

City of Detroit
Planning & Development Department
Dave Bing, Mayor

REQUEST FOR QUALIFICATIONS

THE CITY OF DETROIT'S PLANNING & DEVELOPMENT DEPARTMENT IS ISSUING A REQUEST FOR QUALIFICATIONS PACKAGE FOR:

SECTION 108 LOAN GUARANTEE PROGRAM

This Request for Qualifications is to retain an experienced accounting and business advisory firm or individual that is licensed to do business in the State of Michigan and can provide assistance with all of the following for a federally funded Section 108 Loan Guarantee portfolio:

- **Business valuation**
- **Cash flow analysis**
- **Analytical review of tax returns**
- **Benchmark analysis**
- **Contract compliance monitoring**
- **Document findings**
- **Individual financial workout plans**

Submission Response Due: DECEMBER 16, 2011

Request for Qualifications Packages are available online at www.alturl.com/gmie4 (QR Code below) or for pick-up at the Planning and Development Department, 65 Cadillac Square, 23rd Floor, Detroit, Michigan 48226 beginning December 2, 2011 between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday – excluding holidays and budget mandated furlough days.

All responses must be submitted to City of Detroit, Planning & Development Department, 65 Cadillac Square, 23rd Floor, Detroit, Michigan 48226. All Request For Qualifications responses must be submitted in a sealed envelop and plainly marked with **Section 108 Loan Guarantee Program Request for Qualifications Response**. PLEASE SUBMIT ONE (1) ORIGINAL PROPOSAL AND SIX (6) COPIES. **Request for Qualifications responses received after 3:00 p.m. on the deadline date will not be considered.** The full responsibility for timely submission of proposals rests with the applicant. The deadline is firm. No extensions will be granted and no excuses will be accepted.

Notice of Non-Discrimination: The City of Detroit does not discriminate on the basis of race, color, creed, national origin, age, handicap, sex or sexual orientation. Complaints may be filed with the Detroit Human Rights Department, 1026 Coleman A. Young Municipal Center, Detroit, Michigan. For further information, please contact:



City of Detroit's Planning & Development Department
Real Estate/ Development Division
65 Cadillac Square, 20th Floor
Detroit, MI 48226
Telephone: (313) 224-9254



December 2, 2011


RE: Request For Qualifications (RFQ) for Accounting and/or Business Advisory Firm

Dear Prospective Applicant:

The City of Detroit's Planning and Development Department is accepting Request For Qualifications for accounting and/or business advisory services for its Section 108 Loan Guarantee Program. We look forward to your participation and response to this offering.

For further information regarding the submission of proposals, I can be contacted at (313) 224-9973.

Sincerely,

A handwritten signature in blue ink that reads "B. Blake Watkins".

Brian Watkins, Manager
Real Estate Development Division
Planning & Development Department

BW/DLB/cdc

**REQUEST FOR QUALIFICATIONS
FOR ACCOUNTING AND/OR BUSINESS ADVISORY SERVICES FOR SECTION 108 GUARANTEED
LOAN PROGRAM**

I. BACKGROUND AND GENERAL REQUIREMENTS

INTRODUCTION/BACKGROUND

The City of Detroit's Planning & Development Department ("P&DD") is requesting sealed proposals from qualified entities to provide accounting and/or business advisory services for its Section 108 Loan Guarantee Program.

The selected respondent shall be a well established accounting and/or business advisory firm, licensed to do business in the State of Michigan and be able to demonstrate its ability and willingness to work cooperatively with the City of Detroit and developer(s) to provide financial analysis of various Section 108 Loan Guarantee Projects.

The selected applicant will demonstrate the respondent's familiarity with the Section 108 Loan Guarantee Program and have the ability and capacity to provide financial analysis of a large number of projects in a timely and efficient manner. The Respondent will also present an overall strategy to provide reporting solutions; clearly setting forth the Respondent's role in implementing said strategy.

