

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving - PWGSC/Réception des soumissions -
TPSGC
11 Laurier/11 rue Laurier
Place du Portage, Phase III
Core 0A1/Noyau 0A1
Gatineau, Québec K1A 0S5
Gatineau
Ontario
K1A 0S5
Bid Fax: (819) 775-7279

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Property Management Project Division/Division du
projet de gestion immobilière
Sir Charles Tupper Building 4th Fl
Édifice Sir Charles Tupper 4e étage
A-425-F
2720 Riverside Drive/
2720, promenade Riverside
Ottawa
Ontario
K1A 0S5

Title - Sujet Real Property 1	
Solicitation No. - N° de l'invitation EP008-112560/D	Amendment No. - N° modif. 016
Client Reference No. - N° de référence du client 20112560	Date 2014-01-20
GETS Reference No. - N° de référence de SEAG PW-\$\$GC-002-63671	
File No. - N° de dossier gc002.EP008-112560	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2014-01-28	Time Zone Fuseau horaire Eastern Standard Time EST
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Michniewicz, Joe	Buyer Id - Id de l'acheteur gc002
Telephone No. - N° de téléphone (613) 736-3220 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

Solicitation No. - N° de l'invitation

EP008-112560/D

Client Ref. No. - N° de réf. du client

20112560

Amd. No. - N° de la modif.

016

File No. - N° du dossier

gc002EP008-112560

Buyer ID - Id de l'acheteur

gc002

CCC No./N° CCC - FMS No/ N° VME

Please see attached.

AMENDMENT 016

REQUEST FOR PROPOSAL FOR REAL PROPERTY - 1 PROPERTY MANAGEMENT AND PROJECT DELIVERY SERVICES (RP-1) FOR PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

THIS AMENDMENT HAS BEEN RAISED TO EFFECT THE FOLLOWING CHANGE:

SECTION A: QUESTIONS AND ANSWERS

Q77:

Is there any expectation in any Region or component of the portfolio where an abstraction exercise will be necessary to develop lease data from source documents? If so, please describe including the proposed data set and data dictionary if available.

A77:

There is a requirement for the contractor to input, manage, and monitor lease data and information associated with delivering Lease Administration and Third-Party Lease and Agreement services. The data submission requirements associated with these services can be found in the RP-1 IM/IT Standard, which is included in Special Instruction SI10, Real Property 1 Technical Information.

Q78:

If the answer to the above question is no, our expectation is that all data required to provide lease administration services associated with SDRL 4.5.16 and 6.8 currently exists and will support all necessary reporting and KPI requirements as contemplated. We contemplate little or no abstraction of lease documents during Transition believing that all data will be converted from other systems. Please confirm.

A78:

During the Operational Transition period, PWGSC will provide the information required to administer existing Government and Third-Party leases and agreements in a format to be determined by PWGSC, so that it can be input, as needed by the Contractor, into the Contractor's systems. The information provided by PWGSC may be in electronic or paper format.

Q79:

Please describe the system(s) currently used to manage lease data and provide reporting, by Region if appropriate. Please confirm that this data had been developed and maintained on a consistent basis within each Region and can be migrated to another system. What connectivity currently exists between your vendor's lease administration systems and PWGSC systems relevant to the administration of lease data including the management of rent payable and receivable data?

A79:

PWGSC uses an Enterprise Resource Planning system to manage lease contract accounts payable and accounts receivable information and an in-house system to record other relevant lease contract data and information. There is no connectivity with the current contractor's systems other than connectivity to allow the current contractor to submit data transactions similar to those described in the RP-1 IM/IT Standard.

Q80:

Is lease data currently managed within each region or centrally? Can you share the details of the existing data set and data dictionary used by your existing provider? Is the dataset and data dictionary identical for all Regions?

A80:

All of PWGSC's RP-1 lease data requirements are identified in the RP-1 IM/IT Standard and the Solicitation.

Q81:

Typically when converted data is used for lease administration, we will validate the accuracy of key components of data including all Critical Dates, rents and space measurement data per the lease contract. Is this level of validation acceptable? What additional data, if any, do you believe to be appropriate in this validation program?

