

RFI Response & P3C Key Points – March 2023
Garden Grove Civic Center Park and Public Safety Building

- **Interest in the City’s project** – All interviewed parties expressed interest in the project, sharing the scale and scope is aligned with the type of projects they would typically bid on. Some of the teams questioned why the city isn’t including O&M in the project and one (1) equity firm RFI respondent stated they would not participate unless the City elected to do a DBFOM.
- **Achieving Best Value** – All interviewed parties are amenable to “open book” ENA process. During this period, trades/subcontractor package bids will be openly shared with the City. All RFI respondents indicated the following provides best RFQ approach: clear goals and objectives, allow developer innovation, define space requirements and adjacencies, negotiation on exclusive basis, “open book” pricing, political support, operating and maintenance cost objectives, and reimbursement of design costs.
- **Technology** - Interviewed parties wanted to understand GGPD’s specific technology needs and standards (e.g., proprietary technologies or systems), but noted most technology decisions can be made later in the design process.
- **Scope and Flexibility** - Interviewed parties want a clearly defined scope in the RFQ that focuses on objectives and enables flexibility and creativity in meeting objectives.
- **Schedule risks and CEQA** - Some interviewed parties expressed concerns with the relatively short period anticipated for CEQA, posing potential risks during the ENA process.
- **Payment streams during ENA process** – Some interviewed parties requested City make milestone payments during the ENA process. Others felt that they could manage a 6-month development period on their own books. All parties expressed a need to receive cost reimbursement if the City exercised a termination right during the ENA. Some identified this cost sharing should be between 50-75%. All respondents have successfully delivered projects through exclusive negotiations.
- **ENA Budget** – All interviewed parties open to providing a development period budget to show the total costs of the ENA, and exposure both parties would assume.
- **Experience with DBF and similar projects** – Seven (7) RFI respondents have completed 5+ DBF projects. All had prior experience with municipal facilities, including: police and justice facilities, courthouses, and data centers. Most also have experience with multi-family housing, and park and recreational facilities. Firms listed multiple projects of equivalent size and scope to the City’s project.
- **Threshold to Submit** – Eight (8) firms would bid on the project within the current estimated total cost. Most expressed flexibility without a hard upper or lower limit.
- **Cost Effective Solutions** – Nearly all respondents are willing to provide the following as their qualifications: committed profit percentage, committed development period budget, committed developer fees, development period budget, committed developer fee amount, and past results under other GMP delivery structures.
- **Financing Structures** – Respondents indicated flexibility in financing approach, and experience with a variety of financing solutions, including: tax-exempt financing, credit tenant leases, private equity, lease revenue financing, and receivables sales.
- **Sustainability Requirements** – All firms said City should provide sustainability or green building requirements/performance objectives (i.e., LEED, Envision, WELL, etc.) upfront.
- **Streamlining** – Suggestions included advancing permitting and entitlement processing, utility relocation support, surveying, some site work, and CEQA compliance, during the ENA period.
- **Design level required to establish GMP** – A GMP can be negotiated at any point. The later in the design process a GMP is provided, the lower the contingency amount will be. Two (2) firms recommended 50-60% design completion, one (1) indicated a GMP could be provided at 30%.