REQUEST FOR QUALIFICATIONS ("RFQ") TIMETABLE

The anticipated time schedule for the RFQ is as follows:

	<u>Deadline(s)</u>
1. RFQ Available for Distribution	December 2, 2011
2. Proposal Due Date	December 16, 2011

Costs Incurred By Respondents

Any and all expenses involved with the preparation and submittal of proposals to P&DD, or any work performed in connection therewith shall be borne by the Respondent. No payment will be made by P&DD for any responses received, or for any other effort required of or made by the Respondent prior to commencement of work.

Submission Deadline

All proposals must be submitted anytime prior to **3:00 p.m. on December 16, 2011** to:

City of Detroit Planning & Development Department
Real Estate Development Division
65 Cadillac Square, 23th Floor
Detroit, Michigan 48226
ATTN: Brian Watkins

Proposals received after the 3:00 p.m. deadline on December 16, 2011 will not be considered. The full responsibility for the timely submission of proposals rests with the prospective Respondent. The deadline is firm. **NO EXTENSIONS WILL BE GRANTED.**

Structure of Submission

All submitted proposals must contain an original of all materials requested by this Request for Qualifications, plus six (6) copies, all assembled in three-ring binders of a style that may be opened and have individual pages removed.

Proposals shall be submitted under a cover letter dated and signed by a responsible party on behalf of the Respondent that is addressed to:

City of Detroit Planning & Development Department
Real Estate Development Division
65 Cadillac Square, 23th Floor
Detroit, Michigan 48226

ATTN: Financial Analysis and Related Services for Section 108 Loan Guarantee Program

And that contains the following statements:

1. A statement identifying the legal entity submitting the proposal and the person designated to deal with P&DD
2. A statement that the Respondent agrees to meet all federal, state and local laws, rules, regulations and conditions pertaining to the services to be provided.
3. A statement indicating that the respondent will comply with the goals of Executive Order Number 2003-3 "Certification of Business by the Human Rights Department", Executive Order Number 2003-4 "Utilization of Detroit Headquartered Business and Detroit Based Businesses City of Detroit Contracts" and Executive Order Number 2003-5 "Criteria To Be Applied In the Evaluation of Proposals for Professional Services Contracts" (www.dwsd.org/pages_n/city_ordinances.html).

Threshold Review

P&DD will initially review the proposals to determine compliance with the General and Specific Requirements set forth in this RFP. Only the Respondents that comply with these requirements will be considered for evaluation. If no respondents meet these requirements, P&DD may allow the Respondents to supplement their responses to conform to these requirements.

Reservation of Right to Supplement, Amend or Seek Additional Information

P&DD reserves and may exercise the following rights and options with respect to the selection process:

- (i) To request one or more of the Respondents to provide additional material, clarification, confirmation or modification of any information in the Respondent's submission;
- (ii) To supplement, amend, substitute or otherwise modify this RFQ anytime prior to the selection of one or more respondents for negotiation, and to cancel this RFQ with or without issuing another RFQ;

- (iii) To request that one or more of the Respondents supplement proposals based on the review of all proposals;
- (iv) To terminate any negotiations at any time;
- (v) To accept or reject at any time prior to execution of the personal services agreement all submissions and/or to withdraw the RFQ without notice;
- (vi) To expressly waive any defect or technicality in any proposal;
- (vii) To solicit new proposals;
- (viii) To rescind a selection prior to the execution of the personal services agreement.

By submitting a proposal in response to this Request for Qualifications, the Respondent indicates its acceptance of the terms and conditions of this RFQ.

Miscellaneous Conditions and Requirements; Confidentiality

- a) The successful Respondent will be required to comply with all applicable federal, state and local laws and regulations, including but not limited to all applicable Equal Employment Opportunity laws.
- b) Verbal modifications of the requirements set forth in this RFQ are void and ineffective;
- c) Proposals may not be withdrawn for one hundred twenty (120) calendar days after submittal, except that proposals received prior to the submission deadline may be modified or withdrawn by the Respondent, so long as any modifications are submitted by the submission deadline set forth in this RFQ.
- d) Before P&DD can award a contract to a successful Respondent, the Respondent must obtain and provide clearance certificates from the Human Rights Department and the Income Tax and Revenue Collection divisions of the Finance Department, pertaining to compliance with applicable City of Detroit ordinances
- e) P&DD acknowledges the possible confidential nature of any cost or price information requested by this Request for Qualifications, and the City obliges itself in good faith not to disclose such information during the evaluation process. After award, disclosure of information shall be made only in accordance with local and Michigan law and applicable federal requirements.
- f) P&DD is free to copyright any material developed under or during the course of the personal services contract. The City reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, distribute, or otherwise use, and to authorize others to use the work for government purposes.