A81:

Per 1.3.1 of the Statement of Work, the Contractor is totally responsible for delivering the services within the funding allocated through the Work Authorization process and for acting independently and making decisions required to achieve acceptable performance. The Contractor's Service Delivery Regime (SDR), including the processes and procedures it plans to use for delivering Lease Administration and Third-Party Lease and Agreement services, will be reviewed during the SDR Acceptance Process.

Q82:

Please describe the status and location of lease documents (leases, amendments, estoppels, NDA's, etc.). Have all documents been scanned and, if so, are they available online? If not, can they be transferred to us in a well-organized format via a hard drive, SharePoint or some other mutually agreed process?

A82:

Please see the response to Q78.

Q83:

What is your document retention and scanning protocol? Do you typically use multipage Adobe PDF files at DPI of 300 or greater? Is this protocol applied consistently in all Regions?

A83:

Canada requires the Contractor to manage information, report and keep records, to be subject to audits and to submit records in accordance with applicable federal and provincial legislation, Treasury Board (TB) and PWGSC policies, as per Real Property 1 – Technical Information 11E –B & 11E – C and the French version 11F-B & 11F-C, including, but not limited to, TB Policy on Information Management, TB Directive on Information Management Roles and Responsibilities, TB Directive on Recordkeeping, and PWGSC DP 102 – Policy on Information Management, and the requirements of the Solicitation. Canada encourages the use of electronic means for managing and exchanging information and multi-page files in Adobe Acrobat® compatible PDF format of the suggested resolution, or better, and this format is an acceptable means for transmitting most administrative files. Other types of files could be required in native or other exchange formats, depending on the nature and purpose of the document.

Q84:

Typically, we provide all lease administration services via digital documents and the Client maintains originals or copies of originals in any way desired. Is there any requirement for paper copies of lease documents to be maintained by our staff?

A84:

In accordance with the requirements of the Solicitation, the contractor must maintain up-to-date Lease Files for Government leases, Third-Party Leasing Files and Other Third-Party Agreement Files that incorporate documents such as correspondence, agreements and rent justifications. PWGSC keeps the signed originals of all lease agreements. See also the response to Q83.

Q85:

To the extent that lease documents are not readily available, either on paper or in digital format, please describe any service provider requirement around obtaining those documents?

A85:

Please see the response to Q78.

Q86:

Please describe the current process surrounding non-lease, lease administration documents (i.e. landlord letters, tenant correspondence, etc.). How this material is currently maintained and how will it be transferred to us? Is there any concern regarding the digitization of this documentation and ongoing maintenance in a digital format only.

A86:

Please see the responses to Q78, Q83 and Q84.

Q87:

We have created a complete response to RP-1 that currently addresses all requirements and currently exceeds 550 pages. We are commencing with an editing process focused on simplifying our response; however there is a risk of quality and content reduction in the final product that may not provide best value to Canada. Would PWGSC allow for an increase in the page limit to 550 pages?

A87:

PWGSC has increased the total page count limitation for the Bidder's entire response to 525 pages. Please see number 49 under Section B: Changes to the Request for Proposal.

Q88:

In Appendix 2 - Bid Submission Form, we are requested to provide a "completed annex Federal Contractors Program for Employment Equity – Certification" for each member of the Joint Venture. Does this refer to Appendix 2 - Bid Submission Form itself or is this a separate form? If so, how are we to indicate which JV partner a given Appendix 2 - Bid Submission Form is submitted for?

A88:

Each member of the Joint Venture is to be named in the BSF0 Bid Submission Summary form (see page 67, 68 of RFP). In addition, each member of the Joint Venture so named in the Bid Submission Summary form must complete the following Bid Submission Forms:

- Appendix 1 - Directors of the Bidder
- Appendix 2 - Federal Contractors Program (FCP) Declaration
- Appendix 3 - Former Public Servants Certification

Q89:

The information in the bid submission forms (BSF) related to Baseline Management Services Amounts and Inventory in square meters has been changed per various amendments. Will PWGSC be issuing revised bid submission forms with this data updated?

