

City of Detroit



Request for Qualifications Single Family Home Repairs

for the

Detroit Supply Schedule 11

RFQQ No. _____

OVERVIEW

The Detroit Supply Schedule Program establishes long-term indefinite delivery indefinite quantity city-wide contracts with commercial firms for a wide range of goods and services to meet the demands of Detroit agencies and service delivery to the citizens of Detroit. Once the program is fully implemented, specific jurisdictions outside the City of Detroit will be able to use the Detroit Supply Schedules.

BROAD SERVICES OFFERINGS

The City of Detroit's Housing and Revitalization Department ("HRD") along with the Office of Contracting and Procurement ("OCP") operates several Single-Family Home Repair Programs ("Programs") that are federally funded by the City's annual allocation of Community Development Block Grant ("CDBG") funding from the U.S. Department of Housing & Urban Development ("HUD"), other federal and state funds, and City general funds.

The Programs include:

- ☐ Senior Emergency Home Repair ("SEHR")
- ☐ FY19 High Impact Neighborhood Lead Hazard Reduction Grant ("HIN")
- ☐ FY22 Lead Hazard Reduction Grant ("LHRG")
- ☐ FY22 Healthy Homes Production Grant ("HHP")
- ☐ Michigan Children's Health Insurance Program ("CHIP")
- ☐ 0% Interest Home Repair Loan Program ("0%IHRLP")

Under the Programs, qualified low to moderate income Detroit homeowners ("Qualified Homeowners") receives eligible home repair assistance through a grant and/or loan. Such repairs must correct an existing health and safety hazard present in the home and may include, but are not limited to, lead hazard control, electrical repairs, furnace replacement, roof replacement, plumbing repairs, door and window replacement, porches, and other structural repairs ("Program Funded Repairs").

OCP internally manages a Pre-Qualified Contractor List. A Pre-Qualified Contractor can either be a General Contractor and a Certified Lead Abatement Firm, or just a General Contractor. Contractor documentation and adherence of all program policies and procedures are managed internally by OCP. When a project is awarded through the Programs, a General Construction Contract between the Qualified Homeowner and Pre-Qualified Contractor is executed. HRD acts as a "third-party" role and grantor of the program funds. HRD's responsibility as a third-party is to ensure all parties involved in a home repair project adhere to all policies, procedures, and rehabilitation standards.

HRD places a lien on owner occupied homes for a period of three (3) years and on Landlord owned properties for a period of five (5) years for HUD funded LHRG and until full repayment is complete for the 0%IHRLP. There is no lien placed under any other Programs. HRD is the Grantor of all program funds and therefore pays the contractor directly. No money is paid

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directly to the Qualified Homeowner, unless for approved liquidated damages in accordance with the Program’s Policy and Procedures and the General Construction Contract. Procurement methods followed.

PURPOSE

The policy sets forth OCP’s procurement processes for procuring contracts for Single-Family home repair. This policy will be open, fair and competitive, provide safeguards for maintaining a procurement system of quality and integrity; and assure actions are in full compliance with all applicable Federal standards, HUD regulations, and State and local laws.

Home Repair Programs are subject to procurement guidelines found at 2 CFR 200.320. Methods that OCP follow under 2 CFR 200.320 (2b1) Sealed bid process and (2b2), in which OCP and the Pre-Qualified contractors agree to fixed pricing

SINGLE-FAMILY HOME REPAIRS

The Services include, but are not limited to Single Family Home Repairs from licensed, bonded, and qualified firms and businesses providing single family home repairs.



– Detroit Supply Schedule for Single Family Home Repairs

Price lists shall be based on the ITEMS specified above and shall include labor categories and fixed hourly labor rates for each labor category for Years 1-5 and Years 5-10 for Schedule 11.

The labor categories listed below are examples of the labor required for the Item in Supply Schedule 11. Offerors are strongly encouraged to propose their own labor categories for each Item based on the position description qualifications specified in this RFQQ. The labor categories that offerors proposed shall be based on their price lists and independent determination of the broad description of work to be performed.

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ROLES & RESPONSIBILITIES:

This policy applies to all City of Detroit employees, to include:

- Office of Contracting and Procurement (“OCP”)
- Housing Development Specialist (“HDS”)
- Housing Compliance Inspector (“HCI”)
- Construction Management Firms (“CM”)
- Program Manager (“PM”)
- Project Director (“PD”)
- Manager of Housing Inspections (“MHI”)
- Housing Development Officer (“HDO”)
- Single-Family Home Repair Director
- Chief of Home Repair and Neighborhood Services
- Chief Procurement Officer/Deputy Chief Procurement Officer
- Chief Financial Officer

The policy also applies to any Subrecipients, Pre-Qualified Contractors, or other program partners engaged in program management of any Federal, State or local funded programs listed in this policy directive.

CONTRACTOR REQUIREMENTS

To become a qualified contractor, the following minimum requirements must be met:

- A State of Michigan Residential Builder’s License (**All Single-Family Programs**)
- Certified Lead Abatement Firm with a Certified Lead Abatement Supervisor on staff (**LHR and 0% Program only**)
- Certificate of Insurance meeting the minimum requirements of the City of Detroit (**All Single-Family Programs**)
- Conflict-of-Interest Form on company letterhead (**All Single-Family Programs**)
- Must disclose if the firm contributes to any political campaigns (**All Single-Family Programs**)
- Pass a treasury clearance with the City of Detroit (**All Single-Family Programs**)
- Registered on SAM.gov within 30 days of application (**All Single-Family Programs**)
- Certified with the U.S. Environmental Protection Agency’s (EPA) Renovation, Repair and Painting Rule (RRP Rule) (**All Single-Family Programs**)
- Not on HUD’s Excluded Parties Listing System at SAM.gov (**All Single-Family Programs**)
- Provide a Certificate of Good Standing from the State of Michigan (**All Single-Family Programs**)
- Registered with The System for Award Management (“SAM.gov”) (**All Single-Family Programs**)

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Some documents must be submitted on a yearly basis; others will be reviewed prior to each preconstruction signing. OCP will make contractor documentation a priority during the first quarter of each calendar year during the open enrollment period and the RFQQ process. OCP will utilize Smartsheet with automated messages to manage all contractor documents and expiration dates of licenses, certifications, registrations, and clearances. Smartsheet will send an automated email to the HDO, or designee, seven to fourteen calendar days prior to the expiration date, that will in turn, be sent to the contractor as written notice to address prior to the expiration date. Programmatic Staff will use this Smartsheet to reference the Unique Entity ID and do a search in SAM.gov prior to each contract signing. If a contract signing is being delayed because the pre-qualified contractor has failed to maintain one or more of the minimum requirements, OCP reserves the right to terminate the award and move to the next up contractor or next lowest and most responsible bidder.

