

INVITATION TO SUBMIT A RESPONSE TO REHABILITATE THE PROPERTY MUNICIPALLY KNOWN AS 171 - 181 BANK STREET, 140 O'CONNOR STREET AND 300 LAURIER AVENUE WEST IN THE CITY OF OTTAWA

A RESPONSE TO THIS INVITATION IS A MANDATORY PREQUALIFICATION STEP OF THE THREE STAGE COMPETITIVE PROCESS (AS DEFINED BELOW)

FILE NUMBER: 5225-2-2015-7

Her Majesty the Queen in Right of Canada is the owner in fee simple of the property (the "**Property**") municipally known as 171 - 181 Bank Street, 140 O'Connor Street and 300 Laurier Avenue West, in the City of Ottawa, and commonly referred to as L'Esplanade Laurier. The Property includes two (2) office towers, a podium building that connects the towers and three (3) parking levels and was originally constructed during the 1970s. Public Works and Government Services Canada ("**PWGSC**") requires the Property to be rehabilitated to meet PWGSC's requirements (the "**Rehabilitation**"), which includes having:

- approximately thirty-three thousand (33,000) square metres of usable area of office space, approximately one thousand (1,000) square metres of usable area of storage space, approximately twenty (20) parking spaces and the required common areas being rehabilitated by or around July 31, 2020; and
- approximately thirty-three thousand (33,000) square metres of usable area of office space, approximately one thousand (1,000) square metres of usable area of storage space, approximately twenty (20) parking spaces and the required common areas being rehabilitated by or around July 31, 2021.

The Rehabilitation, however, may also include additional office space, storage space, parking and retail space, all of which shall be included in the Sublease (as defined below). The Property will be available for the Rehabilitation on or about September 30, 2017. The Rehabilitation shall include renovating the Property, a complete redevelopment of the Property or some other form of partial redevelopment and renovation of the Property (which includes, in each case, meeting or exceeding the relevant LEED Gold standards, or such equivalent standard acceptable to PWGSC) and, at PWGSC's option, completion of PWGSC's required leasehold improvements.

To affect the same, PWGSC is considering entering into:

- a ground lease (the "**Ground Lease**"), as landlord, for the Property for a term of approximately thirty-five (35) years;
- a head lease (the "**Head Lease**"), as tenant, for the Property for a term of approximately thirty (30) years; and
- a sublease (the "**Sublease**"), as sublandlord, of the Head Lease for a term of approximately thirty (30) years of: (i) the office space in excess of PWGSC's required office space (approximately sixty-six thousand (66,000) square metres of usable area); (ii) the storage space in excess of PWGSC's required storage space (approximately two thousand (2,000) square metres of usable area); (iii) the parking areas (with PWGSC having the right to licence approximately forty (40) parking spaces); and (iv) all retail space;

each, plus or minus up to five (5) years and other related agreements (which may include a development agreement). Among other things: (a) the Head Lease shall provide that the landlord has an obligation (subject to PWGSC's termination rights regarding property management services) to provide the specified property management services; (b) the head leased premises shall include sufficient below grade parking required to meet the zoning bylaws in the city of Ottawa, only grade level retail space, at least approximately two thousand (2,000) square metres of usable area of storage space and at least approximately sixty-six thousand (66,000) square metres of usable area of office space; (c) the term of

the Head Lease and Sublease will be, among other things, dependent on the completion of the Rehabilitation; and (d) the Ground Lease, the Head Lease and the Sublease shall each be between the same legal parties, there shall be restrictions regarding assignment and changes of the non-Crown ownership and control (such restrictions shall not prohibit).

