



Transcript of **Pre-Bid Conference**

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1 DEPARTMENT OF VETERANS AFFAIRS

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3 COMMUNITY BASED OUTPATIENT CLINIC

4 RLP NO. 36C10F18R0570

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6 TERRE HAUTE, INDIANA

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8 PRE-BID CONFERENCE

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1 P R O C E E D I N G S

2 (11:03 a.m.)

3 MR. ROBERTS: Hey, good morning everybody.

4 This is Eric Roberts, the contracting officer for
5 this procurement. Just to let you know we have a
6 stenographer in the room. Her name is Christine and
7 I want to welcome everybody, make sure your phones
8 are muted while we go through the presentation.

9 There'll be a question and answer period at the
10 end, so please hold all your questions until the
11 end. Also keep in mind if you do have a question,
12 we need you to state your name and your company
13 affiliation. Also, we'd ask that you reference any
14 portions of the RLP or the lease or indices that you
15 have any questions about. We'll try to answer those
16 as quickly as we can on the phone here, but if it's
17 not something we can answer quickly, then it's
18 something that we're going to have to take back and
19 research and we'll certainly provide you an answer
20 through FBO.

21 So please make sure that you pay close
22 attention to FBO. There will be amendments that

1 trickle out for this procurement as well as any
2 other procurements.

3 So again, this is Eric Roberts, the contracting
4 officer. I want to welcome everybody to the
5 Department of Veteran Affairs, CBOC, community-based
6 outpatient clinic pre-bid conference with respect to
7 the procurement out on the street for Terre Haute,
8 Indiana. Apologies for anybody local to that area
9 if I'm mispronouncing the name. Terre Haute. We
10 have Julie online that may -- can correct me down
11 the road, but again, welcome everybody.

12 I'm just going to let you know who from the
13 federal government is on the line as well as any
14 contractors that are also on the line that are
15 working on behalf of the federal government.

16 My name is Eric Roberts, I am the contracting
17 officer. Eboni are you on the line as well?

18 (No response.)

19 MR. ROBERTS: Okay. So in the room here we
20 have a Radonya Pinkney who is the senior project
21 manager. Jim MacMorran, are you on the line?

22 MR. MacMORRAN: Yes, I am.

1 MR. ROBERTS: Thanks Jim. Jim's our senior
2 resident engineer. He'll be available to answer
3 some questions at the end if we need him. We also
4 have Julie Web as part of the procurement team for
5 the VA. Julie are you here?

6 MS. WEBB: Hi everyone.

7 MR. ROBERTS: We also have Mark Tyler, who's
8 works for Public Properties, he's vice president,
9 here in the room with the stenographer and Radony as
10 well. Do we have Tracy on the line?

11 MS. ATKINSON: Yes, you do. Good morning.

12 MR. ROBERTS: Good morning Tracy. Tracy's part
13 of our engineering and technical services team, AE
14 Firm, as well as Patrick Hillier. Do we have
15 Patrick on the line?

16 MR. HILLIER: Yes, I'm here as back up.

17 MR. ROBERTS: Hey, good morning Patrick.

18 So do we have anybody else that's representing
19 the federal government or a federal employee that's
20 going to be part of this presentation with us from
21 our end? If so, go ahead and announce yourself.

22 MR. TYLER: I know Megan's on the line.

1 MR. ROBERTS: Okay. Okay. All right, so we're
2 going to go ahead and get started. A couple of
3 ground rules. Guys, save all your questions until
4 the end, please. Please be clear and concise with
5 that, also referenced the portion of the RLP, lease
6 contract or any appendices to better get a -- get a
7 better understanding of what your question is really
8 asking.

9 Again, we'll answer what we can in the room, if
10 not, definitely put it in writing to us and we'll go
11 ahead and get that out to everybody through FBO.

12 And we're going to go through the pre-bid
13 slides and we're going to try to give you some
14 lessons learned, provide some information, help you
15 kind of organize your bid the best way possible.
16 And hopefully by the end of this presentation you
17 have a better understanding of how to bid on federal
18 procurements.

19 Some of the newbies that might be on the phone,
20 please pay close attention to this. This will be
21 posted on FBO as well, along with the stenographer's
22 report to give you more clarity and more

1 clarification on how to present your best foot
2 forward here on this procurement.

3 So with that being said, I'm going to turn it
4 over to Julie who's just going to give a warm,
5 welcoming remark on behalf of the medical center.
6 Julie.

7 MS. WEBB: Hi everyone. As he said, my name is
8 Julie Webb. I am the local project manager, so
9 we're the ones that will manage this lease once it
10 has been built out. To give you a little bit of
11 background. We're really excited about this.

12 Right now our Terre Haute care delivery to
13 Veterans is split between two locations. Mental
14 health is in one location and the primary care
15 operations is in a second location. And that
16 primary care is actually operated via a contractor,
17 so we have a contractor providing care to our
18 Veterans.

19 We made the strategic decision a few years ago
20 that we want everything under one roof, all provided
21 by VA staff members and this procurement is giving
22 us that opportunity. So right now, we have a

1 contract in place and they are actually relocating -
2 - I call it our bridge clinic, so it's going to
3 bridge until we get this new clinic up and going and
4 ready for us to occupy and active.

5 The bridge location will be moving next week,
6 but that should not be confused with this
7 procurement here.

8 We're really excited because this going to
9 allow us to be all under one roof as well as to have
10 expanded services for our Terre Haute Veterans. So
11 I'm looking forward to seeing some good proposals.
12 Thank you everyone.

13 MR. TYLER: Cool. Thank you. Julie. This is
14 Mark Tyler with Public Properties. Our next slide
15 is a going over the purpose of the meeting and the
16 agenda. I think Eric gave a pretty good overview of
17 what we're trying to accomplish today.

18 The goal is for us to explain the VA
19 procurement process, the request release proposal,
20 and then the specifics of this requirement in such a
21 way that you guys can submit clean, comprehensive
22 offers that are technically compliant with all of

1 our requirements and can be evaluated.

2 So we're trying to help you as much as
3 possible. We'll go over the agenda next. this is
4 slide number five. We've done a little bit of a
5 introduction for the project team. Next we'll go
6 over the -- some of the high level requirements for
7 the facility.

8 We'll talk a little bit about the procurement
9 strategy for this project. And then we'll dive into
10 the details of the requests for lease proposals.
11 We'll talk about how to offer site criteria. This
12 is a full-service lease, so we'll talk a little bit
13 about what that entails in the way of a landlord's
14 covering the operating expenses.

15 We'll talk a little bit about how the building
16 space is measured. VA recently moved from net
17 usable square footage to ANSI/BOMA square footage.
18 So we'll talk a little bit about that.

19 We'll show some forms and talk about how they
20 should be filled out. We'll talk about the post-
21 award process and that scheduled for designing and
22 constructing the facility. And then, a little bit

1 about how we're going to actually evaluate the
2 Offerors and that that's two components -- both
3 technical award factors and price evaluation.

4 And then at the end we'll have sort of a wrap
5 up time for Q and A, and as Eric mentioned, we'll
6 try to answer any questions today, but we might ask
7 you to put those in writing to us and we'll get back
8 to you.

9 These slides as well as the transcript for
10 today's session are going to be posted on Fed
11 Business Opps. Anyone who RSVPed to this session
12 we'll also email the link directly to you.

13 Questions and answers that we don't respond to
14 today and are in writing, we'd ask that any follow-
15 up questions be submitted by Wednesday and then all
16 questions and answers will be shared with all of the
17 attendees and with Fed Business Opps when the
18 transcript is ready. Okay.

19 MR. ROBERTS: So we're going to get into the
20 procurement overview, we're on slide number seven.
21 So I just told out Mark I would take this slide.

22 So just because it relates back to a CO set

1 aside determination. So the contracting officer has
2 decided to go full and open on this procurement. We
3 do abide by the Kingdomware rule of two, which
4 means that if we feel like we have two capable of
5 Service-Disabled Veteran-Owned or Veteran-Owned
6 small businesses, we had the ability to set it
7 aside. In this case, we are going again full and
8 open. And our decision is partly based on approval
9 through the Office of Small and Disadvantaged
10 Business Utilization, or OSDBU.

11 So if you have any questions regarding,
12 regarding a Veteran-Owned small businesses or
13 Service-Disabled Veteran-Owned small businesses, you
14 see Tyrone Lassiter. His information is at the
15 bottom, please feel free to reach out to him.
16 He's definitely got a lot of experience and is
17 available to answer any questions.

18 Also, you'll see a link to the request for
19 lease proposals on here as well.

20 Again, this is a full and open procurement.
21 We'll get into the technical factors a little bit
22 later, where there's socioeconomic status, but okay

1 -- next slide.

2 Section 4.03, Factor 4. So here is where we
3 capture the socioeconomic status. Please pay
4 attention to these sections, especially if you're
5 bidding as a Service-Disabled Veteran-Owned small
6 business or Veteran-Owned small business. So please
7 pay attention to the evaluation criteria we have,
8 what you're going to be considered against when
9 submitting as a Service-Disabled or Veteran-Owned
10 small business. Make sure you're in the information
11 portals, everything's activated, everything's up-to-
12 date. If it's not, it can be considered a problem,
13 so please make sure you're covering all your grounds
14 there.

15 And then, I'll turn it over to Radonya to start
16 covering some more criteria involved in the
17 procurement.

18 MS. PINKNEY: Okay, requests for lease
19 proposals, key lease terms -- the leases is for
20 43,500 ANSI/BOMA square feet. There's a requirement
21 of 250 surface parking spaces, each Offeror must
22 submit price proposals for three lease terms; 15-

1 year firm term, 15-year firm term with five one-year
2 options, and 20-year firm term.

3 Please also keep in mind that the lease term
4 commencement date will be around winter 2021 or upon
5 acceptance of space, whichever is later.

6 Area of consideration. This slide just
7 identifies the delineated area that was used during
8 the market survey. Unique requirements. Prior to
9 the issuance of the RLP each developer received a
10 letter that identified strengths and weaknesses for
11 the sites or buildings that they had submitted in
12 response to the advertisement. Please make sure
13 that your site or your building meets the minimum
14 requirements identified in Section 1.04.

15 RLP documents. This slide just identifies all
16 the documents included in the RLP package, Section
17 1.06.

18 Receipt of proposal, Section 3.02. There are
19 to be no hard copies. Please no hard copies.

20 Everything is electronically submitted on a CD.

21 Offers are due September 28, 2018. As you can see,
22 it identifies how many CDs should be submitted to

1 Public Properties and how many CDs should be
2 submitted to VA Central Office.

3 Receipt of proposal, Section 3.02. This
4 identifies everything that your proposal should
5 consistent of. Please keep in mind that you are
6 required to complete the proposal compliance matrix
7 as part of your proposal.

8 Pursuant to OMB Circular A-11, Appendix B, all
9 Offerors must score as an operating lease, which
10 means the fair market value cannot be more than 90
11 percent of the asset. A prospectus lease. The RLP
12 is subject to an approved GSA prospectus. The
13 government will only award a lease pursuant to the
14 RLP if the offered rental rate does not exceed the
15 rent limitations set forth in that prospectus.