GENERAL INFORMATION

Once awarded a DSS contract, contractors compete for Business for the award of purchase orders or delivery orders and are responsible for marketing their goods and services. There is no guarantee of business.

This DSS is mandatory for use in the City of Detroit. Offerors are strongly encouraged to provide prices that are highly competitive. In accordance with ordering procedures, ordering activities will solicit Requests for Quotes (RFQ) from Contractors on this Schedule (Schedule 11) based on each ITEM category of services. Contractors will respond to the RFQ with a quote based upon their awarded prices. The preferred type of Purchase Order issued against this DSS contract is firm-fixed-price. However, Labor-Hour or Time and Materials purchase orders may be issued when the ordering activity deems it appropriate.

The Chief Procurement Officer may evaluate offers and award a contract without negotiations. Therefore, the initial proposal should contain the offerors best terms from a price and technical standpoint.

This RFQQ is an open solicitation. All eligible businesses are able to submit a response to this RFQQ. The NIGP Codes cited throughout this RFQQ identifies the commodity code description for goods and services

APPLICATION:

This Procurement Policy & Procedures applies solely to home repair contracts for the procurement of permits, supplies, employees, subcontractors, or other sources of labor, insurances, licenses, certifications, overhead, profits, and any other construction related costs entered by the Program Participant, Pre-Qualified Contractor, and HRD after the effective date of this statement.

It shall apply to every expenditure of funds by HRD, irrespective of the source of funds, however, nothing in this Statement shall prevent HRD from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law. The term “procurement,” includes both contracts and modifications, such as change orders for construction or services.

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All other Procurement needs, goods or services outside of home repair shall go through City of Detroit Office of Contract and Procurement (“OCP”) being procured.

CONTRACTOR OUTREACH

OCP administers the “Qualified Contractors List” that is populated by an open enrollment process held in the first quarter of each calendar year. During the open enrollment period, OCP and HRD attends the annual Detroit Contractor Conference, with an average attendance of two hundred (200) or more contractors. Those in attendance include General Contractors, Subcontractors, Lead Abatement Firms, bonding companies, demolition contractors, financial lenders, etc. An open enrollment flyer (Appendix A) is sent to partner agencies, department website and social media platforms, accredited training facilities for lead-based paint certifications and State of Michigan Department of Health and Human Services (“MDHHS”).

OCP and HRD tracks attendance by email or calendar invitation to accredited training facilities and meets monthly or as needed with MDHHS.

OCP manages a Fixed Price Procurement Request for Quote (“RFQ”) process during the first quarter of each calendar year. To market the release of the RFQ, a flyer that is posted on various social media platforms, as well as the City of Detroit’s website. The RFQ is performed fully during the first quarter of each calendar year. The release of the RFQ follows the open enrollment period to allow for increased participation, as participants are required to have a full and completed HRD contractor application (Appendix C) on file.

RFQ process may extend into the second quarter of the calendar due to foreseen and unforeseen delays, such as trainings, conferences, new code requirements that will be included in new negotiations, etc. All in person or virtual meetings will be documented by a calendar invite and recorded.

Throughout the remainder of the calendar year, OCP and HRD assists in organizing contractor fairs and attending contractor recruitment and workforce development conferences, coordinates with local training programs and other City of Detroit departments for contractor recruitment. HRD attends lead certification courses hosted by MDHHS accredited trainers to educate contractors on City of Detroit contract and employment opportunities. HRD also meets regularly with MDHHS, Detroit at Work, Detroit Employment Solutions Corporation (“DEGC”), City of Detroit Civil Rights, Inclusion, and Opportunity (“CRIO”), and Detroit Training Center (“DTC”) to certify and onboard Detroit based contractors, City of Detroit certified contractors, Woman Business Enterprise (“WBE”) and Minority Business Enterprise (“MBE”) owned businesses.

As other opportunities for contractor recruitment arise, OCP will take advantage of such opportunities and is regularly engaged in contractor recruitment efforts through the open RFQQ process.

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ESTABLISHMENT OF THE PRE-QUALIFIED CONTRACTORS LIST

Starting January 24, 2025, there will be an open RFQQ for new contractors seeking to complete a Contractor Application. New and existing contractors seeking to be added or remain on the pre-qualified contractor list must meet all contractor application requirements outlined in [section VII](#) by March 31. The contractor application can be accessed through the RFQQ solicitation in Oracle.

Any new contractors that do not meet all contractor application requirements will have their application denied and must wait until the next enrollment period to apply again. If there are existing contractors that do not meet the contractor application requirements prior to the end of the enrollment period, OCP will allow the contractor to complete all existing contracts but will not offer any new contracts or bid opportunities until licenses, insurances, and registrations are up to date.

OCP and HRD will maintain an interested contractor list via Smartsheet throughout the year but will no longer accept new contractor applications between April 1 and December 31. During the January through March enrollment period, contractor applications are reviewed for minimum requirements, references, financial statements, and completeness by the Housing Development Officer (“HDO”), or designee. All required supporting documents and clearances must be submitted at the time of application.

Upon finalizing the pre-qualified contractor list after the enrollment period has ended, the HDO will host a mandatory onboarding session for all new contractors. This onboarding session may be virtual or in person. The onboarding session will include a review of:

1. HRD Performance Standards
2. Procurement Policy
3. General Construction Contract
4. Contractor Project Forms (Payment Documents)

Once the onboarding session(s) has concluded, all contractors will be added to the Pre-Qualified Contractors List. An approval letter (Appendix D) outlining the terms & conditions for participation in the HRD Single Family Home Repair Programs will be sent to the contractor by the HDO, or designee, along with the contractor’s Tier Status as outlined in [“Section VIII”](#).

Existing contractors on the Qualified Contractors List will proceed with existing and new contract opportunities. New contractors that are onboarded during the enrollment period are placed on a 6-month probationary period and cannot have more than 1 open project at a time for the first three projects. New Contractors will receive a Tier Status of “3C” and will follow all criteria of this Tier as outlined below in Section VIII. Contractor files will be maintained on HRD’s cloud-based share drive and will be stored according to local, State and Federal record retention requirements.

Contractors qualified by HRD are subject to removal from the Qualified Contractors List. See [Contractor Disciplinary Policy](#).

HRD Qualified Contractor list will be divided into three sub lists:

- ☐ Contractors that choose to participate in the Senior Emergency Home Repair Program (“SEHR”).
- ☐ Contractors that choose to participate in any of the Lead Hazard Reduction Grants (“LHRG”) programs.
- ☐ Contractors that choose to participate in the 0% Interest Home Repair Loan Program (“0%IHRLP”).

RATIO/TIER SYSTEM

All Qualified Contractors will be assigned a Tier Designation following the closure of the open enrollment period: TIER 1A, TIER 2B, TIER 3C. Only newly onboarded contractors or contractors returning to our approved pre-qualified list after serving an issued HRD suspension, will be assigned a 3C Tier Designation, all other contractors will be assigned a 1A or 2B Tier Designation. Contractors with top 1A status will receive new contract opportunities at a 3:1 ratio in comparison to 2B designated contractors.

The HRD TIER System is being set in place to provide more contract opportunities to higher capacity contractors that successfully complete projects in accordance to all HRD policies and standards at a consistent pace in order to meet program benchmarks, while providing medium to smaller capacity contractors consistent contract opportunities in order to become more familiar with City processes, gain experience in working under federally funded rehabilitation programs, and a steady pipeline of work to build their firm's capacity.

Throughout the calendar year, contractors can move up or down a TIER Designation if determined by the HDO, or designee. Reasons for moving up or down on a TIER list will be documented and uploaded to the contractor's file and provided to the contractor in writing via email.

A contractor may dispute their TIER ranking in writing to the HDO, or designee via email to the HRDhomerepair@detroitmi.gov email address. The HDO or designee will take no more than 30 days to review the contractor's written request.

Criteria to be used when reviewing and making a determination to increase a contractor's TIER status will be:

1. Year(s) working on HRD contracts.
2. Prior and current year's caseload.
3. Number of punch-list or complaints that have been filed or remain open.

Response will be in writing and emailed to the contractor's email on file with determination and reasoning for the determination within thirty (30) days of the dispute.

TIER Designations:

TIER 1A/2B contractors will fit the following criteria:

- Has been on the HRD contractor list for at least two consecutive years; and
- Good standings with all minimum requirements (licenses, insurances, registrations); and
- Has demonstrated consistent financial and workforce capacity on completing HRD projects timely from start to finish; and
- Has demonstrated proper management of HRD projects in the contractor's pipeline; and
- Routinely completes projects within the signed construction schedule; and
- Has minimum punch-lists per projects and is timely on responding to punch-lists or complaints deemed valid by HRD; and
- Demonstrates professional customer service towards program participants; and
- Timely and accurate submissions of payment packages

TIER 1A2B contractors will:

1. Subject to oversight and capacity management of their pipeline of HRD projects.
2. Will not be limited by the total contract amount of each contract opportunity.

**** TIER 1A2B contractors will be labeled "Contractor Name 1A or 2B" in the RFQ Assignment Smartsheet.***

**** As stated above, the only difference between a 1A and a 2B contractor is the ratio of new contract opportunities provided every rotation.***

TIER 3C contractors will fit the following criteria:

- A contractor that has been on the HRD contractor list for under one year.
- A contractor that is returning to the HRD pre-qualified contractor list from an HRD issued suspension.
- Good standings with all minimum requirements (licenses, insurances, registrations).
- Has yet to demonstrate financial and workforce capacity on HRD projects.
- Has yet to demonstrate proper management and oversight of projects or subcontractor(s)

TIER 3C contractors will:

1. Be subject to strict oversight and capacity management of their pipeline of HRD projects.
2. Will not be allowed to be awarded any project that exceeds a total original contract amount of \$60,000.
3. Must start one project at a time and must be completed and invoiced for a project prior to receiving the next contract opportunity for the first three HRD projects.
4. Will be allowed to bill only when the project has been satisfactorily completed.
 - a. HRD may use discretion on allowing a partial payment if requested by a TIER 2B contractor if the HDO or designee has approved.

****TIER 3C contractors will be labeled “Contractor Name 3C” in the RFQ Assignment Smartsheet.***

***REQUEST FOR QUOTE AND FIXED PRICE PROCUREMENT PROCESS:**

OCP are subject to procurement guidelines found at **2 CFR 200.320**.

OCP will utilize a fixed price procurement process as the chosen method of procurement for all HRD single-family grant-funded programs, excluding the Healthy Homes Production Grant (“HHP”) when it is used in conjunction with a 0% IHRP. HRD promotes the RFQ process to the existing contractors on the existing pre-qualified contractor list, as well as publicizing the RFQQ process via Oracle and social media sites.

OCP's open RFQQ process will be solicited to an adequate number of qualified participants, with all participants and non-participants required to agree on the final negotiated pricing. Participation during the RFQQ release is encouraged but not required, but as stated above, non-participants are required to agree to receive contract opportunities based off the final negotiated pricing. The final agreed upon pricing will be used to create the Initial Cost Estimate (ICE), Final Work Specifications, and Contract Modifications/Change Orders.

All outreach and written methods for conducting and evaluating these proposals will be outlined below. All prices will be open for negotiation for fair and reasonable compensation, while factoring in cost effective measures, such as materials being used, specialty of labor, color options available, overhead and profit, etc.

a. Outreach for Request for Quotes (RFQ):

HRD will market the RFQ process to all existing Pre-Qualified Contractors prior to the release date of each RFQ. HRD has consistently averaged having over thirty (30) general contractors on the pre-qualified contractor list, which is an adequate number of potential participants to start. Outside of marketing the RFQ to the existing HRD pre-qualified contractor list, HRD will also utilize the open enrollment period to conduct extensive outreach to recruit new contractors to participate in the new year’s RFQ process. All contractors wishing to participate must have a completed HRD Contractor Application on file.

Outreach methods to include:

- HRD Website
- HRD Social Media sites (Twitter, Facebook, Instagram)
- Annual participation at the Detroit Contractor Conference

b. Development of Master Work Specifications/Initial Cost Estimate (ICE):

HRD maintains a master work specification via excel and Smartsheet that will include most program eligible repairs for all HRD single-family grant programs.

