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**Date Issued: Thursday, June 15, 2017**

**City of Hamilton**

**REQUEST FOR QUALIFICATIONS**

**Contract Number: C14-02-17**

**Request for Qualifications  
Development Opportunity Pier 8**

**ADDENDUM 6**

The following queries and responses, issued by the Procurement Section shall form part of the **Request for Qualifications** documents for the above, and the revisions and additions noted herein and any attachments shall read in conjunction with all other documents. This Addendum shall, however, take precedence over all previously issued **Request for Qualifications** documents where differences occur.

Included in this Addendum are: 7 Pages for Addendum 6

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**1.0 CLOSING DEADLINE EXTENSION**

Proponents are advised that the Closing Deadline for this Request for Qualifications has been extended from Friday, June 30, 2017 to Monday, July 10, 2017.

Therefore, sealed Prequalification Proposals are to be addressed as per the Submission Label provided in Appendix A, and will be received **only** at the Procurement Section **on or before 4:30 pm, Hamilton time, Monday, July 10, 2017.**

**2.0 APPENDIX B2: FINANCIAL STABILITY EVALUATION ELECTION FORM**

Referred to in Sections 6.4.2.1, 7.7.1 (h), 7.7.2, and 9.

Delete: Appendix B2 in its entirety.

Replace with: **Revised Appendix B2**

**3.0 RFQ PROCESS, Section 6.11, Table 4: RFQ Timeline**

Last date for submitting clarification questions

Delete: "June 23, 2017"

Replace with: **"June 27, 2017"**

Last date for City to issue addenda

Delete: "June 26, 2017"

Replace with: **"June 30, 2017"**

**4.0 RFQ PROCESS, Section 6.4, Evaluation of Prequalification Submissions  
Subsection 6.4.3 Determination of Prequalified Proponents**

Insert new Subsection:

**"6.4.3.3 Alternate Methodology to Determine Prequalified Proponents**

**In the event that the City elects to forgo the Proponent Interviews and the Reference Checks as further described in Sections 6.4.3, 6.4.3.1, and 6.4.3.2, the Evaluation Team will rank all Prequalification Submission scores to identify the top scoring Proponents, and only those Proponents with the top five (5) scores may be named as Prequalified Proponents. Furthermore, only those Proponents with scores within a predetermined percentage of the fifth place Prequalified Proponent score, may be eligible to become a Reserve Prequalified Proponent."**

**5.0 RFQ PROCESS, Section 6.5 Reserve Prequalified Proponents**

Delete: second sentence in its entirety

Replace with:

**"However, the City may, in its absolute discretion, either prior to or after the issuance of the RFP, replace a Prequalified Proponent that has informed the City that it does not intend to participate in the RFP process, by adding the next highest ranked Reserve Prequalified Proponent to the list of Prequalified Proponents."**

**6.0 PREQUALIFICATION SUBMISSION INSTRUCTIONS AND EVALUATION  
CRITERIA, Section 7.7 Submission Guidelines and Evaluation Criteria,  
Table 5, Item 7.7.2(a): Financial Stability Evaluation (Financial  
Statements)**

The City wishes to provide alternatives for Proponents and Core Team members that do not have audited, consolidated (i.e. corporate-level) financial statements, to meet the requirements of Section 7.7.2(a) of the RFQ. Therefore:

Delete: Section 7.7.2(a) in its entirety.

Replace with:

**“Most recent three (3) years’ audited financial statements plus all interim quarters’ financial statements (unaudited acceptable for interim statements), or in the case where the Proponent or the Core Team Member does not have audited financial statements, financial statements may also be submitted in *one of* the following formats:**

- (i) Corporate (consolidated, if available) Review Engagement statements that must include a Review Engagement transmittal letter, Balance Sheet, Income Statement and Statement of Cash Flows;**
- (ii) Corporate (consolidated, if available) Notice to Reader statements that must include a Notice to Reader transmittal letter, Balance Sheet, Income Statement and Statement of Cash Flows;**
- (iii) Project-level (unconsolidated) Audited statements. In-progress and completed projects within the past three (3) years must be included. The City may manually consolidate, interpolate and analyze these submitted financial statements in order to complete its assessments;**
- (iv) Project-level (unconsolidated) Review Engagement statements. In-progress and completed projects within the past three (3) years must be included. The City may manually consolidate, interpolate and analyze these submitted financial statements in order to complete its assessments; or**
- (v) Project-level (unconsolidated) Notice to Reader statements. In-progress and completed projects within the past three (3) years must be included. The City may manually consolidate, interpolate and analyze these submitted financial statements in order to complete its assessments”**

