



Corporate Finance Department - Materials Management Division

RFI RESPONSE #2

Design, Build, Finance, (Operate) Maintain the City of Winnipeg's Capital Integration Project - Southwest Transitway (Stage 2) and Pembina Highway Underpass

RFQ 201-2014

ISSUED: November 7, 2014

URGENT

PLEASE FORWARD THIS DOCUMENT TO WHOEVER IS IN POSSESSION OF THE REQUEST FOR QUALIFICATIONS

THE FOLLOWING PROVIDES ANSWERS TO RFI'S FROM PROPONENTS

QUESTION 01: With regards to the financial capacity requirements as set out in B32.1 could the City please clarify whether it is acceptable to provide Parent Company financials (only) if a letter of support is provided as part of B32.3?

ANSWER 01: This item has been addressed in Addendum 1.

QUESTION 02: The items listed under requirements for B29.2, B30.4, B31.3 do not match the items in Table 13. Please clarify the intention of the listed items.

ANSWER 02: The items listed indicate "as applicable" and are intended to provide an indication of the nature of information to be included in the project examples, however, as noted, Proponents are required to use the format specified as per the referenced tables.

QUESTION 03: With regards to the Table 13 item please clarify the meaning of "Description on any limitations on scope of the project or work or services performed by the Prime Team Member or any Team Member of Key individual". Does this mean one should describe the challenges experienced in delivering the project or simply scope omitted from a typical scope of work?

ANSWER 03: This item has been addressed in Addendum 1.

QUESTION 04: With regards to B30.1 COR Requirements, will an "Application for Reciprocity" letter be acceptable?

ANSWER 04: This item has been addressed in Addendum 1.

QUESTION 05: In accordance with B16.2 of the RFQ, the Contract Administrator is able to issue future addendums at least two (2) Business Days prior to the Submission Deadline. Proponents will be printing their submissions at least two days prior to the submission date and we are concerned the late addendum deadline does not provide proponents enough time to react to any significant changes.

ANSWER 05: This item has been addressed in Addendum 1.

QUESTION 06:	Reference: Section B32.1 Financial Capacity. For entities where financial statements are provided for a parent company, rather than the entity listed in B32.1, is evidence of the parent company's willingness to act as a Guarantor sufficient to negate the requirement of financial statements for each subsidiary?
ANSWER 06:	This item has been addressed in Addendum 1.

QUESTION 07:	Reference: Section B32.5 Experience & B32.8 Key Individuals For the project experience section, section B32.5 requires a maximum of 3 project examples. We would like to confirm if it is a maximum of 3 pages per project or 1 page per project thereby making it a 3 page limit for the 3 projects? Please clarify the 3 page limit. Similarly for the key individuals, section B32.8 requires a maximum of 3 key individuals. Is the limit for each key individual 6 pages in total, meaning 2 pages maximum per key individual? Please clarify the 6 page limit.
ANSWER 07:	The maximum page limits in the sections noted above apply as follows – maximum 3 pages in total for project examples and maximum of 6 pages in total for Key Individuals. Furthermore, note revision to section B32.8 in Addendum 1.

QUESTION 08:	Could the Authority please indicate which section they expect tables 3-12 to be placed in the submission? Would it be acceptable for tables 3-12 be located in the appendices for each relevant section?
ANSWER 08:	Tables 1 to 12 set out in Appendix A of the RFQ should be grouped together in a single Appendix consistent with Section B26.1(a) of the RFQ.

QUESTION 09:	Is the Certificate of Recognition or letter/report from an independent reviewer required from each Team Member involved in construction and maintenance or from the Proponent Team as a whole?
ANSWER 09:	This item has been addressed in Addendum 1.

QUESTION 10:	The requirements of B28.1 to B28.5 request a significant amount of detail about the Applicant's team and approach to partnering. To fully respond to these requirements and meet the general guidelines and instructions for the Qualification Submission, please increase the page limit from 4 pages to 5 pages?
ANSWER 10:	This item has been addressed in Addendum 1.