This invitation to submit a response (the “**Invitation**”) is the first stage of a three stage competitive process being used for the Rehabilitation (the “**Three Stage Competitive Process**”), with the second stage being a request for qualification (the “**RFQ**”) and the third stage being a request for proposal (the “**RFP**”). The RFP shall include an irrevocable offer to enter into the Ground Lease, the Head Lease and the Sublease. Notwithstanding that this is a three stage process, PWGSC may, in PWGSC’s sole and absolute discretion, not proceed with the RFQ stage and (even if there is an RFQ stage) not invite offers under the RFP stage. PWGSC, however, reserves the right:

- to proceed with either or both the RFQ stage and the RFP stage;
- to only invite to such stage or stages, as the case may be, the individual(s) or group(s) that responded to this Invitation and that were compliant with the requirements contained herein (the “**Responding Parties**”, with each individual or group responding being a “**Responding Party**”); and
- to allow in substitution of a Responding Party, a legal entity (such as a single purpose corporation) that is solely owned and controlled by a Responding Party.

For clarity, individual(s) or group(s) that fail to respond to this Invitation and individual(s) or group(s) that submit responses that are not compliant with all the requirements contained herein shall not be invited to participate further if the Three Stage Competitive Process continues to either or both the RFQ or the RFP stage. PWGSC further acknowledges and agrees that a Responding Party may be a person, corporation, trust, partnership, limited partnership, joint venture, other association or other legal entity (in the case of a trust, partnership, limited partnership, joint venture, or other association each member, partner, trustee thereof shall be called a “**member**” and all such members, partners, trustees thereof shall be called jointly “**members**”). Moreover, if a Responding Party (including related entities) submits more than one response to this Invitation (such as part of a joint venture and on its own), all such responses shall be rendered non-compliant and the response shall be given no further consideration. For the purposes of the foregoing, “related” to a Responding Party means: (i) they are the same legal entity as the Responding Party; (ii) the entity and the Responding Party are “related persons” or “affiliated persons” according to the Canada *Income Tax Act*, or (iii) the entity and the Responding Party otherwise do not deal with one another at arm’s length, or each of them does not deal at arm’s length with the same third party.

PWGSC may, in PWGSC’s sole and absolute discretion, provide honorariums to some or all of the unsuccessful compliant bidders at the RFP stage.

Section A: A Response to this Invitation is a Mandatory Step of the Three Stage Competitive Process

This Invitation is for the purposes of establishing a list of interested Responding Parties that meet the specified criteria required to be invited to participate in the RFQ stage. Given that the Three Stage Competitive Process may not, in PWGSC’s sole and absolute discretion, proceed to the second or third stage, Responding Parties may unilaterally withdraw from the process at any time before (and there is no contractual relationship until) they submit a binding proposal in response to the RFP. For clarity, those who submit a response during this Invitation may unilaterally choose not to participate in the RFQ stage and those that participate in the RFQ stage may unilaterally choose not to participate in the solicitation during the RFP stage.

Section B: Response Address

Any and all parties interested in submitting a response to this Invitation shall submit the same in writing to PWGSC at the following address:

Bid Receiving Unit
Real Property Contracting
National Capital Region
Public Works and Government Services Canada
Place du Portage
11 Laurier Street
Phase III, Room 0B2
Gatineau, Quebec
K1A 0S5

Section C: Response Deadline

All responses to this Invitation must be received by PWGSC at the address contained in section B on or before 2:00 pm Eastern Daylight Time (UTC -4) on **October 13**, 2015. For clarity, any response received by PWGSC after this date and time at such address or received at anytime at any other address shall not be considered. Moreover, as this Invitation may, in PWGSC's sole and absolute discretion, proceed to the RFQ stage and the RFP stage, this Invitation may be the only invitation to the public to submit a response for the project and agreements considered by this Invitation.

Section D: Response Mandatory Requirements

Parties that may be available and interested in participating in the RFQ stage, and thereafter the RFP stage, must provide a response to this Invitation in order to be considered for the same. For clarity, failure to include all of the following mandatory requirements in a response, failure to thereafter provide the requested information as listed below or failure to comply with the other mandatory requirements in this Invitation shall render the response non-compliant and the response shall be given no further consideration.