Also insert the following in the Additional Instructions and Clarifications portion of Section 7.7.2:

**“Notwithstanding the City’s acceptance of any of the items outlined in Sections 7.7.2(a)(i) to 7.7.2(a)(v) as being in compliance with the submission requirements, each Proponent acknowledges that the submission of incomplete information and/or information that the City may be required to manually consolidate may result in an inaccurate assessment of the Proponent’s financial strength and stability.”**

**7.0 PREQUALIFICATION SUBMISSION INSTRUCTIONS AND EVALUATION CRITERIA Section 7.7 Submission Guidelines and Evaluation Criteria, Table 5, Item 7.7.4(b)(ii): Current Financing Capacity Evaluation (Guarantor Information)**

Delete: Section 7.7.4(b)(ii) in its entirety.

Replace with:

**“Where the Core Team Member is relying on a Guarantor to fund or guarantee the funding of the first phase of its equity requirements, a Guarantor’s letter confirming the Guarantor’s commitment to fund the Core Team Member’s first phase of equity requirements, accompanied by a letter from the Guarantor’s auditor or financial institution confirming that the Guarantor currently has the financial capacity to fund the stated equity amount.”**

**8.0 PREQUALIFICATION SUBMISSION INSTRUCTIONS AND EVALUATION CRITERIA, Section 7.7 Submission Guidelines and Evaluation Criteria, Table 5, Item 7.7.8(e): Stability of the Proponent’s Team (Tarion Home Warranty Reports)**

Delete: “May 31, 2017”

Replace with: **“March 31, 2017”**

**9.0 QUESTIONS AND RESPONSES**

Question #31	<p>Assume a Proponent is a team of several entities, all of whom are exclusive to the Proponent and its submission. Do <u>all</u> members of the Proponent need to be <u>Core Team Members</u>?</p> <p>To clarify further, financial requirements in 7.7.2 relate to Core Team Members as well as any to members of the Proponent who are not Core Team Members (see Section 7.7.2(c) of the RFQ), which would suggest that there could be a member of the Proponent who has not been identified as a Core Team Member. Each Core Team Member must provide a sample reference project under Section 7.7.6, but if a member of the Proponent is not a Core Team Member, then presumably that (exclusive) Proponent entity who is not a Core Team Member would not.</p>
City Response #31	<p>Please see City Response to Question #22 (Addendum 5). To further clarify, yes, it is possible that a Proponent that is structured as a joint venture may have joint venture partners that are not named as Core Team Members for the purposes of Sections 7.7.3 to 7.7.11; however, joint venture partners, whether named as Core Team Members or not, are all required to make the applicable disclosures and submission per Sections 7.7.1 and 7.7.2.</p>
Question #32	<p>With regards to the financial component of the RFQ, the evaluation criteria and rating for this section requires an assessment of financial statements for ratio analysis and indicators that demonstrate financial stability or potential future instability. We are a privately owned development company and do not disclose company or personal information of our founding members, and more importantly, we do not have or prepare consolidated financial statements (i.e. our projects are structured as single purpose entities), and as such we do</p>