16 MR. ROBERTS: This is Eric. So keep in mind
17 guys that we went from a SFO that contained
18 approximately 250 pages down to our new RLP process,
19 which includes a appendices which replaced the old
20 exhibits. So we're doing this and we're providing
21 this matrix as a way to kind of better organize, be
22 more efficient, reduce paperwork, get down to, you

1 know, relaxing some of the old VA standards that you
2 don't see in the new RLP.

3 So keep in mind those that have played with the
4 VA on this before that this process is totally new
5 now. This process has changed. These are some of
6 the first submissions to go to the market for Choice
7 II, which was authorized by President Trump about a
8 year ago. So this process is new to us and it's
9 also new to you guys that understand VA procurement
10 from the past.

11 So keep in mind that we really want a lot of
12 questions. We want you guys to analyze what we're
13 doing and provide feedback to us, as well, so we can
14 better our process, but keep in mind that a lot of
15 the new regs we're going to cover later on in this
16 solicitation are aligned closer with GSA who we get
17 our delegation of authority for. So that's one
18 reason why we've realigned and also speed to market
19 is a big reason for that. We're trying to award
20 initial offers here, so we want you to cross your
21 t's, dot your i's and make sure that whoever's
22 signing these documents has the authority to do so.

1 So I'll turn it over to Mark.

2 MR. TYLER: Thanks Eric. This is Mark Tyler
3 with Public Properties. I wanted to highlight two
4 of the key lease terms. The square footage is
5 43,500 square feet. This is slightly different than
6 what we advertised for as a number. In terms of
7 square footage, we don't think this is different.
8 We're just trying to have an adjustment to make that
9 jump from a net usable square foot to ABOA square
10 foot.

11 And then, our parking number is 250 surface and
12 outside parking spaces. That's roughly 100 spaces
13 for staff and 150 spaces for patient. We don't
14 spell this out in the RLP itself, but we'd like more
15 handicap spaces than is required by ADA. A lot of
16 the patients will have handicap needs, so it'd be
17 good to overbuild handicap parking in you're in your
18 lot.

19 I also want to highlight filename 9-09. That's
20 the Offeror proposal compliance matrix. You know,
21 this is a new process and we've tried to make it
22 easy on you to compile all your paperwork. That

1 proposal compliance matrix is a good cheat sheet for
2 you to go through and just self-audit your proposals
3 and make sure that your site meets the individual
4 minimum criteria and also that all your -- all of
5 the necessary required paperwork is a available and
6 organized the way that we're asking you to be
7 organized.

8 We'd like all your proposals on CDs and we'd
9 like a technical proposal -- technical proposal
10 documents to be separated from your price proposal
11 documents and the matrix in Section 3.02 sort of
12 spells out which goes in which binder.

13 When we go through with the technical
14 evaluation board, we'll want a really well-organized
15 technical binders so it's easy for folks to find all
16 the good stuff you're proposing to us, and you know,
17 if it's easier to find, it's a little bit easier to
18 work through and give you credit for the design and
19 technical factors that you're achieving.

20 One bit that can get a little bit confusing is
21 financial capability. Even though we're talking
22 about your financial -- that's a document that shows

1 that you have the financial capability to deliver
2 building and meet all the build out requirements,
3 including tenant improvements and shell build out.
4 So even though it's dealing with the financial terms
5 of the offer, that's actually a piece of your
6 technical proposal, not your price proposal. So
7 that's one little tricky bit that we'd like to
8 highlight.

9 I'd also like to highlight that we're asking
10 for a phase one environmental site assessment and a
11 cultural resources study. An RLP amendment is going
12 to come out in the next couple of days about the
13 cultural resources study. We've got just a couple
14 of changes, but we'd like both the environmental
15 site assessment and the cultural resources study in
16 your initial offer.

17 We've got to have -- Eric mentioned that we're
18 hoping to award off of initial offers. If we do
19 that, we won't have discussions with you ahead of
20 time. You won't have an opportunity to correct, you
21 know, any deficiencies in your Offeror paperwork.
22 So we want to make sure that we're giving you enough

1 information today to put your best foot forward and
2 really hit all the marks and make sure that your i's
3 are dotted, your t's are crossed, and all the
4 paperwork is in order.

5 MR. ROBERTS: Yeah, and to that respect, this
6 is Eric. Again, to that respect, we understand that
7 there might be some things that are overlooked
8 administratively, things like that. That's
9 something that once we analyze these after initial
10 offers are in, if we do have some minor things that
11 were overlooked the CO has the discretion to send
12 out a letter of clarification to clear those up.

13 So, you know, even though we're trying to put
14 this in the best organized posture for you, we
15 understand that sometimes things are overlooked.
16 What we're trying to do is make you commit to not
17 providing us deficiencies but maybe a minor
18 oversight to something that we can send a letter of
19 clarification out that doesn't materially alter your
20 proposal. So just keep that in mind.

21 MR. TYLER: Okay. Thanks Eric. I think we're
22 on Slide 17 right now. This is additional

1 submittals, RLP Section 3.06. We'd like to go
2 through -- I think the RLP summarizes these
3 documents fairly well, but I want to go through sort
4 of document by document and highlight what we'll
5 need in your initial offer.

6 So a big piece of 3.06 is just sort of
7 establishing via documentation that the Offeror has
8 control of the land site or the building. So that
9 includes the permission from the owner to submit the
10 site. It includes a legal description of the site,
11 a tax bill for the site, any sort of ownership
12 document like a deed. And then, if the Offeror is
13 not the actual owner of the site, we need some sort
14 of document that shows that eventually you would
15 have ownership of the site.

16 So a purchase option, some sort of purchase sale
17 agreement that shows that you would have control of
18 the site. And those documents -- documentation
19 requirements are outlined a little bit more in
20 detail in Section 3.06. But those are documents
21 that sometimes we have problems documenting.

22 We'll ask for -- Section 3.06 also asks for

1 proof that your site is compliant with zoning. This
2 is a medical facility so we want to make sure that
3 any site that has submitted can actually house an
4 outpatient clinic. If you're a historic building or
5 in a historic district, we'd ask that you document
6 that status. We'll need your registration in SAM
7 and including a DUNS number and that can be a
8 screenshot from you're -- from the SAM website.

9 Fire, life, safety. We're asking for a GSA
10 Form 12,000. If you're an existing building, we'd
11 also asked for a building certificate of occupancy.
12 Form 12,000 outlines a little bit more, what we'd
13 need there.

14 We need a parking plan. If there's asbestos in
15 a building, we'd need an asbestos management plan.
16 We need floor plans for this -- for the building in
17 CAD and in PDF.

18 The government has a requirement to set aside
19 vending opportunities for blind concessionaires. So
20 we just want to self-certification that there are no
21 existing building vendor -- no existing vendors in
22 your building. We want to document your proximity

1 to amenities, your compliance with the government's
2 Energy Star goals, and then Green Globe
3 requirements, as well. And that's a checklist to
4 show how the building will meet the VA's required
5 Green Globe's goals.

6 I think that covers slides 17 and 18.

7 MR. ROBERTS: Yeah, real quick on the plans. I
8 mean, don't just state that you'll meet it. You
9 need to show us how you're going to meet it. Okay.
10 These things are evaluated so it's not good enough
11 to just regurgitate what we give you. If we ask for
12 a plan on how you're going to meet Green Globes, we
13 expect to see a narrative, an explanation of how
14 you're going to meet that. Not just say we plan on
15 meeting Green Globes. So just keep that in mind.
16 Really explain to us how you're going to do this.
17 That it behooves you to take the time and the effort
18 to do that. Thanks.

19 MR. TYLER: Slide 19 covers tenant
20 improvements. We're asking for \$8,654,345.00.
21 That's not a penny more, not a penny less. We've
22 tried to prepopulate some of the offer documents to

1 show that amount. That equals out to about \$200 per
2 square foot. We're building, you know, a full-
3 service outpatient clinic, so we expect that there
4 are going to be some build out requirements there
5 that are costlier than a typical office build out
6 and we've sort of done some cost estimates and come
7 up with that figure.

8 So that said, the tenant improvements don't
9 cover the full build out costs for facility. You'll
10 have to go through the lease and really look into
11 what is a shell cost that the Offeror will cover and
12 what is a TI cost that the VA will cover with this
13 TI Allowance.

14 That said, the VA, when it comes time to make
15 an award to a general contractor may opt to pay for
16 some of these tenant improvements lump sum. So that
17 might reduce your cost, but that is solely within
18 the discretion of the Veterans Affairs and will be
19 made at a later date. So your offer will cover this
20 tenant improvement allowance as well as any of your
21 -- any of your borrowing costs that you'll have for
22 providing that to the VA.

1 Slide 20 outlines the award criteria for this
2 procurement, this is a best value procurement, not a
3 lowest cost technically acceptable procurement.
4 That means that we're evaluating both price and
5 technical criteria and the lowest price -- the
6 lowest cost offer may not a win the award if the
7 technical criteria for that offer are lower than
8 another.

9 So if we receive multiple offers and the price
10 is pretty close, technical factors tend to really be
11 the deciding factor in and vice versa. Technical
12 evaluations of the Offeror show everything within a
13 pretty narrow range, then price becomes the
14 determining factor. So we'll go into a little bit
15 more detail about these factors. First we'll cover
16 the technical award factors and then we'll cover the
17 price evaluation.

18 MR. ROBERTS: Okay, so this is Eric.

19 Again, you know, the price and the technical
20 are approximately equal, it gives the CO the
21 discretion to allow tradeoffs as as Mark suggested,
22 perhaps in some instances the price becomes the

1 determining factor and in other instances, the
2 technical piece becomes the determining factor.

3 So just keep that in mind. We want the
4 evaluation to be conducted at an efficient, accurate
5 manner and in doing so, we really need these -- the
6 technical piece of your proposal to shine. So
7 please keep that in mind.

8 So these technical factors are something that
9 we've discussed a lot internally at the VA. We've
10 looked at what has worked in the past, what hasn't
11 worked in the past, where the issues have been with
12 regard to our legal review, as well. So keep that
13 in mind that these are going to be fairly consistent
14 across the board for all Choice IIs.

15 Those that are familiar with what's on the
16 street already, you've seen these technical factors
17 before. They'd been consistent across the board for
18 the recent releases to the street.

19 So keep in mind that these are weighted,
20 technical quality is worth more than qualifications,
21 which is Technical Factor 2, which is worth more
22 than Technical Factor 3, which is worth more than

1 Technical Factor 4. So we won't get into details
2 about the weights involved in each, but just keep
3 that in mind that they are in a type of descending
4 order.

5 So make sure -- and also again, on the
6 socioeconomic status Factor Number 4, you have to be
7 qualified, you have to be active, your registration
8 has to be complete, and you have to show evidence of
9 that. So if you are submitting as an SDVOSB or VOSB
10 or other criteria, keep in mind to follow those
11 regulations closely to allow us to determine the
12 same thing that you're trying to put forth to us.

13 MR. TYLER: Thanks Eric. We're moving on to
14 slide 22, this is a present value price evaluation.

15 We wanted to put present value price evaluation
16 in the title to really highlight the fact that this
17 discounts later rents and really values upfront
18 concessions and free rent in early years. So the
19 present value price evaluation section, RLP Section
20 4.04 outlines in detail how the different cost
21 factors are going to be evaluated. We don't only
22 evaluate rent, and that includes all the components,

1 tenant improvements in there: how they're
2 amortized, the shell rent, the operating rent.

3 We also look at some of your soft costs. So
4 any overhead costs for the tenant delivering tenant
5 improvements will be evaluated. That includes the
6 Lessor PM fee, your architect and engineering fee.
7 So that's not somewhere to pad your numbers.
8 We're going to evaluate those as part of this
9 competition and you want to make sure that those
10 fees are as low as you can go.

11 We want to make sure that that tenant
12 improvement allowance is delivering tenant
13 improvements and isn't going towards soft costs.

14 Similarly, we talked a little bit about
15 discounting. A dollar in the first year of the
16 lease is not going to be discounted at all. A
17 dollar in year 15 or 20 of the lease will be
18 discounted. So that really incentivizes you to put
19 forward upfront concessions like free rent. That
20 helps the evaluation of your offer.

21 You know, VA will have quite a few expenses
22 moving into this facility. So it also helps the VA

1 in a practical way to budget for this facility a
2 little bit better if they have some concessions
3 upfront to help facilitate that move.

4 Slide 23 is a summary of operating expenses.
5 We'll go into the details of the forms later on, but
6 really quickly, this is a fully-serviced lease, that
7 includes all utilities and janitorial services. The
8 janitorial requirements are outlined in Appendix
9 C.1. I highlighted normal hours here to make sure
10 that everyone knows that we're looking for
11 operations and HVAC service on Monday through
12 Friday, as well as Saturday. The hours are here in
13 Section 6.01 of the lease.

14 Operating expenses will be adjusted year to
15 year according to the CPI Inflation Index. So those
16 typically go up about two percent every year, but
17 that varies according to the index.

18 Similarly, real estate taxes, after they're
19 established, after a full assessment of the building
20 will be adjusted according to any new assessments by
21 the Terre Haute municipality, and those adjustments
22 would be passed through on an annual basis.

1 Slide 24 outlines the difference between a
2 rentable square footage and ANSI/BOMA office area
3 square footage. Basically, your rentable space will
4 include restrooms that are part of the shell
5 -- the Lessor shell responsibility, as well as, any
6 lobby area. And in a multitenant building, it would
7 include a pro rata share of any common corridor
8 space.

9 I want to highlight the restroom issue a little
10 bit. The landlord will be responsible for providing
11 some restrooms, and that's outlined in the lease.
12 The VA's requirements call for additional bathrooms
13 on top of that shell responsibility and the cost for
14 building that -- the additional bathrooms will be a
15 tenant improvement cost. And those -- that square
16 footage for those additional bathrooms would be a
17 part of the ANSI/BOMA square footage and not the
18 rentable. It wouldn't be a part of your building
19 common square footage.

20 Slide 25 outlines the schedule for designing
21 and constructing the building. This is in Lease
22 Section 4.01.

1 After award, we'll move to this post-award
2 phase with the schedule outlined here. As it's
3 outlined, we're planning on a DID workshop to
4 commence shortly after lease award where we come up
5 with design intent drawings. From there, once we
6 have approved design intent drawings, we'd moved to
7 the landlord providing a full set of construction
8 documents. The government would have a chance for
9 reviewing those construction documents. From there
10 we go to pricing for the tenant improvements;
11 negotiation of those costs, and then, to a To Be
12 Determined construction schedule.

13 Part of the technical evaluation of your
14 offers, we'll consider your project management plan
15 and your schedule for delivering this project. So
16 we're really relying on you to show how quickly you
17 can deliver the project and what that construction
18 schedule would look like.

19 And we want to make sure that it's a realistic
20 schedule, but we also want to make sure that we're
21 delivering it quickly so Offerors that can deliver
22 the project quicker than others will be a preferred

1 in the technical evaluation.

2 RLP Section 3.03 is shown on slide 26 and two
3 forms go into our pricing evaluation. One is the
4 GSA Form 1217. The second is GSA Form 1364 and
5 Attachment one to that 1364. The next few slides
6 we're going to show those forms and show how they
7 should be completed.

8 First, we'll cover the Form 1364. If you look
9 at the top left corner of slide 28, you'll see cell
10 number nine, that shows the ANSI/BOMA square footage
11 of 43,500 square feet. You know, based on that --
12 that will be the same and consistent across the
13 board, across all offers. Your rentable square
14 footage and your common area factor will vary
15 depending on your design. So we've left those
16 blank.

17 Cell 12-A shows the tenant improvement
18 allowance that we're asking for, that's been pre-
19 populated. And then, 12-B shows your interrelation
20 rate, or sorry, cell 12-C shows your amortization
21 rate for that tenant improvement allowance.

22 And we'd really like a pass through of your

1 borrowing costs here. It's not a profit center,
2 it's not meant to be a profit center. So we want to
3 see a pass through of whatever your lender is
4 charging you, we'd like to be charged at the same
5 rate.

6 There is no -- the building security amortized
7 capital is included in our tenant improvements. So
8 12 -- so row 13 of your 1364 will be left blank for
9 this procurement.

10 For cell 14-A, shows the estimated for your
11 shell built out. And then 15, would be a total of
12 your shell build out costs along with the required
13 tenant improvement allowance.

14 Row 16 shows your shell rate. Row 17 shows
15 your operating costs. And while we're on this page
16 and on this row, I'd like to mention that your
17 operating costs on your 1364 need to match up with
18 your operating costs on line 27 of your Form 1217.
19 Those two numbers, one's expressed as a rate, one is
20 expressed as a total operating cost, but those two
21 numbers need to calculate to match each other.

22 Row 18 is your total full service proposed

1 rental rate. Row 19 is your total annual rent. And
2 then, if there are any step rents in your proposal,
3 and we want to minimize step rent rates
4 -- step rents as much as possible. But if you do
5 propose step rents, you'd outline them in line 20 of
6 your 1364.

7 MR. ROBERTS: So yeah, guys, we're going to
8 need a three 1364s one for each alternative based on
9 slide number 29. So make sure you're giving us a
10 three different or three separate 1364s. One is for
11 the 15-year firm, one for a 15-year firm with five
12 one-year options, and one for the 20-year firm term.
13 Keep in mind that middle alternative, Alternative B,
14 the CO has the discretion if you want to do a 15-
15 year firm with, say, perhaps two one-year options,
16 but it can be up -- not to exceed a 15-year firm
17 with five one-year options, compiling a 20-year
18 total. So keep that in mind. We can adjust that
19 accordingly.

20 Also keep in mind that the CO has the
21 discretion to find you nonresponsive if you don't
22 submit three separate 1364s. So we're asking you to

1 make sure you submit a bid on each alternative and
2 don't skip alternatives or just use one alternative.
3 Just give us back what you ask for or it could be a
4 risky situation. So keep that in mind. Thanks.

5 MR. TYLER: Slide 30 is a screenshot of
6 Attachment Number 1 to your form 1364. And this
7 really highlights that we're looking for three
8 different offers for three different forms, we're
9 looking for three different terms. And those terms
10 are outlined in this attachment and should match up
11 with the three 1364s that you're submitting.

12 Next we'll move to GSA Form 1217, which
13 captures your operating expenses. Slide 32 shows
14 the 1364 and you'll notice that it's broken out into
15 two sections. Section one gets totaled up in line
16 27. That is what VA considers your operating
17 expenses. That's the number that will -- it's
18 expressed as a total on the 1217. But on your 1364,
19 we should have a matching rate for your total
20 operating expenses.

21 And this shows exactly what goes into that
22 operating cost. It's a breakdown. We're asking for

1 some itemization of your rate here on the form 1217.
2 That includes the janitorial services, heating,
3 electrical, plumbing, air conditioning, elevators,
4 and then a list of some miscellaneous expenses.

5 Below line 27 shows some additional operating
6 expenses, but these would be covered in your shell
7 rent. So that includes real estate taxes. Again,
8 we'll set up a base real estate tax rate after the
9 building is fully assessed, and then any adjustments
10 to your taxes would be passed through on an annual
11 basis.

12 Insurance. Building maintenance, lease
13 commission, and then some management expenses.
14 Those are also to be built into your shell rate and
15 not your operating rate.

16 With that I think we're ready to hand the slide
17 deck over to Tracy Atkinson. Tracy, are you, you're
18 ready to take over?

19 MS. ATKINSON: Yes, I am. Good morning
20 everyone. I'm Tracy Atkinson with FFE. That's the
21 design team that helped work the VA to come up with
22 a required list of items that are necessary in the

1 design moving forward.

2 We have a couple slides that are a little out
3 of order, so I'd like to jump to slide 35 with
4 Appendix 8.1 and then we'll come back to 8.2.

5 So slide 35, Appendix 8.1 is the program for
6 design. Slide 36 actually shows what the title of
7 that looks like. In here, this is a that the VA
8 produces based on different departments that are
9 required within each outpatient clinic. Within that
10 -- and that's a standard, and we have worked very
11 carefully with the VA in Terre Haute to make sure
12 that those -- the required rooms and required
13 departments fit their needs and for that location.

14 Jumping back up then slide 33, hand-in-hand the
15 project content list narrows that down by room and
16 equipment.

17 So moving to slide 34 -- I know we're kind of
18 jumping around a little bit. Slide 34, what I want
19 here to show as the take away is that you'll see in
20 here the departments, you're going to see the rooms
21 that are associated, and then you're going to see
22 equipment. In that equipment there are some

1 equipment pieces in our contract that is provided
2 and installed and some is VA provided and installed.
3 And then, there are a few items that are a
4 combination.

5 So that's important to look at those columns to
6 determine pricing on your end. Then at the very
7 bottom of that slide, on the bottom left, the
8 quantity of rooms. That's very important to note as
9 well because there could be a single room, but some
10 of these exam rooms, there could be 28, there could
11 be 14. So that's very important to take into
12 consideration.

13 That handles Appendix 8.1 and 8.2.

14 If we moved down to slide 37, Appendix B those
15 are the floor plans. Here, some of the important
16 things to think about is use what we gave you in the
17 designs. We understand that the plans could flex
18 somewhat depending on what the final site location
19 is, and whether it's an existing building or the
20 final site location. We understand that, but there
21 are important adjacencies.

22 If you look at slide 38, which is the sample

1 floor plan. This is what we came up with, what we
2 think would work best for Terre Haute. These are
3 the adjacencies involved. There are some security
4 items that we have thought through. So it's best if
5 you can stay, as close as possible to this.

6 Moving on to slide 39. Three more appendices
7 that we assessed. In Appendix C, we talked a little
8 bit more in depth about building features, the
9 healthcare, the current and existing codes. There's
10 some additional security information, some
11 additional site requirements, and the environmental
12 management plan is listed Appendix C.

13 In C.2, there's the facility -- the FSL Level
14 II security requirements. The takeaway there is
15 that the VA is not designed with the VA hospital
16 standard security requirements. So this is a
17 reduced level of security, that is something to look
18 into. Just take note of that.

19 Appendix D goes into your building codes and
20 healthcare codes or whenever this gets awarded -- is
21 awarded -- the code needs to be up to current
22 standards. So whatever is being used currently for

1 Terre Haute, in Indiana at that time. So that is
2 something to take note, too.

3 Appendix E is -- the VA provides their standard
4 IT requirements and that is what Appendix E is
5 discussing. I'm going to turn it back then to the
6 other folks in the room to wrap this up.

7 MR: ROBERTS: So hey, this is Eric. Let's
8 give it five or six minutes and let you guys kind of
9 write down your thoughts, ideas, any questions. So
10 we'll, we'll be back on in approximately five or six
11 minutes to start the question and answer period.
12 Thanks.

