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City of Hamilton

REQUEST FOR PROPOSALS

Contract Number: C11-66-17

**Request for Proposals
Pier 8 Development Opportunity**

ADDENDUM 15

The following queries and responses, issued by the Procurement Section shall form part of the **Request for Proposals** 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 Proposals** documents where differences occur.

Included in this Addendum are: 3 Pages for Addendum 15

**1.0 CORRECTIVE ACTION AND ADDITIONAL INSTRUCTIONS REGARDING
REVISED 'BID FORM 1'**

On March 7, 2018, the City's Contact Person distributed directly to all Proponents, the revised version of Bid Form 1 that was intended to accompany Addendum 13, which was issued on February 22, 2018. The City apologizes for this error. However, Technical Proposals must be accompanied by a completed version of the revised version of Bid Form 1 in order for the City to be able to complete its required planning policy compliance checks as part of its Technical Evaluation of Proposals.

If any Proponent foresees an administrative complication in obtaining authorizing signatures for this form prior to the Technical Proposal Closing Time, it may submit a completed form, unsigned, provided that an authorized and binding version of the same is received by the City within ten (10) Business Days of the Technical Proposal Closing Time (i.e., 3:00 pm Hamilton time on Tuesday, March 27, 2018).

Any Bid Form 1 received under this provision shall be subject to the same planning policy compliance evaluation as all others, but the status of the evaluation outcome shall be held as "conditional" until the authorized and binding version is received and the City has

confirmed no changes have been made. Failure to submit by the deadline specified above may result in the entire Proposal being deemed non-compliant.

Notwithstanding anything contained herein, the City continues to reserve the right, in its absolute discretion, to extend any deadlines related to this RFP.

Lastly, Proponents are asked to submit with its Technical Proposal, on a USB flash drive, an electronic version of the completed Bid Form 1 in MS Excel format (compatible with Excel 2010).

2.0 ADDITION OF HAMILTON WATERFRONT TRUST CENTRE AND ASSOCIATED LANDS TO RFP C11-66-17

Further to Addendum 7, Item 2.0, the City confirms that it has now concluded an agreement with the Hamilton Waterfront Trust (HWT) to terminate the HWT's sub-lease over the Hamilton Waterfront Trust Centre (57 Discovery Dr.) and surrounding lands that was also encumbering portions of Blocks 1, 4, and 16 of the Subject Lands. Additionally, as a result, City staff will be recommending to City Council that the Successful Proponent be granted an exclusive and time limited Right of First Negotiation for the purchase of the Hamilton Waterfront Trust Centre building and a portion of the surrounding lands. It is intended that this Right of First Negotiation, including any related terms and conditions as well as a precise description of these additional lands, shall be negotiated and incorporated into the final Development Agreement between the City and the Successful Proponent. For the purposes of this RFP, and until further notice, the subject land parcel and building shall be referred to as "Block 15".

3.0 QUESTIONS AND RESPONSES

Question #177	<p>The proposed evaluation methodology of the VAS within the Financial Proposal appears to create an "averaging" issue where a Proponent that is expected to earn higher/lower than the average may be advantaged/disadvantaged. Would the City consider changing the submission requirements with respect to VAS such that each Proponent quotes estimates for sellable area, revenue assumptions (psf), the VAS share percentage rate, and the projected date of payment? That way the VAS is calculated on the basis of each Proponent's specific proposal, rather than on the basis of "normalized" amounts.</p> <p>Alternatively, would the City be willing to share their assumptions for the "normalized" values that will be used in the model?</p>
City Response #177	<p>The City has taken this issue under consideration and has opted to disclose the assumptions that would be applied in accordance with the methodology described in Addendum 11, Item 1.1(d)(iii) in order</p>

	to “normalize” the Value Add Share payment portion across Financial Proposals. The City commits to releasing these assumptions no less than ten (10) Business Days before the Financial Proposal Closing Time.
Question #178	For the financial submission there is a fixed formula across all blocks, but would the City agree to the varying one (i.e. if we were to suggest a profit share for the condominium buildings, but not for the rental buildings)?
City Response #178	<p>There is to be no exemption from the requirements of the Financial Proposal, nor alternate calculation method for any payment, for any Block or building type other than as described in the RFP and Addenda.</p> <p>Proponents are reminded that the Value Add Share will be calculated by taking the proposed VAS percentage rate and applying it against:</p> <ul style="list-style-type: none"> • In the case of for-sale properties (i.e., condominiums), each building’s <u>gross sales revenues</u>; and • In the case of income producing properties (i.e., rentals), each building’s stabilized <u>capital market value</u>. <p>Only one VAS percentage rate shall be proposed, and that same rate will be applied in both cases above.</p> <p>Proponents are also reminded that the City’s Financial Proposal Evaluation Model will discount projected VAS payment calculations at an annualized rate of 12.00% (compounded monthly).</p>

END OF ADDENDUM 15

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

**All addenda will be posted on the City’s bid portal at:
hamilton.bidsandtenders.ca
and at
www.hamilton.ca/westharbour**

Procurement Section, City of Hamilton, Ontario