A89:

Please see number 45 under Section B: Changes to the Request for Proposal of amendment 015 as well as the forms attached to amendment 015.

Q90:

In response to a question about PWGSC's intent to audit management and overhead fees, A38, states: "PWGSC has the right to audit all payments made under the contract and will exercise its rights as it deems necessary to ensure adherence to the terms of the contract". With respect to the Direct Labour Overhead Fee and Management Fees, we understand this to mean that PWGSC will audit the accurate application of the Direct Labour Overhead Fee and Management Fees as per the contract terms, specifically, that any audit(s) would explore only that correct fee amount was used for resources in GFA space and those not in GFA space, and that the FTE number used for GFA space and non-GFA space is accurate as per the approved Labour Resources Plan. Please confirm that our interpretation is correct and that there is no requirement to audit and / or reconcile against actual costs the individual components of which the Direct Labour Overhead Fee and Management Fees are comprised.

A90:

Canada does not intend to audit or reconcile the individual cost components of the Direct Labour Overhead Fee or Management Fees.

Q91:

Please confirm if cost of resources required to support financial and other audits conducted by Canada, or by third-parties on behalf of Canada, is considered an allowable direct labour cost. In other words, when individuals on the Approved Labour Resource Plan spend time in support of PWGSC audits, is this associated labour cost considered an allowable cost under Direct Labour?

A91:

If authorized by work authorization, labour in support of PWGSC audits will be an allowable cost. To be considered payable, the Contractor's Direct Labour Costs must be:

- Authorized by the Technical Authority through the Work Authorization Process prior to the commencement of Work.
- For resources that are engaged in the provision of services described in the Statement of Work.
- Demonstrated to have been incurred and paid by the Contractor.

Q92:

Pursuant to TP3 Fees, Item 2.4 – Direct Labour Overhead Fee:

Please confirm that within the Terms of Payment section TP3 (2.4.1-2.4.10) the items listed represent a comprehensive and complete list of direct labour overhead categories to be included in the Direct Labour overhead and that all other direct labour costs, including employee benefits and contractor's contribution to employee benefits, would flow through TP2, (3.2.1), Direct Labour Costs or TP3 (1.1.1) Fee?

A92:

To be considered payable, the Contractor's Direct Labour Costs must be:

- Authorized by the Technical Authority through the Work Authorization Process prior to the commencement of Work.
- For resources that are engaged in the provision of services described in the Statement of Work.
- Demonstrated to have been incurred and paid by the Contractor.

Please refer to the RFP including the following sections:

- SC02 Work Authorization, paragraph 1.,
- TP2 Costs, paragraphs 1.4., 1.5. and 1.6.,
- TP2 Costs, paragraph 3.2.1, and
- WA01 Work Authorizations.

Canada confirms that the items listed within the Terms of Payment section TP3 (2.4.1-2.4.10) represent a comprehensive and complete list of direct labour overhead categories to be included in the Direct Labour overhead Fee. All other direct labour costs, including employee benefits and contractor's contribution to employee benefits, would be allowable costs in accordance with TP2, paragraph 3.2.1.

Q93:

The bid submission requirements for the TS-1 Technical Scenario (Section 6.1, page 50 of the RFP – last bullet) include the use of the Justification Form for identification and rationalization of changes to the Labour Resource Plan between Years 1 and 2. The Resource Change Justification Form (Appendix C to BSF9, page 99 of the RFP) is designed to be used separately for each resource. Our Labour Resource Plan for TS-1 contains multiple resources that would generate changes in the Year 2 Labour Resource Plan, which would result in a significant number of additional pages to our proposal if provided one per resource as outlined in the RFP.

Please confirm if this is the intended response, or if we can provide the information on a summary basis to limit the impact to overall page count. Alternatively, would the crown please exclude the Resource Change Justification Forms from the page count restriction?

A93:

Please see number 10 under Section B: Changes to the Request for Proposal of Amendment 003. In particular, paragraph 4, entitled "Year 2 update" of the revised BSF9, indicates that the Bidder is to: "Use one Justification Form for all changes expected and provide details to support each change proposed in the relevant sections of the form."