HRD will create two master work specifications for the file:

- (1) One that will include previously negotiated pricing from prior year(s), with the percentage of increase or decrease from year to year, include current year pricing, and an ICE that will be referenced during new negotiations; and

- (2) The second master work specifications will be used as a “bid spec” that will be released to participating contractors during the RFQ process. Contractors will be responsible for completing the bid spec per RFQ instructions.

HDO, or designee will track repairs that are not currently included in the master work specifications that will need to be added for the following year RFQ. In addition, HDO, or designee, will improve current language if necessary for line items that require more specific details pertaining to the work being asked to perform.

c. Committee Selection

HDO will designate a committee consisting of three (3) to five (5) Housing Rehab Managers and/or Compliance Inspectors. The committee will be responsible for reviewing all RFQ submissions, price review, and negotiations throughout the RFQ process to determine cost reasonableness. The committee’s goal is to determine final pricing and descriptions that all pre-Qualified Contractors will agree to.

****Receiving the signatures of all pre-qualified Contractors agreeing to the final pricing as determined by the committee will be final determinate of fair and reasonable pricing.***

ci. Assignment Tracking

For the SEHR Program and LHRG Programs, HRD will be utilizing multiple Smartsheet to properly document the contractor rotation. Eligible contractors will be listed in alphabetical order (A through Z) based on the first letter in their company’s name. Contractors will be listed horizontally on the appropriate Smartsheet, with all projects listed vertically. Along with the contractor’s name for each column, the contractor’s TIER Status will be included for the rehabilitation managers to reference when assigning new contract opportunities.

All projects will be offered to contractors on a rotating basis. Senior Emergency Repair Projects and Lead Hazard Grant Projects will be offered at a 3:1 ratio. Ratios will be set in place by HRD to provide more contract opportunities to HRD Qualified Contractors that follow the criteria listed above ([Ratio/TIER System](#)).

****HDO or Designee will comment in Smartsheet via drop down or via comment within the appropriate Smartsheet if the contractor declined in writing, or if HRD is designating a decline based on no response, as outlined in Section IV.***

X. Request for Quote (RFQ) Process

1. The HDO or designee will send out a Request for Quote (“RFQ”) to all Qualified Contractors detailing line items most commonly used in Single-Family Home Repair Programs. Contractors are asked to respond with a cost per line item in the RFQ and to submit no later than 30 calendar days from receipt and will be renegotiated during the first quarter of each calendar year, or as needed (based on major market change).
2. In the event the HDO or designee determines that a repair that was an unlisted repair during the RFQ process is considered eligible and commonly used to the programs, the proper language for the repair will be drafted and sent to only the contractors that participated during that year’s

RFQ process. A new average price will then be generated and added to the fixed price sheet for use.

3. Once the RFQ for each program has been submitted and the deadline for submission is closed, HRD will record all the names of the participating firms, along with their pricing per line item. An average of prices submitted will be generated for each line item by adding up the total of each line and dividing them by the number of participating firms. A qualified panel of 3 to 5 City Staff will review these average prices. The review panel will exclude the following prices:
 - Any price per designated unit that is deemed too high.
 - Any price per designated unit that is deemed too low.
 - Any price that has been incorrectly entered based on the unit (i.e. Firm priced a whole house cleaning instead of pricing per square foot ("SF") as requested in the RFQ)
4. Any line items where the average cost is deemed too high or unreasonable, will have a counteroffer presented to the participating Contractors. HRD will provide the price sheet back with all averaged prices with counter prices for review one week prior to final negotiations call. During this call, HRD and the participating contractors can discuss all line items, before finalizing. *HRD has the right to decline any final counters by the participating contractors. The prices negotiated will be set for each line item for the remaining calendar year.
5. Any contractor wanting to onboard after the RFQ process has either started or has been finalized for that calendar year, will be required to sign off and agree to the in-place pricing for that construction year. This same requirement will be enforced for contractors that did not participate in the RFQ process. No input will be received from contractors that chose not to participate in the RFQ process.
6. Following price review and final negotiations between HRD and all participating contractors in the RFQ process, all other pre-qualified contractors must review the final fixed price sheet, sign off, and return to the HDO or Designee to store in their electronic file in order to receive any new contracts. All contracts in place with prior year pricing will be honored by the contractor unless approved by HRD in writing.
7. The HCIs and contractors will be responsible for following each of the line items with the final agreed upon prices. During an active project, prices on a particular line item may be negotiated lower by the HCI and the contractor. However, if an increase is requested for a line item by a contractor, it will be reviewed and approved or declined by the HDO or designee. If a price higher than the fixed price is approved by HDO or designee, the reasoning will be documented in the work specifications or change order.
8. If a line-item price increase is requested, due to an unusual shift in market, HRD will review and make the decision to resend to the entire list of participants for a new average price. HRD will ultimately decide to approve or deny the increase request.
***An ICE will be created for new line items or re-negotiated line items.**
9. If a line item is specified "price on site", or not included in our fixed price sheet, the inspector and the contractor can negotiate and agree on a price for that item. The inspector will be required to draft an initial cost estimate prior to presenting the new contract opportunity to the

next up contract. At least three additional quotes, or a competitive sealed bid process will be required if the HCI initial cost estimate to repair exceeds the federal micro-purchase threshold of \$10,000.

In this case, the Program Manager (“PM”) or designee will follow the sealed competitive process outlined in [section XIII](#). HRD will award the lowest most responsible bidder. The lowest most responsible bidder may be required to perform the entire scope of work to reduce the number of contractors working on a single property.

XI. FIXED PRICE PROCUREMENT PROCESS FOR HRD SINGLE FAMILY HOME REPAIR GRANT PROGRAMS:

1. The HDO or designee will assign new projects to the appropriate HCI via Smartsheet. The Fixed Inspection Request Workbook ([Appendix F](#)) will be uploaded into the designated file folder for that property in Box.com by the assigned HDS. Environmental Review of the property will begin as soon as the project has been entered in the Smartsheet.
2. For all LHRG units, the HCI will conduct a feasibility check on the newly assigned property to determine if a Lead Inspection Risk Assessment (LIRA) ([Appendix G](#)) needs to be ordered, or if the property needs to be recommended for cancellation. If the property is recommended for cancellation, the HCI will provide the proper photographs and documentation to support the recommendation ([Appendix H](#)).
3. HCI will conduct an Initial Inspection and properly investigate all Health and Safety repairs eligible per the designated program. At this time, all measurements, notes, quantity counts, etc. will be taken and used to write the ICE. For LHRG projects only, the HCI will also have the LIRA or EBL report to verify all lead-based paint hazards that will be included in the ICE. Photographs needed to show pre-conditions will be taken.

SEHR units will go directly into the initial inspection step and bi-pass the feasibility check.

- a. If the HCI cannot access the property due to no response after numerous attempts by phone, email (if provided), or drive-by, a no access letter will be sent by mail ([Appendix I](#)). Program participants must contact the HCI by the deadline given in the no access letter to avoid cancellation.
 - b. If there are property issues or sanitary issues preventing the HCI or Environmental Investigation Firm from conducting the program required inspections, a property issues form will be sent by mail ([Appendix J](#)). If the property conditions do not improve within the deadline provided on the property issues form, the program participant may be subject to cancellation.
4. Following the initial inspection process, the HCI will then refer to the agreed upon fixed price sheet for the language and cost to be used for each repair. The HCI will need to apply price per: Each, Square, Square Foot, and Linear Foot from the agreed upon sheet.
5. Once the ICE is ready, the HCI will enter the “Spec Completed Date” in the Smartsheet, which will notify the HDO or designee when the ICE is ready for review. Once the review is complete, the HCI will add their name and the address to be assigned into the appropriate contractor

assignment Smartsheet. The HDO or designee will then utilize the program contractor assignment Smartsheet to assign the “next up” contractor for new ICE or for an ICE that has been declined by the previously assigned contractor. Assignment of “next up” contractor can be provided during the weekly team meeting, or via email to the HCI upon request.

6. Once the HCI receives the “next up” contractor, the HCI will contact the contractor via email with the ICE and LIRA report, if applicable. Upon the contractor’s review of the ICE, the contractor must respond within a reasonable time to accept or decline the new contract opportunity. A contractor can request a walk-through with the HCI present or not, before accepting a project. The contractor must notify the assigned HCI if they prefer to see the project prior to accepting or declining, to allow a reasonable extension for response.

Procedure to accept or decline a project:

- If a contractor accepts the project, a mandatory walk-through will take place with the assigned HCI, the main applicant, and the contractor. The scope of work will be reviewed in detail, onsite during this walk-through, and any changes made shall be documented at this time.
 - If a contractor declines the job in their rotation, the contractor will notify the HCI in writing via email or provide the decline form (Appendix M). The contractor will have to wait until the next rotation to receive their next contract opportunity.
 - If a contractor does not respond within a reasonable time, this will be taken as an automatic denial, and HCI will note no response in the Smartsheet and request the “next up” contractor.
7. After the walk-through has been completed, the HCI will make all final changes to the ICE and put together the Notice of Award (Appendix N). HCI at this time will document if a price is asked for by the contractor that is higher than is in the agreed upon price sheet, the HDO or designee can approve on a case-by-case basis and will be detailed in the final scope of work. At the time of the Notice of Award, the ICE and the final scope of work will both be added to the project file, Costs-Bids-Awards folder for the unit.
 8. The HCI will send the Notice of Award and the final approved work specifications for the assigned contractor to sign and return. This can be done via email, Adobe, or via DocuSign.
 - a. If there is any concrete on the final work specifications, the HCI must have the homeowner sign-off on the memorandum of understanding (“MOU”) for concrete work (Appendix O).
 - b. If any of the funding sources exceed the program cap and will move forward with the Notice of Award, the HCI must complete the “Justification to Exceed” (Appendix P) form and have signed by all required HRD personnel.
 9. The HCI has the responsibility to put together the award package for the pre-construction meeting to include:
 - Memorandum of Understanding (“MOU”) for concrete, if applicable.
 - The Notice of Award
 - The final work specifications agreed upon and signed by the HCI and Contractor.

- The Justification to Exceed Form, if applicable.
- Copy of the bid sign in sheet (Appendix Q) and bid results sheet (Appendix R), if a contract or a specific line item(s) was subject to a sealed competitive bid process.

All documents pertaining to the award package will be uploaded to the appropriate file folder in BOX.

10. The HDS will prepare a two-party pre-construction meeting to be executed between the program participant and the contractor prior to starting any construction.

***Blank copy of any pre-construction copies can be requested and provided by the HDO or designee.**

11. The contractor cannot begin work until a Notice of Proceed (Appendix S) has been issued by the HCI. The following documents are needed prior to issuance of Notice of Proceed:

- An occupant protection plan (LHR projects only).
- Proper notification from MDHHS (LHR projects only).
- All necessary permits from BSEED, with a Building Permit at a minimum.
- Construction schedule (Appendix T) signed by the qualified contractor, and HCI.

Contractors who start a project without providing the required documentation for a Notice to Proceed will be in violation of this policy and the General Construction Contract and will be subject to a noted violation in their file and can be subject to a deduction on their contract amount up to \$500 at HRD's discretion. The violation will be deducted from the final billing.

12. All work will be inspected by the HCI during construction. Post construction procedures will be subject to the SOP for Close-Out Procedures (Appendix HH). In accordance with the close-out procedure SOP, all environmental clearances and BSEED inspections are to be completed prior to the HCI conducting their own file.

***HCI is to use the Site Material Abatement Checklist (Appendix II) provided by MDHHS as a template on what to check while onsite. Anytime the HCI is on site, the HCI should take photographs to document what was inspected, and the contractor shall be emailed if any items are to be corrected.**

If applicable, the HCI will issue the following:

- a. A written punchlist (Appendix V) if there are any outstanding work or workmanship corrections. All items on the punchlist will need to be completed prior to processing the contractor payment package.

XII. Guidelines for Historic Properties, Price on Site Repairs, and High-Cost Units

Historic:

Due to nature of materials, size, and architectural type, units designated "Historic" or in a "Local Historic District" may be fully subject to the sealed competitive bid process outlined below.

Price on Site:

For the repairs listed above and for any line items specified "price on site" that the HCI determines will exceed the federal micro-purchase threshold of \$10,000, will be subject to an automatic competitive bid. The HCI will not be assigned the "next up" contractor, but instead follow the procurement policy

listed below under the competitive sealed bid process. The lowest most responsible winner may be responsible for taking on the entire project.

Qualified Homeowners can also assist HRD on receiving no less than three (3) estimates from licensed and insured contractors for repairs that are “price on site” and exceed \$10,000 ICE. The assigned HCI will allow up to thirty-five (35) percent up charge to the homeowner provided quote that HRD and the contractor will proceed with. Quotes will be reviewed in a similar process to the sealed competitive bid process. Additional quotes will be reviewed to make sure that the repairs listed are similar, address the health and safety concern, the math is correct, any deposit and payment requirements can be met, and the quote that all parties move forward with is the lowest and most responsible.

High-Cost Units:

SEHR units where a single repair on the ICE exceeds \$25,000, will automatically be subjected to the competitive sealed bid process.

LHRG units where the LHR portion of the ICE exceed \$70,000, will automatically be subjected to the competitive sealed bid.

All bid results for high-cost units will be reviewed by the HDO or designee, Single-Family Home Repair Director, and the Program Manager. A determination to move forward with the project, cancel a project, or require the program participant to apply for a loan that will be used in conjunction with grant funding, will be made.

Grant and Loan Combo Units:

Any unit receiving a 0%IHL, Michigan Saves Loan, or any other form of a loan in conjunction with grant funding is required to competitively bid through the sealed bid process. The competitive sealed bid process outlined in section XIII will be followed and the lowest, and most responsible bidder will be awarded such project.

If there are multiple programs, such as a grant program and a loan program being used in conjunction:

- The HCI can prepare one total scope of work.
- Must create two Notice of Awards, in the amounts that each program will cover.
- The HDS, or designee must host a pre-construction meeting for the grant portion of the funding and a loan closing for the loan portion of the funding, as applicable.
- The HCI can issue one total Notice to Proceed for the start of the project.
- The contractor must submit two separate payments, based on the amounts being charged to each program.
- The contractor will be responsible for the 18-month warranty period on the entire scope of work, regardless of which program a specific line item was charged for.

XIII. Competitive Sealed Bid Process: 0% Interest Home Repair Program

1. The assigned HCI prepares the work specifications and initial cost estimate utilizing various tools, knowledge of local markets, and informed by the Lead Inspection Risk Assessment. The HDO or designee will regularly review the work specifications and initial cost estimates prior to the Invitation to Bid being released.

2. After the HCI receives the signed Homeowner's Acknowledgement form (Appendix W), the project is prepared for the competitive sealed bid process. No project will be bid on without authorization from the Owner via a signed Homeowner Acknowledgement Form.
3. The Owner is given the option to either 1) select three to six contractors from the HRD Qualified Contractors List to be invited to submit bids on their project or 2) have the HRD Program Staff member or a representative of the Construction Management Firm (CM) perform random contractor selection using the process below. The process will be altered as necessary when the Owner requests to choose contractors.
4. Six contractors are randomly selected to receive an Invitation to Bid (ITB) (Appendix X) by the Single-Family Housing Director or their Designee using the following excel procedures:
 - Excel document with all active, approved contractors in column A
 - Select a blank cell beside the list, and type or paste the formula =INDEX(\$A:\$A,RANDBETWEEN(1,COUNTA(\$A:\$A)),1) into the formula bar and then press enter.
 - Select that cell and drag the fill handle down to include six cells for the random bid list.
5. ITB is prepared and emailed, by the assigned Compliance Inspector, to the six contractors selected in Step 1. The notification includes:
 - Mandatory Walk-Through*: time, date, and location
 - Bids Due: time and date, location
 - Bid Opening: time, date, and location

Mandatory Walk-Through is when the general contractor and subcontractors can inspect the property to become familiar with the work to be done as detailed in the Work Specifications. General Contractors, or their authorized representative, **MUST sign-in to be considered for a bid award. Bidders attending walk-throughs will be responsible for field-verification of all measurements and quantities.*

6. Bid walk-through will be within a reasonable time of notice. Questions are due by close of business (COB) prior to bid due date. Responses and/or addendums will be provided by COB the following business day. It will be at the discretion of staff to determine if the bid due date will be extended.
7. After the Mandatory Walk-Through, the general contractor prepares a bid for the work described in the Work Specifications. The contractor must complete a Bid Proposal Form and include their costs on the Work Specifications document provided. These documents must be submitted in a sealed bid to HRD by the due date and time. Bids may be submitted via email to the Single-Family Home Repair Team at HRDHomeRepair@detroitmi.gov, or to the designated email used by the CM firm, which will be listed on the work specifications form. All Bids submitted via email, must be submitted as a PDF, and include the address and contractor name in the subject line. Contractors must submit each bid in a separate email.

8. HRD will host bid openings as needed using Microsoft Teams as the main source. All virtual sessions will be live and recorded for reference. HRD hosted bid openings will have a designated day and time, which will be a Wednesday at 10:30am. At least three (3) HRD staff assigned to the Single-Family Housing Team must be present at the bid opening. If the CM firm is hosting the bid opening, the bid opening will be conducted at the location of their choosing, with no less than two representatives from their firm present. The location and time must be provided for qualified homeowners and contractors to attend. Other interested parties may attend. The Bid Results sheet will be e-mailed to each of the bidders within a reasonable timeframe of the bid opening date.

***The bid results will be sent via email by the assigned HCI, after the HCI has been allowed time to conduct their bid evaluation outlined below.**

9. The assigned Compliance Inspector completes a bid evaluation. In addition to confirming that the cost items are allowable and reasonable, a bid evaluation includes:
- Confirming the contractor's attendance at the Mandatory Walk-Through
 - Documents signed on all required lines
 - Addendum submitted when required
 - Review for missing line items
 - Review for an error in bid total
 - Bid must be no more than 15% higher or 15% lower than the HRD cost estimate
 - Company name must be entered on all required lines

HRD has the right to deny any bid for any reason.

10. The Compliance Inspector, or CM Firm, advises the Owner of the bid results, sharing who attended the walkthrough, who submitted a bid package and the awarded contractor (typically via phone call, conversation should be documented in the file with date and time).
11. The Compliance Inspector contacts the contractor to confirm acceptance of the bid award. The contractor must sign the bid award within two business days and return it to the Compliance Inspector. In cases where a contractor does not accept the bid award, the contractor with the next lowest bid, in the allowable range will be offered the job and presented to the Owner.

The lowest responsible, reasonable bid is presented to the Owner.

