

ADDENDUM III

Invitation for Qualifications

Housing Disaster Recovery Program

Grant & Housing Department

RFQ #09-10-004

March 26, 2010, 3:00 PM local time

In reference to the above Invitation for Qualifications, please note the following additional information:

The following questions have been received in writing from potential responders and these responses are being provided to all parties.

1. Upon agreeing to contract and based on page 3 Appropriation of funds: If funds are exhausted does the contractor have a lien position on property? **RESP** – Presumably, de-obligation of funds will not be to the extent that completed work would be affected, however all future work must be stopped and no additional funds could be expended. If the funding affected completed work, a property lien could become effective since the contract will be between the Homeowner and Contractor.
2. Page 8. Only firms that prequalify in Phase One can bid on Phase 2. As such how will the city ensure that one prime does not win every bid? Since every pre-qualified prime is by defunct relatively responsive also. **RESP** – Under reconstruction, up to 4 firms will be selected to construct homes based on selection criteria in RFQ with the provision that no more than 50% of the homes will be assigned to any one contractor. Under the rehabilitation contracts, the lowest bid will be selected (since pre-qualifications assures bidders are responsible) for each construction package. The total homes assigned to a contractor will be monitored and reviewed along with additional bonding capacity and construction capacity to assure that prequalified contractors can still perform the work on additional contracts. A contractor will only be limited from bidding if they have exceeded their capacity to perform and obtain bonds.
3. Will the construction packs come out in groups or one at a time? **RESP** – It is anticipated that the reconstruction contracts will come out as a single proposal for selection of up to 4 firms. Rehabilitation contracts will be prepared based on the progress of approved homeowner applications. Due to program schedule constraints, packages will be bid when the individual package is compiled.
4. Can the winning bidder of the first package be excluded from bidding the second package and so forth? Such a process will insure more subcontractors (more local person) benefitting from the overall process. **RESP** – HUD procurement regulations require an open bidding

process. Restrictions on bidders would not be made unless there is a question of their ability to perform the work as noted in question 2 above.

5. Theoretically one prime can be awarded every package, what is planned to prevent such an occurrence? **RESP** – See response to question 2 above.
6. Exactly why is it necessary to wait 90 to 120 days before funds are available? According to the Recovery Act funds are immediately available why must the Prime absorb another cost burden? **RESP** – Funds have been set aside and would be available, however the procedure to obtain partial payments requires an inspection, signoffs by the Homeowner, Program Manager, state and federal authorities before a check can be issued.
7. Section 1.3 paragraph 3 seems to indicate only one prime will be contracted at a time. Please verify. **RESP** – This paragraph does not address the number of contracts awarded at any time, only that if the selected firm on any contract fails to perform or is terminated the next bidder on that contract can be requested to enter into a contract.
8. How many bundles will be issued at the same time? **RESP** – See response to question 3.
9. Section 2.2. When will clarity of scope for paragraph 3 to end be provided? **RESP** – The RFP for the reconstruction package will further refine the scope and requirements for the reconstruction package.
10. In the rehabilitation and reconstruction will all homes have to be upgraded/meet the energy efficiency requirements by code? **RESP** – The rehabilitated portion of the home and reconstruction will be required to follow the City of Galveston specifications that are currently being revised to follow the 2009 edition of the International Residential Code and any additional energy or Green initiatives approved by the City.
11. According to the City the window for completion is 24 months. Given such we recommend that all primes as deemed responsive upon prequalification and bundles are issued so that primes can bid on up to two bundles at a time. As such eight bundles will be available at a time. After the initial bidding if any bundle remains, any prime at more than 50% complete can request to pick up that bundle. The methodology will fast track the entire project and allow for the maximum use of a variety of local vendors and suppliers. **RESP** – Contract bundles will be subject to the application and application approval process for the number of homes available for bidding. See responses to numbers 3 and 4 above.

Questions 12 to 16 refer to reconstruction.

