

Detroit Home Mortgage

Request for Qualifications:

Detroit Home Mortgage

Project Manager

INTRODUCTION

A. Overview

This Request for Qualifications (“RFQ”) is being issued by Detroit Home Mortgage (“DHM”), which is a first-of-its-kind collaboration of local banks, foundations and organizations seeking to address Detroit’s appraisal gap with a new renovation loan product, the Detroit Home Mortgage Loan (“DHM Loan”). The Detroit Home Mortgage Lenders (“DHM Lenders”) are the lending component of DHM and are underwriting DHM Loans in situations where the renovation costs exceed the appraised value of the home. To properly manage the construction process for the homeowner and the DHM Lenders, DHM has created the new position of DHM Project Manager.

DHM is requesting applications from qualified construction service professionals with expertise and experience in providing a range of services related to the rehabilitation of single family properties in the city of Detroit to become a qualified DHM Project Manager.

A DHM Project Manager will demonstrate the expertise and experience necessary to provide homeowners and DHM Lenders with services that include but are not limited to creating a scope of work on projects, identifying potential asbestos and lead base paint issues within homes, working with homeowners creating realistic cost breakdowns for the scope of work, identifying areas for cost savings, site visits, and inspection services while working with Detroit-based contractors.

Nothing in this RFQ shall be construed to create any legal obligation on the part of DHM or any respondents. DHM reserves the right, in its sole discretion, to amend, suspend, terminate, or reissue this RFQ in whole or in part, at any stage. In no event shall DHM be liable to respondents for any cost or damages incurred in connection with the RFQ process, including but not limited to, any and all costs of preparing a response to this RFQ or any other costs incurred in reliance on this RFQ. No respondent shall be entitled to repayment from DHM for any costs, expenses or fees related to this RFQ. All supporting documentation submitted in response to this RFQ will become the property of DHM. Respondents may also withdraw their interest in the RFQ, in writing, at any point in time as more information becomes known.

Krysta Pate
DHM Program Director
krysta@crfusa.com
Detroit Home Mortgage Lenders

B. Respondents

For the purposes of this RFQ, each company or individual that submits a proposal shall be referred to as “Respondent.”

The work contemplated is professional in nature. Respondent shall be financially solvent and each of its members (if a joint venture), its employees, agents or sub-consultants of any tier shall be competent to perform the services required under this RFQ document.

C. Term of Contract

Any approval awarded pursuant to this RFQ solicitation shall be good for 12 months with limited reviews

every 12 months thereafter.

PROFESSIONAL SERVICE REQUIREMENTS – DHM Project Manager

Scope of Work

The following scope of service is required of a DHM Project Manager under this RFQ. The types of services to be provided shall include, but not be limited to, the following:

General Program Support

- Act as Owner’s Representative for the DHM Lenders in connection with a program to rehab homes in the City of Detroit, providing advice and assistance as needed.
- Attend meetings with the DHM Lenders, its General Contractor and sub-contractors as requested.
- Assist General Contractor with identifying as many qualified local sub-contractors as possible to support the program.
- Work toward a goal of providing as many Detroit-based contractors as possible, and for all contractors to utilize as many Detroit residents as employees as possible.

Home Renovation Support

- Walk through each home with the borrower and raise any appropriate issues to borrower and the DHM Lenders as appropriate including the creation of a detailed scope of work and preparing the borrower for contractor bids.
- Try to identify any possible asbestos and / or lead base paint concerns within the particular project.
- Work with the General Contractor at all stages to identify as many areas as possible in which to reduce cost, shorten the schedule, and enhance appraised value.
- Walk through the home with the borrower every month to review what has been completed in the previous month and what to expect in the following month.
- Serve as an inspector for the DHM Lenders to ensure proper execution of construction, to identify items associated that may result in a change order, and to make recommendation on payment of contractors according to work completed
- Help borrowers identify issues that may result in extreme cost and livability issues, including, but not limited to, structural, foundation, water, drain line, asbestos, lead paint, and faulty electrical or plumbing issues.

EVALUATION CRITERIA AND SCORING

In evaluating responses to this Request for Qualifications, DHM will take into consideration the experience and capacity illustrated by Respondent. The following Evaluation Criteria will be considered in reviewing

submittals:

Experience

The point system is to evaluate the experience of Respondent.

