



PURCHASING DEPARTMENT
Jackson Restrepo, Chief Procurement Officer
69 Tacoma Street
Worcester, MA 01605
purchasing@worcesterha.org
P (508) 635-3202/3203
F (508) 635-3289
TTY/TDD (508) 798-4530

ADDENDUM #1

IFB # 19-17 Lending Services

June 3, 2019

This addendum is to give notice for the following:

Below are answers to a number of questions posted by a prospective vendor (financial institution)

1) Has a P&S been signed on the Plantation Street, Worcester property?

No. It is currently being finalized.

2) Has a contractor been selected for the building-out the scheduled \$3.5 million in improvements?

No. We are in process of procuring design services.

3) Can you share a construction budget with us?

Yes, please see the enclosed construction budget.

4) Any expected environmental concerns with the property?

No.

5) Is the down payment coming from WHA's cash reserves?

Yes, from unrestricted funds.

6) If I'm reading the bid package correctly, WHA wishes to roll the interest costs during the construction phase into the 2nd mortgage. Is that correct?

No, WHA intends to pay monthly the interest on the construction phase from unrestricted funds.

7) The WHA is proposing a closing date by July 15, 2019. Do you think that is possible especially if a tax-exempt interest option is chosen?

Yes—a condition from the seller.

8) I understand that WHA maintains its deposit/cash management services at Fidelity Bank. That said, would it be possible to keep some small level of deposits at [redacted] should we be selected as the winning bidder?

Unfortunately not due to requirements with our existing banking services contract.

9) Can you provide us with the WHA's management financials for the year ending March 31, 2019?

Yes—preliminary results from last Board meeting.

10) The WHA's cash flow has been declining in recent years going from \$4.5 million in FY16 to \$3.7 million in FY17 to \$2.7 million in FY18. Can you detail for us why this is occurring at WHA?

Per WHA audit reports, 2016 has a cash decrease of \$834,651, 2017 has a cash increase of \$2,993,246, and 2018 has a cash increase of \$2,009,707. Cash flows are impacted by operating results, which have improved each year, and by government grants for capital expenditures, which can vary greatly from year to year. WHA has extensive capital reserves on hand, far in excess of the thresholds required by HUD or DHCD. In order to keep our reserve balances under the guidelines, WHA will budget smaller capital projects (such as leased vehicles) each year.

11) As of FYE18, the WHA had \$5.26 million in debt. For FY19, annual debt service payments will be \$937M excluding interest. Debt will also increase with the addition of the real estate financing. What's your long range forecast for the WHA's annual debt service requirements?

The audit report for FYE 2018 shows Total long term debt to be \$4.183 million, of which \$3.7 million relates to our ESCO capital lease, which is 100% paid for by guaranteed energy savings. See Note 9 of the 2018 audit report for more detailed description of this project and its related loan obligations.

WHA believes that the addition of an estimated \$500,000 annually in principal and interest is very manageable, given the agency's healthy operating income over the last 5 years and the large restricted reserves which are available to fund loan interest and principal payments.

All other terms and conditions of this solicitation remain unchanged.

Please be sure to acknowledge this Addendum on the cover page of your Bid/Quote Form.

Thank you,

Jackson Restrepo
Chief Procurement Officer

633 Plantation Street

Soft Costs: Estimated at 20% of Hard Cost Estimate to include Design/Procurement Services and Const. Admin/Other Soft Cost \$523,350.00

Hard Costs:

Square Footage	20,589 sq ft Main Building Upper Floor	21,410 sq ft Main Building Middle Floor	5,206 sq ft Main Building Lower Floor	2,130 sq ft Annex Building "Classroom"	6,883 sq ft Scope Building Offices/Storage
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Site Work (Drainage repairs/sidewalk repairs/asphalt new top coat approx. 184,994 square feet @ \$2 sq.ft = \$369,988)								
Fire Suppression Sprinkler (\$15 sq ft)	\$308,835	\$321,150	\$78,090	\$0	\$0	\$500,000.00		\$708,075.00
Demo (walls/sinks/floors/ceilings)	\$20,000	\$30,000	\$20,000	\$30,000	\$10,000	\$110,000.00		\$110,000.00
Interior Walls (Non Structural)	\$15,000	\$35,000	\$10,000	\$15,000	\$10,000	\$85,000.00		\$85,000.00
Interior Doors	\$5,000	\$5,000	\$2,000	\$2,000	\$0	\$14,000.00		\$14,000.00
Electric (ph/computer/wifi/entry/sec)	\$125,000	\$125,000	\$20,000	\$15,000	\$50,000	\$335,000.00	*	\$335,000.00
Plumbing	\$10,000	\$10,000	\$20,000	\$40,000	\$10,000	\$90,000.00		\$90,000.00
Flooring (\$5 per sq. ft.)	\$102,945	\$107,050	\$26,030	\$10,650	\$8,000	\$254,675.00		\$254,675.00
Ceilings (Reusing existing materials AM)	\$10,000	\$12,000	\$3,000	\$5,000	\$0	\$30,000.00		\$30,000.00
Roof Top Heat/AC Upgrades	\$25,000	\$0	\$0	\$20,000	\$0	\$45,000.00		\$45,000.00
Envelope (Sliding/Ext Doors/Windows)	\$10,000	\$10,000	\$0	\$5,000	\$40,000	\$65,000.00		\$65,000.00
Contingency (Roofing)	\$125,000	\$0	\$0	\$5,000	\$0	\$130,000.00		\$130,000.00
						<u>Total Construct \$</u>		<u>\$2,616,750.00</u>

Office Furniture/Equipment/Filing								\$200,000.00
IT (Servers/Antenna/Cameras)								\$160,000.00
						<u>Total Development Cost (TDC)</u>		<u>\$3,500,100.00</u>

* The \$50,000 amount is for a 50" pole to hold IT dish and site cameras