

ADDENDUM #1

PROJECT: P3 to Develop Municipal Facilities Using OZ Model
BID NO: 19-019
FROM: Chelsea Rosty
DATE: May 1, 2019



Questions and Answers

1. *In the early part of the RFP, there is a requirement to provide 5% bonding. Since this is a privately funded project the bonding should be up to the investor. Bonding will also impact the budget by around 1% of the total value of the project, or \$210,000 plus in lost buying power.*
Answer: The City may consider requiring a surety in the full amount of the construction cost of the project. This ensures that if a developer begins the project and runs out of money or something unforeseen happens, the City has the funds to complete the project. This could be in the form of a surety bond. Perhaps a Letter of Credit as the surety. As the project progresses, the amount of the bond could decrease, or the LOC on file, and have a larger than necessary 'release' for the final phase of the project, to ensure that it gets completed. For an over-simplified example, the project could be split into four phases where 20% of the bond or LOC is released with each of the three phases, and the final release when the project is complete would be the remaining 40% of the surety. Included is a new bill recently signed by the Governor regarding bonds.
2. *We know it is the intent of the City to have the project be developed as a design build project. Does the City intend to carry the architectural contract or have the developer pay the bill?*
Answer: Developer is responsible for entire cost for property acquisition, design and construction.
3. *Please confirm that the City intends to use the entire \$21M in the budget for bricks and mortar and that all soft costs for design, fees and permitting will be above the cost.*
Answer: Those are cost estimates from two years ago and will likely increase, but they need to include design, construction and construction management expenses. Property acquisition would be on top of those figures on the front end.
4. *We know the City is tax exempt for this type of project. Since the developer is shouldering the construction cost, can you confirm that this exemption applies to the developer?*
Answer: The City will abate construction use, construction sales, building permit, plan check and tap fees.
5. *The existing city shop location is older and has been used for mechanic shops for many years. Has the City done a level one environmental study or will it release the developer from any exposure to environmental cleanup required by any agency of the government?*
Answer: Environmental inquiry is completed during property transfers in order for the new owner to qualify for an all appropriate inquiries defense, and would be the responsibility of the new property owner. The City has not completed a Phase 1 or Phase 2 on the public works property.
6. *Will proposals including the use of local contractors be given preference?*
Answer: Yes, the City will follow the procurement manual with regard to local preference to the extent it applies to this RFP.
7. *Will the City consider selling the property to the developer for \$1 and buying it back for \$1?*
Answer: The state constitution forbids the City from selling land below fair market value.
8. *Will the City consider other development options such as workforce housing above the police department or housing on other parts of the properties?*
Answer: The City is open to hearing any and all ideas. The location for the police department is fairly confined, but creative proposals are encouraged.

Clarifications and Additions

1. SENATE BILL 19-138

Addendum Acknowledgement

FIRM NAME: _____

BY:(Printed) _____

BY:(Signature) _____ TITLE: _____

Note: A signed acknowledgement in receipt of this addendum **MUST** be included with your bid proposal.