EXAMPLE: Cost Estimate \$12,000

Allowable Range (15% high/15% low): \$10,200 - \$13,800

BIDS:	Contractor A	\$15,000
	Contractor B	\$10,000
	Contractor C	\$11,000
	Contractor D	\$13,000

12. Using this example, Contractor A is above the maximum allowed, Contractor B is the lowest bidder, however, is below the minimum allowed. Contractor C will be submitted to the Owner as long as the bid evaluation (see above in Section 6) comes back satisfactory.

13. If, as a result of the bid evaluation, it is determined that the contractor's bid is not acceptable, the contractor's bid may be rejected by HRD. In this case, the contractor with the next lowest bid, within the allowable range will be presented to the Owner.
14. If only one bid is submitted, and it is within 15% of the initial cost estimate (ICE), HRD will accept the bid. If it does not fall within 15% of the ICE, or no bids were submitted/accepted, HRD will bid out a second time. If, after a second time, still no bids are received, the HCI will request a bid directly from a contractor on the Qualified Contractors List. This bid will be evaluated by the HDO or designee and awarded ONLY after their review of the bid. If, after a second time, bids are still not within the 15% ICE, HRD reserves the right to negotiate with the lowest most responsive bidder.
15. Appeal Process: A contractor may appeal (written objections stating all reasons for the objection) the bid evaluation results within five (5) business days after the bid is rejected. Appeals are to be submitted to the HDO or designee. The HDO or designee will review the appeal and provide a decision to the contractor.
16. If a contractor requests their bid be withdrawn, the request must be in writing and submitted via email to the assigned Compliance Inspector using the Contractor Bid Withdrawal/Affirmation Document (Appendix Y).

For the 0% Loan Program, the CM firm will prepare all awarding documents, the contract and loan summary for the loan closing, which will be held by the CDFI. The contractor cannot begin work until a Notice to Proceed has been issued by the assigned Compliance Inspector and signed off by the HDO or designee. An occupant protection plan (in lead projects only), permit from BSEED, proper notification to MDHHS (in lead projects only), and construction schedule are required prior to issuance of a Notice to Proceed.

XIV. EMERGENCY Procurement Procedures for HRD Single Family Home Repair Programs

While most eligible repairs meet the definition and standards of an emergency, there are some emergency program eligible funded repairs that require immediate attention and prioritization due to household impact, HRD will allow its emergency procurement process to go into effect.

Emergency situations include the following:

1. Households currently with no heat during winter months (October 15th-May 15th)
2. Households with no running water
3. Households where members of the family are receiving medical care and cannot re-enter the home without certain eligible repairs, including households with a child(ren) with an EBLL higher than 20 µg/dL.
4. Other situations as approved by the Chief of Home Repair and Neighborhood Services Division.

The following steps will be followed to secure a contractor:

1. All requests must be made to the Single-Family Home Repair Director via email. An ICE and reason for the emergency must be described.
2. If approved, three contractors are randomly selected to receive an opportunity to provide quotes by the Single-Family Housing Director or their Designee using the following excel procedures:
 - a) Excel document with all active, approved contractors in column A
 - b) Assign a random number to each contractor (column I) using the formula = (RAND()). List of contractors are copied from excel and pasted into an email to the assigned compliance inspector.
 - c) Select a blank cell beside the list, and type or paste the formula
=INDEX(\$A\$2:\$A\$_,RANK(I2,\$I\$2:\$I\$_,1) into the formula bar and then press enter – will be the last row with an approved contractor
 - d) Select that cell and drag the fill handle down to include six cells for the random bid list
3. The Compliance Inspector can then reach out to the three contractors to request a quote for the work as well as a construction schedule. All emergencies must be done within 10 businesses days for general construction and within 30 business days for lead hazard reduction. Quotes are due back in 24 hours. The contractor who submits their quote on time, can perform the work within the ICE, and within the timeline, will receive the contract.

XV. GENERAL POLICIES:

a. Conflict of Interest Policy

The contractor warrants that its participation in this contract will conform to the requirements of all applicable Federal, State and Local regulations, including those found at the Uniform Administrative Requirements found at 2 CFR 200 and the OCP Conflict of Interest Policy for HUD-Funded programs, and further warrants that such participation will not result in any Organizational Conflict of Interest (Appendix Z).

b. Change Order Policy

In the event a change order is requested, the construction contractor will contact the HCI to schedule a Change Order inspection.

The change order (Appendix CC) must:

- Include either unforeseen repairs that are necessary to complete a work item, or
- Repairs that have been predetermined by the HCI and added near the end of the project due to the availability of funds, or

- Required by an Inspector working for City of Detroit Building Safety Engineering Environmental (BSEED) Department in order to close a permit that was not previously listed on the work specifications.

In the instance of a unit built before 1978 that requires lead hazard control activities, the additional work proposed must be compared with the original Lead Inspection Risk Assessment Report to determine if the new work will disturb surfaces not addressed by the Risk Assessment and create a new hazard.

Change orders must be reviewed by the HDO or designee and approved by the Program Manager prior to the work being performed. Once approved, the construction contractor must obtain the signatures of the property owner and submit the Change Order to the HCI. Work performed without the authorization of the HCI, or that does not appear on a field change order will not be approved for payment.

Change orders will also be used for modifications to the agreed upon work schedule. In cases where projects have extenuating circumstances, beyond the control of the contractor, the extension shall be done on a change order and signed by all parties. In cases where poor time management, or other illegitimate reasons, create a situation where the project deadline needs to be extended, a change order will not be granted.

***Change orders for the grant programs will follow the pre-negotiated pricing per program. If there is not pre-negotiated price for a given repair, HCI will negotiate a cost with the construction contractor using the guidance of the HDO or CCI, RS Means, past bids and date, and current market knowledge.**

c. Contractor Disciplinary Policy (Appendix DD)

i. Suspension

Contractors can be suspended for the following infractions (listed in less severe, to moderate, to severe):

- Expiration of licenses
- Expiration of Insurance, failure to list City of Detroit as additional insured
- Exceeding construction schedule specified in contracts or change orders
- Any behavioral unprofessional on any HRD worksite
- Failure to submit all required information in final payments
- Failure to complete warranty work
- Contractual Violations
- Any criminal or unethical conduct

Suspensions result in the following:

- Temporary or Permanent Removal from approved contractor's list
- Rescinded awards and termination of existing contracts
- Other sanctions imposed as required by local, state, and federal laws

Contractors will receive violations from HRD for any infractions listed above, outlined in the General Construction Contract, Contractor Performance Standards and Procurement Procedures, or Single-Family Rehab Standards.

