



**City of Detroit - Detroit Water & Sewerage Department  
Purchasing Division - Request for Proposal**

**CAPITAL IMPROVEMENT PROGRAM MANAGEMENT ORGANIZATION  
RFP # CS-1812**

---

<b>ADVERTISE DATE</b>	July 22, 2016 on Michigan Intergovernmental Trade Network ("MITN") Website ( <a href="http://www.mitn.info">www.mitn.info</a> )
<b>QUESTION DEADLINE</b>	August 5, 2016 Submitted via email (no phone calls) to the attention of: Roderick French City of Detroit, Water Sewerage Department Purchasing E-mail: <a href="mailto:dwsd-contracts@detroitmi.gov">dwsd-contracts@detroitmi.gov</a>
<b>PRE-PROPOSAL CONFERENCE</b>	Mandatory August 15, 2016 at 2:00 PM Eastern Standard Time DWSD Huber Facility - Human Resources Building 2nd Floor Training Room 6425 Huber Street Detroit, MI 48211-1677 or Conference call-in if cannot attend in person: 855-650-4133; Code: 55742
<b>SITE VISIT</b>	Optional visit of co-location site at Huber after Pre-Proposal Conference August 15, 2016 at 4:00 PM Eastern Standard Time
<b>PROPOSAL DUE DATE</b>	September 2, 2016 at 4:00 PM Eastern Standard Time MITN Website ( <a href="http://www.mitn.info">www.mitn.info</a> ) MITN will not allow proposals to be uploaded after this date and time
<b>PUBLIC RECORDING</b>	As shown on MITN upon deadline for Proposal Due Date

**OVERVIEW**

Detroit Water and Sewerage Department ("DWSD") is issuing this request for proposal for professional engineering and construction services for a Capital Improvement Program Management Organization ("CIPMO"). DWSD requests written proposals from professional engineering and construction management firms to evaluate the existing capital improvement program ("CIP") and develop recommendations using an asset management approach for the replacement and rehabilitation of the water distribution and sewer collection system in the City of Detroit. The CIPMO shall develop and manage the CIP, as well as procure the professional engineering and construction services needed to implement the CIP.

This request for proposal is publicly available at the Michigan Intergovernmental Trade Network ([www.mitn.info](http://www.mitn.info)). The Great Lakes Water Authority ("GLWA") will be separately contracting for capital program management services later this year or early 2017. Bidders interested in both RFPs are requested to respond to DWSD's RFP now.



**Detroit Water & Sewerage Department**

**REQUEST FOR PROPOSAL**

**DWSD RFP #: CS-1812**

**Professional Engineering and Construction Management Services for a  
Program Management Organization to Manage the  
Capital Improvement Program**

**TABLE OF CONTENTS**

<b>1. Executive Summary .....</b>	<b>4</b>
a. Background .....	4
b. Capital Improvement Program Management Organization .....	5
c. Reporting Structure and Authorities .....	6
d. Carve-Out to CIPMO Responsibilities .....	6
e. Expected Timeline to Launch .....	7
f. Alternate Proposals .....	7
<b>2. Scope of Work .....</b>	<b>8</b>
a. Background .....	8
b. Contract Term .....	9
c. Program Timeline .....	10
d. Task Descriptions .....	10
i. Program Administration .....	10
ii. Pilot Program .....	16
iii. Advanced Metering Infrastructure .....	18
iv. Asset Management Driven Prioritization .....	19
v. CIP Document .....	22
vi. CIP Implementation .....	23
vii. Water and Sewer Standards and Policies Update .....	25
viii. Sustainable Program Implementation .....	27
ix. As-Needed Assistance .....	29
e. Contract Deliverables .....	29
f. Contract Reporting Requirements .....	30
g. Self-Performance .....	31
<b>3. DWSD and CIPMO Roles, Responsibilities and Authorities .....</b>	<b>31</b>
a. Tasks and Responsibilities Chart .....	31
b. Table of Authorities .....	33
c. Legal and Reporting Structure of CIPMO .....	33
d. Auditing Rights .....	33
<b>4. Co-Location and Equipment Related Matters .....</b>	<b>34</b>
<b>5. CIPMO and Subcontractor Invoicing and Payment Terms .....</b>	<b>34</b>
a. CIPMO .....	34
b. Subcontractors (Design and Construction) .....	34
c. DWSD Payment Terms .....	34
<b>6. DWSD – GLWA Key Dates Summary .....</b>	<b>35</b>
<b>7. RFP Timeline .....</b>	<b>36</b>
a. Question Deadline .....	36
b. Question Responses .....	36
c. Pre-Proposal Conference .....	36
d. Site Tour .....	37
e. Proposal Deadline .....	37
<b>8. RFP Submission Requirements .....</b>	<b>37</b>

a. No Communication with DWSD .....	37
b. Submission of Proposal .....	37
c. Preparation of Proposal .....	38
d. Proposal Format and Contents .....	38
e. Page and Font Size Limitations .....	39
f. Letter of Transmittal .....	39
g. Minimum Requirements .....	39
h. Technical Proposal Submission Requirements .....	40
i. Alternate Proposals.....	42
j. Fee Proposal Submission Requirements.....	42
k. Equal Employment Opportunity/Anti-Discrimination Statement .....	45
l. Conflict of Interest Statement .....	45
m. Local Economic Development Data .....	45
n. Financial Capability .....	45
<b>9. Evaluation Process .....</b>	<b>45</b>
a. Round I Evaluation Criteria .....	46
b. Shortlisting of Bidders.....	46
c. Interview Process (Presentations/Webinars) .....	47
d. Round II Evaluation .....	47
e. Round II Evaluation Criteria .....	48
f. Final Negotiation.....	48
<b>10. Other RFP &amp; Contractual Matters .....</b>	<b>49</b>
a. Sample DWSD Standard Form of Contract for Consulting Services .....	49
b. Insurance Requirements .....	49
c. Bond Requirements .....	49
d. Addendums .....	49
e. Reference Information.....	49
f. Related Projects Currently Underway or Planned .....	50
g. Dissemination of Information .....	51
h. Errors and Omissions .....	51
i. Sales Tax.....	51
j. Compliance with All Laws .....	51

#### LIST OF APPENDICES

	<u>Appendix #</u>
Pricing Forms.....	I
City of Detroit and BOWC Standard Form of Contract for Engineering Consultant Services .....	II
Local Economic Development Data .....	III
Detroit-Based Business Questionnaire Form.....	IV
Detroit City Code Section 2-106 Standards of Conduct.....	V
Detroit BOWC Policy Regarding Design Compensation for Consultants.....	VI
Clearance Package .....	VII

**1. EXECUTIVE SUMMARY:**

**a. Background**

Effective January 1, 2016, the Detroit Water and Sewerage Department (“DWSD”) became solely focused on retail water and wastewater utility service delivery in the City of Detroit (“City”) through the establishment of, and agreements with, the Great Lakes Water Authority (“GLWA”). GLWA has leased the regional facilities from the City for forty years (“Lease Agreement”) and will pay the City a lease payment of \$50 million per year (“Lease Payment”). Under the terms of the Lease Agreement:

- DWSD is responsible for operating and maintaining approximately 6,000 miles of water and sewer piping networks, which includes approximately 95,000 catch basins for roadway drainage, 34,000 sewer manholes, 30,000 fire hydrants and 40,000 valves, as well as development and maintenance of green infrastructure projects.
- GLWA is responsible for operating, maintaining and renewing water treatment facilities, water pumping stations (including operation, but not renewal, of the four pump stations that service Detroit water only), the water transmission network (all pipes greater than or equal to 24 inches), the wastewater treatment facility, combined sewer overflow facilities, sewage pumping stations and sewage collection networks which serves Southeastern Michigan.

The Lease Payment to the City must be used for the purpose of funding capital improvements to DWSD’s retail system and/or to make payments on bonds issued to fund capital improvements for this same purpose. The Lease Payment may also be used to fund DWSD’s share of improvements to the regional system. The Lease Payments represent a source of funds for DWSD to plan and invest in its infrastructure.

DWSD plans to develop a capital improvement program (“CIP”) for the next five years that could be in the range of \$300 to \$400 million to accelerate the pace of infrastructure renewal. In fact, the CIP is a major component of the City’s larger capital investment strategy designed to:

- Renew and rehabilitate Detroit infrastructure and neighborhoods.
- Reconfigure systems to reflect demographic trends and emerging urban plans.
- Re-landscape the urban environment to embrace the “greening of Detroit”.

***A centerpiece of the CIP is the development of a program management organization with responsibility to coordinate and execute capital project planning and implementation across multiple agencies responsible for infrastructure and community development. The purpose of this RFP is to select a professional engineering and construction management firm (“Winning Bidder”) that can develop the PMO, lead water systems renewal and support the redevelopment of Detroit.***

**b. Capital Improvement Program Management Organization**

DWSD's Capital Improvement Program Management Organization ("CIPMO") will be integrated and co-located with, and complementary to, DWSD staff and have direct responsibility for prioritizing, evaluating, preparing, coordinating, executing, tracking and documenting all DWSD capital improvement projects. The CIPMO will have responsibility for effectively and efficiently managing the life-cycle of capital projects – from conception and planning through close-out, operational testing and certification – with the goals of implementing and completing projects safely, on budget, on schedule and with a high degree of quality.

The CIPMO will be structured to ensure effective support of several high-priority DWSD initiatives including:

- Establishing/enhancing a strong safety program and having a culture that reflects a focus on rules, regulations and customer service.
- Implementing a program that will facilitate lead service line ("LSL") replacements for both water and sewer under alternative financing arrangements and, for example, call for revised construction practices to notify customers of potential for lead particulate release.
- Advancing stormwater management through implementation of green infrastructure measures incentivized by an updated drainage charge and new credit program for managing stormwater and in coordination with TetraTech through its existing green infrastructure program.
- Enhancing quality, cost and timing of delivering system upgrades and rehabilitation.

DWSD delivers infrastructure projects utilizing numerous funding sources, including the Lease Payments, system generated cash, revenue bonds, State Revolving Funds ("SRF") and grants. DWSD also partners with other government entities, community organizations and corporations such as Department of Public Works ("DPW"), Planning and Development Department ("PDD"), Housing and Revitalization Department ("HRD"), Detroit Building Authority ("DBA"), Detroit Economic Growth Corporation ("DEGC"), DTE Energy ("DTE"), Wayne County and the State of Michigan.

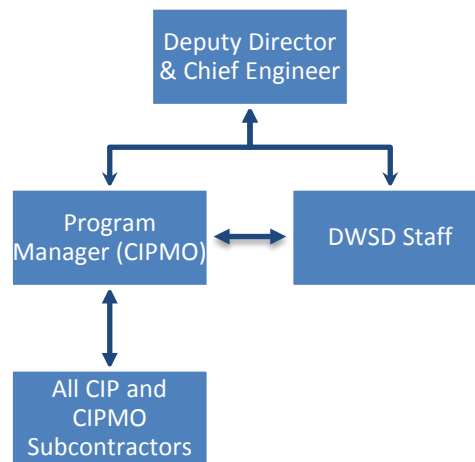
DWSD intends to engage a professional engineering and construction management services firm to develop and manage the CIPMO. The CIPMO will co-locate in DWSD's facility on Huber Avenue in Detroit to integrate and work cohesively with DWSD staff to effectively leverage the respective skills and experience of each organization. DWSD will provide office space (offices as well as open bullpen area), utilities, internet service and limited office furniture (desks and chairs). The Winning Bidder will provide labor, materials, transportation, tools, modular office stations (if desired) and other equipment necessary to provide for the work required under the contract.

The CIPMO contract is expected to run five years with two one-year optional extensions. Over the course of the Contract Term (defined below), the Winning Bidder is expected to assist DWSD in building its internal capabilities with industry best practices and

systems. Knowledge transfer and staff development is fundamental to program success, with the objective of transitioning the CIPMO back to DWSD by the end of the Contract Term. These transitioning responsibilities would include training and, to the extent necessary, hiring permanent DWSD staff to carry on the work.

**c. Reporting Structure and Authorities**

With the intent to co-locate the CIPMO with the DWSD team for increased program efficiency, communication and responsiveness, clear lines of responsibility and authority will need to be established and maintained between the groups as shown below.



The CIPMO will report directly to the Deputy Director/Chief Engineer and will work closely with, but will not manage or have authority over, DWSD staff. The CIPMO, however, will have authority over all of the subcontractors engaged to effectuate the CIP and other responsibilities of the CIPMO. DWSD staff (including engineering, technicians and inspectors) will largely provide an oversight role and direction, where appropriate, subject to the responsibility carve-outs discussed in the following section.

**d. Carve-Outs to CIPMO Responsibilities**

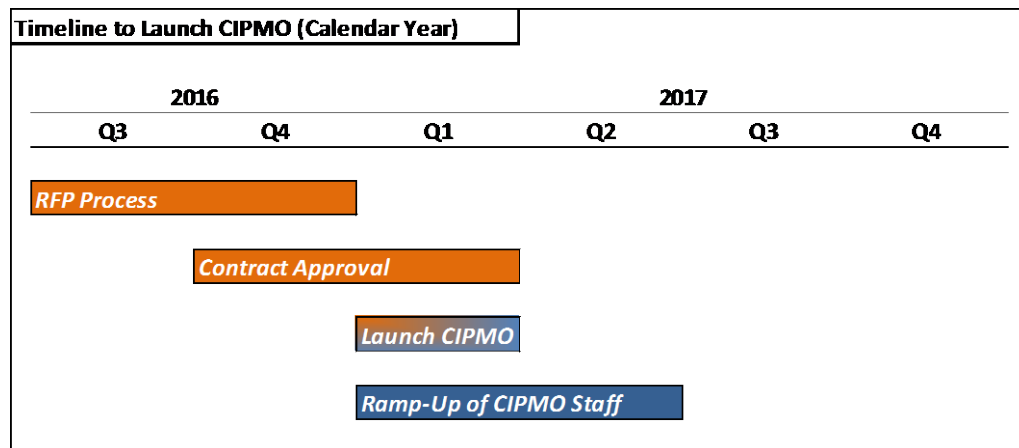
Five exceptions exist to the CIPMO responsibilities related to the CIP, as discussed below:

- Green infrastructure – likely to be managed by TetraTech through its existing contract with DWSD (although the CIPMO will need to coordinate closely with TetraTech).
- DWSD’s share of GLWA projects – may be managed by DWSD staff and/or assigned to the CIPMO at the time.
- Emergency CIP work – will be managed by DWSD in its ordinary course of responding to emergency needs.

- Maintenance and repair operations – DWSD is in the process of retaining a vendor to manage the maintenance and repair operations. As such, maintenance and repair operations are not part of the CIPMO.

**e. Expected Timeline to Launch**

The RFP process is expected to include solicitation of responses from interested professional engineering and construction management service firms (“Bidders”) during calendar year Q3 2016, with the evaluation and selection process being completed in calendar year Q4 2016. The objective is to have a contract approved through City Council, Board of Water Commissioners (“BOWC”) and the Financial Review Commission no later than mid-January 2017, to allow for the selected firm to quickly launch the CIPMO and begin a pilot program. To the extent feasible, the CIPMO will support finalization of the five-year CIP during the three month review period with GLWA beginning February 1<sup>st</sup>.



**f. Alternate Proposals**

Although Bidders must be responsive to the requirements of the RFP, Bidders are also requested to provide options and/or alternatives that could better utilize the available funds, reduce the critical path process, or otherwise provide tangential economic benefit to the City that may not have been contemplated up to this point.

By way of example only, Bidders may want to propose options (a) where design-build may be an effective alternative to design-bid-build, (b) to speed the procurement process through (i) assignment or bid parameters or (ii) blanket-and-release purchase orders, (c) for development of a disadvantaged business incubator, (d) with unique organizational structures, (e) with creative contracting options, (f) with unique approaches to risk management or (g) where the City may benefit economically from tangential paths that are not yet visible. Additionally, Bidders are encouraged to propose an incentive (and penalty) structure based on Key Performance Indicators (“KPIs”). DWSD is open to providing incentives for performance.

Bidders should inform DWSD of capabilities to utilize e-Builder (or similar type software) with (a) real-time input, access to data and reporting and (b) subcontractor access for



self-reporting, invoicing, and other data input (subject to CIPMO verification) from the field to advance the City's technology and processes to modern day techniques.

Bidders are encouraged to be creative and thoughtful in providing alternate proposals to DWSD for consideration. ***Alternate proposals will be subject to Round II evaluation following the interview process*** (see Round II Evaluation Process in section 9.d. and 9.e. for further detail).

## 2. SCOPE OF WORK:

### a. Background

The initiation and execution of projects under this CIPMO should be prioritized to effectively and efficiently improve customer service and renew and rehabilitate Detroit's retail system infrastructure. The department anticipates the total program investment to be in the range of \$300 to \$400 million over the next five years. The scope of work that follows envisions a programmatic approach to renew and rehabilitate the water and sewer infrastructure in the City. Areas that have been identified for investment through previous planning efforts will be prioritized and a comprehensive assessment will be performed to implement water and sewer capital infrastructure solutions that (1) reduce non-revenue water, (2) minimize dry weather inflow and infiltration, (3) improve management of storm water, (4) reduce incidences of water main breaks and flooding, and (5) coordinate activities with the overall revitalization of Detroit. Solutions that utilize the latest infrastructure system innovations to reduce costs and improve service are encouraged.

Historical investments to renew the aging infrastructure for the water distribution and sewer collection networks in the City have not met industry standards. There are approximately 2,700 miles of water distribution mains in the City, of which approximately 15% have been replaced since original installation. The number of breaks in the water distribution system in the last five years has averaged 1,500 per year. The average age of existing water main is 95 years. All of this points to the need for renewal or replacement of pipe and associated appurtenances. Population loss from the City also raises the question of how best to reduce the size of the system while improving service levels. Analysis from the 2015 Water Master Plan estimated that the City may be able to reduce the total water distribution main infrastructure from 2,700 miles to 2,000 miles.

Similarly, the number of reports for sinkholes and cave-ins associated with defects in the sewer infrastructure has averaged about 200 per year over the last five years. The structural condition of sewer infrastructure, averaging 95 years of age, requires significant rehabilitation to prevent even more costly repairs and claims due to possible collapses. For more than 20 years, DWSD has lined sewers to increase capacity, reliability, and structural integrity. There are approximately 3,000 miles of sewers of which nearly 15% have been rehabilitated or reconstructed by lining. However, there may be instances in which new sewers need to be constructed for a variety of reasons including original sewers being undersized or changes in the City's master plan. In addition, where feasible, incorporating green infrastructure alternatives to minimize the

volume of storm water entering the combined sewer system should be evaluated. The Winning Bidder will coordinate all green infrastructure concepts/projects with the ongoing CS-1522 Green Infrastructure Program managed by TetraTech (for further information see Reference Information in section 10.e.iii.).

The CIPMO will coordinate the CIP with City, county, and state agencies, the DWSD green infrastructure program, utility agencies (DTE, Comcast, AT&T, etc.), other community development organizations, and the GLWA. The CIPMO will develop projects that align with infrastructure investments planned in the public and private sectors to maximize the total return on investment for capital expenditures. Integrated planning and coordination is essential for the CIPMO to be successful.

This RFP for a CIPMO is intended to produce a systematic engineering and construction program delivery solution that incorporates program management functions for the improved water and sewer services to DWSD customers in a manner that is fiscally responsible. The RFP is also intended to proactively address identified problems, determine the value of proposed projects, define scopes of work with major deliverables, identify how responsibilities will be organized for each project and provide scheduling and cost estimation. The Winning Bidder shall serve as the single point of responsibility, aligning the efforts of various designers, contractors and other parties to the DWSD CIP goals and standards.

DWSD has identified a Pilot Program (defined below in section 2.d.ii.) for implementing the water and sewer system renewal and rehabilitation. Alternative ideas and approaches are welcomed for consideration in the Pilot Program.

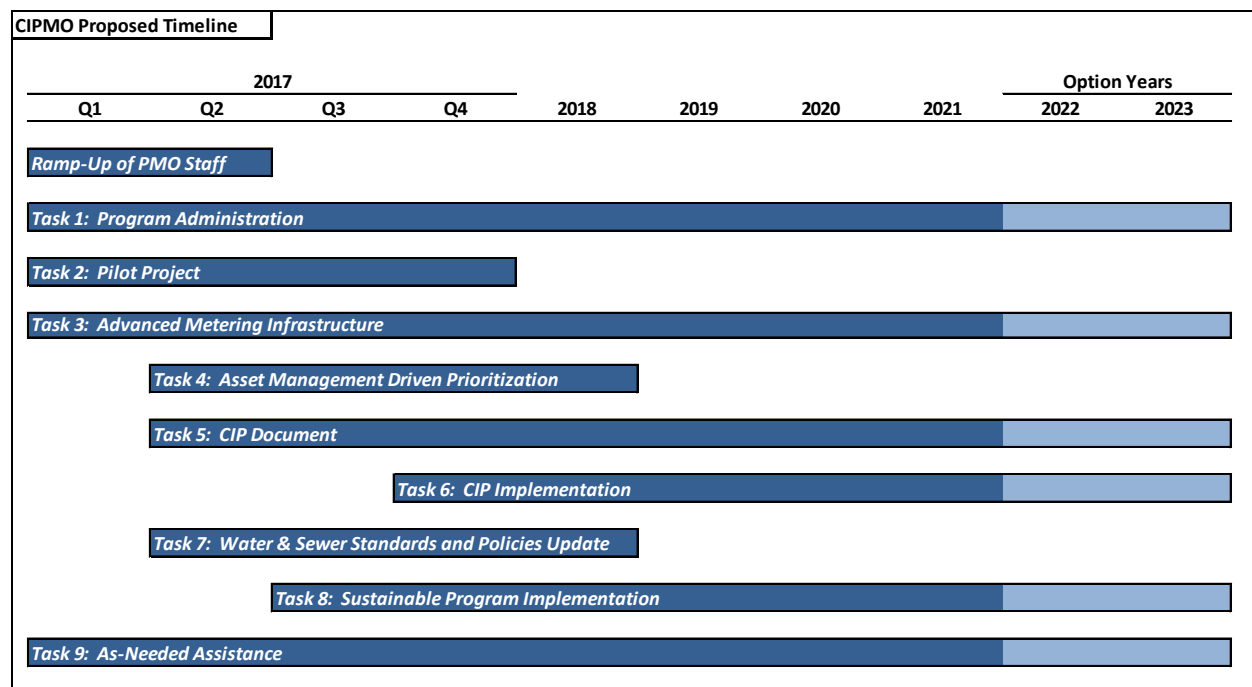
**b. Contract Term**

The CIPMO contract is expected to run for five years with two one-year optional extensions (“Contract Term”) whereby both parties would need to agree upon the optional years.

**c. Program Timeline**

The CIPMO shall integrate with DWSD and assist DWSD with preparing and implementing its CIP over the Contract Term. The contemplated timeline for the CIPMO is scheduled using eight categories as summarized below and detailed in the following sections:

- i. Program Administration.
- ii. Pilot Program (to inform on technical issues).
- iii. Advanced Metering Infrastructure.
- iv. Asset Management Driven Prioritization.
- v. CIP Document.
- vi. CIP Implementation.
- vii. Water and Sewer Standards and Policies Update.
- viii. Sustainable Program Implementation.
- ix. As-Needed Assistance.



