Best and Final Offer

for

GTH Management Services Provider

Request for Proposals No.: 2019-01

Issued: May 16, 2019

Submission Deadline: **June 14, 2019, 3:00 PM Local Saskatchewan Time**

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INVITATION AND SUBMISSION INSTRUCTIONS

1.1 Introduction

The Global Transportation Hub (GTH) has determined the Best and Final Offer (BAFO) stage of RFP#2019-01 is necessary and is proceeding with this requirement of the RFP. This document outlines the guidelines, requirements, and evaluation process for the BAFO stage.

Overall, the GTH has identified a number of items in the core proposal, as well as additional and value-add items to potentially be included in the proponent's response. The GTH is requesting the Proponent to present creative and innovative approaches to the GTH's requirements where appropriate with the primary goal of delivering outcomes and best overall value to taxpayers.

The terms and conditions of the original RFP also apply to this BAFO stage.

The contact for the purposes of this RFP is Matt Schroeder, Acting President & CEO, matt.schroeder@thegth.com. All correspondence is required to be provided via email.

To ensure the procurement process follows accepted standards and is fair to both the GTH and Proponents, MNP LLP (MNP) has been retained as a fairness advisor and observer. MNP will be involved at important milestones to ensure the fair and complete implementation of the BAFO process.

1.2 BAFO Timetable

Issue Date of BAFO Document	May 16, 2019
Teleconference Meeting with the GTH and MNP: up to 60 minutes	Preferably by May 31, 2019
BAFO Submission Deadline	June 14, 2019, 3:00 PM Local Saskatchewan Time
BAFO Presentation	June 24, 2019
Option for Additional Information to be Requested through a BAFO #2	TBD

The timetable is tentative only and may be changed by GTH at any time.

Teleconference Meeting

The goal of the teleconference meeting is to discuss the submission feedback and modifications sections outlined in Section 1 and 2. It is highly recommended that Proponents request this meeting. The GTH wants to ensure each Proponent has the context to provide the highest-quality BAFO Submission.

If you are interested in attending a teleconference meeting with the GTH, please advise the BAFO Contact by e-mail at matt.schroeder@thegth.com before May 31, 2019, including the following information if applicable:

- Name of representative(s) who will be attending; and
- General topics or items the Proponent proposes to table at the meeting with the GTH, if any.

1.3 Submissions

Proponents are required to submit their response by email.

GTH does not assume any responsibility for delayed or rejected Submissions. Proponents acknowledge that all risks associated with Submissions are their sole responsibility and that late Submissions may be rejected.

If there are multiple Submissions received from a Proponent, the last copy submitted will prevail.

One (1) electronic copy in .pdf, .doc, .docx, .xls, or .xlsx format, which includes the RFP reference number and closing date, is to be forwarded to:

matt.schroeder@thegth.com

One (1) email, including attachments, should not be larger than 25MB or it may not be successfully transmitted. It is recommended to send one (1) email; however, if sending multiple emails, provide clear instructions on how the Submission is intended to be integrated.

Executable file formats such as .exe will not be accepted. The preferred file formats are .pdf, .doc, .docx, .xls, and .xlsx.

The received time in the recipient's email inbox will be the recorded date and time of Submission. GTH will provide confirmation of email receipt to Proponents via an email reply message.

Prior to closing, GTH will maintain confidentiality of e-mail Submissions subject to GTH officials opening an e-mail for the purpose of identification. In the event one (1) or more files cannot be opened (e.g. are corrupted), the Proponent may have an opportunity to resend such files after the BAFO closing.

All BAFO communications will be directed to each individual short-listed organization that has been invited to the BAFO stage. No further communications will be posted to SaskTenders.

Please ensure the GTH maintains the most up-to-date contact person for your organization for the purposes of any ongoing correspondence.

1.4 Verify, Clarify, and Supplement

When evaluating the BAFO, GTH may at its sole discretion request further information from the Proponent or third parties in order to verify, clarify, or supplement the information provided in the BAFO. The response received by GTH shall, if accepted by GTH, form an integral part of the Proponent's Submission.

GTH may consider information independently obtained by GTH about the Proponent or the BAFO in the course of GTH's own due diligence, including any previous dealings or experience by it or others, if any, with a Proponent.

