

**RESTORE NEIGHBORHOODS LA, INC.**

**Neighborhood Stabilization Program**

**DEVELOPMENT AND SALE OF FORECLOSED PROPERTIES  
FOR AFFORDABLE HOMEOWNERSHIP**

**REQUEST  
FOR  
QUALIFICATIONS  
(RFQ)**

**Licensed General Contractors (B Licensure)  
New Construction**

**January 17, 2012**

ISSUE DATE: January 17, 2012

RFQ RESPONSE DUE DATE: February 17, 2012

**RESTORE NEIGHBORHOODS LA, INC.  
Neighborhood Stabilization Program  
REQUEST FOR QUALIFICATIONS**

**Licensed General Contractors (B Licenses)**

**I. Program Summary**

This Request for Qualifications (RFQ) is being issued by RESTORE NEIGHBORHOODS LA, INC. (RNLA) to qualify experienced Licensed General Contractors (B Licensure) to participate in the new construction of single-family and small multi-unit properties (typically between 2 – 4 units).

The City of Los Angeles' Neighborhood Stabilization Program (NSP) is funded by grants from the U.S. Department of Housing and Urban Development (HUD). Funds were awarded to local government and non-profit agencies to acquire and rehabilitate foreclosed or abandoned residential properties in order to stabilize neighborhoods and stem the decline of housing values of neighboring homes. NSP will also help to create new jobs and retain existing jobs in home construction and rehabilitation, building supplies and materials, real estate sales, and property management in Los Angeles.

To date, the City has been awarded three NSP grants from HUD:

**NSP1 for \$32.8 million  
NSP2 for \$100 million  
NSP3 for \$9.8 million**

The homes included in this Program will be, at a minimum, be constructed to meet habitability standards, help facilitate the long-term success of the homebuyers and make significant investments in the future of the neighborhoods. In addition, the utilization of the funding requires the following:

1. The primary purpose of this program is to restore foreclosed or abandoned properties to become "green," code-compliant assets to help stabilize neighborhoods. In special circumstances, vacant property may also be redeveloped.
2. Only properties located in NSP target areas of greatest need are eligible.
3. The properties will be either detached single family structures or 2 - 4 unit apartment buildings.

RNLA will contract with Contractors who are qualified through this RFQ and adhere to Program requirements. Contractors will be directly responsible for executing the rehabilitation plans and specifications and obtaining all permits and city approvals for scattered site single family homes and some multi-unit properties. Licensed general contractors will coordinate the work of all required subcontractors.

**RNLA currently anticipates that between 12 and 20 properties will be newly constructed.** The actual number will vary as more properties are acquired and added to the contractor bidder list.

**II. Location of Properties**

RNLA is committed to using the NSP funds in neighborhoods identified with the highest incidence of foreclosures in the City of Los Angeles. The primary target areas for this program are South LA and the San Fernando Valley. Within those general areas, RNLA will focus it's acquisition of properties within small areas identified by members of the Los Angeles City Council as having the greatest needs. These areas are shown on maps on the LAHD website: <http://lahd.lacity.org/nsp>. Selected Contractors must agree to provide services within any and all of the areas designated in this RFQ as well as any additional areas within the City of Los Angeles that have not been designated but where RNLA purchases properties.

### III. Request for Qualification Overview

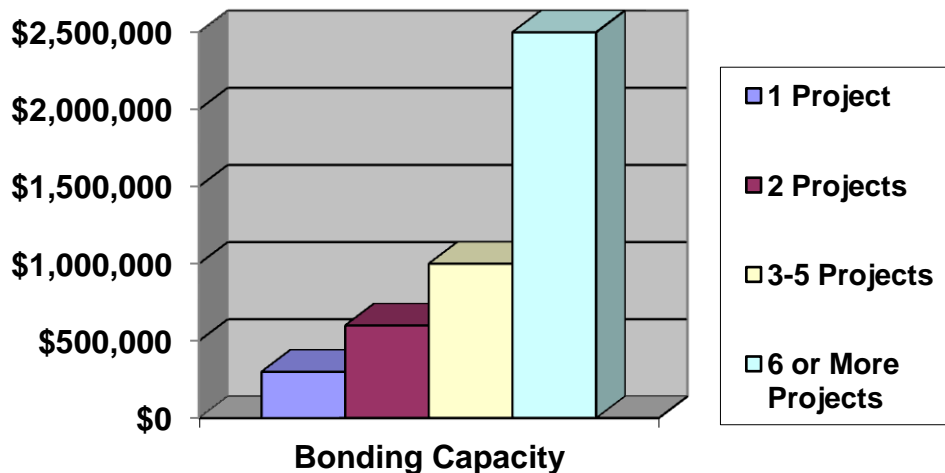
RNLA requests that Applicants submit their qualifications for review and approval by RNLA and LAHD. RNLA will make every effort to review and qualify Applicants in an expedited manner. Depending upon the volume of responses received, RNLA anticipates qualifying Applicants within ten (10) to 30 business days of receipt of their completed application.

Selection criteria will include the following:

1. Previous experience (last five years), in construction of single-family and multifamily residential units, as well as, the experience of all members of the contractor's team.
2. Financial capacity, including sufficient financial strength to undertake and complete multiple projects at one time including one or more multi-family projects of up to 4 units each.
3. Ability to meet the City's minimum insurance requirements and bonding capacities.

The Applicant must hold a current California General Contractors license (minimum "B" license) that is in good standing. The Applicant must have extensive construction experience, including new construction of a minimum of 5 owner-occupied homes (specifically single-family homes, condominiums, or townhomes) in the previous 5 years<sup>1</sup>. The Applicant's proposal must show that the Applicant has substantial experience in determining and budgeting for anticipated construction costs including preparation of project budgets and obtaining required building permits and inspections.

Applicants seeking one (1) project must have at least \$300,000 in available bonding capacity. Applicants seeking two (2) projects must have at least \$600,000 in available bonding capacity. Applicants seeking three (3) to five (5) projects must have at least \$1,000,000 in available bonding capacity. Applicants seeking six (6) or more projects must have at least \$2,500,000 in available bonding capacity.



### IV. Construction Standards

NSP funded construction activity must comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability.

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<sup>1</sup> RNLA requires the experience to be an aggregate of the total number of projects completed within the last five (5) years.

Construction activities must at minimum adhere to RNLA and LAHD specifications which are in excess of HUD Housing Quality Standards (“HQS” found at 24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I). RNLA and the City construction specifications are available for review at <http://lahd.lacity.org/nsp/GeneralPublic.aspx>.

## V. Other Requirements

**Davis Bacon Wages.** NSP construction activities may be subject to the Davis-Bacon Act depending upon the size of the property. Davis-Bacon wages do not apply to single-family home construction. Applicants selected for multi-family projects with 8 or more units will be required to pay their subcontractors Davis-Bacon wages and maintain records that demonstrate their compliance with this requirement.

**Prevailing Wage Rates** It is anticipated that federal prevailing wage rates will be not be required for these projects. If necessitated by project requirements the current wage rates will be provided in the bid packages

**MBE/WBE.** In addition, NSP construction activities are encouraged to follow Minority-Owned Business Enterprise (MBE) and Women-Owned Business enterprise (WBE) local hiring and HUD Section 3 requirements.

**HUD Requirements.** As a sub-recipient of HUD funds, RNLA must comply with a set of LAHD and HUD requirements and will expect all contractors to agree to comply with the same requirements as outlined in the contract and in the Addendum to the contract.

**Section 3.** Contractors receiving awards that exceed \$100,000 for construction and/or rehabilitation activities are responsible for compliance with Section 3 of the Housing and Community Development Act of 1968 (Section 3) as described in the contract attached to the original RFQ. In order to meet Section 3 requirements, RNLA strongly encourages contractors to contact YouthBuild and WorkSource programs in Los Angeles and request their assistance in recruiting skilled local residents trained in the construction trades for employment opportunities.

The following agencies can be contacted for information on local YouthBuild programs in Los Angeles: :

AYE of Catholic Charities of LA, Inc. 3250 Wilshire Blvd., Suite 1010 Los Angeles 90010 (213) 736-5456	LA CAUSA YouthBuild P.O. Box 2636 North Hills, CA 91393 (818) 920-0101
Cloud and Fire Ministries 1117 Goodrich Blvd., 2nd Floor Los Angeles, CA 90022 (323) 887-2500	LA Conservation Corps. P.O. Box 15868 Los Angeles , CA 90015 (877) 9LACORPS
Venice YouthBuild 720 Rose Avenue Venice, CA 90291 (310) 399-4100	Watts LCAC 10950 South Central Avenue Los Angeles, CA 90059 (323) 563-5639

The following WorkSource offices can be contacted for information about local WorkSource programs in Los Angeles:

Canoga Park-West Hills WorkSource Center 21010 Vanowen Street St Suite 116 Canoga Park, CA 91303 Tel. (818) - 596 - 4448	Chatsworth-Northridge WorkSource Center 9207 Eton Av Los Angeles, CA 91311 Tel. (818) - 701 - 9800
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Chinatown WorkSource Center  
767 N Hill St Suite 400  
Los Angeles, CA 90012  
Tel. (213) - 808 - 1700

Downtown WorkSource Center  
315 W 9th St Suite 101  
Los Angeles, CA 90014  
Tel. (213) - 629 - 5800

Harbor WorkSource Center  
1851 N Gaffey St Suite F  
San Pedro, CA 90731  
Tel. (310) - 732 - 5700

Hollywood WorkSource at LA City College  
835 N Vermont Av B-10  
Los Angeles, CA 90027  
Tel. (323) - 953 - 4002

Imperial Courts WorkSource Portal  
11534-36 Croesus Av Space 113  
Los Angeles, CA 90059  
Tel. (323) - 249 - 2910

Jordan Downs WorkSource Satellite  
2101 E 101st St  
Los Angeles, CA 90002  
Tel. (323) - 249 - 7751

Marina Del Rey-Mar Vista WorkSource Center  
13160 Mindanao Wy Suite 240  
Los Angeles, CA 90292  
Tel. (310) - 309 - 6000

Metro North WorkSource Center  
342 San Fernando Rd  
Los Angeles, CA 90031  
Tel. (323) - 539 - 2000

Nickerson Gardens WorkSource Portal  
1495 E 114th St Suite 1106  
Los Angeles, CA 90059  
Tel. (323) - 357 - 3950

Northeast LA WorkSource Center  
3825 N Mission Rd  
Los Angeles, CA 90031  
Tel. (323) - 352 - 5100

Northeast WorkSource Portal/Roybal Youth & Family  
2130 E First St Suite 305  
Los Angeles, CA 90033  
Tel. (323) - 352 - 5100

South LA WorkSource Center  
7518-26 S Vermont  
Los Angeles, CA 90044  
Tel. (323) - 752 - 2115

Southeast LA-Crenshaw WorkSource Center  
3965 S Vermont Av  
Los Angeles, CA 90037  
Tel. (323) - 730 - 7900

Southeast LA-Watts WorkSource Center  
10950 S Central Av  
Los Angeles, CA 90059  
Tel. (323) - 563 - 5682

Sun Valley WorkSource Center  
9024 Laurel Canyon Bl  
Sun Valley, CA 91352  
Tel. (818) - 504 - 0334

Van Nuys-North Sherman Oaks  
WorkSource Center  
15400 Sherman Way, Suite 140  
Van Nuys, CA 91406  
Tel. (818) - 781 - 2522

West Adams-Baldwin Hills WorkSource Center  
3344 S La Cienega Bl  
Los Angeles, CA 90016  
Tel. (323) - 525 - 3740

Westlake WorkSource Center  
1055 Wilshire #900A Blvd  
Los Angeles, CA 90017  
Tel. (213) - 353 - 1677

Wilshire-Metro WorkSource Center  
3550 Wilshire Blvd Suite 500  
Los Angeles, CA 90010  
Tel. (213) - 365 - 9829

WorkSource California  
LA WorkSource / OneSource Ctrs  
Los Angeles, CA 99999  
T.F. (888) - 226 - 6300

**Construction Contract.** Contractors should review the contract terms and be prepared to execute a contract on relatively short notice. The contract will outline the general terms between Contractors and RNLA and the Contractors' obligations for the construction of designated properties. RNLA will typically have 30 days from the time it signs a purchase agreement on a property until the time it acquires that property. RNLA will use that time to select Contractor(s) from the list and to execute a contract in anticipation of closing on the property.

Depending upon the availability of properties at any one time, RNLA may execute a construction contract with a particular Contractor for the construction of one property or multiple properties. Only after RNLA has had an opportunity to evaluate a Contractor's performance with the construction of its first property or set of properties will it award those Contractors additional properties. In that case, RNLA may execute a new contract with a Contractor for additional subsequent sets of properties.

**Certificates of Insurance.** Contractors will be required to provide Certificates of Insurance naming Restore Neighborhoods LA, Inc. and Los Angeles Housing Department as additional insured prior to the execution of a construction contract.

**License.** Contractors must provide copy of Business License, all necessary insurance documentation, and active State Contractors License

## **VI. Reporting Requirements**

Contractors will be required to provide reports to satisfy RNLA, LAHD and HUD requirements. These reports will be in a format acceptable to RNLA and will include but may not be limited to weekly, monthly and quarterly status reports providing information on the status of each building. These reports will include progress of construction work and projected completion dates.

## **VII. Selection Criteria**

1. **Construction Experience** - The Applicant must have extensive residential construction experience, including new construction of a minimum of 5 homes (specifically single-family homes, condominiums, or townhomes) in the previous 5 years.<sup>2</sup>
2. **Financial Capability** - The Applicant must present evidence of his/her financial capacity to perform all requirements within the proposed projects. Such evidence should include banking and credit references, available lines of credit, and statement of bonding capacity. Further financial information may be requested by the RNLA after review of the submittals including but not limited to an accountant compilation or balance sheet. *All information relative to financial statements will remain confidential.*
3. **Performance Record** - Contractors must have proven performance and experience in completing projects of similar scope. Contractors must supply a minimum of three (3) references for projects completed within the last two years and a minimum of three references from vendors or suppliers.

## **VIII. Selection Process**

1. **RNLA will review only completed applications.** After reviewing all submittals, the Selection Team – made up of RNLA and the City of Los Angeles Housing Department will identify contractors with whom it will meet to discuss and evaluate the contractors' qualifications, experience, and capacity in more depth. The Selection Team may also request site visits to Applicant's completed projects. Based on the outcome of these meetings, the Selection Team will

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<sup>2</sup> RNLA requires the experience to be an aggregate of the total number of projects completed within the last five (5) years

complete an evaluation and develop a list of pre-qualified bidders for these projects utilizing the following weighted factors:

Scoring Criteria	Points
<b>Organizational Capacity</b>	<b>25</b>
<b>Construction Experience</b>	<b>25</b>
<b>Financial Capability</b>	<b>25</b>
<b>Performance Record</b>	<b>25</b>
<b>Total</b>	<b>100</b>

Applicants must score a minimum of 20 points within each weighted factor.

#### **IX. Bidders List**

The intent of this RFQ is to establish a list of pre-qualified contractors from which to solicit bids for the work described in this RFQ in accordance with NSP requirements. It is anticipated that the established list will be comprised of general contractors and the exact scope of work for each project will vary based on the needs of the individual properties. RNLA may at its discretion make additions or deletions from this list as it deems necessary depending upon the response to this RFQ.

**General Contractors who were accepted by RNLA on or after April 1, 2011 under past General Contractor RFQs do not need to submit an application to be added to the Bidders List for new construction work. General Contractors accepted prior to April 2011 should contact RNLA regarding submission requirements.**

The bid process will either be formal or informal depending on the scope and projected cost of work. The process will comply with all NSP and established procurement guidelines.

Once the RFQ responses have been reviewed and RNLA has determined a General Contractor is qualified, the name of that company is added to the Active General Contractors for New Construction List as follows and assigned projects:

1. Contractors are placed on the new construction list as their applications are approved<sup>3</sup>.
2. RNLA will contact one or more contractors, depending on the scope and number of projects available, from the list to bid on each project as it becomes available. RNLA will provide the bidding contractors with a scope of work and a blank cost estimate from which to work. Contractors are given a uniform amount of time in which to develop a bid.
3. In the case where one contractor is bidding, if that contractor is within 5% of the RNLA's in-house estimate, that contractor will be awarded the contract. In the case where multiple contractors are bidding, the contractor with the lowest qualified bid will be awarded the contract. RNLA reserves the right to negotiate prices downward or rebid projects that are greater than 5% of the anticipated cost.
4. RNLA may add additional names of qualified General Contractors to the list at any time. If all qualified contractors on the list have been awarded contracts RNLA will evaluate the capacity of all the contractors on the list to handle additional work by evaluating their project completion status, contractor's experience handling multiple projects simultaneously, workforce capacity, financial capacity, and bonding capacity.
5. RNLA will evaluate a contractor's performance after every project. If a contractor's performance is satisfactory after the first project is completed, RNLA may assign that contractor more than one project at a time based on the contractor's work force, financial and bonding capacities. If a

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<sup>3</sup> These dates vary if contractors omit a required item with the initial submission and/or submitted the missing information after the initial submission.

contractor's performance is unsatisfactory at any time, RNLA reserves the right not to assign that contractor any additional properties.

**X. Construction Timeline**

Construction Timelines will be negotiated and finalized at the time the construction contract is signed, after the Contractor has had an opportunity to inspect the site and will be based on the extent of the work being done. In the contract with RNLA, the Contractor accepts responsibility for meeting its deadlines in the Construction Timeline and subsequent amendments and for complying with its enforcement provisions.

RNLA will review the project status with the Contractors on a regularly scheduled basis to determine if Contractors are on schedule. It is understood that the Contractor may be delayed at any time in the Construction Timeline by the Los Angeles Department of Building and Safety (LADBS) inspection schedules, rain, other acts of God or other causes beyond the Contractor's control. With written consent from RNLA, Contractors may be permitted to extend the completion schedule for the work or affected parts of the work by the same amount of time caused by the delay. RNLA staff will closely monitor the construction timeline and may invoke the contractual enforcement provisions of the contract as necessary including terminating the Agreement and/or reassigning the properties to another Contractor.

**XI. Submission Items**

To respond to this RFQ, Applicants must submit the following:

1. Contractor Application and Reference Form ("Application")
2. Signed Application Checklist
3. Non-refundable fee of \$50.00 that RNLA will use to run a credit check on each applicant. This fee must be in the form of a certified check, cashier's check or money order payable to Restore Neighborhoods LA, Inc.

The credit check fee must be submitted with the Application. No submissions will be reviewed until all items have been submitted. Applicants will have five (5) days from receiving a notice of application deficiency to submit all requested information and satisfy the deficiency. Failure to correct the deficiency within five (5) days will result in the Application being denied. The Applicant may not submit another application to RNLA for six (6) months from the initial application deficiency notification.