Q94:

For Clauses TP3-2.7 and TP3-3.5:

2.7 The Annual Overhead Rates are subject to an annual inflation adjustment as of April 1, 2017.

3.5 The Management Fee is subject to an annual inflation adjustment as of April 1, 2017.

Please confirm that the date April 1, 2017 is correct and that no inflation adjustment will be made for April 1, 2016

A94:

Canada confirms that no inflation adjustment will be made for April 1, 2016. Bidder should bid per RFP.

Q95:

Under SC07 Section 4: Wrap Up Liability, after 60 days of working with multiple insurance companies, we, the bidder, have been able to obtain only one quotation for the required custom insurance product that PWGSC is requesting through this Solicitation. The quotation that we have received only provides coverage for the first \$25M. Based on \$25M of coverage, the annual premium for the insurance ranges from \$2M-\$3M over the seven (7) year term, with an average of \$250K per year for project activity based on the volumetric data provided by PWGSC. To reiterate, this insurance only provides coverage for the first \$25M, we have yet to successfully obtain an insurance quotation for the second \$25M. As such, the total cost will increase.

Our experience indicates that this premium is estimated to be three (3) to five (5) times what the costs would be for similar liability coverage using an industry standard product for services that are of similar nature to RP1. We are concerned that given that there is only one insurer that is prepared to offer this product, premiums could go up significantly over the term, creating considerable risk which will need to be incorporated into bidder's fees, adding additional cost to Canada.

We respectfully request that PWGSC consider the follow options, which will assist in providing best value to Canada:

1. Change the insurance requirement to a more industry standard product similar to the existing agreement with the incumbent provider
2. Change insurance costs to become an allowable flow through cost to PWGSC, and therefore excluded from fees (in this option, bidder's would still assume liability for deductible costs on any claims).

A95:

PWGSC is of the opinion that substantial savings will be achieved by the Wrap-up insurance policy compared to individual Commercial General (CGL) policies being provided by the Contractor and all its sub-contractors at all tiers. The Wrap-up provides superior coverage that is uniform to the Contractor and its sub-contractors. It provides ease of administration and eliminates coverage duplication and sub-contractor litigation against each other. Additionally, the limit of the Wrap-up is dedicated to the contract and cannot be eroded by claims paid by the Contractor's CGL for losses suffered on other contracts. PWGSC has confirmed that this insurance is available and thus no substitutions will be considered. Bidders must provide the insurance as per section SC07.

PWGSC recognizes that the Wrap-up is a custom product and that the up-front costs will be significant. However, substantial savings should be achieved by removing the insurance costs normally incurred by sub-contractors for coverage that will now be provided under the Wrap-up. PWGSC will not exclude the insurance costs from fees.

SECTION B: CHANGES TO THE REQUEST FOR PROPOSAL

49. At paragraph 5 of **SRE 1 Bid Preparation Instructions**,

Delete:

- c. except for the pages described at SRE 1.4 d., e., f., g., h., and i., the total page count limitation for the Bidder's entire response is 475 pages and the text must not be smaller than Arial font size 11. All pages should be numbered sequentially and all pages after 475 will not be considered as part of the Bidder's response. If the pages are not numbered sequentially, a member of the evaluation team will count the pages to determine the total number. The excess pages will be removed and not considered by evaluators. Only referenced material included within the Bidder's response will be evaluated. Reference material outside of the Bidder's response will not be considered.

And Insert:

- c. except for the pages described at SRE 1.4 d., e., f., g., h., and i., the total page count limitation for the Bidder's entire response is **525** pages and the text must not be smaller than Arial font size 11. All pages should be numbered sequentially and all pages after **525** will not be considered as part of the Bidder's response. If the pages are not numbered sequentially, a member of the evaluation team will count the pages to determine the total number. The excess pages will be removed and not considered by evaluators. Only referenced material included within the Bidder's response will be evaluated. Reference material outside of the Bidder's response will not be considered.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED