



State of South Carolina

Request for Proposal **Amendment 1**

Solicitation: 5400011489
Date Issued: 8/04/2016
 Procurement Officer: STACY GREGG
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 PO Box 101103
 Columbia SC 29211

DESCRIPTION: Full Spectrum Disaster Recovery Operations to Implement the State's Community Development Block Grant-Disaster Recovery (also referred to as the CDBG-DR) Action Plan

USING GOVERNMENTAL UNIT: Department of Commerce

SUBMIT OFFER BY (Opening Date/Time): 08/19/2016 02:30PM EST (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: 07/27/2016 10:00AM EST (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: Four (4) Technical Proposals; Two (2) Price Proposals as follows:

- One (1) original Technical Proposal, bound in a 3 ring binder or in a manner where it shall be easily integrated into the office file.
- One (1) copy Technical Proposal (so marked), affixed by staple, folder, comb, or other binding, which is slim, portable, and easily transported and stored with multiple proposals.
- One (1) original Price Proposal sealed in a separate envelope
- Two (2) flash drives to include three documents, each in one (1) continuous file as follows: 1 Copy of Technical Proposal; 1 Copy of Technical Proposal (redacted); and 1 Copy of Price Proposal .

CONFERENCE TYPE: Pre-Proposal
DATE & TIME: 7/25/2016 10:00AM EST

(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)

LOCATION:
SC Department of Commerce
1201 Main Street
Suite 1600
Columbia, SC 29201

AWARD & AMENDMENTS	Award will be posted on 09/16/2016 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
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You must submit a signed copy of this form with Your Offer. By signing, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of thirty (90) calendar days after the Opening Date. (See "Signing Your Offer" provision.)

NAME OF OFFEROR (full legal name of business submitting the offer)	Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.
AUTHORIZED SIGNATURE (Person must be authorized to submit binding offer to contract on behalf of Offeror.)	DATE SIGNED
TITLE (business title of person signing above)	STATE VENDOR NO. (Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)
PRINTED NAME (printed name of person signing above)	STATE OF INCORPORATION (If you are a corporation, identify the state of incorporation.)

OFFEROR'S TYPE OF ENTITY: (Check one)

(See "Signing Your Offer" provision.)

Sole Proprietorship Partnership Other _____

Corporate entity (not tax-exempt) Corporation (tax-exempt) Government entity (federal, state, or local)

PAGE TWO
 (Return Page Two with Your Offer)

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)
<small>Number - Extension Facsimile</small>	
<small>Area Code - E-mail Address</small>	

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)
<small><input type="checkbox"/> Payment Address same as Home Office Address <input type="checkbox"/> Payment Address same as Notice Address (check only one)</small>	
<small><input type="checkbox"/> Order Address same as Home Office Address <input type="checkbox"/> Order Address same as Notice Address (check only one)</small>	

ACKNOWLEDGMENT OF AMENDMENTS Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)							
Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date
DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)	10 Calendar Days (%)		20 Calendar Days (%)		30 Calendar Days (%)		____ Calendar Days (%)

PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences . <i>ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.</i> [11-35-1524(E)(4)&(6)] (Does not apply to this solicitation)							
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PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must provide this information to qualify for the preference. An in-state office is not required, but can be beneficial, if you are claiming the Resident Subcontractor Preference (11-35-1524(D)). (Does not apply to this solicitation)							
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AMENDMENTS TO SOLICITATION (JAN 2004)

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: www.procurement.sc.gov(b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02-2A005-1]

PURPOSE OF AMENDMENT

The purpose of this amendment is to address changes in the original solicitation document; and also provide answers to questions arising from the Pre-Proposal meeting.

1. Changes to original solicitation are as follows:

1. **NUMBER OF COPIES TO BE SUBMITTED** - Four (4) Technical Proposals; Two (2) Price Proposals as follows:
 - **One (1) original Technical Proposal**, bound in a 3 ring binder or in a manner where it shall be easily integrated into the office file.
 - **One (1) copy Technical Proposal** (so marked), affixed by staple, folder, comb, or other binding, which is slim, portable, and easily transported and stored with multiple proposals.
 - **One (1) original Price Proposal** sealed in a separate envelope
 - **Two (2) flash drives to include three documents, each in one (1) continuous file as follows:**
 - ✓ 1 Copy of Technical Proposal;
 - ✓ 1 Copy of Technical Proposal (redacted); and
 - ✓ 1 Copy of Price Proposal.
2. Part II of Evaluation, Oral Presentations: Offerors will be provided two (2) hours to make presentation; and an additional thirty (30) minutes to answer Evaluator questions.
3. Part II of Evaluation, Oral Presentations: Attachment "A" Demonstration Script has been amended; and is attached to Amendment 1.

2. Answers to questions are as follows:

1. **Is our understanding correct that the contractor that was awarded and contracted to prepare the State of South Carolina's Action Plan will not be allowed to participate in this procurement because there would be a procurement violation under 2 CFR 200.319 (regulation requires entities that develop or draft specifications, requirements be excluded from competing for such procurements)? For example, the company that prepared the program design should not be allowed to bid on this procurement.**

Horne, LLP is not precluded from competition for the Implementation Vendor contract. They were contracted to write the Action Plan in conjunction with the SCDRO Team. The two actions are separate and distinct. Horne, LLP worked exclusively on the Action Plan. The Procurement Action, which is Distinct from the Action Plan, was handled exclusively by a small team of all State Government employees. Regulation 200.319 provides that "(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements." Horne, LLP did not contribute to the development, drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals for this procurement. The Action Plan and all of the information used to produce the action plan have been made available to the public.