1.5 Evaluation

GTH will evaluate each qualified BAFO on the basis of the rated criteria as set out in Section 1.7. Proponent scoring will be based on a cumulative score between the RFP and BAFO stages.

The term "requirement" (or similar term used in the original RFP and BAFO) is used for convenience only and is not intended to imply that any Submission that does not exactly match or meet such a "requirement" will necessarily be disqualified. Instead, as part of the evaluation process, Proponents, goods, and services will be evaluated based on the extent to which, and how well, they are able to satisfy the intent, fit for purpose, and substance of the "requirements" or "specifications" contained in the RFP and BAFO.

The role of the GTH will be to undertake a comparative analysis of the Proponents' Submissions noting that they may include important differentiations in strategy, business models, implementation details, and pricing models.

GTH may, at any time and at its sole discretion, select who to pursue negotiations with as a result of the RFP and BAFO process. The objective of the GTH through this tendering process has been to achieve the primary goal of delivering outcomes and best overall value to taxpayers.

The BAFO process will continue until an Agreement is finalized, until there are no more Proponents remaining that are eligible for negotiations, or until GTH elects to cancel the RFP and BAFO process.

1.6 Submission Guidelines

Proponents are asked to submit the required information in the order described below using the structure outlined in the BAFO Particulars and the Appendixes:

Table of Contents

A listing of the Submission contents with reference to the appropriate page number. Page numbering and tabs are beneficial.

Section 1 Response

Each Submission should include a response to each of the rated criteria outlined in Section 1 of the BAFO. Provide headings that clearly relate back to the structure of the BAFO document.

Section 2 Response

Each Submission should include a response to each of the rated criteria outlined in Section 2 of the BAFO. Provide headings that clearly relate back to the structure of the BAFO document.

Appendix 1: Financial Proposal Form

Each Submission should include a Financial Proposal Form containing the information requested and completed in accordance with the instructions contained in the Form. Proponents are encouraged to provide supplementary information or explanations that provide a clear understanding of the Proponent's financial proposal.

Appendix 2: Success Matrix

Each Submission should include a Success Matrix containing the information requested and completed in accordance with the instructions contained in the Form for all five outcomes areas. Proponents are asked to use the table structure provided for their responses.

1.7 Rated Criteria

The following is an overview of the categories and weighting for the rated criteria of the BAFO.

Rated Criteria Category	Weighting (Points)
Section 1	50
Section 2	50
Financial Proposal Form	150
Success Matrix	75
Presentation	75
Best Overall Value to the GTH	50
Total Points	**450**

BAFO PARTICULARS

Section 1: Common Areas for All Proponents

"We need a partner with vision, a strong plan for implementation, and a commitment for results, all while appreciating the unique nature of the GTH."

A. Company-Specific Information

- Confirm who your company or consortium's single point of contact is who would be the primary contact person for the GTH once the Agreement is finalized and operating.

- Provide a diagram of the proposed management structure for your proposed team that clearly shows who is accountable to who, as well as each person's role as it would relate to the GTH. Provide supporting descriptions as required to give us a clear understanding of roles and responsibilities. Note: we are not looking for a reiteration of biographies for each team member. We want to have clarity on the proposed roles and responsibilities by individual.

B. Opportunity-Specific Information

- Provide an expanded articulation of how you as a Proponent see the assets and strategic location of the GTH being leveraged for economic development of the Regina region and the Province. Demonstrate your appreciation of the purpose and opportunity of the GTH.
    - Provide definition on your willingness and ability to support the original concepts of the GTH (i.e. economic development, export promotion, ag value add, integration of the Regina Bypass, and working with the Canadian Pacific Railway).

- Confirm if your organization would be willing to take part in a public rollout of the final contract and relationship. What marketing and communications resources would your organization utilize? What announcements or communications would you plan to make in the first three (3) months if a final contract was reached? We are anticipating that communications support from your organization could assist with the objective of changing the narrative of the GTH.

C. Major Deliverable Areas

<u>Marketing and Sales</u>

Note: marketing and sales continues to be the most important area for delivery for the GTH.