**REQUEST FOR PROPOSALS
ACCOUNTING AND/OR BUSINESS ADVISORY SERVICES FOR SECTION 108 LOAN GUARANTEE
PROJECTS**

II SPECIFIC REQUIREMENTS

PROPOSAL REQUIREMENTS

The requirements and conditions set forth below shall be considered essential to a response to this RFQ.

Abbreviations and Nomenclature

The term “Contract,” “Proposer,” “Respondent,” or “firm” means that individual or entity that responds to this RFQ. If more than one (1) entity is involved in the Proposal, the term “Contractor,” “Proposer,” “Respondent,” or “firm” shall apply to all entities collectively and individually, as appropriate.

Minimum Services to be Provided

The proposal shall provide that the Respondent shall perform at a minimum the following services:

- Business valuation
- Cash flow analysis
- Analytical review of tax returns
- Benchmark analysis
- Contract compliance monitoring
- Document findings
- Individual financial workout plans
-

The aforementioned services shall, at a minimum, be performed in the following manner:

- a) Review of the financial statements and reports by the business loan recipients
- b) Review balance sheets, operating statements, P/L and various forms of audits/reports provided by the businesses assisted and advise the Planning and Development Department as to the financial position of the funded project
- c) Advise the Planning and Development Department on other financial matters related to the on-going business stability relative to industry norms adjusted to the Detroit market

The Contractor/Respondent shall perform the services listed above for each City Section 108 Project.

Qualifications and Experience.

The Proposal must demonstrate that:

- a) The Respondent is an Accounting and/or business advisory firm or individual with additional experience in the hospitality and entertainment sectors, and knowledge of governmental assistance programs;
- b) The Respondent has substantial experience with the Federal Office of Management and Budget (OMB) A-133 audits, and/or experience in the hospitality and entertainment sector.
- c) The Respondent is able to review each project;
- d) The Respondent is willing and able to work proactively with P&DD and selected Developers to assist the City in accounting and/or business analysis.

Section 3 Clause – 24 CFR Part 135.38 and HUD Grant Agreement

The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

Proposal Format

Written proposals shall serve as the principle mechanism for selection; therefore, they should be as comprehensive as possible. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Respondent's capabilities to satisfy the requirements of the RFP.

Proposals must be submitted at the date and time indicated in this RFQ. In making an award, it is understood that the decision of P&DD shall be final. The responsibility of proposal delivery is solely that of the Respondent.

P&DD shall not be liable for any expense incurred in the preparation of proposal. P&DD will not accept proposals or amendment to proposals by facsimile, e-mail or any other electronic means, except where specifically requested. The proposal shall designate a single representative with whom P&DD shall communicate regarding the proposal and contract negotiations, if any.

Proposals shall include the following information for which the proposal is being submitted:

Respondent General Information

- a) Name, address, and federal employer identification number of the Respondent. If a company or corporation, all officers and principals must be identified.
- b) Location of firm offices.

- c) Brief synopsis of the Respondent, including when and where incorporated and major relevant business activities.
- d) Description of current tax status, lack of prior history of default under contracts, quality of past performance, fiscal responsibility and financial capability, and bonding insurance.
- e) Description of any claims or lawsuits that have been brought against your organization as a result of any services provided within the last five (5) years.
- f) Name and qualifications of assigned personnel with fee schedules (fully loaded).
- g) A listing of previous and current clients.
- h) A sample "engagement letter" and estimated out of pocket costs.

Respondent Qualifications

- a) Copies of professional licenses, accreditation, and credentials currently valid in the State of Michigan.
- b) Evidence of demonstrated ability to meet schedule deadlines.
- c) Evidence of familiarity with federal, state, and local standards and requirements.
- d) The qualifications of the Respondent.

Respondent Experience.