- 2. A South Carolina Director involved with the Disaster Recovery Program said that HORNE LLP, contractor that was contracted to prepare the action plan, was released from their contract the day the Action Plan was released so HORNE LLP could bid on this procurement. Was HORNE LLP released from their contract and why?**

Horne, LLP was not “released” from their contract. Horne, LLP was contracted to assist in the preparation of the Action Plan and it was completed. Horne, LLP did not contribute to the development, drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals for this procurement. The Action Plan and all of the information used to produce the action plan has been made available to the public

- 3. Has the HUD Office of Inspector General reviewed the States Internal Control Framework (2 CFR 200.300) to ensure the structure provides for an adequate system of controls to guard against an unfair competitive advantage, provides for a proper segregation of duties and establishes standards of conduct concerning integrity and ethical values? For example, the company that designs the housing program (HORNE) should not be allowed to bid on the implementation of the Housing program.**

The State is certain it has adequate structural controls in place. The State currently executes CDBG contracts and is confident with the current CDBG grant controls and audit results. Once again, Horne, LLP (at the direction of the SCDRO) wrote the Action Plan. Horne, LLP did not contribute to the development, drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals for this procurement. The Action Plan and all of the information used to produce the Action Plan have been made available to the public.

- 4. Is the intent to award the contract to the contractor that designed the housing program in the action plan? The reason that we ask is that a SC state employee suggested the intent is to Award the Contract to HORNE.**

There is no preselected vendor. The Successful Offeror will be selected in accordance with the procedures outlined in the solicitation Section VI. AWARD CRITERIA.

- 5. Is the state procuring the two additional intake centers or is that the responsibility of the offeror?**

The Offeror is required to establish the two fixed sites. The State will establish the Headquarters.

- 6. Does the prime and its subcontractor each have the 25% South Carolina residents employed requirement or is this the combination of both the prime and its subcontractors in aggregate?**

Yes, each individually has the 25% requirement.

- 7. Can the State provide a breakdown of the expected portfolio of housing project types (e.g. single family, manufactured housing unit, modular housing unit housing replacement/substitution)?**

Per the Pre-Bid Conference and based upon SCDRO data analysis, the State’s planning figures were 45% of the effort toward Manufactured Homes, 35% to Brick and mortar homes, and 10% for modular. This does not add up to 100% however, this is based upon overall financial data.

- 8. Would the public transparency website be hosted on the State’s servers or the offeror’s servers?**

The offeror is responsible for hosting the public transparency website and associated servers.

- 9. Will the State allow construction management costs to be paid out of program costs and not administrative, planning, or ADC?**

Agency Response: The construction management cost will come out of ADC.

- 10. Can the State reconcile the allocation of costs per the Action Plan to the allocation of costs per the pre-bid conference slides. Specifically, how much administrative and planning costs have been allocated to the housing, HMGP, VOAD and rental repair programs?**

The Action Plan was developed before the Implementation Plan. We have allotted 5% for administrative cost and \$750,000 for planning. We are holding \$3 million in reserve.

- 11. How will VOAD resources be used and what percentage, if any, of the VOAD funds can be used for managing the VOAD program?**

We have intentionally not restricted how VOAD resources will be used to allow the Contractor the maximum flexibility to develop innovative solutions that provide the best customer service and value to the citizens of South Carolina. There are no specific administrative costs for this area.

- 12. What percentage, if any, of the HMGP funding match can be used toward managing it?**

No percentage has been assigned, but the cost to manage the program should be included in the Contractor Implementation Costs.

- 13. Does the State expect the selected vendor to price construction services (building labor and building materials) as a part of this bid, or will the State bid the construction work separately?**

The State, as specified in the RFP, is seeking a full spectrum vendor with the price of construction services included.

- 14. Will performance and payment bonds be required for all construction costs referred to in the Price Proposal of the RFP? If yes, does the State of South Carolina require/prefer one large performance and payment bond to cover all construction costs or smaller individual bonds to cover the various properties?**

Again, the State is seeking a full-service Contractor. It will be up to the vendor to arrange for the performance and payments bonds for construction costs. The vendor can determine the structure of the bond coverage as best suits their needs while meeting the requirements of the RFP and state and local regulations.

- 15. In order to conduct business in the State of South Carolina, are all vendors both primary and sub under one proposal submission required to have individual registered state vendor numbers with the State, or does the prime contractor's registration with the State meet the requirement?**

The State will conduct business with only one (1) contractor under the terms of this solicitation and the resulting contractor. That Offeror must meet registration requirements. All work performed with sub-contractors must have the approval of the State of South Carolina; however, that agreement lies between the contractor and the subcontractor – not with the State of South Carolina.

- 16. On page 22, question 5 states, “*The Offeror must ensure all construction meets local and state building codes and established policies, conducting progress and final inspection and approval of payments accordingly.*” Does this mean that the Offeror would have agreements with the local jurisdictions to monitor for Code under their permits or that the Offeror would monitor that the**

local jurisdictions have passed the item as code compliant before payments will be made to contractor?

Yes, the Contractor is responsible for ensuring that any construction meets the requirements of local and state codes and has the required permits.

- 17. On page 18, number 13 under General Management requirements, the RFP refers to “extensive coordination with an existing state case management contract (*Disaster Case Managers*) to validate eligibility of citizens.” Will this coordination activity be conducted through an external relationship facilitated by the State, or by a direct selection and contractual relationship as part of the scope of budgeted VOAD activities?**

The State maintains the responsibility to coordinate all aspects of recovery. The Offeror will ultimately be responsible for the validating of citizen eligibility. The state will facilitate the relationship between the Offeror, the existing case management team, and Nationally Recognized VOADs.

