
PUBLIC WORKS AND
GOVERNMENT SERVICES
CANADA

ADDENDUM NO. 3

COMPLEX REAL ESTATE TRANSACTIONS
REAL ESTATE SERVICES DIRECTORATE

PROJECT NO. 5225-2-2020-5
599 TREMBLAY ROAD DEVELOPMENT PROJECT

DATE: June 3, 2020

The following changes to the Request for Qualification document are effective immediately and form part of the Contract Documents.

This Addendum consists of Two Parts:

PART 1: QUESTIONS AND RESPONSES

Question 1

We fully embrace the importance of the inclusion of an Indigenous Specialist for the Project. However, we believe that naming an Indigenous Specialist would be more appropriately left until the RFP stage when further details about the Indigenous Benefits Plan is available. This will allow Proponents to make a more informed selection of the Indigenous Specialist.

Response 1

Please see Part 2, revision 12, of this Addendum 3 of this day in answer to this question.

Meaningful engagement with Indigenous peoples is a priority for Canada, and as described in the RFQ, notably its Section 2.1(3), RFP Proponents will be required to demonstrate their Indigenous Strategy which will include an Indigenous Benefits Plan. The Preferred Proponent will be expected to implement its Indigenous Benefits Plan described in Sections 3.3 and 6.3 (1) (d) of Appendix B to the RFQ. The Indigenous Specialist should have the experience and expertise to help the Preferred Proponent meet its obligations anticipated in the Indigenous Benefits Plan in accordance with Appendix B, Section 3.3 Indigenous Benefits Plan. This Indigenous Specialist can be an individual from any of the Team Members or can be retained as a subcontractor. It should be noted that neither the Indigenous Specialist nor the Preferred Proponent are expected to undertake consultations on behalf of PWGSC.

Question 2

Indigenous Consultant - More information on the role and requirements of the Indigenous Specialist. Clarification of these requirements will help proponents evaluate potential consultants.

Response 2

Please refer to Response 1 of this Addendum 3 of this day in answer to this question.

Question 3

Can PSPC confirm if it would be acceptable to increase the comparable project criteria from 10 to 15 years in order to show/demonstrate long term value and continued operations, especially in light of Sustainability and Energy Efficiency goals with long term implications.

Response 3

Please see Part 2, revisions 1 to 9, of this Addendum 3 of this day in answer to this question. Projects completed beyond the specified number of years can be submitted. All projects will be evaluated from a comparability and capability perspective in accordance with the evaluation criteria detailed in Appendix D - Package 2 and the Applicable Scales detailed in Appendix E.

Question 4

Can an architect or any design consultant be on two separate proponent teams?

Response 4

Key Team Members may participate on more than one Respondent Team provided they comply with Section 7.14 and do not contravene Section 7.16 of the RFQ. In other words, Key Team Members that participate on more than one Respondent Team must avoid conflicts of interest and form separate internal teams for the procurement process, and those internal teams must not communicate with one another. This will be particularly important during the RFP Process.

Question 5

In section B Design Capability and Experience, please confirm that all 6 examples (3 architecture & 3 urban design) need to meet the criteria B1.1 & B1.2?

Response 5

Please see Part 2, revisions 1 to 9, of this Addendum 3 of this day in answer to this question. All projects will be evaluated from a comparability and capability perspective in accordance with the evaluation criteria detailed in Appendix D - Package 2 and the Applicable Scales detailed in Appendix E.

Question 6

What is the weighting criteria for the area of 50,000 m²?

Response 6

Please refer to response 7 of Addendum 2. Please also see Part 2, revisions 1 to 9, of this Addendum 3 of this day in answer to this question. All projects will be evaluated from a comparability and capability perspective in accordance with the evaluation criteria detailed in Appendix D - Package 2 and the Applicable Scales detailed in Appendix E.

Question 7

Can the Design Prime Member be a joint venture between two architectural firms?

Response 7

Yes

Question 8

Can Authority provide a high-level overview of the payment structure contemplated for the project? Will there be milestone payments or a substantial completion payment? This will enable proponents to determine the necessary level of investment and will be key to selecting the right partners during the RFQ stage.

Response 8

Please refer to: Response 4 of Addendum 2; Section 4 of the RFQ; and Section 6.3(1) (C) of Appendix B to the RFQ. PWGSC anticipates that no milestone or substantial completion payment will be made except for the costs for its tenant improvements / fit-out excluding the costs for the base building construction to be completed by the Preferred Proponent. This would be addressed at the RFP stage.