- a. Description of the Respondent's experience, including its general experience performing services of significant magnitude and complexity.
- b. List of past and current major customers who have experience with the Respondent during the last ten (10) years (or during the course of the Respondent's existence, if Respondent is less than ten (10) years old), relating to the services to be provided in projects of significant magnitude and complexity. Describe any situation in which a claim for nonperformance was made, or a project or contract cancelled in full or in part due to allegations of the Respondent's nonperformance, or damages or a surety bond invoked. For each project, provide contract names and telephone numbers or references.
- c. Copies of the Respondent's organization chart and resumes of key personnel who would be used for this project, showing this experience, abilities and qualifications.
- d. Evidence of reputation for personal and professional integrity and competence, including references that may be contacted regarding same.

Project-Related Information

- a) Description of the Respondent's capacity to provide the proposed services and implement the detailed plan of action and a description of how the services will be provided.
- b. A statement that the current workload will not interfere with the expeditious planning and provision of the requisite services.
- c. Statement summarizing the Respondent's understanding of the project's potential problems (if any), the City's special concerns and how the Respondent proposes to address the issues.
- e. Statement of avoidance of personal or organizational conflict of interest indicating the Respondent has not provided services to any of the Section 108 Loan Guarantee recipients, and will not hold any proprietary interest in any other business or firm submitting a response to this RFQ.

Statement of Non-Collusion certifying that:

- The rates and prices or other information stated in the proposal were arrived at independently without consultation, communication or agreement with any other Respondent or company for the purpose of restricting competition;
 - The rates, prices or other information stated in the proposal have not been knowingly by the Respondent and will not be knowingly disclosed by the Respondent prior to award; and
 - No attempt has been made or will be made by the Respondent to induce any other person or firm to submit, or not to submit a proposal, for the purpose of restricting competition.
- f. Including any information that is believed to be pertinent, but which was not specifically asked for elsewhere in this RFQ.

Compensation Proposal

Outline of the compensation the Respondent expects to receive for providing the services, which shall include, but which is not limited to: fees for each project analysis.

Proposal Submission

One (1) original and six (6) copies and a flash drive copy of the proposal shall be submitted, packaged separately and sealed. Each package shall be clearly marked "Financial Analysis and Related Services for Section 108 Loan Guarantee Program RFP-Response".

Any color materials included with the proposal shall be easily photocopied and clearly readable in black and white. All language used in the proposal and any exhibits shall be in English (U.S. terminology). The proposal shall not exceed forty (40) single-sided or twenty (20) double-sided pages and shall be organized to correspond with this RFQ. Pages shall be numbered sequentially. Submissions of technical literature, display charts, or other supplemental materials are the responsibility of and within the discretion of Proposers.

III. PROPOSAL EVALUATION

Evaluation Criteria

P&DD shall take cognizance of all material submitted in the proposal; however, the primary basis for evaluation and selection shall be in accordance with this section. P&DD will first determine whether the proposal is responsive. Examples of responsiveness include, but are not limited to, provision of all necessary documents, submission in a timely fashion, and meeting and exceeding minimum expectations and responsibilities. If P&DD has determined that a proposal is responsive, P&DD will evaluate the proposals based on a numerical rating system, according to the criteria listed below, in descending order of importance, but P&DD's evaluation may include other criteria.

- a) Experience of the Respondent and its personnel, examples include, but are not limited to, years of service (of firm and personnel), experience working with projects of comparable size, scope and complexity, etc.
- b) Respondent's understanding of the potential problems in providing accounting and/or business analysis; the City's special concerns, and how the Respondent proposes to address such issues, together with the Respondent's recommended detailed plan of action and description of how the services will be provided.
- c. Compensation Proposal, examples include, but are not limited to, evidence that the requested compensation is fair and reasonable.
- d. Respondent's workload, including its recent, current and projected workload and of the professionals and staff who will be assigned to these tasks.
- e. Respondents are encouraged to suggest an upset or cap on the amount of the fee for two (2) project reviews taking into consideration an assumed level of effort based on this RFP.