QUESTION 11:	<p>Section B32.1 of the RFQ requests that Proponents submit the following:</p> <ul style="list-style-type: none"> a) Copies of audited financial statements for each of the last three years; b) Copies of interim financial statements for each quarter (or other interval for which interim statements are prepared) since the most recent year for which audited statements are provided c) Details of any material off balance sheet financial arrangements currently in place; d) Bank references (or alternatively, in the case of the Financing Prime Team Member, alternative information that will fully satisfy the City of the financial capability of such Prime Team Member to lead and carry out the Proponent's plan for financing the Project), which should be letters from the bank setting out the length of banking relationship, types and amounts of credit facilities and credit history with the bank; e) Credit rating information, if available; f) Details of any material events that may affect the entity's financial standing since the last annual or interim financial statement provided; g) Details of any bankruptcy, insolvency, company creditor arrangement or other major litigation in excess of \$10 million, or other insolvency proceeding in the last three (3) financial years, plus the current year; h) For each Construction Prime Team Member, its bonding capacity and a letter of reference from a bonding company; i) For each Construction Prime Team Member, all known or committed participation in construction projects to occur over the next 5 years, addressing the impact on its ability to participate in the Project; and j) Additional financial information, if any, that in the Proponent's view will demonstrate to the City that the Financial Disclosure Entities have sufficient financial standing, capacity and resources to carry out their respective roles on the Project. <p>In reference to items (c), (f), and (g), please confirm that the City does not require this information to be provided in the form of a letter signed by the Financial Disclosure Entity's CFO and that simply providing this information by way of narrative response in the Qualification Submission will be considered compliant with the requirements of the RFQ.</p>
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ANSWER 11:	<p>The information is to be provided as stated in the RFQ; there is no requirement for a letter signed by the Financial Disclosure Entity's CFO for the items referenced above.</p>
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QUESTION 12:	<p>In section B16.2 of the RFQ the City suggested that the last day that an addendum could possibly be issued is two (2) Business Days prior to the Submission Deadline.</p> <p>We believe that two (2) Business Days a reasonable time for Proponents to implement changes to their Qualification Submission. To be able to implement any changes resulting from addenda and then handle the production and printing of the RFQ submission and meet the Submission Deadline the two (2) Business Days should be extended to five (5) Business Days. Should the City wish to leave themselves the freedom to be able to extend the Submission Deadline during the five (5) Business Days prior to the Submission Deadline, it could add the provision stating that the five (5) Business Days period does not include an addendum related to the change of the Submission Deadline.</p>
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ANSWER 12:	<p>This item has been addressed in Addendum 1.</p>
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QUESTION 13:	Please confirm that 11x17 pages may be used in the narrative sections of the Qualification Submission where appropriate (i.e. for organizational charts, figures, drawings, etc.) and that 11x17 format organizational charts, figures, or drawings, etc. illustrating concepts may be bound with explanatory text or narrative.
ANSWER 13:	This item has been addressed in Addendum 1.

QUESTION 14:	Question 1: Can an O&M Prime Team Member provide a Certificate of Recognition obtained by its Canadian subsidiary that will perform the O&M activities on the Winnipeg CIP? Question 2: With regard to clauses B26.5 (format) and B28.3 (organizational chart) and taking into account the considerable amount of information to be shown, can the organizational chart be provided on an 11x17" page or split in 3 parts, each presented on a 8.5x11" page?
ANSWER 14:	These items have been addressed in Addendum 1.

QUESTION 15:	In regards to the financial documents enumerated in Section B32: In the case of the Canadian subsidiary of an international company, some of the required documents may not be available or may not cover the required period of time. In such a case, can the parent company provide those documents instead of its Canadian subsidiary, understanding that while the Canadian operating entity would be the part of the Proponent team, the parent company would in any case provide experience and financial support to its operating entity in Canada for the all the obligations related to the project?
ANSWER 15:	This item has been addressed in Addendum 1 (refer in particular to new Section 32.1.1 in Addendum 1).

