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**REQUEST FOR QUALIFICATION
NUMBER 924536**

ISSUE DATE: 06 June, 2014

THIS IS NOT AN ORDER

CLARIFICATION ISSUANCE #9

REQUEST FOR QUALIFICATION

VALLEY LINE LRT - STAGE 1

This document contains 3 sections:

- 1) Queries and Responses;
- 2) Addenda Listing; and
- 3) Notifications.

Section A –Queries and Responses

Past Clarification Issuance #	Queries & Responses Issued	Issued
1	Queries #1 to #2	30 April, 2014
2	Query #3	06 May, 2014
3	Queries #4 to #7	07 May, 2014
4	Query #8	15 May, 2014
5	Queries #9 to #10	16 May, 2014
6	Queries #11 to #15	23 May, 2014
7	Query #16	28 May, 2014
8	Query #17	03 June, 2014

Query # 18:

Clarification Issuance #8, Response #17 states that Guarantors now have to meet the requirements of Appendix B, Section B 8 and B9, unless expressly states otherwise. However, and despite this clarification, it is still unclear purely from the strict reading of the changes to the RFQ presented in Addendum #4, what documents need to be presented for Guarantors under Section B 8, and we respectfully request clarification via Addendum on what documents in this section specifically need to be submitted by Guarantors.

In respect of the Due Diligence Information that is now being requested from Guarantors in Section B 9, our team includes several Team Members who will be presenting Guarantors, which are mostly large, international companies with hundreds of thousands of employees all over the world. This is in our experience an unusual requirement in RFQ process of similar magnitude and complexity in Canada and gathering the information poses numerous coordination challenges within our organizations. In addition to that, due to the late release of Addendum No. 4 and Clarification Issuance 8, we unfortunately find ourselves in a situation where our Guarantors will be unable to gather and provide all the information being requested in Section B 9 on time to meet the Submission deadline. In our experience, it is also unusual that such an important and onerous requirement is added so late in the process and so close to the Submission deadline.

For the reasons stated above we respectfully request the City of Edmonton that the changes introduced in Addendum #4 that extend all of the requirements in B 8 and B 9 to the Guarantors be removed (with

the exception of information that had already been requested in the original document, i.e. as Guarantee Letters, Guarantor Financial Statements and the Guarantor CFO Letter for Financial Capacity) in order to be able to present the Submission by the original due date.

In the alternative, we kindly ask that the Submission due date be extended by three (3) weeks to allow Guarantors to obtain this information.

Given the importance of this issue, and given the fact that our ability to successfully submit our RFQ now relies on the satisfactory resolution of this matter, we would appreciate if a response may be provided as a matter of urgency.

Response # 18:

The City will not be issuing a further addendum or granting an extension to the Closing Time for Submissions as requested. The RFQ requirement for Guarantors is not a new or recent addition.

As part of the requirements of Appendix B, Section B 8 and B 9, the City is not requesting information in respect of all affiliated entities within a global corporate group that a Team Member or Guarantor may be part of. The City only requires the financial and other information (as further explained below) in respect of those entities the Respondent has chosen to specifically identify as a Team Member for the purposes of demonstrating to the City, the Respondent's financial capacity and operating capabilities to deliver this Project.

The City appreciates that certain Respondents may include in their Submissions, identified Guarantors for the purpose of demonstrating the overall financial capacity or performance capability of their team. On the basis set out in the RFQ the City will evaluate the information provided in respect of these specifically identified Team Members (including named Guarantors) in making its assessment of the Respondent team's capabilities.

The City is anticipating that for the level and scope of information being requested in Appendix B, Sections B 8 and B 9, this information will be readily available to a senior executive of the named Team Member and Guarantor upon reasonable enquiry. As noted, the City is not requesting this information in respect of all affiliated entities within a corporate group and is therefore not expecting that a far reaching comprehensive data gathering exercise involving a substantial number of companies or business units would be necessary. It is open to the Respondent to confirm in their Submission for the applicable Team Members (and Guarantors) the scope or nature of the reasonable enquiries made in the allotted time to support the Submission. Pursuant to the terms of the RFQ the City reserves the right to carry out follow up clarification enquiries in respect of this reported information should the City decide this is necessary or helpful, at its discretion.

In summary, where a Team Member is named for the purposes of satisfying the requirements of Appendix B, Section B 1 to B 7, then those same Team Members (including any identified Guarantors) are required to satisfy the information requirements of Appendix B, Section B 8 and B 9.

Appendix B, Section B 8 Requirements

For the avoidance of doubt, as per Appendix B, Section B 8, Financial Capacity, all of the following information (including the items in bold below, as applicable and as deemed necessary by the Respondent to support the financial capacity evaluation of the Team Member) is required for the Team Member and Guarantor:

- a letter from a Guarantor confirming that a Guarantee is being provided by the Guarantor for a Team Member, on terms that must reasonably satisfy the City;
- copies of the audited annual financial statements (for the 3 most recent fiscal years) and any interim statements that may be available – where the most recent statement is unaudited, please submit 3 of the most recent audited statements and the most recent unaudited statement;
- **current credit rating reports;**
- **bank or other financial institutions, letters of reference;**
- **letters from insurance providers to demonstrate the ability to secure the potential insurance package for the Project scope and based on the draft allocation of responsibilities outline in Appendix C;**
- a signed letter from the Chief Financial Officer (or equivalent financial authority) of the Team Member setting out, for the Team Member, and its Guarantor (if a Guarantee is to be provided), a description of:
 - any off-balance sheet financings;
 - any events that may impact on future financial statements or the capital structure or in any way may present a going concern consideration that is not covered by the most recent audit opinion; and
 - any bankruptcy/insolvency matters.

