



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
PROCUREMENT BUREAU
PO BOX 230
TRENTON, NJ 08625-0230

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON-ERISTOFF
State Treasurer
JIGNASA DESAI-MCCLEARY
Director

May 3, 2013

To: All Interested Bidders

Re: RFQ775040S Management of the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

Quotation Submission Due Date: May 9, 2013 (12:00 p.m. Eastern Standard Time)

ADDENDUM #2

The following constitutes Addendum #2 to the above referenced solicitation. This addendum is divided into the following parts:

Part 1: Answers to questions.

Part 2: Additions, deletions, clarifications and modifications to the RFQ

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFQ.

All other instructions, terms and conditions of the RFQ shall remain the same.

PART 1

Management of the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program RFQ775040S

Answers to Questions

Note: Some of the questions have been paraphrased in the interest of readability and clarity. Each question is referenced by the appropriate RFP page number(s) and section where applicable.

#	Page #	RFP Section Reference	Question	Answer
1	NA	NA	Can both the PES and MOBIS schedules be used for providing rates?	Yes, both schedules may be used.
2	NA	NA	Are homes vacant when they come to the Lead RREM Contractor? If not, who is coordinating the move outs of Homeowners? Is the State making funds available for temporary relocation (moving, housing, and storage) costs, and if so, who	Each RREM contractor will need to address the individual circumstances of the applicants and the property. Due to the wide variation of properties and the uncertainty of where applicants will come from, the RREM

#	Page #	RFP Section Reference	Question	Answer
			is managing that process?	contractor may need to address the issue of voluntary temporary relocation with the homeowner. The State is not programmatically providing additional resources for voluntary temporary relocation. The homebuilder may have a scope which requires renovation in an occupied home. If the property situation requires voluntary temporary relocation, the homeowner will have the responsibility to secure their possessions and find temporary lodging until the unit becomes habitable again. The RREM and Homebuilder should seek to minimize the need for voluntary temporary relocation in their construction schedule.
3	NA	NA	Has there been any considerations, given the large scope of the overall program and vast differences in roles/responsibilities within the teams, for soliciting quotes from Construction Management firms independent of the RREM RFQ?	Construction Management Firms must be part of an overall RREM Contractor bid proposal
4	NA	STANDARD TERMS AND CONDITIONS	The State of New Jersey Standard Terms and Conditions references the requirement for prevailing wages. Does this provision pertain to the homebuilders?	No. Homebuilders will not be required to pay prevailing wage for the single family RREM program projects.
5	NA	EXHIBIT 4	Would it be possible to issue a new cost estimate spreadsheet? The formulas in "Column I" are incorrect. It appears the formulas multiply the hours in "Column H" times the total cost in "Column G," instead of times the labor rate in "Column C".	Yes, a revised cost estimate spreadsheet is being posted along with these answers. The formulas have been adjusted.
6	6	1.0 Purpose and Intent and 3.1.3, Scope	On page 6 it states: "Once the Applicants have been referred, the Contractor shall then prepare an Estimate of the Cost of Repairs ("ECR"), determine Duplication of Benefit ("DOB"), and make the award determination. The Contractor shall then notify the SSHIP Contractor, who will issue a Notice of Award to the Applicant. This is followed in Section 3.1.3, Application Review and Processing, Scope – "The quote must include staffing for three (3) Estimating and Monitoring Contractors who shall be responsible for verifying storm damage and determining the ECR" Please clarify who is responsible for preparing the ECR? What are the responsibilities of the ECM? Do the ECMs put out the packages for bid or is this the responsibility of the Lead RREM	Each RREM Contractor will be responsible for the ECR. The ECM is a Job Category and can be completed by RREM Contractor personnel or sub-contractors. Each RREM contractor will be responsible for managing the bid process for the homes which they are working on. The Requirement to include three estimating and monitoring contractors is removed. Each RREM contractor is responsible for having adequate estimating staff or sub-contractors to address the volume of activity.