- **Provide a detailed sales and marketing plan including activities, costs, timelines, and targets for the GTH for the first 18 months. Also include specific strategies to market land and the targets by year for at least 5 years. In addition, include the following:**
    - **Advertising and promotion methods**
    - **Location of sales representatives**

- **Consideration for incentives for the Proponents (for example to exceed targets)**
- **Other items as appropriate to best achieve outcomes**

- What are the names of potential clients that you are aware of that you would target in the first 90 days of receiving this mandate and what are the likelihood of them locating at the GTH? The GTH will not contact these clients as both parties are under non-disclosure agreements.

- Propose ideas and plans on whether the GTH footprint is appropriate for today's market or if should there be changes to lot sizes, pricing, use categories, zoning, regulations, etc. to improve sales that support the original concept noted in B above and build momentum.

- If you were to consider a tax abatement on land currently not sold, what are your proposed abatement levels and model, if any? Would it apply to specific categories of purchases or size of parcels? How does an abatement link back to your sales and marketing plan? Please be as specific as possible.

- Describe in detail your proposed approach to pricing of GTH land and your view of the role of the GTH in terms of setting prices. Please ensure this addresses the ongoing role of the GTH in future land sales and your recommendation of the appropriate land price. Please include a site map demonstrating proposed land use areas as well as proposed pricing for the footprint.

- **What suggestions or advice would you propose to increase the rate and pace of development for sold acres at the GTH consistent with the original concept?**

<u>Property Management</u>

- Do you intend to maintain the current contract the GTH has for site maintenance, or are you proposing to use an alternative supplier? Note that the GTH has been very satisfied with the work and value delivered by EcoCare to date.
    - The current contract is maintained by EcoCare. The primary contact for EcoCare is

- Provide confirmation of your property management resources and a breakdown of proposed costs on a monthly and annual basis (see Financial Proposal Form – Appendix 1).

D. Financial Proposal and Success Matrix

<u>Financial Proposal</u>

- The GTH will be developing a cost-benefit analysis of the financial proposals from all BAFO responses. Proponents are asked to provide more specifics and a clear articulation of all costs and pricing structure with details on anticipated cash flows, cost reduction strategies, and revenue generation strategies.

- Each Proponent is asked to complete Appendix 1 – Financial Proposal Form

- What specific ideas do you have related to reducing and managing costs at the GTH?

- Confirm that the GTH will receive financial reporting in a structure that conforms to the government reporting cycle including timing, structure, and frequency. Additional details:
  - Annual Reporting Cycle is April 1st to March 31st.
  - Business plan and budget submission is due by November 30th.
  - The management services provider will be responsible for all routine financial reporting including management of the GTH bank account, receipt of revenues, and payment of all expenses.
  - Is there an alternate management structure that would be more appropriate as an alternative to managing the GTH bank account?
  - The proponent will be responsible for the preparation of monthly financial statements for review by GTH staff and its Board of Directors.
  - The annual report will continue to be prepared by the GTH.

Success Matrix

Each Proponent is asked to complete a success matrix that "summarizes" the key information from their original RFP response and BAFO Submission in the table outlined in Appendix 2. The purpose of this table is to allow for a comparative analysis of key information from each Proponent's Submission. It is expected that additional supporting information and details will be included in the supporting sections of the BAFO response.

APPENDIX 1 – FINANCIAL PROPOSAL FORM

We are asking you to complete the attached Financial Proposal Form which will allow the GTH to compare the overall pricing structure of shortlisted Proponents. At this stage it is important to clearly understand the costs associated with each Proponent. We ask that Proponents maintain the overall structure of the Form. However, please feel free to add additional lines as necessary and provide footnotes or additional explanation where applicable. The goal is to have a simple fee structure for the services being provided that will be understandable by both parties, while ensuring all costs are captured to limit unexpected costs. Clarity of information is important.

Note: all information provided on the Form, including the services, metrics, and rates, are for illustrative purposes only. We are not aiming to propose requirements or rates based on the information provided. You will need to customize the Form to your proposed terms.

A copy of the Financial Proposal Form has been included along with the main BAFO document in Excel format to support your work.

