual Direct Cost + ____%

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Signature of Bidder

END OF APPENDIX 3

**APPENDIX 4**

**ALTERNATIVE PRICES**

The following are our prices for the Alternative Work listed hereunder. Such Alternative Work and amounts are NOT included in our Tender Price

(If not used, bar and initial the space below.)

Description of Alternative Work	Effect on Price		Lump Sum	Cost
	Addition	Deduction		Reimbursable

**NOTES:**

1. For each item of proposed Alternative Work, unless self-evident by its nature, provide (attach) full details of the proposed alternate, the reasons for the proposed alternate, the specific benefits which will accrue to the Owner, any increase or decrease in the time required to perform the Contract, and any other factors which the Bidder wishes the Owner to consider in evaluating and considering the alternate.
2. As specified in the Instructions to Bidders, the proposed Alternative Work is for the Owner's election, and the Owner reserves the right to accept or reject any Alternative Work proposed by the Bidder.

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Signature of Bidder

END OF APPENDIX 4

**APPENDIX 5**

**LIST OF SUBCONTRACTORS**

The following are the Subcontractors we propose to use for the Divisions or Sections of work listed hereunder. Where a Subcontractor is not named, Bidder shall use his own forces unless otherwise agreed in writing by the Owner, which agreement may be subject to such terms and conditions as the Owner in its sole discretion may impose or require. It is understood and agreed that no substitution of Subcontractors may be made from those listed and that additional Work may not be subcontracted, without approval of the Owner having been previously obtained in writing, which approval may be subject to such terms and conditions as the Owner in its sole discretion may impose or require.

Description of Work	Name of Subcontractor	% Nunavut Content	Value of Subcontract

\_\_\_\_\_  
Signature of Bidder

END OF APPENDIX 5

**APPENDIX 6**

**CONSTRUCTION EQUIPMENT LIST**

NOT USED

Refer to Equipment List in Appendix 2 and Project Execution Plan - Appendix 8.

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Signature of Bidder

END OF APPENDIX 6

APPENDIX 7

DEMOLITION & RECLAMATION SCHEDULE

Attached is the Bidder's schedule for demolition and reclamation (interchangeably referred to herein as the "construction schedule" and the "demolition and reclamation schedule"), which schedule shows all major activities and estimated manpower by month, all in sufficient detail to indicate key dates to be achieved in carrying out the Work, in accordance with the Owner's contemplated Project Schedule milestones as stated below:

<u>Milestone</u>	<u>Completed</u>
1. Award Contract C.01	Jan 15/02
2. Regulatory Approval of Closure Plan	Apr 30/02
3. Complete Mining / Milling	Aug 31/02
4. Complete Product load Out	Sep 30/02
5. Polaris Operations demobilization	Oct 15/02
6. Barge Demolition	_____
7. Concentrate Storage Removal	_____
8. Tailings Thickener & Pipelines	_____
9. Garrow Lake Draw-down & 1 Year Monitoring	Spring 2004
10. Fuel Storage Facilities Demolition	_____
11. Sealing of Mine access	_____
12. Dock Removal & Shoreline	Aug 30/04
13. Accommodation Complex Demolition	Sep 15/04
14. Site Grading & Earthworks Reclamation	Oct 10/04
15. Last Ship from Polaris	Oct 15/04 (weather permitting.)
16. Demobilization from Site	Oct 31/04
17. Project wrap-up and final documentation	Dec 23/04

*[Bidder to include its schedule for the Work with Project Execution Plan, Appendix 8]*

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Signature of Bidder

END OF APPENDIX 7

## APPENDIX 8

### PROJECT EXECUTION PLAN

Bidder will prepare and submit with the Tender, a detailed project execution plan indicating how it intends to carry out the Work and administer the Contract. The submittal is to address, at a minimum, the following items;

- Project Organization  
Listing of names of persons and qualifications of managerial and supervisory personnel that your company would nominate for work on this project
- Project Schedule  
Detailed mobilization, demolition, reclamation, and demobilization schedule.  
Manpower Forecast by period (minimum monthly)
- Work Methods  
Detail description of proposed demolition and reclamation methods, equipment used, etc.
- Expediting & Logistics  
Administrative Procedures
- Manhour Control & Reporting  
Administrative Procedures
- Accounting, Cost Control & Forecasting  
Administrative Procedures  
Cash Flow Forecast
- Progress Monitoring, Control & Reporting  
Administrative Procedures
- Construction & Mine Safety
- Environmental Monitoring & Control of Contractor's Activities
- Nunavut Content

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Signature of Bidder

End of APPENDIX 8

**APPENDIX 9**

**OWNER'S EQUIPMENT, MATERIALS OR SUPPLIES**

**to be Claimed as Salvage by Contractor**

As stated in the Tender Documents, it is the Owner's intention that all designated surplus equipment, furnishings, shop tools, spare inventories and supplies remaining after mine operations are complete will be turned over to the Contractor for the Contractor's utilization during demolition and reclamation operations if required and for ultimate disposal by the Contractor, as directed by the Owner, at the project completion. Bidders may establish a salvage value in their Tender for specific items not already designated as being retained or salvaged by the Owner, and subject to provisions of SC 29, including "buy back" provisions, may claim these items for salvage by the Contractor.

Does Bidders Tender Price include credit allowances for salvage value of equipment, furnishings, shop tools, spares, materials or supplies shipped off-site for resale.

(Yes or No) \_\_\_\_\_

If Bidders Tender Price includes credit allowances for salvage value of equipment, furnishings, shop tools, spares, materials or supplies to be recovered and shipped off-site for salvage, Bidder shall complete the attached Table indicating a complete list of equipment, furnishings, shop tools, spares, materials or supplies that it intends to claim as salvage and has included as a credit within the Tender Price.

*The Owner reserves the right to claim for salvage, and require the Contractor to return or deliver to the Owner at such location(s) as may be specified by the Owner, any equipment, furnishings, shop tools, spares, materials or supplies not specifically identified in the attached Table.*

(See attached table)

\_\_\_\_\_  
Signature of Bidder

End of APPENDIX 9



Bidder to attach additional sheets if required.

Note 2: Salvage of Equipment by the Contractor is subject to the requirements of Special Conditions SC 29.

Page 1 of 1