#	Page #	RFP Section Reference	Question	Answer
			Contractor? Is the RREM Contractor allowed to self-perform this work instead of hiring 3 separate ECM contractors?	
7	6 and 7	1.0 Purpose and Intent	<p>“After an award is determined, the Contractor shall then meet with the Homeowner to review the Scope of Work and have the Homeowner sign off on a work write-up. Once the review is completed with the homeowner, the Contractor shall manage a process to improve efficiency by bidding groups of properties units to 3 or more homebuilders. Those homebuilders will be selected to submit bids in accordance with a pre-determined process that is approved by DCA, and ensures reasonable equality and fairness in the assignment of properties. Although properties may be grouped together, each property will be considered a separate unit; therefore a separate quote will need to be submitted for each. Each homeowner will have an individual contract with a homebuilder so it is not expected that one bidder will be awarded all of the units that are bid at the same time. The contract will be offered to the pre-qualified Homebuilder who submitted the lowest bid for each property. If the lowest bidder does not have capacity to undertake the project, the contract will be awarded to the pre-qualified Homebuilder with the next lowest bid. The Contractor will present the winning bidder to homeowner for acknowledgement. The Homeowner may either select that Homebuilder and execute a contract with the Homebuilder, or request an appeal. If the DCA resolves the appeal in favor of the Homeowner, the RREM Contractor will either present the next-lowest priced Homebuilder to the Homeowner, or conduct a new bidding process.”</p> <p>Since HUD has not traditionally required individual project bidding on prior CDBG funded disaster recovery projects, would the State consider a process where bids are solicited and standard floor plan pricing is established in the initial Homebuilder RFQ process? This pricing is then evaluated for cost reasonableness in accordance with CDBG requirements. Subsequently, projects are assigned to individual homeowners based on the homebuilder's capacity level and actual performance, using the pre-established pricing. This model was used successfully in Texas for Hurricanes Rita and Ike recovery for 3,209 homes.</p>	<p>The State considered an approach to pricing by unit. It was determined that the time to establish a unit pricing schedule and the overall variability of the housing stock and geography would make that process infeasible. The RREM contractor may propose a bidding process which can deliver prices that meet HUD and State guidelines in an efficient manner and that ensures participation by an adequate number of home builders to complete the number of units in the time frame required by HUD.</p>

#	Page #	RFP Section Reference	Question	Answer
8	8	1.1 RREM Timeline	<p>"1. The Lead RREM Contractor will be responsible to deliver all policies and procedures, program forms, and develop intake processes. "</p> <p>Does "develop intake processes" belong to the SSHIP SOW?</p>	This task is intended to describe the "intake" as the RREM contractor "receives" an applicant's information via the SSHIP Contractor.
9	12	1.6 Small Business Subcontracting Set-Aside Contracts	Please provide us with the Size Standards for this project.	We're not sure what this question refers to, therefore we, cannot provide an answer.
10	17	3.1 Core Services	Is the Lead RREM Contractor responsible for the development of subrogation agreements in reference to the Duplication of Benefits?	To the extent that the subrogation agreement is necessary and in the RREM scope, the Lead RREM Contractor is responsible for developing draft form agreements for approval by the State.
11	19	3.1.1 Start up	Has the Single-Family Housing Rehabilitation Standard been developed?	As part of the establishment of the Program Policies, the Lead RREM is expected to develop this in consultation with the secondary RREMs and DCA.
12	19	3.1.1. Startup, Program Design – Operational Requirements #4	What is the basis for determining the "pre-storm equalized assessed value of the property"? Who makes this determination? Who provides this information to the RREM Contractors?	The RREM Contractor will be responsible for obtaining pre storm value of the property, based on the DCA determination of which information to use.
13	21	3.1.3. Application Review and processing #4.	Are the Lead and Secondary RREM Contractors responsible for completion of the Tier 2 Site Specific Environmental Reviews (on-site inspections and environmental checklists) for their assigned applicants?	The RREM contractors will not be responsible for completion of the Tier 2 Site specific environmental reviews. The Department of Environmental Protection will be responsible for completing Environmental Reviews and providing environmental clearance for each property. The RREM will be responsible for coordinating between DCA and DEP the Tier II environmental clearance.
14	22	3.1.3 Application Review and Processing, Operational Requirements #5.	Is the cost of lead-based paint and asbestos abatement included in the 50% calculation of damage that determines the need for elevation per FEMA requirements?	No, the cost of environmental abatement is not included in the 50% calculation of damage.
15	22	3.1.3 Application Review and Processing – Operational Requirements # 8	For the analysis of Duplication of Benefits, should the bidder provide costs for on-site verification of repairs completed by the homeowner, where the homeowner has not provided receipts?	The State of New jersey will be unable to reimburse homeowners without provision of a receipt. Inspection of any work which may be eligible for reimbursement would be completed as part of a work write up inspection or the initial progress inspection.
16	22	3.1.4 Construction Management	As a firm best qualified for Construction Management (Scope 3.1.4 and parts of 3.1.3) and very interested in the program, we are struggling to find any firms	The State does not have a list of firms intending to submit quotes.