12. What is the average number of houses that will be included in one contract? **RESP** – In the reconstruction phase of the work, several contractors will be selected based on price, management team, subcontracting plan and design quality. Homeowners will then select homes from any of the selected firms based on their desired design. No more than 50% will go to any one contractor. In the rehabilitation, the target of each package will be around \$3-\$4M in construction, which likely means 25 to 60 homes depending on the amount of rehabilitation in each home.
13. What is the budgetary cost per house? Per square foot, or per house? **RESP** – The proposal process will set the cost per house. The Homeowners benefits from the grant program and other sources will determine the size and price home they can select.

14. For new construction: How many draws are allowed and what is the payment schedule?

RESP – Payments for reconstruction are expected to be as follows:

- Foundation (includes elevation if needed) 20%
- Roof on, exterior sheathed 20%
- Framing complete, rough wiring, plumbing and mechanical work completed 25%
- Finishes completed, systems operating 25%
- Final inspection and punch list complete 10%

Payments will be subject to 10% retainage that would be released with the final 10% payment.

15. Since we are grouping as a team; may we include the experience of our subcontractors in our SOQ under – similar project experience, project references, etc.? **RESP** – Teaming arrangements are encouraged in the RFQ process but the organization and responsibilities should be clearly delineated. Similarly, the experience and references should be clearly delineated and how that experience relates to the team members role in this project.

16. What is the formal definition of the Job Description required in Section 1.3? **RESP** – This Job Description refers to the RFQ submittal that is being submitted. In this case, RFQ # 09-10-004 City of Galveston, Housing Disaster Recovery Program.

17. Section 2.1, Part C, number 1 – Management Experience – Use of Modular Housing: What Schedule or Attachment is to be used to list any or all suppliers and installers planned to be used in this project? **RESP** – A statement on the use of Modular Housing or inclusion on Schedule G Subcontracting Workforce is acceptable.

18. Are some or all of the houses going to be elevated in the air? If so, how many will be elevated and how many will be on the ground? **RESP** – House write-ups for the scope of work on each house have not been completed so the number is not available. The RFP for rehabilitation and reconstruction will identify the homes to be elevated.

19. Do we have to submit the plans for each category with this RFQ? **RESP** – No, design plans are not due with the RFQ submittal. The designs will be required during the response to proposal stage for reconstruction and are describe in the RFQ for your information.

20. Since the deadline for the submission for the RFQ has been extended to March 26, 2010, will the length of time that we can ask questions be extended as well? **RESP** – No additional time will be added.

21. Page 50 of the RFQ was blank and ATTACHMENT F: City of Galveston Planning Districts appears to be missing. Will you post this attachment on the website or send that to us? **RESP** – This attachment was included with Addendum I and is posted on the www.CityofGalvestonRecovers.org website.

22. I have been contacting contractors from the posted list all day. Among my conversations, there is a question regarding the definition of a local subcontractor. We are a local engineering firm with an office on 39th street. We opened our office after the hurricane,

employ people from Galveston, live in Galveston County, and belong to the Galveston Chamber of Commerce. We are growing and are moving into a larger office next door to our current office with a long term commitment. In addition, we are the only windstorm engineering firm on Galveston Island. Based on this information, do we qualify as a local subcontractor? **RESP** – The definition of a Local Vendor, Supplier and Subcontractor is contained in the RFQ on page 5 of 46, under the paragraph “Pursuant to Sec. 2-341 of the City Code , the City has made the following Declaration of policy”

23. Kevin, we presume that you are to receive the RFI for the above referenced project. If this is to go to Sterling Patrick, could you please forward to him as we do not have his email address? **RESP** – The response to the Request for Qualifications is to be submitted to the Purchasing Supervisor, City Hall, Room 302, 823 Rosenberg, Galveston, TX 77550 as noted on the first page of the RFQ.
24. In regards to local vendors and pricing, once a local vendor is on your team, what if their pricing is higher than a subcontractor you normally use outside of this project? **RESP** – This RFQ does not require submission of pricing. It is the responsibility of the Prime Contractor to provide enough information to be prequalified. In the event a prime requests a subcontractor substitution for whatever reason the Prime decides, the Prime may substitute local vendors after the prequalification determination, however you will be requested to do so in writing and be required to maintain your overall commitment in terms of local, Section 3, WBE and MBE firms.
25. Can you put more than one subcontractor/vendor in each discipline for your team? **RESP** – Yes.
26. In regards to Schedule K, if your company has no contracts signed to date for the next three years, do you fill in “not applicable” or “zero”? **RESP** – Either will be acceptable.
27. Is there any specific criteria that the City of Galveston is using for modular homes? **RESP** – There is no specific criteria, however Modular Homes refers to modular construction techniques as oppose to stick built and does not include mobile type homes.
28. In regards to Addendum I, Item #4a, will we be fulfilling the qualifications for the financial statement if we give tax returns for 2009 and any other years prior? If so, please tell us how many years worth of tax returns are required. Item #4b, upon from the advice from our CPA, a qualified/unqualified opinion, or letter of good standing cannot be issued without an audit. Will the tax returns suffice in lieu of the opinion/letter of good standing? **RESP** – Section 2.1, paragraph C, subparagraph 3 (page 15 of 46) requests an audited financial statement be provided. A tax return does not meet this requirement.
29. In regards to Addendum II, is the contractor expo “meet and greet” to occur before the March 26th deadline? **RESP** – Yes, it will occur on March 16, 2010, see copy of notice sent to attendees at the end of these questions.
30. Do our subcontractors, vendors, and suppliers need to be registered with the City of Galveston? **RESP** – Subcontractor, vendors and suppliers need to be licensed as required and if submitted as local, they must meet the definition in the RFQ as noted in question 22 above.

31. Will there be a document distributed to all bidders indicating answers for all the RFI submitted by all bidders? **RESP** – This response is being supplied to all bidders and posted on the www.CityofGalvestonRecovers.org web site.
32. My company is only bondable for a maximum of 1.5 million, however, I can bring on as part of my team another contractor that has a large bonding capability. Unfortunately they were not able to be present at the mandatory pre-bid so they cannot submit as a prime contractor. Do you see any scenario where this could keep us in contention as being considered a qualified contractor? **RESP** – If a member of the “prime team” attends the mandatory information meeting that would qualify as meeting the mandatory attendance. Subcontractors would not qualify as a member of the Prime Team.
33. The location and date of the next contractors meeting. **RESP** – See response to question 29 above.
34. A more precise number of how many houses our bonding company will be expected to cover monthly in order to evidence our capacity. **RESP** – A precise number is not available at this time. We anticipate bidding approximately \$3 to \$4 million contracts that will include somewhere in the vicinity of 25 to 60 homes depending on the amount of rehabilitation in each home. These numbers will be specified in the RFP or bid document.
35. Would you please define in more detail the 40% compliance for Local Vendors, Suppliers and Subcontractors? Specifically, in regard to the percentages for City of Galveston (25%) and Galveston County (15%) what percentages of the already broken down percentages will be required to be HUB, Sections 3, M/WBE and SBE verses simply local. **RESP** – The goals for Local Vendors, Suppliers and Subcontractors are defined in the RFQ on page 5 of 46, under the paragraph “Pursuant to Sec. 2-341 of the City Code , the City has made the following Declaration of policy” . No specific goals have been identified for Section 3, WBE or MBE. Points assigned in the evaluation process are shown in Section 2.1, paragraph C.
36. If a company does not currently have a Local Galveston address, but we do sign a two-year lease in the near future (is there a deadline date?) will that be sufficient to qualify as a Local subcontractor? . **RESP** – In order to obtain points under the Pre-Qualification evaluation firms must meet the definition as stated in the RFQ.
37. Does a Local company also have to be an M/WBE or Section 3 company, or is being local sufficient to meet the requirements? **RESP** – Firms do not have to meet the definition of M/WBE or Section 3 to also be a considered local company, but points will be awarded in the evaluation process as shown in Section 2.1, paragraph C.
38. Just looking for clarification on filling out pages 27 and 29 of the Invitation for qualifications, Housing Disaster Recovery Program. **RESP** – Forms on pages 27 and 29 are filled out if there is a conflict noted on page 25 Attachment D.
39. Attended the RFQ #09-10-004 meeting yesterday regarding the Housing Disaster Recovery Program for the City of Galveston. Hillco Drywall, Inc. wishes to be added to your vendor list

as a drywall subcontractor. . **RESP** – There is no vendor list by specialty being maintained, all attendees on the sign-in list have been provided to attendees for information.