- 18. In Section III. Scope of Work / Specifications, the general description states that “as a Minimum the State expects the Successful Offeror to conduct full spectrum recovery operations and repair, rebuild, or replace approximately 1500 damaged homes with a 10% variance.” Can the State be more specific with regard to the “full spectrum recovery operations?”**

The State believes it has established adequate standards. The State expects the Offeror to conduct all activities associated with full spectrum recovery operations. Included among these (but not limited to) are Strategic Communications in order to find the target audience, Public transparency, Information Technology (system of record), extensive Intake/Eligibility Operations, Program Management, Construction Operations, and Internal Audit and closeout operations; in order to repair, rebuild, and replace affected citizens homes in accordance with the RFP.

- 19. In Section III. Scope of Work / Specifications, item #2 states that “Offeror will ensure that a minimum of 25% of all those employed to execute the contract are South Carolina residents with the goal of 75%.” Can employees of the prime contractor and subcontractors be counted as South Carolina residents if they relocate to the state for more than 6 months? If not, what is the minimum time period before a new resident of the state is considered a resident for the purposes of the 25% requirement and 75% goal?**

Agency Response: The intent is to hire as many South Carolina residents as possible in order to provide a holistic recovery and to stimulate local economies. An individual that is a resident as of the date of hire counts towards these percentages. A South Carolina resident is an individual who maintains a permanent residence in the State at which he or she regularly receives mail.

- 20. Paragraph (3) of Section 11-35-40 of South Carolina’s Code of Laws states that “where a procurement involves the expenditure of federal assistance, grant, or contract funds, the governmental body also shall comply with federal laws (including authorized regulations) as are mandatorily applicable and which are not presently reflected in this code.” Does this state law include Section 9.505-2 (Preparing specifications or work statements), paragraph (a)(1) of the Federal Acquisition Regulation (FAR), which states that “If a contractor prepares and furnishes complete specifications covering non developmental items, to be used in a competitive acquisition, that contractor shall not be allowed to furnish these items, either as a prime contractor or as a subcontractor, for a reasonable period of time including, at least, the duration of the initial production contract.”? It is clear that the design of the housing program outlined in the RFP was prepared by a contractor because of the grave details. Our experience is that new Grantee’s lack this level of knowledge and would not be capable of preparing the detailed program requirements outlined in the RFP which raises procurement violations and ethical**

concerns for our firm.

South Carolina has hired a team of Project Management Professionals (using Full Time Employees and Temporary Grant Employees) to lead the SCDRO office. While Disaster Recovery is a tough and difficult mission, it pales in comparison to other projects members of our team have planned and executed. Combined, the Team leadership alone has over 30 years of Executive level Program Management experience in a vast array of programs, projects, and key strategic planning and execution ventures. SCDRO leaders have extensive experience with writing procurement documents and RFP standards as well as program management. Each member of the SCDRO Leadership Team has an advanced professional degree (in some cases multiple advanced professional degrees) combined with a wealth of experience ranging from sustained military campaign planning and execution to solving complex problems in private industry as well as state and federal government. There is no housing program, yet. That is the purpose of the RFP, to give vendors an opportunity to develop a housing program that meets the stated objectives of the State Action Plan.

- 21. In Section III. Scope of Work / Specifications, item #8 states that “Offeror must establish and maintain a full transparency website clearly portraying all aspects of the recovery.” Can the State be more specific regarding the required elements of the website, and to what standard it should be built?**

The state expects full transparency of the program. The website is critical in providing that transparency of not only program goals and objectives but also of taxpayer dollars. The state has indicated the requirements, and it is up to the Offeror to provide the best possible solution. The Federal Notice has specific requirements related to the Recovery Website.

- 22. In the Intake Center section, the RFP suggests that the Intake Centers can be mobile units. It also states that an Intake Center be established in each designated county. Can a mobile Intake unit serve more than one county if an argument can be made of its feasibility and cost effectiveness?**

The RFP requires two static sites with the vast majority of intake eligibility operations being mobile. Each offeror's proposal will be evaluated individually in order to provide the best value for the state and its citizens.

- 23. Does the State believe that by releasing a contractor from a contract in which they prepared the program specifications for a solicitation, that this contractor is exempted from Section 11-35-40 of South Carolina’s Code of Laws or Section 9.505-2 of the Federal Acquisition Regulation (FAR)?**

The Action Plan and all of the information used to produce the Action Plan has been made available to the public. Regulation 200.319 provides “(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements.” No contractor contributed to the development, drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals for this procurement.

- 24. Did the State utilize input from the contractor that prepared the housing program design to develop the RFP? Again, the details in the RFP are very specific which leads our firm to believe that a new CDBG – DR grantee would be incapable of preparing the requirements outlined in the RFP.**

See answer to question #20. There is no housing program, yet. That is the purpose of the RFP. No contractor contributed to the development, drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals for this procurement.

25. Did the State evaluate other program designs for housing implementation? Our experience suggests that the design of the program that is being suggested works when there is a large allocation of CDBG-DR dollars and there are large numbers of homes to repair and reconstruct. When there is less than \$85 Million allocated to housing, a large portion of those dollars will be absorbed by contractors and for sure exceed the HUD authorized 20% planning and admin budget. There are other solutions that are less costly and more effective when dealing with a housing program that has \$85 Million in CDBG DR.

SCDRO conducted extensive research prior to developing the Action Plan. We welcome those suggestions for future programs and encourage offerors to include innovative and cost effective strategies in their responses while adhering to the current RFP specifications.

26. *We request that you address questions #1 and #2 as soon as possible so we may better develop a technical solution and pricing for this bid.*

1. Other recovery programs have typically been structured with two contract scenarios: one contract between the Grantee (State) and the Offeror (or Grant Administrator); and a separate construction contract between each homeowner and a homebuilder (sometimes procured and/or pre-approved by the Grantee). This homeowner/homebuilder contract arrangement addresses important protective clauses for both parties, such as access, indemnity, liability, warranties, and roles and responsibilities, to name a few. The contractual relationship described in the State's RFP seems to describe a State/Offeror contractual arrangement only, that places the R3 responsibilities in the Offeror's contract with the State – is that the State's intent? If not, please clarify the State's contractual intent for all parties (State, Offeror, Homeowner). Please consider the following as it relates to contractual arrangements in recovery programs:

There will not be a separate construction contract.

- a. Has the State of SC determined there is no conflict of interest of the Contractor (Offeror) managing the recovery program, performing as a homebuilder and constructing the work, while also reviewing draw requests, and inspecting the final work product through progress and final inspections?

Based upon extensive research, SC determined that one contract would be most beneficial for the citizens of SC. Through the compliance requirements, including but not limited to inspections by local, state, and county officials, the state believes it has mitigated the risk of conflict of interest.

- b. Has the State of SC determined there is no conflict of interest for the Contractor (Offeror) determining the scope of work (Repair, Rehab, or Replace [R3]) write-ups while also performing as a homebuilder and constructing that same scope of work?

Based upon extensive research SC determined that one contract would be most beneficial for the citizens of SC. Through the compliance requirements, including but not limited to inspections by local, state, and county officials, the state believes it has mitigated the risk of conflict of interest.

27. The RFP indicates that payment to the Offeror for R3 work will be based upon a certain number of completed home construction projects. In typical recovery programs, as in the general housing industry, construction payments are made upon completion of individual home interim construction milestones and at final completion. This reflects the cash flow driven nature of the home construction industry which is dependent on a strong subcontractor and trade base, smaller business entities that are typically paid weekly. Will the State consider revising the payment schedule to match this industry standard approach such that qualified and productive rehab contractors (and their important subcontractors/trades) will be attracted to

this program and available to meet construction production requirements? Specifically, will the State consider a progress payment scenario on each home that is typical in the residential home construction industry?

This is not a typical recovery program. The State has no intention of modifying the payment schedule. After extensive research, the State has determined that the current payment schedule provides incentives for excellence and efficient execution by the Offeror.

28. What is the relationship, chain of command, and accountability between the State, the Contractor, and the VOADs?

- a. Does the State anticipate that the Contractor will manage the VOADs?
 - b. If a VOAD manages a rehab, does that count toward the Contractor's R3ed requirement?
 - c. Which VOADs are currently supporting the recovery program?
- SCDRO is currently working with a wide variety of VOADs. A list is not available at this time.
- d. What are their current roles?
 - e. What, if any, are their anticipated future roles?
 - f. If the VOADs are performing intake and/or case management services, please provide information about what data they are collecting, how it is being stored, and what technology is being used.

Response for a. – f. - The State is responsible for the recovery. The implementation portion of the Action Plan provides specifics as to the chain of command. The State views VOADs as critical recovery partners and is most grateful to VOADs for sustaining and rebuilding during the long period of awaiting the Federal Register release. Although their work was completed using private money, SCDRO was instrumental in coordination activities and focusing VOADs into the most vulnerable communities. Given this, it is in the State's best interest to keep VOADs engaged in the recovery process. The Offeror will be responsible for a 6M cap which will be used to meet this purpose and intent. Each offeror has the ability to provide the most creative and efficient use of those designated funds. This can range from using nationally recognized VOADs in Intake/Eligibility operations to operating a grant fund for the rebuilding of eligible recipients homes.

29. Is the Contractor responsible for implementing the entire recovery program (Single Family Housing, Rental Repair and HMGP match – total value \$91,235,650) as identified on page 61 of the Draft Action Plan?

Yes, the state is looking for full spectrum Contractor to meet the requirements of the RFP to complete the published action plan, not to exceed \$88M.

- a. Alternatively is the contractor responsible for only implementing the Single Family Housing Program?

The state is looking for full spectrum Contractor to meet the requirements of the RFP to complete the published action plan, not to exceed \$88M.

- b. If the former – responsible for all three programs - please explain the discrepancy between the \$88M program limit on page 29 of the RFP and the \$91,235,650 recovery program limit.

The other \$3M is being held in reserve.

30. At the bidders conference, the State estimated that 35% of the single family program awards will be for rehabilitation, 45% for MHU replacement, and 20% for Modular Home replacement. Using the maximum award amounts in the Draft Action Plan (page 61), total construction costs for 1,500 homes is nearly \$81 million. That leaves approximately \$7.5 million for program delivery cost. Please confirm these numbers or provide an alternative estimate of total construction cost.

The state estimated 10% for modular homes. The state fully intends to maximize the number of homes repaired or replaced and intends to micromanage the program delivery cost to get the maximum number of residents back into their homes.

31. **The Draft Action Plan (page 66) notes that temporary relocation assistance up to \$5,000 will be available to single family program applicants, but the RFP does not mention this program.**

Will the offeror be required to administer this program? If so, how will the offeror be compensated for this administration?

The Offeror will be responsible for managing this program as part of the overall bid. Temporary relocation assistance will be offered on a case by case basis to those citizens in need.

32. **Is it the State's intent to pay for flood insurance?**

The SC Disaster Recovery Board will decide on flood insurance coverage at the next Board Meeting.

33. *Page 67 of the State's Draft Action Plan states: "In cases of severe demonstrable hardship, the State may consider funding difficult or unexpected repairs above and beyond the housing caps. Awards may include expenses for additional costs such as: elevation, insurance, ADA modifications, emergency repairs of water or sewer connections, lead-based paint abatement, asbestos abatement."*

- a. **In order to prepare the Program/Direct Costs budget (page 29 of RFP) we ask the State to provide a standard assumption of the percentage of awardees who may meet the definition of "severe demonstrable hardship"?**

The State will establish a Special Circumstances Board within SCDRO which will adjudicate cases on a case by case basis. The percentage of awardees who meet this definition cannot be determined at this time.

- b. **Further, for those that do meet the definition, should the Offeror assume that the "housing caps" are base-line costs per unit for repair/replace/rebuild, and the above cited items will be "in addition" to the standard work write up?**

- **For example, a stick built house has \$25,000 of plumbing, electrical, roof and flooring needs, but also requires \$30,000 for elevation, or lead-based paint/asbestos remediation. Would in this example the program provide a total of \$55,000 to the unit?**

As mentioned above, the Special Circumstances Board would determine if any additional cost above baseline are eligible for project funding. For those special cases where the board approves the repair, the work would commence.

- c. **Have the additional or unexpected repairs been factored into the total unit production goals stated in the RFP?**

Yes, we used standard common industrial price points in planning.

- 34. Should the Technical and Price proposals be provided on the same USB or separate? (page 16 of the RFP indicates separate USBs; page 53 indicates a single USB)**

Page 16 Electronic Copies – Required Media and Format speaks only to the type of media required (USB) and the File Format: Microsoft Office (version 2003 or later), or Adobe Acrobat or equivalent Portable Document Format (.pdf) viewer.

Proposers shall submit the price proposal as stated on page 53 of the proposal in addition to pages 1 and 29, “A digital version of the Price proposal shall be submitted on the same device as the Technical proposal in a separate file.”

- 35. Item 7 (page 18 of the RFP) states: “Offeror agrees to follow State established priorities of recovery. The State intends to recover the state beginning with those who are most vulnerable.” The prioritization matrix in the Draft Action Plan (page 66) focuses on income, age and disability. It doesn’t include geography. However, page 62 of the Draft Action Plan notes that HUD has stipulated at least 80% of the allocation must address unmet needs in several named counties. How does the State intend to reconcile and align the priority matrix (page 66 of the Draft Action Plan) with HUD’s 80% requirement?**

The State is responsible for providing service to 22 of the 24 presidentially declared counties. Our initial assessment of the priority matrix is that by following the matrix, we expect to meet or exceed the federal requirements. The State intends to track the expenditures county by county. SCDRO will continue to monitor those expenditures and adjust as necessary to comply with the federal requirements.

- 36. Item 13 (page 18 of the RFP) states that the offeror “conducts extensive coordination with an existing state case management contract (Disaster Case Managers) to validate eligibility of citizens...”**

- a. Please identify the case management contractor and the responsibility of this contractor with respect to intake and eligibility determinations.**

Hearts and Hands is under contract with SCEMD to perform Disaster Case Management using separate funding from a FEMA grant. Hearts and Hands works holistically which means that the CBDG-DR is just one of a number of resources. They do not make eligibility determinations and due to State PII restrictions are not currently making referrals to CBDG-DR. Any specifics concerning Hearts and Hands contract or recording and tracking systems would have to come directly from Hearts and Hands or SCEMD. Any referrals from Hearts and Hands would only serve as a starting point since the implementation vendor will have to contact any referrals to determine eligibility.

- b. SC DOC’s website posted a town hall flyer (see excerpt below) that indicates their involvement in the eligibility screening. Hearts and Hands is not mentioned in the RFP, but their role seems to overlap the intake and eligibility related tasks assigned to the Contractor. What is the role of Hearts and Hands?**

See response in 36 a.

- c. Please provide Hearts and Hands scope of work and period of performance.**

See response in 36 a.

- d. What will be Hearts and Hands interaction with the Contractor?**

Hearts and Hands, as well as other non-profits, will pass eligible potential recipients directly to the selected Offeror. These will be non-validated cases but do provide a

starting point.

- e. Please provide a copy of the initial application and eligibility screening protocols Hearts and Hands has been using, along with the documents they have collected.

See response in 36 a.

- f. How will the case data and documents in Hearts and Hands' system be transferred to the Contractor's system of record?

See response in 36 a. Note that the vendor will have to determine the best method of accepting information from Hearts and Hands, Long Term Recovery Groups and other VOADs.

From town hall flyer on SC DOC's website: "However, we have partnered with Hearts and Hands, a non-profit case management organization, and we anticipate they will handle the initial application and eligibility screening for all individuals requesting CDBG-DR assistance"

37. The existing State Case Management Contractor has begun processing applications without regard to the definition of “the most vulnerable” as outlined in the Draft Action Plan (page 66).

- a. What percentage of the existing applications does the state estimate will meet this priority?

In the RFP and the Action Plan we have provided the best estimates available at this time.

- b. How many more applications does the State anticipate having to accept and adjudicate to achieve 1500 eligible applicants and 1500 completed homes?

In the RFP and the Action Plan we have provided the best estimates available at this time.