**d. Task Descriptions**

**i. Program Administration (Q1 2017 – End of Contract)**

DWSD requires an experienced team for the CIPMO that will work with DWSD on the planning, implementation, and oversight of the developed projects by providing program management services. The CIPMO shall develop and implement strategies that align to DWSD's organizational goals and desired outcomes. The following list of services is expected to be provided and includes, but is not limited to, project identification, prioritization and planning through asset management,

program management, design and construction management, communication management, scheduling, assisting in planning resources (human and non-human), risk analysis/management, cost analysis/controls, preparation and competitive procurement of water main and sewer design/engineering and construction services, quality assurance and quality control, value engineering reviews and stakeholder/customer outreach.

The CIPMO shall also develop standard operating procedures (“SOPs”) for estimating engineering and construction costs in the development of the CIP that is aligned with industry best practices from such sources as the Association for the Advancement of Cost Engineering (“AACE”) International and the American Society of Civil Engineers (“ASCE”).

Another key item is to assist DWSD with coordination and analysis in securing grant and loans from federal and state programs. These may include programs administered by the Michigan Department of Environmental Quality (“MDEQ”), US Environmental Protection Agency, and Michigan Department of Energy, Labor & Economic Growth, etc.

The CIPMO will provide oversight and management of all procurement activities under the program and will work with DWSD to identify all items to be procured for the successful completion of program projects.

The CIPMO shall be responsible for the overall quality of work, including work performed by sub-consultants and subcontractors. The CIPMO shall provide coordination between DWSD and any sub-consultants/subcontractors as well as federal, state or local regulatory agencies as needed. Similarly, the CIPMO will work in collaboration with the DBA and other City, county and state community development organizations and utility departments engaged in capital construction in the City. The CIPMO is expected to have and maintain a strong and responsive local presence to assure effective sub-consultant/subcontractor management as well as provide prompt response to DWSD’s needs, questions and concerns. The work associated with program administration includes the following:

*1. Program Organization and Management*

- a. Develop and maintain a detailed master program schedule which identifies milestones, deliverables, and key coordination meetings. The master schedule shall (a) define and sequence all activities, (b) estimate resources and durations, and (c) be regularly updated and provided to DWSD bi-weekly at a minimum. A preliminary program schedule needs to be submitted with each Bidder’s technical proposal.
- b. Maintain a complete program library and master file of all contracts and subcontract actions and reports. Upon request, the CIPMO shall

- provide summary reports and analyses of contract, subcontract and budget issues to DWSD.
  - c. Review current procurement policies and procedures and provide options to enhance delivery of these services.
  - d. Provide standard procedures, develop templates for acquiring professional services and, in conjunction with DWSD, procure and select sub-consultants.
  - e. Provide standard design and construction controls and ensure designers and construction professionals adhere to these standards.
  - f. Maintain decision tracking system to assure timely decision making.
  - g. Develop a process for quality assurance and quality control (“QA/QC”) in conjunction with DWSD to ensure and evaluate quality of work delivered through the CIPMO.
  - h. Provide assistance for any existing and future agreements with federal, state and/or local agencies related to environmental mitigation requirements as detailed in permits, memoranda of understanding/articles of incorporation for GLWA and the Lease Agreement.
  - i. Act as a liaison between City departments, community programs, utilities, state, county and any other development-related entities and conduct stakeholder involvement programs as needed.
2. *Monthly Meetings and Status Reports*
- Progress meetings between the CIPMO and DWSD shall be held on a monthly basis. Monthly status reports shall be submitted to DWSD. These reports shall include, but not be limited to, the following information:
- a. Program/project completion status versus forecasted status.
  - b. Updated Critical Path Method (“CPM”) schedule.
  - c. Summary of budget status with related analyses/metrics.
  - d. Status update on inclusion program with related analyses/metrics.
  - e. Program/project information and decision needs.
  - f. Completed tasks and accomplishments for the past month.
  - g. Forecasted tasks and accomplishments for the coming month.
  - h. KPI performance by project manager, contractor and contract.
  - i. Questions, comments, issues and suggestions.

- j. Identification of out of scope work items.
- k. Update on risk items.
- l. Invoicing issues.
- m. Deliverables list.

The CIPMO shall prepare agendas for the monthly meetings which shall be submitted with the status reports. The CIPMO shall also prepare meeting minutes which shall be submitted to DWSD for review and comment within three working days following the meeting with distribution to the program team.

DWSD and the CIPMO should hold a workshop early in the Contract Term to more specifically determine reporting protocol using comparable program examples as guidance for tracking program performance and accountability.

3. *Documentation and Data Management*

The CIPMO shall be responsible for all document and data management for the program. The CIPMO shall develop and maintain a deliverables list that tracks all reports, technical memoranda, data, or systems developed for the program. The deliverables list shall, at a minimum, include a description, purpose, format, and schedule of delivery of the deliverables. The deliverables list shall be submitted to DWSD with the monthly status report. The CIPMO shall also update and maintain a system of document management, control and change control functions to ensure that all program team member have current and accurate information available. Presently, DWSD is implementing OnBase for document management. OnBase is a shared service between DWSD and GLWA.

4. *Urban Planning*

The CIPMO should include an urban planner to interface with the City's PDD and HRD to assist in infrastructure planning for redevelopment projects. The urban planner will work with the purpose of optimizing the effectiveness of the community's land use and infrastructure. The urban planner shall work with agencies to formulate plans for the development and management of urban areas, typically analyzing land use compatibility as well as economic, environmental and social trends. In working with PDD and HRD staff to develop the plan for a community (whether commercial, residential, agricultural, natural or recreational), the urban planner shall consider a wide array of issues such as sustainability, air pollution, traffic congestion, crime, land values, legislation and zoning codes.

5. *Program Performance and Closeout*

- a. Performance Metrics

Metrics are required to enable data-driven evaluation and documentation of program success. Quality, cost, schedule and business metrics are to be collected, tracked and reported to DWSD monthly. The CIPMO shall use performance metrics as a means of determining whether the program is meeting its goals and requirements in the categories of technical, cost, schedule, business and customer satisfaction.

The CIPMO shall develop a performance dashboard (“Dashboard”) for visualizing and accessing critical program data. The Dashboard will serve as the view into overall program performance as well as for sub-programs and individual projects. The Dashboard shall include all the components for effectively monitoring the projects, such as resources, costs and schedule. Each Bidder is requested to identify performance metrics to be tracked to evaluate program effectiveness as part of the RFP response. Some of the metrics identified by DWSD include:

- 1) Schedule of project completion – actual versus planned (schedule variance).
- 2) Constructed cost of CIP project versus budgeted cost.
- 3) Engineer’s estimate versus bids received.
- 4) Number of change orders and cost for change orders.
- 5) CIP delivered versus planned.
- 6) Earned value versus planned.
- 7) Miles of water distribution network replaced or renewed.
- 8) Condition assessment of water distribution piping pre- and post-renewal.
- 9) Miles of sewer pipe replaced, renewed and/or cleaned.
- 10) Condition assessment of sewers pre- and post-renewal.
- 11) Total cost of the water program per foot of pipe renewed/replaced.
- 12) Total cost of the sewer program per foot of pipe renewed/replaced.
- 13) Number of water main designs processed per FTE.
- 14) Number/percent of QA/QC issues.
- 15) Number/percent of safety issues.
- 16) Records management – number of records processed.

- 17) Miles of water/sewer infrastructure documented and in ESRI Geographical Information System (“GIS”).
- 18) Timing and amount of inclusion programs.
- 19) Grant/state/federal funding dollars received.
- 20) Overall system condition (percent in excellent condition versus initial condition).
- 21) Percent completion of asset inventory.
- 22) Percent of system with completed condition assessments.

b. Subcontractor Performance

The CIPMO should develop, utilize and implement a standardized subcontractor performance review process upon close-out of projects (whether due to completion or termination). This subcontractor performance review information should be incorporated into e-Builder or otherwise be available on-line and provide for a standardized rating system of design, engineering and construction service providers.

c. Project Documentation and Closeout

The City uses e-Builder Enterprise construction program management software to manage its construction activities. DWSD prefers that all program-related tracking information, key performance indicators and documents be submitted and managed with e-Builder. The Winning Bidder will be required to directly utilize, and/or effectively interface with, the City’s e-Builder system to manage the CIP. Although it is preferred that the Winning Bidder utilizes e-Builder in-house, this will not be a requirement, provided the Winning Bidder’s in-house software tools interface cleanly with e-Builder.

Additionally, Bidders should inform DWSD of capabilities to utilize e-Builder (or similar type software) with (a) real-time input, access to data and reporting and (b) subcontractor access for self-reporting, invoicing, and other data input (subject to CIPMO verification) from the field.

***Task 1 - Program Administration Deliverable: The CIPMO shall identify projects for, and manage all aspects of, the CIP. The CIPMO shall develop a master program schedule and maintain the library of master program contract files. The CIPMO shall provide standard procedures for program administration, contract management, QA/QC, etc. The CIPMO shall provide monthly status reports and shall develop and maintain a program deliverable list. The CIPMO shall provide performance metrics and related updates as well as update program information in e-Builder.***



**ii. Pilot Program (Q1 – Q4 2017)**

DWSD has identified two neighborhoods as good candidates for pilot programs. The first neighborhood on the City's west side is North Rosedale Park, which is bounded by West McNichols Road, Southfield Freeway, Grand River Avenue and Evergreen Road. The second neighborhood on the city's east side, Cornerstone Village, is bounded by I-94, Kingsville Street, Cadieux Road, and Mack Avenue. For clarity, the pilot program is an opportunity to test and improve the design and construction delivery systems under the CIPMO and is expected to occur simultaneously with the other CIPMO functions defined in this scope of work (such as CIP management, standards development, etc.). It is expected that use of a pilot program area will provide a good opportunity to try an approach and evaluate it before expanding the program systematically throughout the City. In performing the asset management analyses under the next task, it may be found that another pilot area may be desirable to understand a different set of conditions such as the needs of less densely populated neighborhoods. For example, in less dense areas of the City, water quality analyses may need to be performed in addition to the tasks listed below for the pilot program.

The expectation is that the pilot will allow for a testing phase that will provide useful lessons that the CIPMO can utilize throughout the contract. These "lessons learned" could include such things as how to (a) maximize value of the money invested within the City's unique infrastructure, (b) improve customer service with high visibility and high impact actions, and (c) effectively coordinate with all of the other stakeholders affected and/or involved.

A description of the types of activities to be performed in the pilot area is provided below:

1. Obtain and review existing data on the condition of the water and sewer assets in the pilot area.
2. Obtain internal inspection of all sewer assets in the pilot area and document the condition of the sewer assets using Pipeline Assessment Certification Program ("PACP") and Manhole Assessment and Certification Program ("MACP") format. All data will be obtained in a consistent format, based on discussions with DWSD on software and database compatibility.
3. Obtain flow metering data for at least one key sub-area to support calibration and validation of a Storm Water Management Model ("SWMM") for the pilot area. The SWMM model will be utilized to define the existing level of service for wet weather capacity evaluations and comparison to typical urban area standards. An effort by GLWA and DWSD to develop and calibrate a hydraulic model for the Upper Rouge Tributary area on the west side of Detroit may be available for use by the Winning Bidder.

