



"The Capital City of the Palm Beaches"

PROCUREMENT DIVISION

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**Addendum #2
RFP #09/10-106**

**Neighborhood Stabilization Program
Construction of Single Family Infill Housing on
Vacant Residential Parcels**

Each recipient of this Addendum No. 2 to the Request for Proposal (RFP) who responds to the RFP acknowledges all of the provisions set forth in the RFP and agrees to be bound by the terms thereof. This addendum shall modify, clarify, change or add information and clarification and become part of the above referenced RFP.

The Pre-Proposal conference was held on Tuesday, December 10, 2009 at 2:00 p.m. and as a result of that meeting the following clarifications and questions were submitted.

QUESTIONS

1. Can the Performance Bond be lowered from \$2 million dollars?
 - A. The City has reduced the Performance and Payment bond requirements from not less than \$2 million dollars to not less than \$1 million dollars. However, the selected builder/developers will be required to provide a Performance and Payment bond not less than the contract amount. For example, if builder/developer "A" has a contract to construct 15 homes with a total contract value of \$2.3 million dollars, builder/developer "A" must provide a Performance and Payment bond of at least \$2.3 million dollars

2. Is the Builder's Risk insurance only applicable to rehab homes?
 - A. Builder's Risk insurance is applicable from the commencement of construction through completion and issuance of the Certificate of Occupancy. RFP #09/10-106 is only for the construction of new, single family infill housing and does not contemplate rehabilitation of existing housing.

3. If we use Workforce Alliance for employees they may send out the same employee for two different jobs on two different days. If this is so we would be unable to get Workers Compensation for this employee. How do you want us to handle this?
 - A. All employees on the job must be insured through the respective employers Workers Compensation policy. In the event that any employee is not covered, they cannot be allowed on the job site.

4. Can the Small Business goal be waived if we hire workers under Section 3?
A. No.
5. Can the City sell the lots less than \$25,000 in order to build a better home?
A. No.
6. Please clarify the one year warranty on the homes.
A. The Contractor must warranty all workmanship, supplies, appliances, air conditioning and all elements of the home for twelve (12) months after final payment. At the eleventh (11) month of the warranty the City and Contractor will do a walk-through to ensure all is in good working order. (See first paragraph on page 14)
7. Is there a reason all the permitting can't be done at once.
A. Yes, each lot requires different irrigation and landscaping and it is the responsibility of the Contractor to acquire all permits.
8. How much are the impact fees?
A. The impact fees will vary based upon the size of the home. Proposers are not to include impact fees or building permit fees in their proposals.
9. Is an appraisal required before buyer moves in?
A. Yes.
10. If for some reason the Buyer defaults and does not move in the house, can the 3% interest fee on the funds be waived?
A. No.
11. Is the Davis Bacon Act required?
A. No.
12. Does the Contractor pay for the lot?
A. No.
13. Is a Bid Bond required for this project?
A. No.
14. Page 3 states the Contractor must have the ability to provide 10-year Builder's Risk insurance and the first line on page 14 states the Developer must warrant the home for one year. Which is correct?

A. Builders Risk Insurance is required to be provided during the time of construction (from commencement to receipt of the Certificate of Occupancy). The one year warranty period starts when the Certificate of Occupancy is issued and ends 12 months later.

15. How do we handle site specific conditions, i.e. length of driveway, length of sewer line, amount for fill for each lot, etc? Would you like us to use an average cost based on a set assumed amount per lot?

A. Proposers are instructed to use an average length of 30 feet for the driveway and sewer line.

16. In the event the buyer is unable to purchase the house, will the City of West Palm Beach (A) Cover the carrying cost of the builder while the City finds a new buyer or (B) The City of West Palm Beach purchase the house to be resold to another prequalified buyer?

A. No.

B. No.

17. The contractors were advised that regarding the marketing assistance to the City of West Palm Beach; the Contractor will be required to erect a sign furnished by the City. Are there any additional requirements of the contractor regarding the marketing of homes?

A. No.

18. The RFP calls for ten (10) year Builders Risk Insurance. Builders Risk is only required during the construction phase? Will the City of West Palm require Builders Risk Insurance after the building is fully erected?

A. No.

19. The RFP calls for a two million dollar Payment & Performance Bond. The City will award the houses in groups of five. The approximate cost of five homes is approximately \$600,000 - \$700,000. Will the City accept a letter from the bonding company in the event the project is awarded. The Payment and Performance Bond will be issued within ten (10) working days?

A. Yes.

20. Will the City provide budgets for permitting, impact fees and the cost of the logs?

A. No. Proposers are instructed not to include impact fees and building permit fees in their proposals.

21. Will the City provide the Contractors with a bid form? If so, will there be a separate line item for Bond Fees, Closing Cost, Construction Cost and City Acquisition Cost?

A. Yes, the City will provide bid forms requesting detailed information on "General Conditions" costs and construction costs. The bid forms, requests for general conditions costs and request for construction costs will accompany the 30 percent construction drawings as a separate addendum.

22. The RFP calls for Davis Bacon Act. Is Davis Bacon Act require the RFP #09/10-106?

A. The requirements of the Davis-Bacon Act does not apply to RFP #09/10-106.

23. Will the City award homes to contractor unable to meet their Small Business Goal?
A. Those Contractors meeting the Small Business goal will be given preference.

24. Will the Contractor be allowed to work on Saturdays?
A. Yes.

25. Will the City require weekly certified payrolls?
A. No.

26. Is the sale of the property in anyway impact the Contractor for work completed?
A. Yes.

27. The bonding company is requesting that the amount of Payment and performance Bond is limited to each contract award. Will the City accept the Payment and Performance Bond to be equivalent of the award contract price?
A. Yes

CLARIFICATION

For pricing of the homes, the City will provide bid forms requesting detailed information on "General Conditions" costs and construction costs.

The bid forms, instructions, requests for general conditions costs, and requests for construction costs, will accompany the 30 percent construction drawings as a separate addendum.

Proposers must acknowledge receipt of this Addendum Number Two in the space provided below. This Addendum forms an integral part of the RFP documents and therefore must be executed. *Failure to return this addendum with your proposal submittal may be cause for disqualification.*

Issued By: City of West Palm Beach
Procurement Division
December 15, 2009

Signed By: 
Nora W. Laudermilk
Procurement Official

PROPOSER:

Signed By: _____

Print Name: _____

Title: _____

Date: _____