13 (Recess.)

14 MR. ROBERTS: Okay, this is Eric, so again,
15 just state your name for the stenographer's report
16 so we get these things documented. State your name,
17 state your affiliation, and if you could just make a
18 reference to what section of the documentation that
19 you have the question on. We'll try to do our best
20 to answer those on the phone here, but if not,
21 please stick them in writing and make sure it gets
22 over to us and the broker, as well and we'll take a

1 stab at giving you an answer back through FBO.

2 So there's no real order here. So it's kind of
3 first come, first serve. So if anybody has any
4 questions, feel free to speak up. If you do stumble
5 on somebody else, just let's all be professionals
6 here and doesn't really matter who goes first or
7 last in instances like that. So just make yourself
8 available and also, maybe ask your question later if
9 somebody else went first. So go ahead.

10 MR. ZOCCOLA: This is Boyd Zoccola with
11 Hokanson companies and I was wondering if the VA
12 will consider an extension on the initial offers,
13 given that we've got only about 30 -- 31 days and we
14 still have Q and A and the RLP amendment coming out.

15 MR. ROBERTS: Yeah. So, I mean, you've got
16 about what the FAR suggests for us to post these
17 for, but on on top of that it's already been out for
18 several weeks. So, that's something we'll consider.
19 I don't want to go on record now saying we will or
20 we won't, but, you know, if you could just put it in
21 writing and send it to us, we'll take a look at
22 everything and we realize, you know, it takes some

1 time to put these things together. So we'll see.
2 We'll see what kind of timing we have on the back
3 end.

4 Thanks for your question.

5 MR. BAIER: This is Rick Baier with U.S.
6 Federal Properties. And on page 28 of the
7 solicitation, it states that if an Offerors
8 individually have to provide personal financial
9 statements, three years of tax returns, that type of
10 thing. And it's supposed to be included as part of
11 Volume 1. On past VA solicitations, VA has allowed
12 us to put our personal financial statement on a
13 separate disk so that your entire scoring team, MAP
14 consultants, all of those types of people are not
15 looking at our personal financial info.

16 Can we submit Volume 1 Disk A and Disk B, and
17 then on Disk B have our personal financial
18 information?

19 NR. ROBERTS: Hey Rick, that's a good question.
20 Yeah, you, you can definitely do that. Just make
21 sure it's clear what it actually entails and make
22 sure that it's easy for us to understand what the

1 CD's meant for and yeah, definitely that sounds
2 pretty reasonable.

3 MR. BAIER: Okay. Thank you.

4 MR. ROBERTS: Thank you.

5 MR. FELICE: Can you hear me?

6 MR. ROBERTS: Yes, I'm sorry. Go ahead with
7 your name and your question,

8 MR. FELICE: John Felice with JMF Enterprises,
9 you spoke about no hard copies. Does this mean no
10 full-size mounted renderings and no full-size set of
11 drawings?

12 MR. ROBERTS: Give us one minute.

13 (Pause.)

14 MR. ROBERTS: Yeah. So, we'll have to
15 reference a section and just see what the
16 requirements are. But you know, those documents
17 typically help. But we don't know without reviewing
18 the requisite section of whether or not it's a
19 requirement or not. So do you mind putting that
20 question in writing for us and we'll be happy to get
21 you an answer back.

22 MR. FELICE: Will do. Thank you.

1 MR. ROBERTS: Thank you. Appreciate it.

2 Any other questions? Feel free to ask away.

3 MR. YOUNG: Yeah, this is Dana Young with ACA.

4 On your -- on the sheet where were you, you list the
5 rent increases. Does your form allow for -- do you
6 -- and is there a standard whether you include a CPI
7 adjustment for base or shell rent or do we just need
8 to propose on an annual basis? And does your form
9 allow for that type of segregation in terms of any
10 increases in the base rent?

11 (Pause.)

12 MR. YOUNG: Hello --

13 MR. ROBERTS: Yeah, we're just discussing --
14 just give us one second.

15 MR. TYLER: Sorry Dana.

16 MR. YOUNG: Okay, sorry.

17 (Pause.)

18 MR. TYLER: So Dana, on your forms you'll show
19 the base operating rent going forward across all the
20 years of the lease. The present value price
21 evaluation will assume a two percent CPI increase
22 each year. But for the purposes of your documents,

1 your operating rate would stay flat.

2 That's why if you're looking at your 1364, row
3 20 shows a how you could increase your shell rate,
4 but there's no similar row to show increases to your
5 operating rent. And that's just because we want
6 your operating rent to assume -- to be good for the
7 full term of the lease as long as it's reflecting
8 CPIs throughout. So on Attachment No. 1 to the
9 1364, you'd have a single operating rate for the
10 full term of the lease.

11 MR. ROBERTS: Yeah, and just to piggyback on
12 that, we want to keep the discount rates similar and
13 consistent throughout everybody's procurement. So
14 we do a standard increase just based on the current
15 indices. Those are subject to change as your CPIs
16 come out every year. So that's why we kind of hold
17 you steady to one flat rate right now.

18 MR. YOUNG: Okay. So I'm sorry, as a follow on
19 question to that. So what I hear is that you're
20 saying we would need to do is we would need to
21 increase -- to estimate whatever we think our annual
22 increase is and -- but make that flat over the terms

1 so that as it may -- so that it does pick up the
2 increases.

3 Do you follow me? So you don't give us a
4 placeholder. Let's just -- let's say to assume a
5 two percent or three percent annual increase in base
6 rent. And so, what I think I heard you say is we
7 would need to basically smooth that, do our own
8 analysis over a 15 or a 20 year or base term and
9 smooth that rate over that term so that we build it
10 in our self.