All Responses to this Invitation shall include the following:

(a) **Development Expertise**

- (i) a list of at least two construction projects that the Responding Party (or any member thereof) completed as a real estate developer or construction manager, with:
- each of such projects being for the major renovation, development or redevelopment of a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition);
 - each of such projects having a minimum of twenty-five thousand (25,000) square metres of rentable office space;
 - each of such projects having a construction cost (as shown on the building permit or permits and/or professional attestations for the project) of at least seventy-five million dollars (\$75,000,000.00) and having been completed during the period from January 1, 2000 to and including September 30, 2015; and
 - one of such projects having been completed to LEED standards or such equivalent standard acceptable to PWGSC; and
- (ii) the following information for each of such listed projects:

- evidence to confirm that the project was a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition), had a minimum of twenty-five thousand (25,000) square metres of rentable office space, had a construction cost (as shown on the building permit or permits and/or professional attestations for the project) of at least seventy-five million dollars (\$75,000,000.00) and was completed during the period from January 1, 2000 to and including September 30, 2015;
- a description of the scope of the project (including the municipal address of the project);
- evidence that the project was at least substantially completed and occupied;
- evidence showing that the Responding Party (or a member thereof) was the real estate developer or construction manager for such project; and
- evidence that one of the projects was completed to LEED standards or such equivalent standard acceptable to PWGSC;

(b) Property Management Expertise

- (i) a list of at least two projects for which the Responding Party (or a member thereof) is or was the office property manager or for which the Responding Party (or a member thereof) contracted with another for all of the office property management services, with:
- each of such projects being for a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition);
 - each of such projects having a minimum of twenty-five thousand (25,000) square metres of rentable office space; and
 - the Responding Party, the member thereof or the so retained property manager for each of such projects having provided office property management services continuously for a minimum period of three (3) years during the period from January 1, 2005 to and including September 30, 2015; and
- (ii) the following information for each of such listed projects:
- evidence to confirm that the project was a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition), had a minimum of twenty-five thousand (25,000) square metres of rentable office space which was managed by the Responding Party, the member thereof or the so retained property manager for a minimum period of three years (3) during the period from January 1, 2005 to and including September 30, 2015; and
 - a description of the scope of the property management services (including without limitation, the municipal address of the project);

(c) Financial Capacity

- (i) a list of at least two construction projects for which the Responding Party (or a member thereof) attained financing, or otherwise attained funding, with each of such projects:
- being for the major renovation, development or redevelopment of a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition);
 - having a minimum of twenty-five thousand (25,000) square metres of rentable office space;
 - having a construction cost (as shown on the building permit or permits and/or professional attestations for the project) of at least seventy-five million dollars (\$75,000,000.00); and
 - having been completed during the period from January 1, 2000 to and including September 30, 2015; and

- (ii) the following information for each of such listed projects:
 - evidence to confirm that the project was a high-rise (as defined in section 3.2.6.1 of the *National Building Code of Canada*, 2005 Edition), had a minimum of twenty-five thousand (25,000) square metres of rentable office space, had a construction cost (as shown on the building permit or permits and/or professional attestations for the project) of at least seventy-five million dollars (\$75,000,000.00) and was completed during the period from January 1, 2000 to and including September 30, 2015; and
 - a description of interim and long term financing or the otherwise funding (which may include debt and equity) attained for each of such projects;
 - (iii) the credit rating information for the Responding Party and/or the member thereof that attained the foregoing financing for such projects; and
 - (iv) a letter from the entity(ies) that so financed or otherwise funded at least one of the listed subsection D(c)(i) projects, setting out:
 - the length of the lending relationship between the Responding Party and/or member thereof that attained the foregoing financing or funding and such entity(ies); and
 - a description (including all amounts financed) of all financing for at least one of such projects; and
- (d) Responding Party
- (i) a list, chart or other material that clearly identifies the legal name(s) and, if applicable, the legal corporate or other proposed ownership structure governing the Responding Party (and all members thereof). For clarity and by way of examples only:
 - in the case of Responding Party that is a joint venture, the Responding Party would be required to provide the legal names of each member of the joint venture and evidence of the joint venture structure; and
 - in the case of a Responding Party that is a partnership, the Responding Party would be required to provide the legal name of each partner to the partnership and evidence of the existence and type of the partnership.

