



ACT
Government

Environment, Planning and
Sustainable Development

**ADDENDUM
FOR
DEMONSTRATION HOUSING PROJECT
REQUEST FOR PROPOSAL WITH SITES
ISSUED IN ACCORDANCE WITH CLAUSE 16.3 OF THE REQUEST FOR
PROPOSAL WITH SITES**

Addendum 3

**Amendment to Financial Capacity Criteria and Questions and Formal
responses**

A number of Proponents have raised queries in relation to present capacity to comply with the non-weighted financial capacity criteria. The Environment, Planning and Sustainable Development Directorate (EPSDD) has been advised that some Proponents are not at a stage where they could presently pass the test and that financial institutions are not able to give clear commitments in relation to projects at the early PSP stage. Some Proponents have also advised that given the lifespan of a number of the projects, and the particular incentives, it may take a considerable period of time for projects to receive financial approval to proceed with development.

EPSDD acknowledges these commercial realities and that it may not be possible for Proponents to pass the financial capacity test at this early stage. Nevertheless EPSDD requires that selected projects which are approved at the RFP stage are ultimately financially viable and can be delivered consistent with the proposal set out in the response to the RFP. It is the preference of EPSDD that if an entity is able to establish financial capacity at the RFP, it does so. However, acknowledging the matters raised by a number of proponents EPSDD amends paragraph 15 of the RFP as follows:

Delete the following paragraphs:

“The Evaluation Criteria are in two parts: non-weighted (pass/fail), and weighted criteria. Proposals need to achieve a pass on the non-weighted criteria in order to be assessed on the weighted criteria. If a Proposal does fail the non-weighted criteria it will be excluded from any further evaluation.

NON –WEIGHTED CRITERIA – PASS/FAIL

FINANCIAL CAPACITY

The financial capacity of Demonstration Housing Proposals from businesses and companies will be assessed through a Kingsway Financial Assessment (Kingsway Check). Kingsway is a provider of expert financial analysis and evaluation of applicants' financial capacity to deliver projects, goods and services. The Kingsway Check involves an independent financial assessor obtaining and assessing financial information for an incorporated entity (a business, partnership or company). Kingsway is an approved supplier to the ACT Government for these purposes. Further information on Kingsway Financial Assessments can be found here:

<http://www.kingswayassessments.com.au>

The financial capacity of Demonstration Housing Proposals from individuals and unincorporated organisations will be assessed by ACT Treasury based on the information required in Returnable Schedule 2.”

Include the following new paragraphs:

“The Evaluation Criteria are in two parts: non-weighted (pass/fail/consideration following identification as successful proponent), and weighted criteria.

NON –WEIGHTED CRITERIA – PASS/FAIL/CONSIDERATION FOLLOWING IDENTIFICATION AS SUCCESSFUL PROPONENT

FINANCIAL CAPACITY

Proponents should **advise that they either:**

- (1) elect to be assessed against the non- weighted (financial capacity) criteria at the time they submit their Proposal;** or alternatively
- (2) elect not to be assessed against the non-weighted criteria at the time they submit their Proposal with consideration of financial viability to occur following identification as a successful proponent.**

Elect **to be** assessed **now** (at the time of submitting the Proposal)

If a Proponent elects to be assessed at the time they submit their Proposal they should confirm this position in their response and provide the information set out in Returnable Schedule 2. Where a Proponent elects to be assessed against the non-weighted criteria at the time of submitting its Proposal it will, subject to the matters set out below, need to achieve a pass on the non-weighted criteria in order to be assessed on the weighted criteria. If a Proposal does fail the non-weighted criteria

it may be excluded from any further evaluation, at the absolute discretion of EPSDD. Whether or not the Proposal passes the non-weighted criteria assessment, the Territory reserves the right to negotiate additional financial provisions including, without limitation, requirements for further financial viability checks at various stages of the delivery of the project and possibly the provision of related entity guarantees or security, in the delivery deed (see 12 of the RFP).

The financial capacity of Demonstration Housing Proposals from businesses and companies will be assessed through a Kingsway Financial Assessment (Kingsway Check). Kingsway is a provider of expert financial analysis and evaluation of applicants' financial capacity to deliver projects, goods and services. The Kingsway Check involves an independent financial assessor obtaining and assessing financial information for an incorporated entity (a business, partnership or company). Kingsway is an approved supplier to the ACT Government for these purposes.

Further information on Kingsway Financial Assessments can be found here: <http://www.kingswayassessments.com.au>

The financial capacity of Demonstration Housing Proposals from individuals and unincorporated organisations will be assessed by ACT Treasury based on the information required in Returnable Schedule 2.

Elect **not to be** assessed **now** (but to be assessed later in the process, after being found successful against the weighted criteria)

Alternatively Proponents may advise in their response that they do not wish to be assessed against the non-weighted criteria at the time they submit their Proposal with consideration of financial viability to occur following identification as a successful proponent. In that instance the Proponent will not be required to provide the information set out in Returnable Schedule 2. In submitting a Proposal with this option nominated, the Proponent acknowledges that the Territory reserves the right to negotiate additional financial provisions including, without limitation, requirements for ongoing financial viability checks at various stages of the delivery of the project and possibly the provision of related entity guarantees or security, in the delivery deed (see 12 of the RFP)."

Formal response to questions received:

Q1: Could you please provide clarification on the Draft Variation process and in particular:

- Does the Demonstration Housing Project process take the place of the request for a scope or will 'tenderers' be required to submit a formal scope request? If tenders must submit a formal scope request, when will this occur? If it is in the delivery stage of the Project, will the Territory provide this documentation to tenderers to complete as part of the Stage 2 tender or wait until successful proponents have been selected?
- Who will complete the planning report? If this is to be prepared by tenderers, when will they be advised of the scope that they must address in the planning report? Will this occur in the delivery stage of the Project? As consultation with the community will inform the planning report and the DA, and tenderers are encouraged that DAs may be submitted, concurrently with a Draft Variation, could you please outline how the Territory will work with tenderers to align these process?

A1: In relation to the Draft Territory Plan Variation for successful stage 2 Demonstration Housing Projects, given the wide range and scale of Proposals the Territory Plan team and Demonstration Housing Project team will meet with each Proponent to discuss the requirements for the site specific draft Territory Plan Variation following the announcement of successful Stage 2 Proponents.

In relation to the requirements from Proponents for the draft Territory Plan Variation, this will depend on the changes required to the Territory Plan and the scale of the project. It may be the case that the information required for the Territory Plan Variation is already included in the Proposal and this can be adapted for use in the Territory Plan Variation. For larger and more complex projects, additional work may need to be undertaken by the Proponent to support the draft Territory Plan Variation.

The Demonstration Housing Project team will work closely with successful Proponents from stage 2 to assist with any requirements the Territory Plan team have to progress the draft Territory Plan Variations.