	<p>not have audited financial statements (7.7.2a). Furthermore, in section 7.7.4b you ask for Guarantor’s letter indicating a commitment to fund supported by Guarantor’s auditor or bank letter attesting to the Guarantor’s current financial capacity to fund stated equity amount.</p> <p>In the absence of these specific requests, we suggest for you to consider of these factors and would like to meet with a member of the evaluation team in advance of the submission to assess the acceptability of our financial capacity. We want to be as open and transparent as possible and to this end can offer:</p> <ol style="list-style-type: none"> <li>1. A <b>confidential</b> summary statement of our development portfolio which identifies construction financing debt, equity, revenue and cost on a project by project basis; and</li> <li>2. Provide letters from one of our various schedule A financial institutions attesting to our ability to meet our obligations.</li> </ol> <p>We are concerned that not having information in the form as requested will preclude us from consideration, or worse yet, be used against us in the final selection process. As you are aware, a tremendous amount of time and energy is deployed for a submission such as this. We do not take this process lightly and want to give it our best efforts and understand that there is an alternative approach, as suggested through Appendix B2, however there is no guaranty <i>[sic]</i> that you will approve of us.</p>
<p>City Response #32</p>	<p>In the interest of fairness to all Proponents, the City may not be in a position to offer individually customized alternatives for each Proponent. However, having considered your circumstances, the City has developed and issued the alternatives outlined in this Addendum 6 and as described below which the City hopes will accommodate your circumstances.</p> <p>The City’s responses to the various issues raised in your question follows:</p> <p><b>A. Alternatives to Submitting Audited Financial Statements</b>  All Proponents and Core Team Members must provide financial statements confirming the Proponents’ financial strength and stability which information will be analyzed by the City as part of its due diligence.</p> <p>For Proponents and Core Team members that <b>do not</b> have audited, consolidated (i.e. corporate-level) financial statements, please refer to revised instructions for Section 7.7.2(a) as described in Item 6.0 of this Addendum 6.</p> <p>The submission of development portfolio details, including information regarding construction financing, debt, equity and cost on a project by project basis, as well as bank reference letters, is already required Section 7.7.3 of the RFQ.</p>

	<p><b>B. Confidentiality of Financial Information</b>  With respect to confidentiality of financial information, the City would like to reiterate the options available to Proponents:</p> <ol style="list-style-type: none"> <li>1. as indicated in Section 7.6 of the RFQ, each Proponent shall indicate, on specific sections of their Prequalification Submission, any content that it considers to be proprietary, a trade secret, or otherwise wish to be treated as confidential; and</li> <li>2. as indicated in Section 6.4.2.1 of RFQ, the City grants each Proponent the option to have a qualified member of the Evaluation Team to review the Proponent's and/or team member's financial statements at their offices, or another agreed location, as an alternative to submitting copies of financial statements.</li> </ol> <p>A Proponent and/or any of its team members that wish to pursue this option must include a completed Financial Stability Evaluation Election Form (Appendix B2) with their Prequalification Submission.</p> <p>Please refer to Item 2.0 of this Addendum 6 respecting a Revised Financial Stability Evaluation Election Form.</p> <p><b>C. Guarantor information in Section 7.7.4</b>  With respect to the requirement in Section 7.7.4(b)(ii) to submit information from a Guarantor, please refer to Item 7.0 of this Addendum 6.</p>
<p>Question #33</p>	<p>I have a brief comment regarding the Tarion Builder Reports requested in the Pier 8 RFQ.</p> <p>Section 7.7.8 – Stability of the Proponent's Team, part (e.) of the submission requirements states the following:</p> <p>“For each Core Team Member that is registered as a home builder with Tarion Home Warranty, provide a “Builder Details” report from Tarion, accurate as of no earlier than <b>May 31, 2017</b>, that discloses all claim payouts and chargeable conciliations.”</p> <p>I am not sure if you are aware, but Tarion reports its statistical information on a quarterly basis – the last update being March 31, 2017. The next update will occur after the submission deadline. As such, while we can print the report after the stated day of May 31, 2017, the most up to date information is only available as of March 31, 2017.</p>

City Response #33	Thank you for notifying us of this oversight. Please refer to Item 8.0 of this Addendum 6 for further clarification.
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**END OF ADDENDUM 6**

Proponents providing a signed Form of Qualification have made any necessary inquiries with respect to addenda issued by the City and have provided for all addenda in their Prequalification submission.

**All addenda will be posted on the City's Biddingo.com bid portal at:  
[biddingo.com/hamilton](http://biddingo.com/hamilton) and on [www.hamilton.ca/westharbour](http://www.hamilton.ca/westharbour)**

**Procurement Section, City of Hamilton, Ontario**