QUESTION 18:	This request is in regards to requirement B32.1 (a): Copies of audited financial statements for the last three years. If a team member has confidential financial statements, does it have to submit 11 copies (one original and 10 bound copies) as with the rest of the requirements, or will one copy of the statements (in a sealed envelope with the NDA attached) suffice?
ANSWER 18:	This item has been addressed in Addendum 2.

QUESTION 21:	Question 1: Given that the response to the RFQ requires the assembly of various information from different parties, we kindly ask you for an extension of the submission deadline till December 22, 2014.
ANSWER 21:	A deadline extension will not be considered.

OUTSTANDING QUESTIONS:

QUESTION 16: Reference: B28.7 & B28.8 of the RFQ

In the submission requirements for Proponent Team And Project Development Prime Team Member section of the RFQ, B28.7 requires Proponents to display the Development Prime Team Members project experience using Table 13 in Appendix B. However, B28.8 requires Proponents to display the past experience of all Proponent Team Members experience participating together on DBF(O)M or similar projects.

Given that B28.7 requires Proponents to provide three Project Examples of Project Prime Development Team Members using Table 13 in Appendix B, which are 2 pages in length each, the permitted maximum page count of 6 pages does not provide space to incorporate B28.8 requirements of indicating our past experience with all Proponent Team Members.

Could the City please consider increasing the page limit for this section so Proponents can incorporate their working experience with all of the Proponent team members?

QUESTION 17: This request is in regards to requirement B32.1 (a): Copies of audited financial statements for the last three years. If a team member has confidential financial statements, does it have to submit 11 copies (one original and 10 bound copies) as with the rest of the requirements, or will one copy of the statements (in a sealed envelope with the NDA attached) suffice?

QUESTION 19: Section B32.1(i) of the RFQ requests:

“For each Construction Prime Team Member, all known or committed participation in construction projects to occur over the next 5 years, addressing the impact on its ability to participate in the Project”

The Construction Prime Team Members may be involved in several projects at a given time that, due to their size, should not be of significance to the assessment of such Team Member’s capacity to undertake the Capital Integration Project and providing a list of such projects would be misleading and difficult to evaluate.

Please provide a minimum project size to guide Proponents in creating a list that is meaningful to the City’s evaluation. For example, projects with a contract value that is in excess of 5% of the Construction Prime Team Member’s annual gross revenues.

Also, please clarify that the reference to “known or committed” projects means those projects that the Construction Prime Team Member has been awarded.

QUESTION 20: We note that sections B28.7 and B28.8 of the RFQ require Proponents to provide three examples showing the Project Development Prime Team Member’s capability relevant to the Project and the past collaborative experience of the Proponent Team Members. In consideration of the level of detail being requested in Table 13(R1) and B28.8, 6 pages may not be sufficient to fully respond to the RFQ requirements and provide the level of detail the City may desire to fully understand Proponents’ capabilities and past experience. As such, we request that the page limit for this section be increased to 7 pages.

Similarly sections B32.5, B32.6 and B32.7 request three past project examples, a description of Proponents’ experience in arranging project financing or other financing, relevant to the Project. Given the detail required in B32.5, Table 15, and B32.6 and B32.7, limiting the page requirement to 3 pages may not be sufficient to provide the full picture of the Financing Prime Team Members’ past experience. We request hat the page limit be increased as follows: 3 pages to respond to B32.5 and 1 page to respond to B32.6 and B32.7.

Further, upon comparison of Table 15 and the list provided in section B32.5, we note that several listed requirements in B32.5 do not form part of the Table 15 template (i.e. (b) Project capital cost, (f) Measurable benefits and value to the client, and (i) Lessons learned). Additionally, among others, B32.5(g) seems repetitive of B32.5(d) and row 6 of Table 15 ("Description of each Team Member(s) Role on the Project"). Please clarify that Table 15 should be amended to include the additional listed items in section B32.5 which are not currently reflected in the requirements of Table 15 – with no other additional information from the lettered list in B32.5 being separately required since the information will be provided for in the response to Table 15.

Finally, throughout the RFQ Submission requirements, the City appears to have indicated a page allowance of 6 pages total for a combined 3 Key Individuals. Unlike the other Submission requirements section B32.8 requests that Table 16 be completed for three Key Individuals for the Financing Prime Team Member and section B32.9 requires a description of the Financing Team's experience arranging financing. This additional requirement is unique to this section of the Submission but the same page limit as provided for other sections has been applied. We request that the page limit be increased as follows: 3 pages for section B32.8 and 1 page for section B32.9.

QUESTION 22:

With regards to Addendum Requirement B31.1 Maintenance Team Member COR requirements, the City has stated that

"If the Maintenance Prime Team Member acting as Prime Contractor under The Workplace Safety & Health Act (Manitoba) is a joint venture comprised of two or more companies, then the above requirement will apply to all companies which are constituent members of such Maintenance Prime Team joint venture."

And further that,

"Proponents have until the expiry of the 45 day period following the RFQ Submission Deadline to submit to the City, one of the three documents mentioned above. A Proponent's failure to produce one of the three required documents within this timeframe will lead to the disqualification of such Proponent from the RFQ Process."

While we understand this request within the context of the City of Winnipeg typical Bidding requirements, within a P3 context this requirement is onerous given the timing of the O&M work to be performed (post Substantial Completion) as it precludes potential Op Cos that do not yet have their COR at the RFQ stage, from pursuing this scope of the Project.

We therefor ask that you follow a similar requirement from typical P3's in other jurisdictions that require the COR from the Maintenance Team Members at the time that they form an Op Co for the purpose of performing the Work.

QUESTION 23:

With regards to Addendum Requirement B31.1 Maintenance Team Member COR requirements, the City has stated that

"If the Maintenance Prime Team Member acting as Prime Contractor under The Workplace Safety & Health Act (Manitoba) is a joint venture comprised of two or more companies, then the above requirement will apply to all companies which are constituent members of such Maintenance Prime Team joint venture."

And,

	<p><i>“Proponents have until the expiry of the 45 day period following the RFQ Submission Deadline to submit to the City, one of the three documents mentioned above. A Proponent’s failure to produce one of the three required documents within this timeframe will lead to the disqualification of such Proponent from the RFQ Process.”</i></p> <p>We note that this is not a P3 typical requirement at the RFQ stage as the O&M Contractor will not be on site to commence Maintenance activities until post Substantial Completion and we understand this to be the case for this project as well. Given the strong penalties that will be in place for not being able to perform the Maintenance work (as a result of not having a COR) we request that the City adjust this requirement to fall in line with P3’s in other jurisdictions.</p>
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QUESTION 24:	<p>We note that Appendix A Table 1 is to appear in section B28.1 whereas Appendix A Table 2 is to appear in the Executive Summary. Appendix A Tables 3 – 12 are never mentioned within the in the RFQ requirements.</p> <p><i>Therefore, with regards to the B28.1 “Identify each Member of the Proponent’s proposed team by completing Table 1 in Appendix A to the RFQ. Team Members are to be listed separately for each aspect of the Project, namely: design, construction, maintenance, financing, and Project Development Prime Team Member.”</i></p> <p>Is this supposed to actually state ““Identify each Member of the Proponent’s proposed team by completing Table 1 and 3-12” in Appendix A to the RFQ?</p>
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QUESTION 25:	<p>In reference to the RFQ Section B26.11, can the Sponsors please confirm that development project examples currently in the operational term for 10 years or less are acceptable?</p>
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QUESTION 26:	<p>In reference to RFQ Sections B26.11 and B32.5, can the Sponsors please confirm if Proponents can provide a development and financial project reference that will achieve Financial Close shortly after the RFQ submission deadline (i.e. financial close early Dec 2014)?</p>
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QUESTION 27:	<p>With regards to clause B28.7, could you please confirm whether 3 projects are expected from each Development Team Prime Member or whether it’s 3 projects in total for this section?</p>
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