Up To 25 points – YEARS

- 10 points – 3 Years working in the industry
- 15 points – 4-5 Years working in the industry
- 20 points – 6-10 Years working in the industry
- 25 points – 10+ Years working in the industry

Up To 25 points – UNITS

- 10 points – 5-10 per year
- 15 points – 11-15 per year
- 20 points – 16-20 per year
- 25 points – 21+ per year

10 points for Respondent having experience working with Detroit-based contractors and operating an apprenticeship / job training programs targeted to residents of Detroit.

10 points for Respondent being a Detroit-based and headquartered business.

15 points for assessment(s) received from current/prior references that are provided from Respondent (5 each).

15 points for Respondent having one of the following licenses: Michigan Builders License, Certified Architects License, Engineers License, or Appraisers License.

10 points for Respondent having one of the following licenses in addition to the license cited above: Michigan Builders License, Certified Architects License, Engineers License, or Appraisers License.

SUBMITTAL REQUIREMENTS

RFQ responses must be submitted via hard copy or scanned e-mail copy sent to the DHM Program Administrator at douglas@crfusa.com. Each Respondent is advised to adhere to the submittal requirements. Failure to comply with the instructions of this RFQ will be cause for rejection of submittals. DHM reserves the right to seek additional information from Respondent to clarify responses to this RFQ. Each response must include the following:

A. Application. Please submit the application form attached hereto signed by a duly authorized officer or representative of Respondent. The application includes the following information:

1. The principal place of business and the contact person, title, telephone and facsimile numbers, and email address. Contact information on owner, principal, or primary contact for OFAC and background check.

2. A brief summary of the qualifications of Respondent and team.
3. Description of organization (i.e. corporation, limited liability company, or joint venture).
4. The names and business addresses of all Principals of Respondent. For purposes of this RFQ, “Principals” shall mean persons possessing an ownership interest in Respondent.
5. If Respondent is a partially owned or fully-owned subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization’s approval rights, if any, over the activities of Respondent.
6. The Certification attached hereto at the end of this RFQ and incorporated herein by reference must be signed by Respondent and attached to the Letter of Interest.
7. Three (3) references of related projects, including date of project, contact person and phone number, and a brief description of the project.

B. Threshold Requirements. The following documents must be submitted and accepted before the DHM and its RFQ Review Committee will review Respondent’s proposal:

1. Certificate of Good Standing (corporation) or Certificate of Existence (limited liability company) issued by the Michigan Secretary of State. If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.
2. Evidence of any applicable license.
3. Evidence that all required forms of insurance are in place or can be obtained if Respondent is selected as DHM Project Manager.

C. Main Proposal. Please provide the following information on the application:

1. Describe Respondent’s relevant experience in conducting review of bid requests, working with homeowners/contractors to review the scope of work, identifying areas for cost savings, performing site visits, managing contractor draws, working with Detroit-based contractors and job training programs, and approving change orders.
2. Statement of Qualifications.
3. If applicable, provide evidence that Respondent is a Section 3 Business Concern, is a Disadvantaged Business Enterprise, or is licensed, pays taxes, does business, and/or is headquartered in Detroit, etc.

D. Pricing.

1. DHM Project Manager is paid a flat fee of \$450 for the initial scope of work, and \$50 per monthly inspection with a maximum of 6 inspections. Maximum payment of \$750 per DHM file.
2. DHM Project Managers may also be hired separately as inspectors for a DHM Lender and will

be paid a fee by said Lender in addition to the flat fee of \$750.

E. Timeline. Estimating the construction schedule is a required function of a DHM Project Manager. The DHM Lenders will only reserve enough funds in the construction budget for either 3 or 6 monthly inspection fees in the loan figures and any unused inspection fees will be returned to the borrower. If the project exceeds the projected timeline, any and all approvals for extra inspection fees must be made through and is at the sole discretion of the DHM Lenders.

SELECTION PROCESS

DHM maintains an open application period for submission of credentials by interested parties.