GTH Management Service Provider RFP 2019-01
BAFO Finanical Proposal Form

We are asking you to complete the attached Financial Proposal Form which will allow the GTH to compare the overall pricing structure of shortlisted proponents. At this stage it is important to clearly understand the costs associated with each proponent. We ask that proponents maintain the overall structure of the form. However, please feel free to add additional lines as necessary and provide footnotes or additional explanation where applicable. The goal is to have a simple fee structure for the services being provided that will be understandable by both parties and while ensuring all costs are captured to limit unexpected costs. Clarify of information is important.

Note: all information provided on the form including the services, metrics and rates provided are for illustrative purposes only. We are not aiming to propose requirements or rates based on the information provided. You will need to customize the form to your proposed terms.

Element	List the Specific Services You Propose to Provide	Outline the Payment Metric	Cost Factor	Proposed Total Cost to GTH in Year 1	Proposed Total Cost to GTH in Year 3	Proposed Total Cost to GTH in Year 5
Marketing & Sales	**Routine Costs**					
	(eg. Marketing and sales activities including listing of land, email blasts, development of website etc….)	(eg. Percentage of sales)	(eg. 4%)	xxxxxx	xxxxxx	xxxxxx
	(eg. development of website for GTH marketing)	(eg. Fixed one time fee)	(eg. $25,000)	xxxxxx	xxxxxx	xxxxxx
	(eg. print ad campaign)	(eg. Monthly cost)	(eg. $2,000)	xxxxxx	xxxxxx	xxxxxx
	Special Costs					
	(eg. These would be costs that you would envision not to be included within the routine cost drivers compensation. May include special reports or advertising campaigns over and above the routine….)	(eg. Fee rate per hour)	(eg. $200)	xxxxxx	xxxxxx	xxxxxx
Total Estimated Marketing & Sales Costs				xxxxxx	xxxxxx	xxxxxx
Property Management	**Routine Costs**					
	(eg. Coordination of site maintenance activities, contract point for clients, supplier selection, contract negotiation, routine accounting and financial reporting etc....)	(eg. Percentage of costs managed)	(eg. 4%)	xxxxxx	xxxxxx	xxxxxx
	(eg. monthly financial reporting activities)	(eg. Monthly cost)	(eg. $1,000)	xxxxxx	xxxxxx	xxxxxx
	Special Costs					
	(eg. These would be costs that you would envision not to be included within the routine cost drivers compensation. May include year end financial reporting, site maintenance issues outside the routine etc….)	(eg. Fee rate per hour)	(eg. $200)	xxxxxx	xxxxxx	xxxxxx
Total Estimated Property Management Costs				xxxxxx	xxxxxx	xxxxxx
Land Development	**Routine Costs**					
	(eg. Coordination of land development activities including engagement of engineers and other experts to design and execute development of additional acres....)	(eg. Percentage of costs managed)	(eg. 6%)	xxxxxx	xxxxxx	xxxxxx
	(eg. monthly fee for oversight of land development activities)	(eg. Monthly cost)	(eg. $1,000)	xxxxxx	xxxxxx	xxxxxx
	Special Costs					
	(eg. These would be costs that you would envision not to be included within the routine cost drivers compensation. May include involvement of specific internal experts executing engineering or other activities outside the routine etc….)	(eg. Fee rate per hour)	(eg. $200)	xxxxxx	xxxxxx	xxxxxx
Total Estimated Land Development Costs				xxxxxx	xxxxxx	xxxxxx
Total Costs				xxxxxx	xxxxxx	xxxxxx

APPENDIX 2 – SUCCESS MATRIX

The RFP indicated that Proponents would be asked to complete and be evaluated on a success matrix as part of the BAFO process. The following is a relevant excerpt from the original RFP.

From Section C of the Original RFP:

The GTH Board of Directors is seeking a Management Services Provider that can contribute significantly to the achievement of the following strategic priorities:

- Economic growth of the province including added investment, foreign investment, value-added processing, expansion of logistics capacity, and more.
- Revenue generation through an increase in the level of land sales.
- Debt reduction for the GTH based on the ability of land sales to offset initial land development costs.
- Expenditure control at an operating level to lower the costs of operations.
- Execution of and addition to the strategic vision and purpose of the GTH.