40. I have a question in regards to the Addendum that was handed out at the meeting. We are going to make application to be a prime for the rehab. part. According to the Addendum, effective April 22, 2010 the contractors will have to have the EPA certificate in regards to lead paint rules. If we currently do not have that certificate but we are enrolling in the required certification program, and will have the certification by April 22, 2010 will we be allowed to be considered as a prime for the rehabs? **RESP** – Certification under the new EPA lead paint program will be required in order to conduct work under this contract. This will be treated as any other certification that is required to conduct work and be current when the work is to be conducted.
41. The conflict disclosure statement and CIQ included as part of Attachment D only apply if a conflict exists. For contractors that do not have a conflict, do you want the forms returned blank or omitted from our response? **RESP** – If no conflict exists only the first portion of Attachment D needs to be completed.
42. Attachment D, COI: please confirm that the contractor's name should be entered on both Name of Organization lines in the No Conflict section. **RESP** – Yes that is true.
43. If a general contractor requests prequalification in both rehab and reconstruction categories but the evaluation committee determines the contractor is qualified in only one of the categories, will the contractor receive a prequalification notice in the one category or not be qualified? **RESP** – The prequalification will be provided for either or both categories as determined by the evaluation team based the submittal supports. A reminder is that if both pre-qualifications are requested the package contain sufficient supporting information for both categories.
44. Our company and our subcontractors will have everything we need in terms of labor, materials and equipment to complete the work in this RFQ. What exactly do you want in the "list of labor and equipment available for project"? This could become quite lengthy. **RESP** – A specific list of individual labor and equipment resources is not required but an overall number of staff you can assign to the contract as well as equipment you (and / or subcontractors) own and how much is supplemented in rental is requested to show that you have the resources to complete the project.
45. In the prebid meeting it was stated that 40% of the subs, vendors, etc were to come from the island. However on page 5 it states 25% from island and 15% from the county or variation thereof. As long as it totaled 40%. Please clarify which is correct. **RESP** – See question 35 above.
46. How do you obtain a notarized letter from HUD. We have tried and contacted HUD to no avail. Please give some direction on this. **RESP** – We assume that this reference is in third bullet under Permits, Registrations, and Certifications on page 16. This is a notarized statement from the Contractor stating that they are not debarred , suspended or ineligible to conduct work under this contract based on HUD listing.

47. What information do you mean when asking for permits on the last bullet on page 12? **RESP**
– This information listed in Section 2.1, paragraph C, subparagraph 5 on page 16.
48. Please elaborate on teaming partners. Are we allowed to have layered/ joint bonding? **RESP**
– Multiple bonds to meet bonding limits are not acceptable, however teaming arrangements covered by a single bonding company used by any of the teaming partners is acceptable.
49. My question is if we use local suppliers/vendors what info do we need from the vendor to submit in the RFQ packet. Also if we use the local vendor would that cover our 40% quota or points? **RESP** – All subcontractors including local vendors and suppliers should be listed on Schedule G. Schedule G asks for addresses and the amount of work anticipated for the contract. This will allow evaluators to determine percent of local vendors and suppliers as well as assigning points to the submittal.

A Notice From the Galveston Disaster Recovery Housing Program

Invitation to City of Galveston Disaster Recovery Contractor Expo (Meet & Greet)

The City of Galveston will hold a Contractor Expo (Meet & Greet) on Tuesday, March 16, 2010 in the Moody Ballroom at the Moody Gardens Hotel from 3:00 pm until 5:00 pm. This event is planned to help establish relationships between General Contractors intending to submit a proposal for RFQ09-10-004 and potential Sub-Contractors.

NOTICE: The City of Galveston and CDM will not address any questions regarding RFQ 09-10-004 at this event.

Contractor Expo (Meet & Greet)

Tuesday March 16, 2010

3:00 PM – 5:00 PM

Moody Ballroom 1

Moody Gardens Hotel and Convention Center

1 Hope Blvd

Galveston, TX 77554-8928

-City of Galveston Recovers

Please sign below and return a copy of this addendum with signature to acknowledge receipt of this addendum. Thank you.

If you have any questions, please call me at (409) 797-3574.

Kevin Scott

Purchasing Supervisor

City of Galveston, TX.

Authorized Signature

Date