In addition, the Responding Party shall provide to PWGSC within five (5) business days of being requested (or such longer period as is reasonably requested by the Responding Party and approved by PWGSC at PWGSC's sole and absolute discretion) all further development information, property management information, financial information and corporate or other ownership structure of the Responding Party (and, if applicable, all members thereof) requested by PWGSC regarding the foregoing subsections D (a), (b), (c) and (d).

Section E: Agents of Interested Parties

Agents submitting a response to this Invitation on behalf of their respective principal(s) shall provide PWGSC with a letter agreement executed by both the agent and the respective principal(s) confirming that: (a) the agent is the agent of the principal(s); and (b) the agent is authorized to submit a response to this Invitation on behalf of their principal(s).

Section F: Security Requirement

If this Invitation results in a future RFP, the Responding Party(ies) will have to hold a valid security clearance at the "Reliability" level, approved and granted by the Canadian Industrial Security Directorate (CISD) of PWGSC prior to award. All parties interested in the potential real property solicitation contemplated herein are advised to obtain this security clearance level immediately, as failure to have the

required security clearance prior to award shall make a proponent non-compliant. Information regarding security clearance can be obtained on the website of the CISD/PWGSC at <http://ssi-iss.tpsgc-pwgsc.gc.ca>. Please contact PWGSC in the manner provided for below to initiate the security clearance process.

Section G: Additional Information/Contact Re Security Clearance

For more information, please contact PWGSC in writing by mail or courier at:

*Public Works and Government Services Canada
191 Promenade du Portage
3RD Floor
Gatineau, Quebec
K1A 0S5*

Attention: Jamie Becker

or by email at: jamie.becker@tpsgc-pwgsc.gc.ca

Section H: Integrity Framework

If PWGSC proceeds with the RFQ stage and the RFP stage, the successful Responding Party shall be required to adhere to all provisions of PWGSC's then Integrity Framework. Information regarding PWGSC's current Integrity Framework can be obtained on the following website: <http://www.tpsgc-pwgsc.gc.ca/biens-property/ci-ic-eng.html>.

Section I: Invitation Instructions

It is the Responding Party's responsibility to:

- submit a response in the format requested, on or before the closing date and time set herein;
- obtain clarification of the requirements contained in this Invitation, if necessary, before submitting a response;
- ensure that the Responding Party's name, return address and this Invitation's File Number are clearly visible on the envelope or the parcel(s) containing the response; and
- provide a comprehensive and sufficiently detailed response that will permit a complete review in accordance with the mandatory criteria set out in this Invitation .

PWGSC requests that the Responding Parties follow the format instructions described below in the preparation of their responses to this Invitation:

- the order of the response should follow the order established in Section D; use a numbering system that corresponds to Section D;
- submit one (1) bound original plus three (3) bound copies of the response. The original must be identified "ORIGINAL" and will take precedence over the copies;
- File No 5225-2-2015-7 being printed on the first page of all correspondence;
- paper size should be - 216mm x 279mm (8.5" x 11");
- minimum font size - 11 point Times New Roman or equal; and
- double-sided responses are preferred.

The responses to this Invitation should clearly demonstrate that the Responding Party meets the mandatory requirements identified in Section D and otherwise provided herein. Simply repeating statements contained in this Invitation is not sufficient. In order to facilitate the evaluation of the response to this Invitation, PWGSC requests that the Responding Parties address and present topics in the order of the mandatory requirements under the same headings.