



North Carolina Department of Public Safety

Purchasing and Logistics

Roy Cooper, Governor
Erik A. Hooks, Secretary

Casandra Skinner Hoekstra, Chief Deputy Secretary
Douglas Holbrook, Chief Financial Officer
Joanne B. Rowland, Director

AMENDMENT NUMBER ONE (1)

**State of North Carolina
Department of Public Safety
NC Office of Recovery and Resiliency (formerly under Emergency Management)**

**RFP No. 19-RFP-014364-WAX
Request to Prequalify Contractors for Residential Construction Services
for State's Hurricane Matthew Housing Recovery Program**

This Agreement shall amend **RFP No. 19-RFP-014364-WAX** ("the Agreement") by and between [REDACTED] and the State of North Carolina, Department of Public Safety, Purchasing and Logistics (hereinafter referred to individually as "State"). Except as provided in this Amendment, all terms and condition of the original Agreement shall remain in force and shall apply to this Amendment. The Agreement is hereby amended as follows, to become effective upon signature of all parties.

This Amendment, including all previous Amendments, Agreement and all of its exhibits constitutes the entire agreement between the parties.

- A. Replace every instance of "Division of Emergency Management" with "Office of Recovery and Resiliency"
- B. Replace every instance of "NCEM" with "NCORR"
- C. **4.1 Approved Pricing Charges and Costs**

Replace all of 4.1 with:

Construction Costs: Contractors that have been prequalified will have to agree to pricing which may be different from what was originally proposed, depending upon the price of the project awarded. For projects \$30,000 and above Contractors shall (1) use the Bid Book pricing for materials (2) propose pricing for appropriate items of the Bid Book which lack values (3) submit a bid factor for the prices in the bid book (bid factor would not be applied to Contractor-provided prices) and (4) giving profit and overhead percentages. The Bid Book will be reevaluated by NCORR to assess changes in construction costs prior to re-opening the prequalification pool and pricing will be re-evaluated once the pool closes. Any changes to Bid Book prices will be used for future bids and will not be retroactive for projects which already have signed Notices to Proceed. For projects under \$30,000, Contractors will be awarded based upon an agreed-upon composite pricing scheme applied to the Estimated Cost of Repairs (ECR). Composite pricing will be set by the CM, in conjunction with NCORR, after asking for a bid factor, overhead percentage, and profit percentage from all prequalified Contractors that wish to participate in the rehabilitation projects under \$30,000. The Contractor will then either accept or reject composite pricing and that

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pricing will be applied to all projects below \$30,000.00. Contractors that do not accept the composite pricing will not be awarded contracts below \$30,000.00.

MHU Replacement: Contractors that wish to participate in the MHU replacement portion of the CDBG-DR program will have to accept the pricing contained in NCORR's MHU Bid Book that will incorporate, at a minimum, publicly available pricing information in the three construction zones. It is NCORR's intent that the MHU Bid Book, in conjunction with a bidding process, which includes a bid factor to be applied to the MHU Bid Book, and a percentage given for profit and overhead, shall establish the total construction cost of Prequalified Contractor's work on any MHU replacement project and will be used to establish the total amount of the contract between the homeowner and Contractor for the MHU replacement authorized scope of work and will be used to calculate change orders.

Lead-based paint, Asbestos, or Environmental Abatement ("Abatement"): Contractors that wish to participate in the Abatement portion of the CDBG-DR program will have to accept the pricing contained in NCORR's Abatement Bid Book that will incorporate, at a minimum, publicly available pricing information in the three construction zones. It is NCORR's intent that the Abatement Bid Book, in conjunction with a bidding process which includes a bid factor to be applied to the MHU Bid Book, and a percentage given for profit and overhead shall establish the total construction cost of Contractor's work on any Abatement project and will be used to establish the total amount of the contract between the homeowner and Contractor for the Abatement authorized scope of work and will be used to calculate change orders.

Sales Taxes: The completed NCORR Benchmark Bid Book may not contain all applicable sales taxes, and Contractors may invoice or charge to NCORR for reimbursement of applicable sales taxes. If the Contractor does invoice and charge sales taxes, NCORR may require receipts or documentation to review and process invoices or payment requests.

Contractor Mobilization, Storage and Travel Charges: Contractors may only submit the above noted construction costs: overhead, profit, taxes, and price per square foot (for reconstruction) or bid factor (for all other types of projects). Contractors must include travel, lodging and storage costs that can support work crew members who must stay overnight to complete work orders in their overhead percentage.

Contractor shall not invoice for any amounts not specifically allowed for in this RFP, that is, Contractor's may not bill NCORR or any other State agency for any costs in putting together the requested application.

D. 5.7 Additional Requirements

Replace b) with:

b) Comply with all applicable local, state, and federal laws, regulations, and guidelines, which may include: HUD Community Development Block Grant disaster laws, regulations, and guidelines; the Davis Bacon Act (for repairs to properties containing eight (8) units or more); and Section 3 of the Housing and Urban Development Act of 1968;

Replace j) with:

j) For reconstruction/replacement of MHUs, to ensure homeowners are not out of their homes longer than necessary the State has established standards for timely completion of contracted work. Completion standards begin the day the State issues the vendor a Notice to Proceed (NTP) and ends when home passes final inspection and the homeowner accepts key turnover. The State assesses liquidated damages of one hundred dollars (\$100) a day for each day that exceeds 37 days from NTP to construction passing final inspection and homeowner accepting keys.

E. 5.10 Work Order Authorization and Compensation

Replace all of 5.10 with:

During the term of any contract awarded under this RFP, NCORR may request Contractors to perform certain projects as described above, subject to specific work authorization in the form of a General Work Order (Work Order). All Work Orders shall be in writing, signed by both the Contractor and NCORR (or its designee), and shall include a scope of services, a list of tasks to be performed by the Contractor, a time schedule, a list of deliverables if any, and such other information or special conditions as may be necessary for the work requested.

There will be three different methods of awarding construction contracts, further defined below:

1. Contracts up to \$29,999.99 will be awarded via assignment to a Contractor pursuant to N.C.G.S. § 143-131.
2. Contracts between \$30,000.00 and \$499,999.99 will be awarded via informal bidding pursuant to N.C.G.S. § 143-131.
3. Contracts at or above \$500,000.00 will be awarded via formal bidding pursuant to N.C.G.S. § 143-129.

Awarding of Projects Below \$30,000.00

As defined in N.C.G.S. § 143-131, contracts below \$30,000.00 do not require competitive bidding or the contract be awarded to the lowest, responsive, responsible bidder. These contracts will be awarded with an agreed-upon composite pricing scheme applied to the ECR. Composite pricing will be set by the CM, in conjunction with NCORR, after asking for a bid factor, overhead percentage, and profit percentage from all Contractors who wish to participate in the rehabilitation projects under \$30,000. The Contractors will then either accept or reject composite pricing and that pricing will be applied to all projects below \$30,000.00. Contractors who do not accept the composite pricing will not be awarded contracts below \$30,000.00.

These projects shall be initially awarded to Contractors with pricing in the lowest third of the price responses for composite pricing. All of the bottom third will be awarded contracts from highest to lowest prequalification score and then by highest to lowest prequalification score in the middle third of price responses, followed by the highest third of pricing responses. The CM will use a performance scoring matrix to rank all Contractors as to their performance for these projects. The inputs for the performance matrix will be given to Contractors so that they understand what their performance score will be based upon. Once there is enough data in the performance matrix to ensure reliability, then awarding of contracts under \$30,000.00 will be done according to performance ranking and capacity only.

Informal Bids for Projects Between \$30,000.00 and \$499,999.99

For contracts between \$30,000.00 and \$499,999.99, N.C.G.S. § 143-131 requires competitive bidding and awarding of the contract to the lowest, responsive, responsible bidder. For all of these contracts, NCORR requires additional contractual requirements of N.C.G.S. § 143-128, even if they fall under an exception. The CM will assist NCORR with putting together informal batches. These batches will be for close geographical areas that have similar project type. Those batches will be disseminated in Request for Bids (RFB) with the Salesforce Numbers for those projects. The Contractors will have Salesforce access and will be able to review these projects and submit completed RFBs. The Contractors will have the ability to bid on the individual projects and/or all of them. They will give pricing for three categories of project costs for rehabilitations: bid factor, profit percentage and overhead percentage. They will give pricing for three categories of project costs for reconstruction: cost per square foot, profit percentage and overhead percentage. They may give pricing for each individual project while also giving a separate price if they are awarded all projects within the informal batch. If there are any line items without a value given within the bid book which apply to a project, the Contractor must give that value in their RFB. Xactimate pricing will be used along with profit and overhead from Contractor's response.

The RFBs will be sent to the email address of record for the Contractors and it will include a date and time for the completed RFB to be sent back to NCORR at the same email address which it was sent from.

Any additional costs which arise as a change order will be paid at the same pricing given in original bid: bid factor, profit and overhead applied to the bid book. The bid book is very comprehensive, but if there are any costs which

were not contemplated by the bid book then those will have to be negotiated. These change orders will have to be required by the Authority Having Jurisdiction and the Contractor shall provide the CM with documentation of these required changes.

Mobile Housing Units (MHU) will be turnkey projects. If a MHU manufacturer requires a progress payment on MHU replacement work order, the Contractor shall negotiate an early pay point upon documentation of the necessity of the deposit. Also, if the MHU manufacturer requires certification of the Contractor to ensure warranty transfer to the homeowner, then the Contractor shall show proof of that certification.

Formal Sealed Bids for Batches of Projects above \$499,999.99

Construction contracts at or above \$500,000.00 will need to go through the formal sealed bid process pursuant to N.C.G.S. § 143-129. These contracts will require the additional contractual requirements of N.C.G.S. § 143-128. These contracts will be assembled into batches by the CM and NCORR to allow for the most efficient delivery of construction services for NCORR and the Contractors. At least three bids must be received for each batch and the contract will be awarded to the lowest, responsive, responsible bidder. The RFBs for these sealed bids will be the same as the RFBs in the informal bidding process. The batches will be sent to the email address of record for each Contractor. The Contractors must return their completed RFBs in a sealed envelope to an identified location by the date and time requested in the email sent out by NCORR containing the RFB. Unlike in the informal bidding process, the Contractors may only bid upon the entire batch and shall give the same three pricing responses – cost per square foot, overhead percentage, and profit percentage. NCORR will open the RFBs in public, as required by state law, and inform the Contractors of the date and time upon which NCORR will award the projects.

Contractor and Construction Manager will agree upon cost benchmarks for payment to Contractor before construction begins which will constitute draw payment schedule.

See Section 4.1 on Pricing for information on pricing and allowable costs.

F. Attachment D: North Carolina General Terms & Conditions; Construction Management & Construction Terms & Conditions Article 10 – Changes in the Work

Replace c. with:

c. In determining the values of changes, either additive or deductive, change orders shall be based on the bid factor and profit and overhead percentages agreed to for that project in the bid for projects \$30,000 and over and in the composite pricing for projects under \$30,000.

The undersigned individuals below represent and acknowledge they have the company power and authority to bind _____ and the State of North Carolina Department of Public Safety, Purchasing and Logistics to the terms of this Amendment.

ACCEPTED AND AGREED TO:

VENDOR NAME

**North Carolina Dept. of Public Safety
Purchasing and Logistics**

By: _____

By: _____

Name: _____

Name: Angela Wainright

Title: _____

Title: Purchasing Officer

Date _____

Date: _____