Question 9

Can Authority provide more specifics around the nature and proportion of retail component of the project?

Response 9

Please refer to Section 4.6 of Appendix B. It is currently anticipated that Proponents will put forward their own specifics on the nature and proportion of retail component, which should be located on the ground floor. That floor would also include common areas and potentially, some PWGSC general purpose office and special purpose spaces. This would be addressed at the RFP stage.

Question 10

Can Authority indicate the anticipated size of the site parking (ie number of parking spaces) and whether it anticipates transferring revenue risks to proponents? If so, can the Authority confirm the proportion of the parking spaces to be dedicated to monthly prepaid users versus pay as you go users?

Response 10

Please refer to Response 2 of Addendum 2. As to the size of the site parking and the proportions, it is currently anticipated that there will be a combination of monthly and pay as you go parking options for occupants and visitors noting that the site is in close proximity to public transportation. This would be addressed at the RFP stage.

Question 11

Can Authority clarify if the minimum development criteria and equity completion criteria are pass/fail type requirements? If not, is it possible to specify the points attributed to these specific items? Criteria stated below for clarity:

- i. Development of high-rise office accommodations facilities similar in scope and in an urban setting, and minimum size of 50,000 m²;
- ii. A minimum of \$350 million in capital costs;

Response 11

The criteria identified in the question are not pass/fail type requirements.

Please see Part 2, revisions 1 to 9, of this Addendum 3 of this day in answer to this question. All projects will be evaluated from a comparability and capability perspective in accordance with the evaluation criteria detailed in Appendix D - Package 2 and the Applicable Scales detailed in Appendix E.

With respect to size and capital costs, the \$350 million in capital costs is to establish a factor for comparability, and for the size, please refer to response 7 and response 17 of Addendum 2.

Question 12

Appendix D, E.1 Capacity, Submission, First Paragraph, Item 2

Would PWGSC please confirm that the reference to the Design Prime Members' financial capacity description (required under Appendix D, E.1 Capacity item 2 under the first paragraph of the section titled 'Submission') is applicable to only those firms expected to undertake over 50% of the architectural design work and excludes those providing over 50% each of the civil, mechanical, electrical, structural and other design and engineering elements of the Project? As subconsultants to the Design-Builder, the engineers' scopes will not generate a financial situation beyond their delivery of market-standard services and are anyway part of the Design-Builder's risk profile.

Appendix D, E.1 Capacity, Submission, Second Paragraph, Items 1-4

In addition, would PWGSC please confirm that substantiating information related to the Design Prime Members' (which per the definition of Prime Member would include both architectural and engineer firms) financial standing is not required under Appendix D, E.1 Capacity (items 1-4 under the second paragraph of the 'Submission' section):

- While important members of a consortium, the Design Prime Members: have limited at-risk expenditures; their scope of work does not represent a material portion of the Project costs; and their financial capacity is a low risk factor in the Project's success
- As subconsultants to the Design-Builder, the Design Prime Members will not provide performance securities, credit ratings or guarantees
- Per the above, annual audited financial statements, as well as CFO/CEO letters (i.e. NOMAC, off-balance sheet financing, credit ratings) are not typically provided by architectural or engineering firms as part of RFQ submissions
- The information provided in response to Appendix D, E.1 Capacity item 2 under the first paragraph of the section titled 'Submission' should be sufficient to demonstrate the architectural firms' capacities to undertake their project obligations

Response 12

Only the financial capacity of the Design Prime Member responsible for the architecture component will be evaluated. Please see Part 2, revision 10 of this Addendum 3 of this day in answer to this question.

Question 13

Can PWGSC confirm that a non-JV partnership between Design Prime Member roles of architecture and urban design can be shared between two firms?

Response 13

Please refer to Response 7 of this Addendum 3 of this day in answer to this question.

Question 14

Can PWGSC please increase the comparable project criteria from 10 to 15 years to enable Respondents to demonstrate long term value and continued operations, especially in light of Sustainability and Energy Efficiency goals with long term implications?

Response 14

Please refer to Response 3 of this Addendum 3 of this day in answer to this question.

Question 15

(Appendix B, Section 4.7 - Guarantee and/or Indemnity Agreement) As the Proponent will have to raise project financing based on i) the consortium's creditworthiness and ii) the project's contractual structure; could PWGSC explain why this clause is necessary?