When preparing proposals, Proponents should keep in mind how **outcomes** will be accomplished in the following areas specific to the business goals of the GTH:

- Land sales
- Development of sold acres
- Management of costs
- Improving the narrative of the GTH
- Ensuring existing clients are well served

Proponents are asked to complete the following five tables and include them in their BAFO Submission response to the GTH. The purpose of the tables is to provide a summary of the "key" information from your proposal in a summarized format to best allow the GTH to complete a comparative analysis of the proposed solutions from each Proponent. It is expected that additional details will be included throughout your BAFO response to support the summary of the key information presented below on the success matrix. Additional information is provided in "*italicized font*" on each table to provide guidance to Proponents on the type of information the GTH is anticipating receiving.

It is anticipated that a Proponent's success matrix may become the basis of an Appendix in a final contract.

Success Matrix Template for Proponents to Complete

Land Sales

Topic Area	How Our Proposal Addresses this Area and Our Level of Commitment	Measure	Goal	Description of Specific Outcomes to be Accomplished
Land Sales	*Provide a high-level summary of the key elements of your sales and marketing plan*	*Acres sold and gross sales revenue in 18 months, 3 years, and 5 years* *Add additional measures as appropriate*	*Target # of acres to sell* *Gross sales revenue $* *Add additional goals as appropriate*	*Describe the outcomes that would result from achieving your proposed goal and measure*
Action Plan Summary: • *Include a bulleted list of your key actions to achieve the items listed above*				

Development of Sold Acres

Topic Area	How Our Proposal Addresses this Area and Our Level of Commitment	Measure	Goal	Description of Specific Outcomes to be Accomplished
Development of Sold Acres	*Provide a high-level summary of the key elements of your plan to encourage development of existing sold acres*	*Acres to be developed in 18 months, 3 years, and 5 years* *Add additional measures as appropriate*	*Target # of acres to be developed in 18 months, 3 years and 5 years* *Add additional goals as appropriate*	*Describe the outcomes that would result from achieving your proposed goal and measure*
Action Plan Summary: • *Include a bulleted list of your key actions to achieve the items listed above*				

Management of Costs

Topic Area	How Our Proposal Addresses this Area and Our Level of Commitment	Measure	Goal	Description of Specific Outcomes to be Accomplished
Management of Costs	*Provide a high-level summary of the key elements of your plan to support the management of costs at the GTH*	*Potential savings to be achieved in % or $ terms over the first 12 months* *Add additional measures as appropriate*	*% or $ of cost reductions that will be achieved* *Add additional goals as appropriate*	*Describe the outcomes that would result from achieving your proposed goal and measure*
Action Plan Summary: • *Include a bulleted list of your key actions to achieve the items listed above*				

Improving the Narrative of the GTH

Topic Area	How Our Proposal Addresses this Area and Our Level of Commitment	Measure	Goal	Description of Specific Outcomes to be Accomplished
Improving the Narrative of the GTH	*Provide a high-level summary of the key elements of your plan to work with the GTH to improve the narrative of the GTH*	*E.g. proportion of positive and not positive media stories about the GTH in SK and international media* *Add additional <u>or alternate</u> measures as appropriate*	*E.g. More positive stories than negative* *Add additional or <u>alternate goals</u> as appropriate*	*Describe the outcomes that would result from achieving your proposed goal and measure*
Action Plan Summary: • *Include a bulleted list of your key actions to achieve the items listed above*				

Ensure Existing Clients Are Well Served

Topic Area	How Our Proposal Addresses this Area and Our Level of Commitment	Measure	Goal	Description of Specific Outcomes to be Accomplished
Ensure Existing Clients Are Well Served	*Provide a high-level summary of the key elements of your plan to ensure existing and future GTH clients are well served*	*E.g. Provision of timely and quality services to GTH clients* *E.g. GTH client satisfaction with services provided* *Add additional or alternate measures as appropriate*	*E.g. (days/hours/week) response time to client concerns or inquiries* *E.g. Maintain or improve rating from prior survey.* *Add additional or alternate goals as appropriate*	*Describe the outcomes that would be achieved by achieving your proposed goal and measure*

Action Plan Summary:

- *Include a bulleted list of your key actions to achieve the items listed above*