4. Conduct fire flow and pressure rating study of the water distribution system to determine current levels of fire flow available and specific water main Hazen Williams C-factors. Upon completion of study, DWSD's GIS data set on hydrants shall be updated to include flow and pressure rating. In addition, hydrants shall be color coded in compliance with American Water Works Association ("AWWA") or National Fire Protection Association standards. Study of the pilot area shall be conducted within 90 days of notice to proceed and hydrants in this area shall be color coded accordingly.
5. Develop and calibrate the water hydraulic model for the pilot area. The sub-area model must be compatible with insertion into the currently available regional model. Define the existing level of service for normal usage (annual average, maximum day, and peak hour) as well as fire flow in comparison to typical urban area standards.
6. Develop alternatives for improving the level of service for those items which do not meet typical standards for similar communities. Evaluate the alternatives, including cost-effectiveness and prioritization of potential improvements.
7. Replacement LSLs are an issue of national discussion. DWSD is evaluating alternatives to meet expected changes in regulatory criteria. The CIPMO shall implement the program policy DWSD selects for LSL replacement.
8. Develop water system replacement and/or rehabilitation alternatives. Evaluate the alternatives including cost-effectiveness and prioritization of potential improvements and also provide options for service line replacement.
9. Develop sewer system replacement and/or rehabilitation alternatives. Evaluate the alternatives, including cost-effectiveness and prioritization of potential improvements and also provide options for the rehabilitation or replacement of private sewer services.
10. Identify and evaluate other key factors to be considered for this area, such as benefits to reduction of untreated combined sewer overflows, contribution to community aesthetics, coordination with road improvements and with utilities.
11. Develop an implementation plan for water and sewer system renewal in the pilot program area. Alternatives for phasing of the work should be identified.
12. Issue RFPs, issue purchase orders and issue all payments to subcontractors for all aspects of the pilot program.
13. Monitor design and construction activity.

14. Based on considerations for maximizing the value of the money invested and the extent of customers receiving benefits quickly, determine the lessons learned from the pilot program and provide recommendations for City-wide implementation.

***Task 2 - Pilot Program Deliverable: Prepare a report to document the models, analyses, alternatives, recommendations and conclusions, including an executive summary that can be utilized by DWSD, the BOWC and the customers to understand the strengths and weaknesses of the existing system and the logic for recommended improvements.***

***Completion of the pilot program is expected to provide critical guidance for moving forward City-wide. Therefore, it is important that an aggressive schedule be maintained to move forward quickly, while still ensuring that the work is done carefully and thoughtfully to provide an excellent foundation for future work. A realistic schedule should be proposed that balances these goals and constraints.***

**iii. Advanced Metering Infrastructure (Q1 2017 – End of Contract)**

DWSD intends to improve upon providing its customers with detailed water usage information that quickly identifies household water leaks and excessive consumption through use of intelligent water distribution network. Additionally, the DWSD metering infrastructure should monitor and diagnose problems, prioritize and manage maintenance issues and use data to optimize the water distribution network on a remote and continuous basis through an integrated set of product and software solutions.

The CIPMO shall work with DWSD on developing a detailed scope of work for implementation of a two-way Advanced Metering Infrastructure (“AMI”) system that automates the meter reading to billing process and connectivity of meters, distribution sites and devices in a single, highly efficient data network. The system shall be flexible and scalable, enabling DWSD to deploy newer technology in phases as needs and budgets dictate. Transceivers on the metering devices shall collect data and communicate to data collector units or hubs that upload to either DWSD’s server or a cloud-based system.

Utilization of remote disconnect meters (“RDM”) is a critical component of upgrading the AMI as it lets crews connect and disconnect water service remotely, improves employees’ safety and reduces operational costs. The RDM shall incorporate a radio controlled valve that can be turned off or on when initiated from an authorized workstation in the AMI system. All electronic components of the RDM shall comply with Federal Communications Commission (“FCC”), Part 15 standards and AWWA Standard C-707 for encoded remote reading systems. The RDM pilot valve that is actuated via the user interface from web-enabled

workstations shall have its position, date and time recorded as part of the accounts history.

The AMI platform shall also support data collection of pressure and acoustic sensors that may be deployed within the water distribution system for remotely monitoring, analyzing and detecting water main leaks. Through non-invasive measurements and on-going monitoring, leak determination analysis will help prioritize capital and maintenance spending.

The CIPMO should perform an analysis on the integration and system enhancements required to support the AMI. In addition, the CIPMO should provide a technical report with staging and implementation recommendations. The plan must be approved by the DWSD prior to implementation. The CIPMO will work with DWSD to review and update business releases that includes meter-to-cash business processes, deployment readiness, improved management of AMI interval data, and retirement of end of life equipment.

As DWSD and the City move toward a smart city infrastructure, the AMI system should be capable of being integrated into a low power wide area network specification that meets key requirements such as secure bi-directional communications, mobility and localization services. This platform aims to provide seamless interoperability among “smart things” without the need of complex local installations. The AMI system shall be able to integrate into other DWSD systems such as GIS, work management, document management and the billing system.

***Task 3 - Advanced Metering Infrastructure: Perform analyses on the system enhancements and integration required to support AMI implementation. Produce a technical memo that includes a recommended plan for AMI system implementation. Upon DWSD approval, implement the plan.***

**iv. Asset Management Driven Prioritization (Q2 2017 – 2018)**

A large percentage of the City’s water and sewer assets are very old and likely exceed the standard estimates for service life. The CIPMO will manage identification, rehabilitation or replacement of high priority assets. Even an aggressive program, however, will result in many assets continuing to be used for years beyond the normal service life. Therefore, a program needs to be developed that provides a logical framework for prioritizing the work utilizing an asset management approach. The Veolia report (for more information see Reference Information in section 10.e.x.) includes initial ideas, some of which have been implemented, for important parameters to be used in the analyses, such as water main break density trends, current road conditions, consequences of failure and land use trends. In addition, DWSD has implemented conditions assessment of infrastructure using Smart technology. In combination with the pilot program, it is

expected that the Veolia report will help guide (but not dictate) recommendations for the CIP.