38. Item 20 (page 18 of the RFP) notes that “The State will implement an inspection and compliance/monitoring program.” Please clarify Offeror’s and State’s responsibility for final inspection and issuance of Certificates of Occupancy (COO). In typical recovery programs, the Grantee (State) relies on local jurisdictions for trade and final inspections of individual homes, and issuance of a COO for each home. The State also relies on specified progress and final inspections of the Offeror, to demonstrate Grantee Program compliance. Is this ‘typical’ approach the intent of the State of South Carolina? Because of the payment schedule outlined in the RFP, the Offeror will need an estimate from the State on the time required for a local jurisdiction to issue a COO once a final inspection passes, to allow the Offeror to factor this information into their timeline for payments.

Yes, the State intends to rely on local jurisdictions for the issuance for a COO for each home. The timelines may vary from county to county.

39. *The stated goal of the Flood Recovery Program for repair/replacement is 1500 homes (RFP p. 17). The Projected Implementation Outcome Schedule (RFP page 24) requires 1800 eligible intakes and 1700 completed homes. The payment schedule on page 25 identifies 1300 homes.*

Could you explain the discrepancies in the number of homes?

The goal of the State is to maximize the number of homes improved. The State expects the Offeror to conduct full spectrum recovery operations to repair, rebuild or replace approx. 1500 homes with a 10% variance.

40. **Regarding page 29 of the RFP, does the State anticipate a Firm Fixed Price proposal for the Contractor Implementation Cost segment and a Cost Plus Fixed Fee Proposal for the Program/Direct Costs segment? If something else, please clarify.**

Yes, the State expects a Firm Fixed Price proposal not to exceed \$88,000,000.00 as stated on page 29 of the RFP.

41. *Item 3 (page 20 of the RFP) states that “The Offeror will ensure no duplication of benefits in accordance with HUD and state policy.”*

- a. **Has the State established relationships with private insurers to ensure this information will be provided in a timely and complete manner?**

The State will not allow duplication of benefits. It is the Offeror's requirement to meet this obligation.

- b. **Memorandums of Understanding are necessary for data sharing purposes to comply with duplication of benefits requirements. Does the state have MOUs in place for data sharing with FEMA, NFIP, and SBA?**

Yes. The SCDRO Project Manager is listed on the State agreement.

42. **RFP page 21 states: “It is vital that Intake Centers/operations are provided in each designated county in order to serve the most applicants in a responsive manner.” What is the State’s expectation for addressing citizen intake requirements in counties not serviced by the brick and mortar Intake Centers?**

The State expects the offeror to provide a plan that services our citizens.

43. *RFP page 24, the Projected Implementation Outcomes Schedule, indicates warranty coverage as a required outcome. However, there are no specifications regarding the warranty.*

- a. **Is the State requiring an express warranty and if so can the express warranty replace the State of SC Implied Warranty of Habitability and Workmanlike Construction?**

The State expects all work to be warranted for workmanship and materials for a period of one year from the date of the issuance of the Certificate of Occupancy (COO).

- b. **Will the express warranty provided by the contractor (offeror) replace the State of South Carolina Statute of Repose?**

A warranty does not replace the state's statute of repose.

- c. **Who will be the parties to the warranty agreement with the homeowners?**

The warranty would be between the Contractor and the homeowner.

- d. Is the purchase of a third party warranty acceptable?

Yes. However, the performance metrics on page 25 apply for payment.

- e. Which warranty milestone would be tied to the release of payment as specified in the RFP on page 25?

Warranty coverage provided by the offeror expires on 50% of the R3 homes as stated on page 25.

44. **RFP page 25, the Payment Schedule, includes several percentages that appear to be misaligned with the level of effort necessary to achieve the specified outcome. Are offerors permitted to propose different percentages for the outcome measures specified?**

The State has no intention of modifying the payment schedule.

45. *The following questions regarding page 25, the Payment Schedule.*

- a. Row 29: Is the metric of “5% for all homes R3ed” applicable to only the 500 R3ed homes completed, or does it apply to the homes in process of completion, as well?

It is applicable to only the homes completed.

- b. If the metric is not met at the time of 500 completions is the money removed from the contract or can the offeror work to close the open complaints/issues and receive payment once the metric is met?

The 5% will remain in place and available to contractor while the contractor works to close open issues.

- c. Please clarify how rows 29, 30 and 31 are to be delivered and paid.

Delivery would be based on Certificate of Occupancy (COO) and resolved complaints percentage per the RFP. Payment will be in accordance with the established procedures stated on page 36 for the RFP.

46. *RFP page 29, Section 2) Program/Direct Costs, paragraph 4 states: “Based off the Projected Implementation Outcomes Based Payment Schedule Offeror must discuss its financial strength and capabilities of perform its responsibility as outlined in the schedule.”*

- a. Does the State expect the offeror to finance the homeowners and building contractors for the repairs, rehabilitation and replacement? Please explain the funding process for the Program/Direct Costs portion of the contract.

Yes. The Contractor completes the repairs and then receives payment in accordance with the Payment Schedule on page 25 of the RFP. Program Costs will be paid as incurred and approved pay request has been received by the Contractor.

- b. What documentation is required as part of the discussion? Consolidated Accounting Statements? The offerors 10K submission?

Audited financial statements are required.

47. **RFP page 24, the Projected Implementation Outcomes Schedule, indicates the work of this Program is expected to be completed within 3 years. However, RFP page 4 indicates the contract**

period is for 3 years, with 2 one-year renewal options. Does the State want proposed labor rates for the option years? If not, what is required?

Yes. The program is expected to be completed in 3 years. The Contractor Implementation Cost should include all Offeror's cost to complete the program.