Appendix B, Section B 9 Requirements

As noted, the Section B 9 information is only required for those Team Members (and Guarantors) specifically identified in the Submission to support the City's assessment of a Respondent's capabilities to complete this Project. The City expects this information in respect of an identified Affiliate who will be guaranteeing the performance obligations of a Team Member in respect of a scope of work that aligns to one or more of the performance capabilities identified in Sections B 1 to B 7.

For an Affiliate who has been identified in the Submission as a guarantor only of the financial liabilities or monetary obligations of a Team Member and for the sole purpose of demonstrating to the City the financial capacity of the Team Member and the Respondent team (and not other work performance obligations), the City will be satisfied with the Appendix B, Section B 8 information only in respect of that Affiliate guarantor.

Query # 19:

In section B8 – Financial and Organizational Capacity, copies of the audited financial statements and any interim statements are requested.

If those financial statements are confidential:

- 1) Can they be submitted in individual sealed envelopes within the submissions (i.e. 6 sealed envelopes for the 1 original and 5 copies requested in section 4.4)?

Given the financial statements are confidential and no further copies should be made:

- 2) Do the confidential financial statements need to be included in the electronic versions of the Submission?

In the event an electronic version of the confidential financial statements must be submitted:

- 3) Can those financial statements be provided on separate CD/DVD/USB drives?

Response # 19:

Respondents have full discretion to formulate their Submission to meet the requirements of the RFQ. In reply to the Respondents specific queries:

- 1) As per Section 4.4 of the RFQ, Respondents are asked to include Part B in a sealed package. Within that package, Respondents can again package the contents how they choose.
- 2) Yes, an electronic version of the Part B is required.
- 3) Yes, this is acceptable. Note however the requirement for two electronic copies of the Part B submission in this regard.

Query # 20:

To properly prepare a response of the quality and complexity that this RFQ requires, Valley Line Partners respectfully request that the Valley Line LRT Stage 1 Project RFQ submission date be extended by 2 week. Valley Line Partners request this extension in order to submit a truly competitive team with a balance of globally and locally experienced partners who can maximize the benefits of this project to the City of Edmonton.

Response # 20:

The City considers that, at this point, the timetable as set out in the RFQ Section 1.3, is adequate to allow Respondents to meet the Submission requirements by the Closing Time.

No change to the Closing Time will be made as at the date of this Clarification Issuance #9.

The City appreciates the efforts of all Respondents and is looking forward to Respondent Submissions and your continued engagement in this Project. You are encouraged to make the best Submission as is possible while meeting the Mandatory Requirements as per Section 5.2.3 of the RFQ.

Query # 21:

RFQ Reference: Appendix B, Section B.8

Under the heading “Organization Capacity”, could the City please clarify the meaning of word “known” as it refers to projects with a potential contract value over >5% in the last bullet in this Section?

We assume that the word “known” in this context does not refer to projects for which the Respondent and/or Team member intend to bid, or are currently bidding, (where the outcome is not yet known), but rather that the word “known” in this context refers to projects in which the Respondent and/or Team member have been formally notified that they are Preferred Proponent. Kindly confirm.

Response # 21:

Respondents are advised that the purpose of the organizational capacity submission requirements set out in Appendix B, Section B 8, is to determine how the current organization capacity of the Team Member may be impacted by other projects that are known. As such, Team Members are asked to disclose those projects where the Team Member has been named preferred proponent. Respondents are not required to speculate on the likely outcome of other active or future anticipated pursuits.

Query # 22:

Request:

To ensure compliance, could the Sponsors please confirm that 11x17 sized paper used for gantt charts, organizational structures or other elements that need more presentational space, will be considered 1 page for each side of the sheet?

Response # 22:

As set out in Section 4.3 of the RFQ, double sided printing will count as two pages for 11 x 17 sized paper also. Furthermore, Respondents are cautioned that the used of 11 x 17 sized paper is intended to display gantt charts, organizational structures or other elements that may need more presentational space – it is not to be used to facilitate additional text submissions.

end

Section B – Addenda Listing

Past Addenda Issuance #	Subject Matter	Issued
1	Addressing changes listed 1.1 to 1.3.	07 May, 2014
2	Addressing changes listed 2.1 to 2.3.	16 May, 2014
3	Addressing changes listed 3.1 to 3.2	23 May, 2014
4	Addressing changes listed 4.1 to 4.5	03 June, 2014

end

Section C – Notifications

Past Clarification Issuance #	Notifications Issued	Issued
1	Notification #1: Further Details on the Information Session.	30 April, 2014
2	n/a	06 May, 2014
3	n/a	07 May, 2014
4	Notification #2: Release of RFQ Information Session Official Meeting Record	15 May, 2014
5	n/a	16 May, 2014
6	n/a	23 May, 2014
7	Notification #3: Reminder on Close of Questions Deadline	28 May, 2014
8	n/a	03 June, 2014
9	n/a	06 June, 2014

end