The Selection Committee will review qualifications in accordance with the evaluation criteria set forth herein and in accordance with DHM policies. Applications that are submitted timely and comply with the mandatory requirements of the RFQ will be evaluated in accordance with the terms of the RFQ. Approvals shall be awarded to vendor(s) whose application scores above the minimum threshold in accordance with criteria set forth in the RFQ and pass the OFAC and background check. This RFQ will result in a pool of qualified vendors selected based on criteria as defined within this RFQ, and notification of the candidate pool will be made available and shared with DHM Lenders by DHM Program Manager. There will be no guarantee of assignments to anyone in the qualified candidate pool. Once in the qualified pool, DHM Lenders will report, review, and share with other DHM Lenders the experience with the vendor.

RFQ SUBMITTAL REQUIREMENTS CHECKLIST

Please provide Checklist with response to RFQ

- Application, including personal information of Owner, Principal or Primary Contact for OFAC and background check.
- Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State (If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
- Evidence of Insurance (liability, E&O, and workers comp)
- State License and or Certification
- Conflict of Interest Statement & Supporting Documentation
- MBE/WBE, Local Hiring, HUD Section 3, if applicable
- RFQ Submittal Requirements Checklist
- Professional license
- Completed W9

QUESTIONS

Questions regarding this RFQ should be submitted in writing via email to Douglas Procnier, DHM Program Administrator, at douglas@crfusa.com.

DHM PROJECT MANAGER APPLICATION**CONTACT INFORMATION**

Company Name (as it appears on Contract)		Tax Identification Number
Contact name and Title		Social Security Number
Complete Address		
Telephone	Facsimile	Mobile
E-mail Address		Website
<p>Owner, Principal or Primary Contact personal information for OFAC and background check:</p> <p>Full Name (First, Middle and Last Name):</p> <p>Home Address (Street address, street, city and state):</p> <p>State of Residency:</p> <p>Driver's License Number or State Issued ID (State and Number):</p>		

YOUR LICENSE INFORMATION

Years as Licensed Professional	Type of License
State License Issues	License Number

YOUR INSURANCE INFORMATION

Agent Name	Agent Telephone Number
State License Issued	License Number

YOUR PRODUCTION AND EXPERIENCE

Average Number of Homes Managed per Year:	Price Range of Managed Homes:	Years of Experience:
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Your References: List three (3) references from completed jobs within the last three (3) years, preferably within Detroit or the Detroit area.

Company Name	Contact Name	Telephone Number

Your Contractors: List the contractors you typically use on similar projects, i.e., General, Roofer, Electrician, Plumber, HVAC, Drywall, Foundation, etc.

Type of Contractor	Contact Name	Telephone Number

Homeowner References: List references from homeowner with which you have worked, preferably from Detroit residents regarding Detroit –area projects.

Homeowner Name	Property Address	Telephone Number

Authorization. A photocopy or faxed copy of this authorization shall be as valid as the original. I/we represent and warrant that my/our license is current and in good standing and permits the type, scope and nature of work contemplated on this project. In addition, there are no adverse filings or complaints against me or my company. I represent and warrant that all information contained herein is true, accurate and complete.

I hold harmless the DHM and/or its representatives and assignees from and against any liability, loss or expense incurred by me or my company as a direct or indirect result of any actions taken by Countrywide in connection with, but not limited to, the disclosure of information hereunder or any results from this review of my credit report, business references, accounts and loans.

The undersigned hereby certifies, on behalf of Respondent named in this Certification (the "Respondent"), that the information provided in this RFQ submittal to the DHM is accurate and complete, and I am duly authorized to submit same. I hereby certify that Respondent has reviewed this RFQ in its entirety and accepts its terms and conditions.

(Name of Respondent)

(Signature of Authorized Representative)

(Typed Name of Authorized Representative)

(Title)

(Date)

DETROIT HOME MORTGAGE RENOVATION PROGRAM PROJECT MANAGER AGREEMENT

This Detroit Home Mortgage Renovation Program Agreement (the Agreement”) is signed by the owner of the home to be improved in relation to this Agreement (the Homeowner”) and the project manager (the PM”) identified below.

1. **Delivery of Documents to Lender.** This Agreement must be presented to the lender (the DHM Lender”) providing the loan pursuant to the program sponsored by Detroit Home Mortgage (DHM”), along with the other key documents to be provided to the DHM Lender (the Lender Package”). The other documents that must accompany the Lender Package include, but are not limited to, the following:

A. A written description of the renovation work to be performed on the real property being improved (the Project”), from the PM.

