

North Peace Housing Foundation

6780 - 103 Ave.

Peace River, AB, T8S 0B6

RE: North Peace Housing Foundation – RFP Options Analysis & Business Case

Dear Tammy;

Thank you for the opportunity to submit this proposal to the North Peace Housing Foundation (The Foundation, or Owner). As per our discussions, The Foundation is requesting strategic business planning support for the defining future housing requirements with focus on supportive living housing program including:

- Demand analysis to help define future requirements of The Foundation and that of the catchment area served.
- Performance and sensitivity testing to conceptualize how the Foundation can respond to future demand of housing with respect to current and proposed housing assets.
- Understanding of the related operational and capital cost development/assessment.
- Impact of current programs as it relates to funding and financing.
- Development of a Capital Project business plan aligning with current funding and financing programs, and the role and responsibility of the Foundation and its Member Municipalities.
- Alignment of the Capital Project business plan as it relates to the annual June budget submission to the Government of Alberta.

The Foundation's primary objective is the identification and agreement of long-term requirements pertaining to the development of seniors housing, development of a financial model aligning with affordability objectives and establishment of a supportable capital business plan to meet those requirements.

I thank you for the opportunity to submit this proposal and look forward to an ongoing working relationship.

Yours truly,



Derek Weiss,

Independent Consultant

Derek.weiss@outlook.com

403-880-8615

Outline workplan

A. Demand Analysis:

Conduct a Demand Analysis as it relates to population trends, housing, and supportive living services. Demand analysis is conducted by desktop research of publicly available information resources, and review of current provision levels and information available through The Foundation.

Key Actions:

- Environmental Scan
 - of The Foundation.
 - of the agreed geographical area.
- Trending/Demand Projections
- Comparative Demand –served by the organization and served elsewhere.
- Data analysis of owner information and publicly available information, including statistical data available from Statistics Canada and Canada Mortgage and Housing Corporation.

Resulting work includes:

The Demand Analysis summary will outline the projected requirements (timing/scale) and consider the organization's existing housing infrastructure and demographic trends impacting supply and demand. This work will also look at other relevant benchmarks such as income as it relates to demand & community affordability. It will establish the high-level requirements for affordable seniors' housing in the area served by The Foundation.

Statistical Data Analysis will also include a review of general community housing relative to services currently provided by The Foundation. The focus of the work is relative to Senior's housing and the lodge environment.

The Demand Analysis summary will be reported to the working committee in conjunction with the board workshop. A final demand analysis report is to be provided in conjunction with the business planning report.

B. Performance modelling and sensitivity testing

Conduct performance modeling and sensitivity testing, conceptualizing a project(s) in response to the demand analysis and initial considerations of The Foundation.

Key Actions

- Review current information provided by The Foundation. historical and projected demand (age-service demographic projection analysis, service area requirements, and current asset plan).

- Refine the project information related to capital investment requirements, operational costs, and revenues associated with the project model.
- Review market rent information and required rents to meet CMHC minimum application requirements.
- Apply CMHC objective requirements as it pertains to accessibility, energy and affordability and assess such objectives relative to social and financial impacts to The Foundation.
- Complete sensitivity analysis associated with rent levels to meet CMHC minimums, and possible targeted rent levels, service charges and other elements impacting project performance.
- Financing and/or contribution assessment and options as it relates to CMHC programs.

Board workshop – On-site working session¹ with the board to:

- Understand the project objectives, define, and refine the variables as it pertains to capital requirements, resources, and operating costs revenues.
- Review community affordability in the context of service objectives
- Explore long term demand planning financial alignment.
- Review alternate options as it relates to meeting the demand and capital requirements.
- Examine sensitivity analysis mechanics, methodology and options and how to address funding and operational commitments of preferred sensitivity analysis as it relates to municipal partners.

Resulting work includes:

- Defined constraints associated with a preferred option to refine and define an achievable path.
- financial baseline performance modelling of project costs, future operational costs revenues of current envisioned project.
- Long term assessment of organizational requirements.
- Development of alternative options that may address demand over time, constraints of the Foundation, and partnership support.

The purpose of the workshop is to attain critical board input in interpretation of demand analysis, service targets of the organization, definition of affordability, partnership capital, and operations. Information is utilized to support business plan expectations and partner requirements.

C. Capital Project Business Plan

Creation of a Capital Projects Business Plan aligning with GoA annual submission requirements, funding/financing programs, CMHC, or other entities, and agreed outcomes of the board workshop.

¹ Including travel time, excluding travel costs.

The Capital Project Business Plan focus is relative to Senior's housing and the lodge environment and will take into consideration agreed objective and defined constraints resulting from A and B above.

- Assess and balance social and economic considerations.
- Assess and address long term demographic considerations.
- Assess possible methodologies to address equity and impact to all stakeholders.
- Alignment of key risk and gap issues with member municipalities.
- Alignment with demand analysis, and strategy to meet demand categories agreed to be served.
- Review opportunity for available loans and grants through current CMHC programs, and other programs as identified.
- Review organization's priorities for alignment.
- Review other possible resources, including requisitions, provincial contributions, and federal programs to address capital.
- Development of the business plan includes consideration for virtual meetings with the board and leadership stakeholders as required to refine possible outcomes or options that may require further input and concurrence.

Resulting work includes:

- the Capital Project Business Plan– the business plan may include understanding or definition of specific business planning 'options' vs a specific pathway and may be required to address restrictions, timing, or other factors that The Foundation may face. Business plan report is inclusive of demand analysis summary.

General Assumptions

- The scope of services described above, research, analysis, and report, will be 'high level' and based on both publicly available and Foundation provided information and therefore may not align to final capital and operating costs.
- Research & analysis is reliant upon existing information resources available on-line. Any research that may be required is 'desktop' and not reliant on studies to be developed and/or conducted.
- Portfolio information, operational information, project information or documentation specific to The Foundation or its partners, is the responsibility of The Foundation to provide, produce or assign for development.
- Coordination with Member Municipalities is a responsibility of The Foundation.
- All values utilized in any financial assessment are those of The Foundation or commissioned by The Foundation. Where values are not quantified or qualified, order of magnitude estimates assigned are to be agreed upon by The Foundation.
- Additional resources may be required and be dependent upon unknown gaps in information. Issues and recommendations will be identified by the Consultant for client consideration as work proceeds. Actioning such recommendations are the responsibility of The Foundation.

Professional Fees

Fixed Fee – Base Services

General Description		Fixed Fee
A	Demand Analysis and Report	\$ 14,000
B	Performance Modelling and Sensitivity Testing	\$ 18,000
C	Capital Projects Business Plan	\$ 24,000

Variable Allowance

General Description		Hourly
D	Hourly Allowance for possible additional work requested outside of this scope. Hourly allowance may also be associated if work is re-directed after work has progressed down a specific track previously approved.	\$ 10,000 (Hourly upset allowance)

Professional fees will be billed on a monthly basis based on work progress and as per the fee schedule.

Any additional scope agreed upon between the consultant and the Owner will be billed based on the hourly rates provided within this agreement.

- Unless specifically indicated, no travel costs or time allotted for travel is included in this proposal. General communications will be conducted utilizing teleconference or videoconference.
- GST is excluded from the fixed fee quoted and will be charged in addition to the fixed fee.
- Additional resources may be required depending upon current gaps in information. Additional costs associated with any recommended consultants not currently engaged on the project are the responsibility of the client. (Issues and recommendations will be identified by the Consultant for client consideration as work proceeds)

Any portion of the fee schedule may be cancelled by the owner prior to proceeding. If a phase within the work schedule is proceeding at the time of cancellation, work completed will be billed out at the hourly rates.

At the consultant's sole and utter discretion, the consultant reserves the option not to proceed further with the project scope following the completion of each phase. The consultant reserves the option to revise this proposal for future phases not yet begun based on the results of a completed phase that may change the anticipated scope of work.

Hourly Rates

The hourly charge-out rate is \$235.00 not including GST.

Timeframe

Dependent upon the availability of resource information, and alignment with availability and scheduling for meetings, workshops, and other related activities. The work timeframe from start to completion is estimated to be 4 months.

Project start date is estimated to be December 2023, however dependent upon scheduling may be advanced depending upon current commitments.

Disbursements

Disbursements incurred in the direct execution of the project will be invoiced to the project at cost. Eligible disbursements include, but are not limited to, travel, reproductions, and all other expenses related to the project.

Terms and Conditions

- I. Additional services beyond the scope of this proposal will be invoiced at hourly rates, plus GST and disbursements.
- II. This proposal shall remain valid for thirty (30) days from the date of submission.
- II. Invoices will be issued monthly and be payable within 30 days. Overdue invoices will be charged interest at 2% per month.
- III. This proposal is based strictly on the information supplied and may be subject to alteration if that information is found to be incorrect or incomplete.
- IV. As the nature of the work produces forward looking statements and is reliant upon utilizing data information and tools researched and/or constructed by others, and is further reliant upon numerous assumptions, and must limit assumptions for analysis, The Owner understands that any forward-looking statements may not necessarily represent in actual project results.
- V. The Owner and their representatives shall indemnify and save harmless the Consultant from all claims, liabilities, damages, costs, losses, and expenses whatsoever which The Owner or its Representatives may suffer, sustain, or incur in respect of all matters or things which may arise out of any act or omission, directly or indirectly, related to any breach of this agreement.
- VI. The Consultants' total liability for any breach of this agreement, for any failure to perform any term of this agreement, for any claims relating to or arising out of its performance of this agreement, and for its own ordinary or gross negligence in any aspect of its relationship with The Owner shall not exceed the fees paid to and received by the Consultant under this agreement. Limitation of liability includes any damages resulting from any loss in the value of the Consultants' performance; special, consequential, and incidental damages; damages for lost profits, costs, savings, or business opportunity; any foreseeable damages; and exemplary damages.
- VII. This proposal contains information which is proprietary and confidential to the Consultant. This information is submitted in confidence for the sole purpose of permitting the recipient to evaluate the

proposal. In consideration of receipt of this document, the recipient agrees to treat information as confidential and to not reproduce or otherwise disclose this information to any persons outside the group directly responsible for the evaluation of its contents, without the prior written consent of the Consultant. Disclosure of any information would result in undue loss to the Consultant.

VIII. This Agreement is for the services of the named Consultant and the services may not be assigned or delegated in whole or in part except with the prior written approval of the Owner. The Owner acknowledges that part of this work may be performed under the Consultant's supervision by Tara Weiss, CPA.

IX. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

I thank you for the opportunity to submit this proposal and look forward to an ongoing working relationship.

Yours truly,



Derek Weiss, Consultant

Independent Consultant
3629 2nd St SW Calgary AB

Derek.weiss@outlook.com

ACCEPTANCE: North Peace Foundation

Tammy Menssa, Executive Director
North Peace Foundation

Date