

**Date Issued: Friday, June 30, 2017**

**City of Hamilton**

**REQUEST FOR QUALIFICATIONS**

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

**Request for Qualifications  
Development Opportunity Pier 8**

**ADDENDUM 10**

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: 3 Pages for Addendum 10

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**1.0 HCE TELECOM INC. (HCETI) ELIGIBILITY TO PARTICIPATE**

1. On June 15, 2017, HCETI advised the City that it had been approached by at least one prospective Proponent to discuss HCETI's possible involvement as an Adjunct Team Member in response to this RFQ. HCETI noted that it is owned by the Hamilton Utilities Corporation (HUC) which is, in turn, 100% owned by the City of Hamilton. On this basis, HCETI sought clarification as to whether its participation would pose a "conflict".
2. The City hereby confirms that it does own 100% of HUC which owns 100% of HCETI.
3. HCETI self-describes as a corporation that provides "custom, flexible high-speed fibre internet and data solutions in the GTHA to enterprise and small businesses, government and essential service sectors".
4. By way of background, all Proponents are advised that the City of Hamilton has ownership/other interests, contractual agreements and ongoing business relationships involving a wide variety of individuals, companies, community agencies and other entities.
5. After careful consideration, the City has concluded that HCETI can participate in this RFQ as an Adjunct Team Member only. While the City acknowledges that there may be a perception of a conflict of interest in permitting a City owned entity to participate

in one or more Prequalification Submissions as an Adjunct Team Member, the City takes this opportunity to reiterate and emphasize that each Prequalification Submission will be assessed on its merits and that no additional consideration shall be accorded any Prequalification Submission or Proponent due to the inclusion of HCETI as an Adjunct Team Member. We also confirm that this explicit instruction will be given to all members of our Evaluation Team.

6. To further clarify the City's position, neither this decision to permit HCETI's participation, nor this Addendum 10, should be taken as an endorsement of HCETI or an invitation to name HCETI as an Adjunct Team Member.
7. The City continues to reserve the right to impose conditions it deems appropriate to respond to issues of actual or perceived conflicts as they arise.

## 2.0 QUESTIONS AND RESPONSES

Question #47	<p>With respect to 7.7.4c. - Can you please provide alternate language for the following-</p> <p>"it would be willing to extend project debt financing to the Core Team Member, on a secured basis (assuming typical collateral and covenants), for the amount allocated to the Core Team Member as noted in the worksheet, and that the addition of such debt, to the knowledge of the lender, would not jeopardize the Core Team Member's financial standing from either a balance sheet leverage or debt servicing capacity standpoint"</p> <p>We are advised that the language you specify is against any bank's internal policies. The verbiage suggests the bank is effectively providing an open-ended commitment letter, which it can not do for a hypothetical project without detailed information.</p>
City Response #47	<p>For further clarification, the lender's letter submitted to fulfill Section 7.7.4(c) must fulfill the following minimum requirements:</p> <ol style="list-style-type: none"> <li>1. Identify the lender;</li> <li>2. Identify the Proponent or respective Core Team Member as the borrower;</li> <li>3. Acknowledge the hypothetical exercise as required by Section 7.7.4 of this RFQ;</li> <li>4. Identify the dollar amount of the hypothetical project debt funding requirement;</li> <li>5. Include an acknowledgement from the lender that the financing amount identified is reasonably achievable by the borrower, if required;</li> </ol> <p>Additionally, the lender may include any limiting conditions it deems necessary, provided the above have been fulfilled.</p> <p>The following is an example of text that would be considered acceptable to fulfill this requirement:</p> <p><b>"[LENDER]</b> understands that <b>[BORROWER]</b> is participating in the City of Hamilton's Pier 8 Development Opportunity Request for</p>

Qualifications (Project #: C14-02-17), and that this RFQ contains a requirement to complete a hypothetical exercise that demonstrates **[BORROWER's]** project capital financing capacity. This exercise presents a hypothetical multifamily residential development for which **[BORROWER]** would require project debt financing in the amount of **[\$•]** against **[\$•]** of equity.

While we are pleased to be identified as a potential financier for the development should **[BORROWER's]** team be the project's Successful Proponent, this letter is not a commitment to provide financing for any actual or future phase of development, and any statements herein are also subject to the following conditions:  
**[•]**

In any event, **[LENDER's]** experience to date with **[BORROWER]** suggests that credit authorization in the amount identified above would be reasonably forthcoming from **[LENDER]**, if required, subject to performing all requisite due diligence prior to any committed financing package.

We trust that this satisfies the City of Hamilton's requirements with respect to **[BORROWER's]** project capital financing capacity.”

#### **END OF ADDENDUM 10**

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**