- 48. RFP page 31, Qualifications—Required Information: In lieu of providing financial statements, is it acceptable to provide an Evidence of Responsibility Statement from the Federal Acquisition Regulation (FAR) 9.104-1 which covers such items as Adequate Financial Resources, Record of Integrity & Business Ethics, Record of Performance, Organization, Experience, Accounting and Operational Controls, and Technical Skills. Please confirm this is acceptable.**

The state expects audited financial statements however alternative financial information may be evaluated.

- 49. Please confirm that it is the state's intent for...**

- g. Homeowners to select and enter into agreements with construction workers to make repairs, demolish, or—in case of replacement—enter into contracts with modular home providers to provide and install units ...and....*

It is not the State's intent for homeowners to select and enter into agreements with construction workers. The homeowner is expected to make an agreement with the Contractor.

- h. The implementation contractor to inspect the work for compliance with HQS, local and state codes, etc., before releasing funds.*

The State expects the highest quality of work and further expects the selected Contractor to conduct adequate quality control.

Alternatively, does the state expect the implementation contractor to hire, directly or through subcontract, the construction workers who will perform the work and therefore not allow the homeowner to select their own contractor or their own modular home provider?

As stated above, the homeowner will agree to the work to be done but is not expected to select any provider.

- 50. Does the State intend to have a title search performed on all applications to determine ownership, determine if properties are in foreclosure, and insure proper recordation of the lien on the property? What will be acceptable in terms of proof of ownership when multiple property owners are involved?**

Yes. The Offeror is responsible for performing all property searches and taking any action necessary to determine legal property ownership. Heir property issues will be adjudicated by the Special Circumstances Board on a case by case basis.

- 51. Regarding HMGP funding:**

- a. Who is running the HMGP program?**
- b. What is the method of distribution of HMGP funds?**
- c. What is the Contractor's responsibility under the subject contract in regard to the HMGP program?**

- d. The ability of the contractor to meet the payment terms related to HMGP match funds expenditures depends on whether the HMGP projects are eligible under CDBG-DR. This is out of the contractor's control. Please explain how the contractor will be compensated for expenses if there are not enough eligible HMGP projects.

Response for a. – d. - The Contractor validates the eligibility. SCDOR will establish a Hazard Mitigation Grant Program (HMGP) Board to consider eligible HMGP matches. The Contractor will be responsible for the management of the match funds.

52. Are properties in foreclosure proceedings eligible for the program?

Properties in foreclosure are not eligible. However, if the owner reconciles the debt and removes the property from foreclosure, the property would then become eligible for the program.

53. The Projected Implementation Outcomes Schedule (RFP page 24) indicates “All program policies established and accepted by the State” between startup and first quarter. The Scope of Work (RFP pages 17-22) does not specifically include this activity. Please confirm if the Contractor is responsible for preparing draft policies and procedures for the State’s approval.

Yes. The Offeror is responsible for establishing draft policies and procedures approved by the State for the program.

54. The RFP appears to be silent on construction bonding requirements including the duration of those bonds. Can you please enumerate the State of SC’s requirements of the residential construction bonds and the durations?

Compliance with all state and local bonding requirements is the responsibility of the Offeror.

55. Does the State have a mass printing facility that the Contractor may use during this program?

No.

56. Will the State pay for postage for this program?

Postage should be included in the Contractor’s Implementation Cost.

57. The RFP (page 17) sets a goal of 1,500 R3ed homes. What mix of stick-built rehabilitation, MHU replacement, and modular replacement should offerors assume in order to meet this goal? Additionally, based on the data available to the State from preparation of the Draft Action Plan, what does the state anticipate as the average cost per unit for each of the 3 R options? All bidders will need this information in order to prepare an accurate cost proposal.

Our planning assumptions were based on a mix of 10% Modular, 35% Brick and mortar or stick, and 45% Manufactured or Mobile Home. The price point we used for planning purposes involved 60K for a Manufactured or Mobile home, 25K for a Brick and mortar or stick home, and 90K for a modular home.

58. Item 13 (page 18 of the RFP) states: “Offeror will provide Intake and Eligibility Operations which determines eligibility, processes and assigns work as applicable within established policy guidelines: conducts extensive coordination with an existing state case management contract (Disaster Case Managers) to validate eligibility of citizens, and Offeror ensures no citizen receives any duplication of benefits prior to any contractor assistance provided.”

- a. Who is the existing state case management contract with?
- b. Have the “Disaster Case Managers” been accepting applications and collecting eligibility documents? If so, how are they tracking and recording the information?

c. Please provide the detailed scope and Period of Performance of the existing state case management contract.

Response for a.-c. - Hearts and Hands is a DCM non-profit. They are under contract with SCEMD through a grant paid for by FEMA. SCDRO has a strong and positive working relationship with this organization. The disaster recovery grant is only one option available to our citizens. Hearts and Hands DCM provides complete disaster recovery capability for citizens as well access to other programs. Details concerning Hearts and Hands contract with SCEMD should be referred to SCEMD or Hearts and Hands. See also response in 36.a. above.