#	Page #	RFP Section Reference	Question	Answer
			proposing for either the Lead RREM or Secondary RREM roles. Is there any confirmation of firms intending to submit? If so, is it possible to obtain these names?	
17	23	3.1.4 Construction Management, Administrative Requirements CLARIFICATION TO RFQ PROVIDED	Other CDBG disaster recovery programs utilized a tri-party agreement between the homeowner, homebuilder, and the subrecipient (paying entity) of the funds. This allowed the subrecipient the ability to pay the homebuilders and enforce the contract terms and conditions applicable to all parties. Will the homebuilders be paid through DCA's accounts or through the RREM Contractors' accounts? If no, who is responsible for paying the homebuilders?	The Homebuilders will be paid through the RREM contractor. The RREM contractor will submit groups of homebuilder invoices to DCA for payment and DCA will make a payment to the RREM contractor which will then disburse to homebuilders.
18	23	3.1.4 Construction Management, Administrative Requirements CLARIFICATION TO RFQ PROVIDED	Please describe the DCA's intended process to disburse CDBG funds.	The RREM contractor will submit groups of homebuilder invoices to DCA for payment and DCA will make a payment to the RREM contractor which will then disburse to homebuilders.
19	29	3.1.10 Accounting and Reporting	Can DCA clarify and/or provide more details on what is included in the "reconciliation of federal funds disbursed and funds recovered among multiple database systems and interfaces"?	The RREM Contractor will be managing disbursement of Federal CDBG-DR funds to the homebuilders. As part of their responsibilities, the contractor will be expected to reconcile those funds as directed by DCA.
20	34	4.1.8 Resumes Tab 6	We are to include name/address of every POC for a reference check. Is a reference required for each individual project in the resume or are two-three references for the overall resume acceptable?	A reference is required for each similar project listed in the resume.
21	37	4.3.1.5 Cost Quote	Is the bidder to provide a detailed budget for each of the Total Direct Cost estimates for each of the 10 tasks described in Section 3.1.1 through Section 3.1.10?	The bidder is to provide a total 'other direct cost' associated with each task on the price quote (row 42), and a detailed budget covering all direct costs.
22	37	4.3.1.5 Cost Quote	Is there a need for a bidder to designate costs as Administration, Planning, Project Delivery Costs, or Project Costs? If yes, are there caps associated with these costs? How should the bidder's project costs associated with site-specific engineering, inspections, geotechnical services, surveys, elevation certificates, be handled?	No, the bidder is not required to designate the costs in this way. Bidder is to provide for each task column as outlined on the cost proposal sheet. Please refer to Section 4.3.1.5 of the RFQ for further details.
23	37	4.3.1.5 Cost Quote	Section 4.3.1.5 – "Bidder is to provide a direct cost each task listed on the price quote. Further, bidder is to provide a detail budget of the overall direct cost proposed." Can you please provide further detail on what the bidder should provide?	Please refer to Section 4.3.1.6 "Other Direct Cost" of the RFQ. This section will provide further information.