2. **Roles and Responsibilities.**

A. **Homeowner.**

1. 1. Homeowner is responsible for selecting the PM. The PM must be selected from the list of PM entities approved by DHM. The Homeowner must agree to the specifications and descriptions of the Project and all terms and conditions of the resulting Bid.

2. The Homeowner shall make reasonable efforts to ensure that the PM has access to the home being improved hereunder, to communicate problems and issues to the DHM Lender in a timely fashion.

3. The Homeowner shall work with the PM to ensure that the PM can conduct regularly scheduled reviews of the Project so that the PM can perform its obligations regarding the Project.

4. The Homeowner is strongly discouraged from performing work relating to the Project or work that may hinder the Project. Under no circumstance shall the Homeowner perform any work included in scope of the Project.

B. **Project Manager.**

1. The PM will meet with the Homeowner carefully to inspect the property to be improved and define the Scope of the Project (Scope).

2. The PM will make every effort to identify items associated with the Project that may result in a Change Order (“CO”).

3. The PM will make every effort to identify issues with the Project that may result in extreme cost and livability issues, including, but not limited to, structural, foundation, water, drain line, asbestos, lead paint, and faulty electrical or plumbing issues.

4. The PM will perform monthly onsite reviews of the Project to evaluate progress and assess quality and safety. Any related issues must be presented and documented by the homeowner to the PM at these meetings for reporting to the DHM Lender

3. **Indemnification.**

A. The Homeowner agrees to release, hold harmless, and indemnify the PM and its officers, directors, affiliates, employees, agents, and any other person, firm, or entity acting on its behalf from any and all damages or claims of every kind or nature, suspected and unsuspected, known and unknown, and disclosed or undisclosed, arising out of or in any way connected with any disputes and dealings between the Homeowner, the LC, and DHM Lender associated with the Project.

B. The PM expressly disclaims any implied warranties of any kind. The Homeowner and the LC agree that the PM shall have no liability for direct, indirect, special, incidental, consequential, exemplary or punitive damages (even if PM has been advised of the possibility of such damages) arising out of this Agreement or any consequences that flow from it.

C. Notwithstanding anything else set forth in this Agreement, the limit of liability for the PM is strictly capped by the amount of fees paid by the DHM Lender to the PM in fulfillment of the Project.

4. **Miscellaneous.**

A. **Modifications.** Modifications to this Agreement must be approved and signed in writing by all parties. Any such modification shall be submitted to and approved in advance by the DHM Lender.

B. **Construction.** The headings of sections in this Agreement are provided for convenience only and do not affect its construction or interpretation. All references to “section” or “sections” refer to the corresponding section or sections unless otherwise specified. All words used in this Agreement shall be construed to be of such gender or number

as the circumstances require. Unless otherwise expressly provided, the word “including” does not limit the preceding words or terms.

C. Severability. The provisions of this Agreement shall be severable. If one or more provisions of this Agreement are found to be invalid or unenforceable, that shall not affect the validity or enforceability of any of the other provisions.

D. Waiver of Right to Trial by Jury. Each party to this Agreement hereby waives its right to a jury trial of any claim or cause of action based upon or arising out of this Agreement and any claims and causes of action released by this Agreement. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. This section has been fully considered by each of the parties hereto and these provisions will not be subject to any exceptions. Each party hereto hereby further warrants and represents that such party has had an opportunity to review this waiver with legal counsel, and that such party knowingly and voluntarily waives its jury trial rights.

E. Applicable Law. The enforcement of this Agreement shall be governed and interpreted by and under the laws of the State of Michigan, without reference to its choice of law rules. Any action concerning or arising out of this Agreement shall be brought exclusively in the Wayne County Circuit Court or in the United States District Court for the Eastern District of Michigan and all parties waive any objection they may have as to personal jurisdiction, venue, or the convenience of the forum.

HOMEOWNERS:

Name: _____

Name: _____

Date: _____

Date:

PROJECT MANAGER:

By: _____

Name: _____

Title: _____

Date: _____