- 59. The Payment Schedule in the RFP (page 25) requires the contractor to achieve at least 1,300 R3ed homes. Given the actual mix of stick-built rehabilitation, MHU replacement, and modular replacement that could occur, and the maximum awards in the Draft Action Plan (page 66), it is possible that available funds will support a smaller number. If, for example, funds are sufficient to achieve only 1000 R3ed homes, will the state withhold the percentages earmarked for the offeror achieving 1100, and 1300 homes?**

The state fully intends to rebuild, restore or replace 1500 (+/- homes)

- 60. Program/Direct Cost—the RFP (page 29) states that program/direct costs will be paid by the State in accordance with program policies and procedures. Further, the RFP notes “In essence, these costs will be paid as incurred by the Offeror.” Please clarify whether (a) the Offeror is to incur construction related costs and then seek reimbursement or (b) the Offeror being responsible for processing paperwork and submitting it to the State for payment, with the State then paying the homeowner or their home improvement contractor.**

(a) is correct. The Offeror is to incur construction related costs and then seek payment from the State for the services.

- 61. Program/Direct Cost (RFP page 29)—will the rehab contract for home repair or replacement be between the program contractor and homeowner? If not, between whom? For example, the work write and cost estimate determines that a property requires \$20,000 in repairs. Is the \$20,000 granted to the HO who then enters into a home improvement contract for the performance of the work with funds released from the grant based on the program’s inspection? Alternatively, is the program contractor entering into a home improvement agreement with the homeowner to make the \$20,000 worth of repairs? Or something else.**

Yes, the rehab contract for home repair or replacement will be between the program Contractor and homeowner.

- 62. We understand that the proposed payment schedule found in this RFP is meant to track payments vis-a-vis contractor results. Without changing the overall objective of linking payment to performance, would the state be willing to discuss this structure and make modifications as appropriate based on discussions with the chosen vendor?**

The State has no intention of modifying the payment schedule.

- 63. There are certain costs that will be incurred by the vendor selected under this RFP which are related to project infrastructure and/or are heavily weighted early in the engagement. The payment structure that is proposed does not seem to recognize this and puts responding vendors at great financial risk. Would the State consider an alternative approach that involves more immediate reimbursement of these types of expenses due to the nature of those costs? For example, a software-based system to help manage funds, provide transparency, and ensure readiness for audit may require up-front licensing or consulting costs to modify the system to work with pre-existing state software and recovery program designs, yet the payment structure**

does not recognize the need to pay for these up-front expenditures. Similarly, necessary contractor expenses such as lodging, per diem, and travel will be necessary for the consultants involved in the project and must be paid regularly, but the proposed payment structure appears to link them to milestones that have no relation to when costs are incurred. While we understand the intent of the payment schedule that was proposed, would the state be open to negotiating with the chosen vendor so that these types of expenses may be considered as reimbursable as they are incurred, rather than as part of the benchmarked payment structure?

The State has no intention of modifying the payment schedule.

- 64. There is little reference to the use of a software system to manage HUD funding and program processes, however many of the tasks clearly require such a system to ensure proper implementation and results. This is particularly true when it comes to audit control and transparency. How will the vendor's chosen system / support services, and related experience demonstrating that it works as described, be evaluated as part of the scoring of this RFP?**

It is the offeror's responsibility in their bid to explain and articulate the benefits of their proposed system of record. A demonstration of the proposed system should be included in Offeror's proposal.

- 65. Could you please provide a list of companies represented at the Pre-Proposal Conference?**

The following organizations were represented at the pre-proposal conference on July 25, 2016, according to the sign-in sheet:

- Paragon Builders
- Ardurra Group
- Blue Ridge Log Cabins
- ICF International
- Hagerty
- Deloitte
- HGA
- Tetra Teck
- Horne
- SLSCO
- AECOM
- Manufactured Housing Institute of SC
- Paragon Builders

Attachment A
Demonstration Presentation Script

**Department of Commerce Full Spectrum Disaster Recovery Operations to Implement the State's
Community Development Block Grant-Disaster Recovery (also referred to as the CDBG-DR)
Action Plan**

Company Name: XXXXX

Presentation Time: **Assigned Time Line**

The overall demonstration is limited to two (2) hours. Prospective offeror(s) are expected to address all the requirements, and needs stated in the Guidance for Live (In-Person) Presentations provided. There will be 30 minutes allocated after each presentation for any questions from the evaluation committee.

The live presentation should be conducted in a comprehensive and straightforward manner in order to secure a clear and meaningful understanding of the Offeror's proposal and the requirements have been understood.

Presentation (2) hours

The Offeror must address the following points during the presentation:

A. Presentation of Proposal

1. **Introduction of personnel, their backgrounds and their proposed roles on the Project.** This should also include identification of any subcontractors or other resources to be used on the account.

Provide an overview of your Project Team's expertise in managing full spectrum recovery operations and those of the partners or subcontractors or other resources that may be used to meet the needs of the client. Overview to encompass (but not limited to) the following:

- Strategic Communication
- Intake/Eligibility Operations
- Information Technology and System of Record
- Internal Auditing and Compliance
- Construction Management
- Program Closeout

2. **The Next Three Years**

- i. Describe the strategic approach you would recommend for implementation of the overall recovery operations.
- ii. Discuss the methodology and review the work plan/timeline that demonstrates a full understanding of the services required, as outlined in the solicitation.
- iii. Discuss the detailed outline/timeline of the proposed plan for the first, second and third year of the contract.

B. Demonstration of Proposed Grant Management System

- i. Describe the completeness and suitability of the Offeror's proposed Grants Management Software system to meet the functional, technical and performance needs of the RFP.

C. Previous Experiences/Best Business Practices

1. **Describe how you define the ideal client-Contractor relationship?** This segment should include a look at the personality and culture of the Project Team, and what it's like to work with your team.

2. **Review samples of previous work with similar projects** that demonstrates your team's experience in the approach and execution of managing full spectrum recovery operations.

3. **Address any other elements of the process and working with your team** that would be valuable to our working relationship and to the overall success of the program.