#	Page #	RFP Section Reference	Question	Answer
24	37	4.3.1.5 Cost Quote	Considering that there are many different ways to approach pricing this job based on either estimated structures, potential work breakdown among multiple contractors, or perceived level of effort required to accomplish individual tasks. Staff level of effort is provided in Tab 3 coupled with capacity/capability to assess ability to execute Tier 1 and/or Tier 2. Given that, would DCA consider providing a plugged number of hours for each labor category and/or task to ensure equitable price comparison in the final scoring?	No, this will not be considered.
25	38	4.3.1.6 and Exhibit 4	Exhibit 4 - Cost Quote – Is the bidder to provide a lump-sum estimate of all non-labor and non-travel ODCs (as described in Section 4.3.1.6 – Other Direct Costs) in each of the cells on the Total Direct Cost row (Row 42)?	Yes.
26	46	5.5 Retainage	Retainage: is the amount you want/will retain on each invoice and overall contract calculated as part of the performance guarantee?	The Retainage described in Section 5.5 is the same retainage as described in the Performance Guarantees.
27	46	5.5 Retainage	What are the performance metrics that will enable payment of the 10% retainage on all invoices? When will that payment be made?	The performance metrics are in Exhibit 3 of the RFQ. Partial releases of retainage may occur monthly as indicated in the RFQ based on achieving certain performance metrics.
28	51	8.1.1 Technical Evaluation Criteria	The proposal evaluation criteria emphasizes that firms have experience in successfully completing contracts of a similar size and scope to the work required by this RFQ, and specifically HUD Disaster Recovery. Is HUD Disaster Recovery a minimum acceptable criteria? If not, is it possible to extend the due date of the proposals?	Although evaluation criteria is based on successful completion of HUD Disaster related contracts of similar size and scope, other programs with similar complexity will be considered in the evaluation process. It is not possible to extend the due date of the Quote.
29	51	8.1.2 Bidder's Price Schedule for Ranking	1) Does the cost evaluation compare each bidder's price against the lowest overall price for purposes of determining Cost Score? 2) If so, are unreasonable price quotes thrown out and not considered for purposes of cost scoring?	1) Yes, please refer to Section 8.1.2 "Bidder's Price Schedule Ranking" of the RFQ for further clarification. 2) All price quotes are considered.
30	52	8.1.3 Total Proposal Score	Based on the RFP, bidders over 750points will be considered competitive. What are the total number of available points and what is the break-down between technical and cost?	Over 700 points will be considered competitive. The State of New Jersey does not disclose evaluation criteria weights until an award decision has been made. To reveal the weighting of evaluation criteria prior to quotation submission would present an opportunity for responding vendors

#	Page #	RFP Section Reference	Question	Answer
				to “game the system” to gain evaluation points as opposed to fashioning a proposal that endeavors to satisfy the State’s requirements.

PART 2

**Management of the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program
RFQ775040S**

Additions, Deletions, Clarifications and Modifications to the RFQ

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
1	NA	Exhibit 4 RREM Cost Quote	<p><u>Replace existing spreadsheet with the modified spreadsheet (Exhibit 4 - RREM Cost Quote MODIFIED).</u></p> <p>Formula in column I has been fixed, and ‘Other’ has been added to “Total ‘Other’ Direct Costs” (cell A42)</p>
2	21	3.1.3 Application Review and Processing	<p><u>Delete the following text from Section 3.1.3</u></p> <p>The quote must include staffing for three (3) Estimating and Monitoring Contractors who shall be responsible for verifying storm damage and determining the ECR. The RREM Contractor shall file necessary documentation, conduct regular document management, quality control, reporting, program and federal compliance, and issue tracking.</p>
3	38	4.4 Financial Capability of the Bidder	<p><u>Add the Following:</u></p> <p>In order to provide the State with the ability to judge the bidder’s financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements which include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder’s most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.</p> <p>If the information is not supplied with the proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.</p> <p>A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. A bidder may submit specific financial documents in a separate, sealed package clearly marked “Confidential-Financial Information” along with the proposal.</p> <p>The State reserves the right to make the determination to accept the assertion</p>

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
			and shall so advise the bidder.
4	48	5.12 Bidder Responsibilities	<p><u>Delete the following text from Section 5.12:</u></p> <p>The Bidder's must include at least (3) different ECMs to determine and confirm the scope of the award, put out the packages for bid, and monitor for compliance and completion.</p>