**XII. Submission Format**

1. An electronic version of the Application can be downloaded from RNLA's website. Responses should be typed directly into the Application and should not be handwritten.
2. Submit one (1) original and three (3) copies including all attachments.
3. The original submission must be signed by an authorized representative of the Applicant.
4. If the applicant is a limited partnership or joint venture, the Applicant must complete the Application for each entity that comprises the limited partnership or joint venture.
5. Each submission must be clearly labeled with the name of the Applicant(s) on the cover.
6. Application must be complete including responses to all Sections and all documentation requested. Incomplete submissions will not be considered.

**XIII. RFQ Application**

The RFQ application is available at [www.restoreneighborhoodsla.org](http://www.restoreneighborhoodsla.org)

**XIV. RFQ Submission Location**

A complete RFQ application must be submitted to RNLA at the following address on or before 5:00 PM on February 17, 2012:

Restore Neighborhoods, LA, Inc.  
315 West Ninth Street, Suite 501  
Los Angeles, CA 90015

Attn: Contractor RFQ Response

#### **XV. RFQ Questions**

Please visit [www.restoreneighborhoodsla.org](http://www.restoreneighborhoodsla.org) to review RFQ frequently asked questions (FAQs). Written questions and comments may be emailed on or before February 7, 2012 to: [jlaunchbaugh@restoreneighborhoodsla.org](mailto:jlaunchbaugh@restoreneighborhoodsla.org). RNLA will provide answers to questions on its website. [info@restoreneighborhoodsla.org](mailto:info@restoreneighborhoodsla.org) on or before January 20, 2012, or submitted to the following address:

Restore Neighborhoods, LA, Inc.  
315 West Ninth Street, Suite 501  
Los Angeles, CA 90015

Attn: Contractor RFQ Questions

Questions and answers will be posted on the website in the order they are submitted to RNLA.

#### **XVI. Terms and Conditions**

This RFQ is subject to the specific conditions, terms and limitations stated below:

1. The proposed Program shall conform to, and be subject to, the provisions of all applicable laws, rules, regulations and ordinances of all Federal, State, and City authorities having jurisdiction, as the same may be amended from time to time.
2. RNLA is not obligated to pay, nor shall in fact pay, any costs or losses incurred by any Applicant at any time including the cost of responding to the RFQ.
4. Applicants will be disqualified for adverse findings with respect to:
  - City and HUD mortgage foreclosure proceedings or arrears;
  - Foreclosure or substantial tax arrears;
  - A record of substantial building code violations or litigation against properties owned by the Applicant or by any entity or individual that comprises the Applicant;
  - Tenant harassment conviction or pending case;
  - Arson, fraud, bribery, or grand larceny conviction or pending case;
  - Previous record of default on work done under government contract;
  - Formal debarment or suspension from entering into contracts with any governmental agency or other notification or ineligibility for or prohibition against bidding or proposing on government contracts;
  - Denial of a contract based on any obligation to, or unsatisfied judgment or lien held by, a governmental agency;
  - Subject of any voluntary or involuntary bankruptcy proceeding;
  - A negative history with LAHD or HUD.
3. All material and information presented in this RFQ is general in nature and shall not be deemed to be inducements or representations to which RNLA or the City is bound. Contractors are cautioned to make their own independent investigation of all factual, financial, and legal matters upon which their submittals may be based.

4. RNLA reserves the right to reject at any time any or all submissions and/or to withdraw this RFQ in whole or in part, to negotiate with one or more Applicants, and/or to dispose of the sites on terms other than those set forth herein. RNLA likewise reserves the right, at any time, to waive compliance with, or change any of the terms and conditions of this RFQ, and to entertain modifications and additions to the selected submissions.

**XVII. Conflicts of Interest**

Applicants should be aware that all Contractors deemed eligible will be required to adopt RNLA's Conflict of Interest Policy, which is included in the Construction Contract.