Response 15

If the Proponent of the Project is a shell company, with no assets at all, and has been created solely for the purposes of being the named party in the agreements, PWGSC will require a guarantee of the Proponent's obligations by its parent company or any other affiliate in its corporate group (or even an unrelated company) that is an entity of substance, with substantial assets behind it. This would be addressed at the RFP stage.

Question 16

Can PWGSC confirm the security requirements for the RFP Stage and at Contract Award?

Response 16

Please refer to Response 23 of Addendum 2 in answer to this question.

Question 17

Can PWGSC please confirm if Respondents are able to submit projects that have been fully developed but without operational history?

Response 17

Yes, Respondents can submit fully developed projects without operational history. Please see Part 2, revisions 1 to 9 of this Addendum 3 of this day in answer to this question.

Question 18

Can PWGSC please revise their size target of 50,000 sq meters to projects smaller in size?

Response 18

Please refer to Response 6 of this Addendum 3 of this day in answer to this question.

Question 19

The requirement in Appendix D, Section D-1 requires respondents to submit three (3) project examples from within the past ten (10) years from the closing date of this RFQ, demonstrating the Property and Facility Management Prime Member(s) experience.

We understand that the evaluation will score each submitted project as to its relevancy based on the criteria in D.1.1 Comparability and D.1.2 Capability. There are only a few examples of office buildings that were only recently procured using the DBFM model in North America. We believe that it will be difficult for all proponents to adhere to the exact requirements in the following areas:

- Provision of operation, maintenance and repair services for office accommodations facilities of similar scope, and size over 50,000m² (from D.1.1);
- Deliver property and facility management and maintenance services consecutively for at least five (5) years (from D.1.2).

These two factors may persuade perspective proponent teams to substitute P3 projects in other asset classes e.g. hospitals, courthouses, etc., which may not be relevant to the challenges of operating an office building campus. We believe that if the size component was lowered to 30,000 m², recent office buildings developed under the model would comply. In addition, we believe the requirement for delivery of FM/PM services for at least five (5) years is too long and exceeds what is available in the P3 marketplace. We request that this requirement is changed towards the P3 industry standard which requires the proposed Project to be transitioned into the Operations period. We believe delivering services for five (5) consecutive years is supported by the financial guarantees the FM/PM Service Provider makes to the Project which ultimately provides the performance assurance over the length of the concession term.

Response 19

The Project is structured as a Lease-Leaseback as described in Appendix B section 4 of the RFQ.

Please refer to Response 11 of this Addendum 3 of this day in answer to this question. Please also see Part 2, revisions 8 and 9, of this Addendum 3 of this day in answer to this question

Question 20

Appendix D Section D.1 and D.2 assumes that Property and Facility Management is to be provided by one company. If Respondents are considering Property Management to be provided by one organization and Facility Management to be provided by another organization, can Respondents include three (3) project examples and three (3) Key Individuals for each organization?

Response 20

It is currently anticipated that the Property and Facility Management Agreement will be a single contract executed between PWGSC and the Preferred Proponent.

Respondents may submit up to 3 referenced projects for the Property and Facility Management Capability and Experience Evaluation Criteria. All projects will be evaluated from a comparability and capability perspective in accordance with the evaluation criteria detailed in Appendix D- Package 2 and the Applicable Scales detailed in Appendix E.

Question 21

(Appendix D Package 2 A.1) We note that the term Development Prime Member is not defined. Could the Procurement Authority please provide the definition and confirm that a Design Prime Member having designed and developed high-rise accommodation facilities as indicated in Evaluation Criteria A1.1 can satisfy the requirement in section A.1?

Response 21

Please see Part 2, revision 11 of this Addendum 3 of this day in answer to this question.

Question 22

Can Authority clarify if the reference project development size criterion is a pass/fail type requirement? If not, is it possible to specify the points attributed to this specific evaluation criterion? Criterion stated below for clarity:

- Development of high-rise office accommodations facilities similar in scope and in an urban setting, and minimum size of 50,000 m²

Response 22

Please refer to Response 6 of this Addendum 3 of this day in answer to this question.

Question 23

Can the Authority provide more specifics around the nature and proportion of retail component to occupy the ground floors of the project buildings? What are the prescribed type of retail tenants are expected and what proportion of the total floor space will the retail component account for?

Response 23

Please refer to Response 9 of this Addendum 3 of this day in answer to this question.

Question 24

Can Authority clarify if the minimum capital costs criterion is a pass/fail type requirement?

If not, is it possible to specify the points attributed to this specific evaluation criterion?