FIRST VIOLATION

A first violation will be issued in writing via email and/or certified mail to the contractor. It can be issued to the contractor by the HDO on behalf of his or her own findings or on the behalf of the findings or final decisions by a program manager, supervisors, managers, associate directors, or department directors.

SECOND VIOLATION

A second violation will be issued in writing via email and/or certified mail to the contractor. Contractor will be placed on a 3-month probationary period and monitored by the HDO or designee. Any additional infractions found during the probationary period will result in a suspension for a length of time determined by HRD. Notice of Placement of Probationary Period document can be seen in (exhibit).

THIRD VIOLATION

A third violation will be issued in writing via email and/or certified mail to the contractor. A third violation will automatically result in a suspension for a length of time determined by HRD. HRD may allow a contractor to complete any open projects but will issue contract termination(s) (exhibit) for any projects not started. If a contractor is suspended mid project, HRD will secure a new contractor to complete all incomplete or unfinished work. First contractor will not be paid until the final contractor is paid. The amount of the original contract may be deducted to fund new contractor to complete.

***Violations can be escalated if HRD determines that any of the infractions above were severe enough to warrant such action.**

ii. **Debarment**

HRD will make all recommendations to the Office of Inspector General (OIG) for Debarment of a contractor for any criminal, fraudulent, or unethical behavior.

Only the OIG has the authority to debar a contractor.

Section 6-308 of the 2012 Charter of the City of Detroit, the Inspector General (IG) is identified as the Chief Investigative agent for debarment of contractors.

“Appeal Process,” under the City’s Debarment Ordinance, debarment can only be appealed to City Council.

Please refer to HRD Master Contractor File of full Debarment Ordinance. A copy of this Ordinance can be provided by the HDO or designee upon request.

Part 2 – Solicitation Instructions

REQUESTS FOR EXPLANATION OR INFORMATION

All questions regarding the RFQQ shall be submitted through the Oracle System. Respondents shall provide notice to take exception to any requirements of the Request for Qualifications. Such exceptions may reflect negatively on the evaluation of the Qualifications. The City of Detroit does not guarantee a response to questions not submitted after the question deadline. Written requests for explanation or information regarding this solicitation must be submitted to:

ELECTRONIC DATA INTERCHANGE

All proposals must be submitted through the Oracle system. Each Offeror is responsible for ensuring that its proposal is received by the City on a timely basis. **Faxed or mailed proposals will not be accepted.**

Offerors are advised that the Chief Procurement Officer is expanding use of electronic communications to exchange information and businesses documents. To the maximum extent practicable, all documents, to include but not be limited to: Request for Qualifications; Response to Questions; Request for Clarifications, Submissions of Proposals and Supply Schedule contracts that may be issued will use Electronic Data Interchange (EDI) procedures.

OFFER PREPARATION

- (a) Read the entire solicitation prior to preparing your proposal.
- (b) Proposals must be current, concise and complete and demonstrate a thorough understanding of solicitation requirements. By submission of a proposal, the offeror attests that there have been no exceptions taken to the terms and conditions of this RFQQ.
- (c) The following documents are a part of proposal submission by all offerors and shall be completed and uploaded directly through Oracle:
 - (1) Tax Clearances and Affidavits;
 - (2) Commercial Sales Practices disclosure
 - (3) Financial Statements; three (3) years of Income Statements, Balance Sheets and Profit and Loss Statements

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- (4) Technical Proposal;
 - (5) Price Proposal
 - (6) Supporting Pricing Documentation;
 - (7) Price Narrative;
 - (8) Commercial Price List;
 - (9) A marketing plan detailing the steps you plan to take to generate sales through this DSS contract.
- (f) Offerors must provide financial statements for the previous three-year period (audited, if available). At a minimum, each financial statement must consist of a balance sheet and income statement and profit and loss statements. The Chief Procurement Officer will use this information to determine financial responsibility. Provide an explanation for any negative financial information disclosed, including negative equity or income. Offerors may be required to provide letters of credit or other documentation to demonstrate that adequate financial resources are available. In accordance with the Detroit City Ordinance section 18-5-1, contracts will only be awarded to responsible prospective contractors. To be determined responsible, an offeror must have adequate financial resources to perform the contract or the ability to obtain them.
- (g) Unless otherwise requested, the offeror shall not submit brochures, public relations materials, advertisements, newsletters or other marketing materials as a part of its proposal.

XVI. Appendices

- Appendix A – FLYER – OPEN ENROLLMENT PERIOD (Promotional)
- Appendix B – FLYER – OPEN RFQ PERIOD (Promotional)
- Appendix C - CONTRACTOR APPLICATION
- Appendix D - APPROVAL LETTER
- Appendix E - MASTER WORK SPECIFICATIONS
- Appendix F - FIXED IR REQUEST
- Appendix G - LIRA REQUESTS
- Appendix H - CANCELLATION LETTER
- Appendix I - NO ACCESS
- Appendix J - PROPERTY ISSUES
- Appendix M - DECLINE FORM
- Appendix N - NOA
- Appendix O - MOU
- Appendix P - EXCEED FORM
- Appendix Q - BID SIGN IN SHEET
- Appendix R- BID RESULTS SHEET
- Appendix S - NOP
- Appendix T - CONSTRUCTION SCHEDULE
- Appendix U - LEAD CLEARANCE REQUEST
- Appendix V - PUNCHLIST
- Appendix W - HOA
- Appendix X- ITB TEMPLATE
- Appendix Y - BID WITHDRAWAL
- Appendix Z - CONFLICT OF INTEREST
- Appendix AA - WARRANTY
- Appendix BB- CASE STATUS SUMMARY
- Appendix CC - CO
- Appendix DD - CONTRACTOR DISCIPLINARY POLICY
- Appendix EE – VIOLATION NOTICE
- Appendix FF – REMOVAL NOTICE
- Appendix GG – CAPACITY HOLD
- Appendix HH - CLOSE-OUT PROCEDURES
- Appendix II – SITE MATERIAL ABATEMENT CHECKLIST

****All Appendices can be viewed or provided upon request. All Appendices are organized and readily available in our Master Procurement Folder within BOX.***