11 MR. ROBERTS: So, this is Eric. So to answer
12 your question. First of all, I can't tell you how
13 to bid or what kind of price to put on there that's
14 totally up to you. But we're not asking for you to
15 do your own analysis as far as the expectation of
16 what, you know, the CPI index is going to be in the
17 future. We want just a flat base rate and we know
18 that that's going to escalate, increase or decrease
19 depending on whatever CPI inflation there is the
20 next year.

21 Does that make sense? So, we do the analysis
22 -- yeah --

1 MR. YOUNG: Okay, yeah, that does make sense.

2 MR. ROBERTS: -- we do the analysis for the
3 present value portion of the solicitation. So we
4 don't ask you to factor that in at this point, we
5 just want your base and with the knowledge that
6 we're going to hold it steady across all
7 procurements. I'm sorry, across all bids on this
8 procurement --

9 MR. YOUNG: Okay.

10 MR. ROBERTS: -- by, you know, using our own
11 index across the board.

12 MR. YOUNG: Okay, I got you.

13 MR. ROBERTS: All right.

14 MR. YOUNG: Okay. A follow up question please.
15 Again, this is Dana. Can you repeat what you said
16 about the restroom cost allocation?

17 MR. ROBERTS: Yeah. Give us one minute to, to
18 get that answer for it.

19 (Pause.)

20 MR. TYLER: So Dana, when you look at the
21 program for design, it's going to show more
22 restrooms than are required in Section 3.38 of the

1 lease. That's on page 17. So the landlord's
2 responsibility in the building core square footage
3 and then also for build out is outlined in Section
4 3.38 of the lease. And that's a pretty, you know,
5 there's an algorithm for how many water closets and
6 fixtures are required according to, you know, how
7 many square feet are required.

8 So anything above and beyond what's required in
9 Section 3.38 would be part of -- not the building
10 common square footage, but part of the usable square
11 footage. And it would be part of the VA's tenant
12 improvements.

13 MR. YOUNG: Okay, good. And I'm sorry to be
14 hogging all the questions here, but one thing you
15 mentioned is to have, is in terms of the
16 documentation to submit is to have -- is to have a
17 building certificate of occupancy. In this case,
18 we're proposing an existing building and that -- a
19 building that was vacant when we bought the building
20 about 10 years ago. And so, is that -- I'm a little
21 -- it's a little bit of a gray area to where,
22 whether at this point with a building being vacant,

1 we could get a CO, we expect to get a CO, of course,
2 when the building is fully built out.

3 But, again, just -- we consider our proposals
4 about a vacant building. Would you still need a CO
5 for a vacant building?

6 MR. ROBERTS: This is Eric. We request that
7 you don't go down the road of what you're going to
8 bid on a while everybody's on the line here. If you
9 could just propose that question in the writing
10 form, and then we'll get back to you on anything
11 that we can as far as answering that question.

12 Okay?

13 MR. YOUNG: Okay.

14 And my last question, this is Dana again, my
15 last question is you had mentioned one operating
16 expense that you and I, again, I didn't want to stop
17 you during your presentation -- an operating expense
18 to be included in this shell rate, unless I wrote
19 that down terribly wrong.

20 MR. TYLER: Yeah. If you go back to slide 32
21 Dana, that shows a screenshot of the GSA Form 1217
22 that captures all the operating expenses. So what

1 VA considers operating rent is totaled in line 27,
2 the form continues on into a second section and it
3 outlines real estate taxes, some building management
4 lease commissions, a few other things that you might
5 consider operating, but in this particular case you
6 would want those costs covered by your shell rent.

7 So everything above line 27 is part of your
8 operating, for this particular bid. And anything
9 below the line 27 would be part of your shell.

10 MR. YOUNG: Okay. Thank you.

11 MR. ROBERTS: Thanks. Do we have any, any
12 other questions?

13 (No response.)

14 MR. ROBERTS: Okay. If there's no more
15 questions, we're going to do a quick wrap up and
16 good luck everybody on your bid and we expect to
17 have a successful outcome on this procurement. I'm
18 going to hand it over to Mark to do a final closing.

19 MR. TYLER: Okay. After you review the slides,
20 if you have any additional questions, we'd ask that
21 you put them in writing to us by Wednesday. You can
22 send them to me, Mark Tyler or my coworker Megan

1 Shulan. We'll post this slide deck, the transcript
2 from today's meeting, and then written questions and
3 answers to Fed Business Opps website. We'll also
4 share all those documents via email with everyone
5 who RSVPed to today's meeting.

6 We also wanted to put in a good word for VA's
7 Technical Information Library. The link to that
8 library is on slide 40, that shows a lot of the
9 forms that would comprise your offer if you need,
10 need blank forms. It also shows a lot of the
11 generic requirement for CBOCs or different VA lease
12 facilities. So that's always a good resource if
13 you're looking for offer forms or information about
14 VA requirements.

15 Julie Webb, are you still on the line?

16 MS. WEBB: Yes, I'm here.

17 MR. TYLER: Before we wrap up, would you like
18 to add anything?

19 MS. WEBB: Well, like I said before, we're
20 really excited about this opportunity for the
21 community and we're really pleased that there is so
22 much interest. Serving Veterans is very important

1 to the VA and we want to build a first class clinic
2 where we can actually expand services and serve more
3 Veterans. So we want to thank you all for your
4 interest in this proposal and we're looking forward
5 to seeing what you want to offer us.

6 Thank you.

7 MR. ROBERTS: Thanks Julie. Thanks everybody
8 for attending this pre-bid. We're going to
9 officially close it out and good luck and we expect
10 to see some high quality offers come in. Thanks.

11 (Whereupon, at 12:12 p.m., the meeting was
12 adjourned.)

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