Criterion stated below for clarity:

- A minimum of \$350 million in capital costs

Response 24

Please refer to Response 11 of this Addendum 3 of this day in answer to this question.

Question 25

Can the Authority confirm whether there will be milestone payments or a substantial completion payment in addition to the lease payments described in the RFQ? This will enable proponents to determine the necessary level of long-term financing and will be key to selecting the right partners during the RFQ stage.

Response 25

Please refer to Response 8 of this Addendum 3 of this day in answer to this question.

Question 26

Section A.1.1.1 states that proponents must present comparable projects that show their ability to develop high-rise office accommodations facilities similar in scope and in an urban setting, and a minimum size of 50,000m².

Projects of this size are scale are generally multi-phased projects with a mix of programmatic elements. For comparability, will projects be considered where the development in its entirety is a minimum of 50,000m² with high rise office is a component or must the office component be 50,000m²?

Response 26

Please refer to Response 6 of this Addendum 3 of this day in answer to this question.

Question 27

In order to give Respondents the flexibility to present project examples that collectively address the Comparability criteria, would PWGSC revise the requirement that development projects be “delivered and been in operations for at least two (2) years” from a mandatory threshold to a preferred standard. With the understanding that projects with two years of operational history may be preferred by PWGSC, Respondents should be allowed to balance this factor against other comparable aspects of more recent developments.

Suggested revision:

~~The p~~Project examples ~~must that~~ have been delivered and been in operations for at least two (2) years are preferred.

Response 27

Please see the responses and Part 2 revisions 1 to 9 in Addendum 3 of this day in answer to this question.

PART 2: REVISIONS TO THE REQUEST FOR QUALIFICATIONS

Revisions 1 to 9 of this Addendum are to amend the requirements under Package 2: Technical and Financial Capability and Experience, for Rated Evaluation Criteria A, B, C and D.

Revision 10 of this Addendum specifies the financial submission requirements for the Design Prime Member.

Revision 11 of this Addendum provides a definition for Development Prime Member.

Revision 12 of this Addendum provides additional information related to the Indigenous Benefits Plan and Indigenous Specialist.

1. **Package 2: Technical and Financial Capability and Experience, A. Development Capability and Experience, A.1 Experience is replaced in its entirety with the following:**

DELETE

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Development Prime Member's experience where the Prime Member was the primary developer of an office campus, and where the development work was completed within the past ten (10) years from the closing date of this RFQ.
2. The project examples must have been delivered and been in operations for at least two (2) years.

INSERT

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Development Prime Member's experience where the Prime Member was the primary developer of an office campus, and where the development work was completed preferably within the past ten (10) years from the closing date of this RFQ.
2. The project examples must have been delivered and should have been in operations for at least two (2) years.

2. **Package 2: Technical and Financial Capability and Experience, A. Development Capability and Experience, A.1.1 Comparability, point 1 is replaced with the following:**

DELETE

1. Development of high-rise office accommodations facilities similar in scope and in an urban setting, and minimum size of 50,000 m²;

INSERT

1. Development of high-rise office accommodations facilities similar in scope and in an urban setting, with a preferable minimum size of 50,000 m²;

3. Package 2: Technical and Financial Capability and Experience, B. Design Capability and Experience, B.1 Experience, points 1 and 2 are replaced with the following:

DELETE

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Design Prime Member's experience (Architecture) where the Architect was the prime consultant and primary design service provider, and where the design work was completed within the past ten (10) years from the closing date of this RFQ.
2. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Design Prime Member's experience (Urban Design) where the design work was completed within the past ten (10) years from the closing date of this RFQ.

INSERT

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Design Prime Member's experience (Architecture) where the Architect was the prime consultant and primary design service provider, and where the design work was preferably completed within the past ten (10) years from the closing date of this RFQ.
2. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples demonstrating the Design Prime Member's experience (Urban Design) where the design work was preferably completed within the past ten (10) years from the closing date of this RFQ.

4. Package 2: Technical and Financial Capability and Experience, B. Design Capability and Experience, B.1.1 Comparability, point 1 is replaced with the following:

DELETE

1. Design of accommodations facilities similar in size (over 50,000 m²), scope and in an urban setting;

INSERT

1. Design of high-rise office accommodations facilities similar in scope and in an urban setting, with a preferable minimum size of 50,000 m²;

5. Package 2: Technical and Financial Capability and Experience, C. Construction Capability and Experience, C.1 Experience, point 1 is replaced with the following:

DELETE

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples that have reached substantial completion within the past ten (10) years from the closing date of the RFQ, demonstrating the Construction Prime Member(s)' experience, with at least one (1) example from each Construction Prime Member.

