



ADDENDUM No. 3

Date: May 5th, 2026

REQUEST FOR PROPOSALS (RFP)

RFP No. OA-04-2026

Owner's Advisor-Overall Management Services for the Development of Water Treatment Plant and Distribution System at Great Pond, Torbay, NL

1. Removal of Liquidated Damages Provision

Following ongoing engagement and constructive discussions with prospective proponents, the Owner has undertaken a review of the contractual provisions included in the RFP, specifically with respect to the application of Liquidated Damages.

The Owner acknowledges that the inclusion of a Liquidated Damages provision may introduce pricing uncertainty and lead proponents to incorporate higher risk premiums in their submissions. Therefore, the Owner intends to remove this provision through this Addendum, as doing so is expected to promote more competitive and balanced pricing and foster collaborative and constructive project environment.

2. Introduction of Holdback Mechanism

The Owner will implement a holdback mechanism as follows:

- A 10% holdback shall be applied to the total Contract Price and administered proportionally within each milestone, based on the value of work completed per milestone.



- This holdback will be deducted proportionally from each monthly invoice submitted by the Consultant based on the percentage of work completed.
- The accumulated holdback amounts will be released upon completion and acceptance of each milestone, subject to the Owner's satisfaction.
- Release of holdback shall be subject to the Owner's review and written acceptance of the applicable milestone deliverables, confirming that the services have been completed in a timely, complete, and contract-compliant manner.
- All payments shall be contingent upon the satisfactory completion of services, including timely, complete, and contract-compliant deliverables, and shall be subject to the Owner's review and approval.

3. Additional Contractual Controls

To ensure effective project delivery and performance management, the following provisions will be incorporated into the Agreement/Contract:

- **Notice of Default and Termination Provisions**
Including formal processes for identifying and remedying performance deficiencies, and the right of the Owner to terminate in cases of continued non-performance.
- **Step-in Rights**
The Owner reserves the right to engage third parties to complete part or all the Services in the event of consultant non-performance, with associated costs recoverable as per the Agreement, following notice and failure to remedy within the required cure period.
- **Audit Rights**
The Owner shall retain the right to audit records, invoices, and supporting documentation related to the Services.
- **Milestone-Based Performance Enforcement**
Deliverables and progress will be strictly monitored and enforced based on agreed milestones and outputs.
- **Cost Control (Cost Cap)**
The Contract Price shall remain fixed, subject only to approved changes in scope, in accordance with the terms of the Agreement and applicable legislation.
- **Extension of Time Provisions**
Allowing for reasonable schedule adjustments under defined circumstances in accordance with the terms of the Agreement and applicable legislation.
- **Formal Change Management Procedures**
All changes to scope, cost, or schedule shall require prior written approval from the Owner.

Collectively, the above mechanisms provide a comprehensive and balanced framework for managing performance, schedule, and cost, while maintaining appropriate protection for the Owner and promoting fair and competitive pricing.



4. Extension of Proposal Submission Deadline

This Addendum is further issued to inform all prospective proponents that the deadline for submission of proposals has been extended to:

4:00 PM Newfoundland Time on Wednesday, May 27, 2026.

All proposals must be submitted in accordance with the requirements of the RFP no later than this revised deadline.

5. Contract Preparation Requirement

The successful bidder shall prepare a draft contract agreement and cooperate with the Town in finalizing it for joint signature and shall submit it to the Town within the first two (2) weeks following notification of contract award.

6. Milestone-Based Payment Structure and Monthly Invoicing

While the Town understands the concerns raised regarding the structure of milestone-based payments, the proposed twelve (12) milestone framework has been established to align payments with key project deliverables and performance outcomes over the duration of the assignment. This approach is intended to ensure accountability, transparency, and alignment with actual project progress.

At this time, the Town intends to retain the milestone-based payment structure as outlined in the RFP.

However, the Town confirms that:

- Monthly invoicing will be permitted, based on the actual percentage of progress achieved within each milestone.
- Payments will be made proportionally within the value allocated to each milestone, reflecting the level of completion of associated deliverables up to the invoicing date.
- All payments remain subject to the satisfactory completion of services, including timely, complete, and contract-compliant deliverables, and approval by the Owner.

This approach allows for improved cash flow management while maintaining alignment with milestone-based performance and deliverable achievement.

7. Clarification of Terminology

In Section 2.3.1(c), within the phrase:



"Co-operation with other contractors, third parties, local establishments, Walis, municipality, government agencies, etc." The term "Walis" is deleted and replaced with "Authorities Having Jurisdiction (AHJs).

No Other Changes

All other terms, conditions, requirements, and specifications of the original RFP remain unchanged and in full force and effect.

8. Acknowledgement

Proponents are responsible for acknowledging receipt of this Addendum in their submission.

Issued by:

Town of Torbay