METHOD OF AWARD

- a) P&DD will establish an Evaluation Committee charged with the responsibility of evaluating the received proposals. Evaluation points will be primarily assigned based on the criteria listed above. Each Respondent will be ranked in sequence, from the highest to the lowest to determine which proposals are in the competitive range.
- b) Respondent in the competitive range may be asked to provide a visual/oral presentation to P&DD, participate in a dialogue with P&DD in order to clarify any part of their proposal, or otherwise provide further information to assist P&DD in its discussion; and if necessary or convenience, to re-evaluate the relevant proposal(s). However, P&DD reserves the right to enter into contractual negotiation with any selected Respondent without seeking further information or clarification from any other Respondent.
- c) P&DD reserves the right to accept the proposal most advantageous or to reject all or any of the proposals. P&DD reserves the right to negotiate on the entire proposal, as submitted, or at the sole discretion, to delete individual tasks deemed not in the City's best interest and negotiate on the remaining portions of the proposal.
- d) Respondent(s) cannot complete the process or withdraws from the RFQ selection another Respondent(s) will be selected. The City of Detroit's Planning & Development Department will continue to proceed with the RFQ review until the RFQ process is finalized.

PAYMENT AND CONTRACT SCHEDULE

The contract schedule shall be as negotiated and as subsequently shown in the personal services contract. The payment terms shall be addressed in detail in the personal services contract.

CHANGES IN PROJECT AREA

During the course of the contract, the projects may change. Accordingly, the services under this procurement may be modified. The Contractor shall accept such modifications to the services with a commensurate change in the terms of the contract.

The successful Respondent will be accountable to the Director of the Planning and Development Department of the City of Detroit (or his designee) in relation to the scope of services described in the personal services agreement.

IV. ATTACHMENTS

Executive Orders Should Be Found at the Following Link

www.dwsd.org/pages_n/city_ordinances.html

- Executive Order No. 2003-3
- Executive Order No. 2003-4
- Executive Order No. 2003-5

Taskforce for Professional Service Contract Evaluation

A. Phase I Cost, Qualifications, Key person and approach to render Services **45 points**

(City of Detroit Departments have discretion to establish a minimum number of points in Phase I as it relates to qualifications in order to qualify for Phase II and III of the evaluation process, which has a Maximum possible point of 35)

B. Phase II Business Ownership

Local Business Participation. Criteria and Weights

Prime Consultant is:

Detroit Headquartered	15 points
Detroit Based	5 points

MAXIMUM POINTS FOR PHASE II NOT TO EXCEED 15 points

NOTE: Evaluator must select only one of the above two (2) categories, Detroit Headquartered or Detroit Based Business for each prime consultant (if applicable). A prime consultant may not receive points for both of the above categories; i.e. Detroit Headquartered and Detroit Based Business.

All prime consultants of joint or mentor ventures must be certified as a Detroit Based Business in order to receive Detroit Based Business points. Additionally, all prime consultants of joint or mentor ventures must be Detroit Headquartered in order to receive Detroit Headquartered points.

C. Phase III Where Contract Dollars are Going (Includes self-performance by Prime and Subcontractor)

a) Percentage of the total Contract dollars allocated to Detroit Headquartered and Detroit Based Business

Detroit Headquartered	20 points
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% of work performed x 20 points = Total points received

Detroit Based	10 points
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% of work performed x 10 points = Total points received

NOTES: The evaluator must select only one of the above two (2) categories Detroit Headquartered or Detroit Based Business for all participating companies (if applicable). A company may not receive points for two of the above categories; i.e. Detroit Based and Detroit Headquartered. The total dollar percentage for participating Detroit Headquartered companies will be multiplied by 20 points, and the total dollar percentage for participating Detroit Based Businesses will be multiplied by 10 points. For example, if thirty percent of the total contract dollars are going to Detroit Headquartered companies then $30\% \times 20 = 6$ points is what would be received in the Detroit Headquartered category. If seventy percent of the total contract dollars are going to Detroit Based Businesses then $70\% \times 10 = 7$ points is what would be received in the Detroit Based Businesses category for a grand total in Phase III of 13 points out of a possible 20 points. When totaling the Detroit Headquartered and Detroit Based Business participation all totals should be rounded up if the number that follows the decimal is greater than 5, or down if the number that follows the decimal is less than 5. For example 60.5% should equal 61%, and 60.4% should equal 60%.