INSERT

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) comparable project examples that have preferably reached substantial completion within the past ten (10) years from the closing date of the RFQ, demonstrating the Construction Prime Member(s)' experience, with at least one (1) example from each Construction Prime Member.

6. Package 2: Technical and Financial Capability and Experience, C. Construction Capability and Experience, C.1.1 Comparability, point 1 is replaced with the following:

DELETE

1. Construction of accommodations facilities similar in size (over 50,000 m²), scope and in an urban setting;

INSERT

1. Construction of high-rise office accommodations facilities similar in scope and in an urban setting, with a preferable minimum size of 50,000 m²;

7. Package 2: Technical and Financial Capability and Experience, D. Property and Facility Management Capability and Experience, D.1 Experience, point 1 is replaced with the following:

DELETE

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) project examples from within the past ten (10) years from the closing date of this RFQ, demonstrating the Property and Facility Management Prime Member(s) experience.

INSERT

1. Using Form D-1 provided in Attachment 1 of Appendix D of this RFQ, submit three (3) project examples preferably from within the past ten (10) years from the closing date of this RFQ, demonstrating the Property and Facility Management Prime Member(s) experience.

- 8. Package 2: Technical and Financial Capability and Experience, D. Property and Facility Management Capability and Experience, D.1.1 Comparability, point 1 is replaced with the following:**

DELETE

1. Provision of operation, maintenance and repair services for office accommodations facilities of similar scope, and size over 50,000m²;

INSERT

1. Provision of operation, maintenance and repair services for high-rise office accommodations facilities similar in scope and in an urban setting, with a preferable minimum size of 50,000 m²;

- 9. Package 2: Technical and Financial Capability and Experience, D. Property and Facility Management Capability and Experience, D.1.2 Capability, point 1 is replaced with the following:**

DELETE

1. Deliver property and facility management and maintenance services consecutively for at least five (5) years;

INSERT

1. Deliver property and facility management and maintenance services consecutively, preferably for at least five (5) years;

- 10. Package 2: Technical and Financial Capability and Experience, E. Financial Capability and Financing Experience, E.1 Capability, Submission requirement, Second paragraph, the sentence below is replaced with the following:**

DELETE

This information should be substantiated, for each of anticipated Prime Member and the Equity Member Guarantor(s) (if applicable), through:

INSERT

This information should be substantiated, for each of the anticipated Development Prime Member, the Equity Member, the Design Prime Member responsible for the architecture components, the Construction Prime Member, and the Property and Facility Management Prime Member, and Guarantor(s) (if applicable), through:

11. Two points under the definition of Prime Member in this RFQ are replaced with the following:

DELETE

- will or is expected to lead all Team Members in the delivery of the Project (**Project Lead Prime Member**), and may also hold another Prime Member or Equity Member role;
- will or is expected to be responsible for or undertake over 30% of the facilities management services (property and facility management for the Project based on total estimated facility management costs of the Project (**Property and Facility Management Prime Member**);

INSERT

- will or is expected to lead all Team Members in the delivery of the Project (**Project Lead Prime Member or Development Prime Member**), and may also hold another Prime Member or Equity Member role;
- will or is expected to be responsible for or undertake over 30% of the property and facility management services for the Project based on total estimated property and facility management costs of the Project (**Property and Facility Management Prime Member**);

12. The following section 3.3 (3) is added to Appendix B:

INSERT

- (3) With reference to the Indigenous Benefits Plan (“IBP”), it is currently anticipated that:
- (a) Proponents will be required to:
 - (i) submit a plan addressing a strategy for committing a minimum 5% of all amounts paid through the resulting contract to Indigenous business and/or personnel;
 - (ii) demonstrate that it has the capacity and flexibility to support PWGSC’s mandate by providing a plan for meaningful employment and capacity-building opportunities for Indigenous Business and Peoples throughout the duration of the project via subcontracting or labour; and,
 - (iii) ensure their IBP demonstrates sufficient evidence to assess the compliance of their Proposal against the RFP criteria. The Proposal is to include a clear description of the minimum amount of Indigenous Benefits committed to during the performance of the contract.
 - (b) PWGSC reserves the right to verify any information provided in the IBP and may require additional Indigenous Benefits be included in addition to those proposed in the Proponents IBP.

More information related to the IBP will be provided at the RFP stage.

The remainder of the Request for Qualifications shall remain unchanged.