1. *Computerized Maintenance Management System*

CIPMO will perform field assessments, historical analysis of Oracle Work and Asset Management (“WAM”) work orders and review of drawings of the selected areas to determine condition of infrastructure. The installation date and cost, and expected replacement date cost information does not exist for the majority of assets. Baseline attributes (and codes) for assets are not defined. Below are several asset management initiatives in various stages of development that need to be instituted and coordinated to develop a robust and functional Computerized Maintenance Management System (“CMMS”) that tracks all assets condition, location and maintenance history. The CIPMO shall advise on the program development and implementation including, but not limited to, the following:

- a. Develop SOPs for asset auditing, asset on-boarding and turnover, including a process to retire and decommission assets, work history and related costs.
- b. Develop condition, performance, and reliability attributes for assets.
- c. Develop SOPs for assessing condition, performance and reliability by asset class.
- d. Specify replacement or renewal cost data to be placed against the asset.
- e. Specify reliability, likelihood of failure, consequence of failure, risk level (business risk evaluation) data to be tied to assets.
- f. Develop SOPs to create, share, maintain and use this data.
- g. Determine training, staffing and funding needs to sustain and implement on asset management program.

2. *Underground Asset Management*

DWSD underground asset management requires reliable knowledge of the assets with characteristics and past work history. Its ESRI GIS is the critical element that will provide access to such asset knowledge, history, inventory, location and interconnections of the infrastructure (such as blind ties in the sewer system). The CIPMO shall review and update critical infrastructure data that is in the GIS system and work with DWSD’s GIS team to create a critical facilities layer that is evaluated based on “consequence of failure”. This data should be used to prioritize the CIP. The CIPMO, with DWSD’s GIS team, shall also develop a formal GIS data sharing plan with all contractors that interface with the GIS data. This GIS data

sharing plan will have provisions for data confidentiality, data “check-out”, quality control, redlining, as-built drawing coordination and data “check-in”. DWSD’s improvements to the current GIS system are ongoing and will feature uniform standards for all data types including water mains and sewers. These standards will improve operations and maintenance staff efficiency and enable ranking of replacement/rehabilitation prioritization. The CIPMO is expected to work collaboratively with the DWSD GIS team and follow and/or co-develop relevant DWSD GIS processes, procedures and standards during the engagement. GIS is a shared service between DWSD and GLWA.

The following GIS projects are planned or underway:

- a. Customer service billing system integration.
- b. Asset management program integration.
- c. Water and sewer piping networks modeling and remediation.
- d. Water main break work order process improvements.
- e. Capital improvement plan project mapping.
- f. Catch basin data collection.
- g. Water tunnel digitization project.
- h. Manhole inventory.
- i. Non-revenue water loss mapping.
- j. Fire hydrant inspection and repair project improvements.
- k. Valve exercising, flow and pressure/testing implementation.
- l. NPDES permit compliance.

Assets that are classified as critical will need to be addressed quickly. For example, the large, deep, combined trunk sewers will likely be classified as critical assets but have not been inspected for many years. Therefore, it will be important to consider the unique risks for critical assets in task identification and development. Similarly, the City’s central business district has its own unique challenges and it is expected that this area will be appropriately considered in the asset management strategy. The CIPMO shall be responsible for and have (or may subcontract) resources available as necessary to perform the field assessments and investigations (leak detection, CCTV, sonar, etc.) required to determine the condition of the assets. In addition, testing of materials and analyses may be included as part of the strategy to predict consequence of failure for an asset. The CIPMO will also train the engineering staff on how to utilize this information to create the capital investment strategy.

3. *DWSD's Four Pumping Facilities*

The CIPMO will review the four pumping facilities that solely handle sewage flow for Detroit (Belle Isle CSO Facility and Main Pump Station, Bluehill, Fischer, and Woodmere Sewage Pump Stations). Although GLWA operates the facilities, DWSD is responsible for the ongoing investment. The CIPMO should plan to conduct and provide a review of the capital needs for these four pumping facilities and recommend prioritization in the CIP so that long term maintenance costs are reduced and operating efficiencies are realized.

***Task 4 - Asset Management Deliverable: Update GIS system as a result of Asset review. Produce a report that documents the processes and procedures adopted and implemented by the department on asset management. Develop program and accompanying materials to train engineering staff on the use of these techniques to develop future capital improvement plans.***

v. **CIP Document (Q2 2017 – End of Contract)**

Historically, the City's retail water and sewer improvement program has been treated as an annual spending allowance, with specific work defined on an ad-hoc basis. The new DWSD leadership has begun the process of creating a specific program for the water and sewer network, with much greater definition of the locations and required improvements. It is expected that an annual CIP will be created/updated with a five-year rolling schedule. The lessons learned from the pilot program and subsequent work, as well as the evolving asset management program are to be used for continuous refinement to the CIP. Once the program has clearly advanced to the point of achieving the desired objectives, an acceleration of the program using more aggressive financing will be considered to reduce the implementation schedule.

DWSD's goal is to ensure the CIP is implemented at the lowest total cost of ownership. DWSD's objective is to maximize use of SRF loans available from the State of Michigan by developing a robust program with a goal to renew approximately 75 miles (a 1.5% replacement rate) of water and sewer infrastructure per year. To maximize use of the SRF funds, the CIPMO shall develop a project plan for water and sewer infrastructure. Likewise, any grant programs offered from state, federal or philanthropic agencies shall also be employed to maximize the dollars invested to replace, rehabilitate or construct water/sewer/green infrastructure.

The Lease Agreement between GLWA and DWSD requires DWSD to provide GLWA with a CIP by March 1<sup>st</sup> of each fiscal year. The Lease Agreement also provides that the GLWA may be used to secure financing for the GLWA and DWSD CIPs. Upon request, the CIPMO shall assist DWSD's CFO with determining the impact the CIP

may have on rates (based upon alignment of CIP expenditures and funding sources).

Suggestions for alternative approaches based on industry best practices or practical experience on past projects are encouraged. The process for DWSD decision-making should be clearly identified.

***Task 5 - CIP Document Deliverable: Annually produce the five-year CIP on behalf of the City beginning with the FY 2018 CIP. Prepare a funding plan that optimizes the available sources, including the SRF as well as funds from state, federal, philanthropic, etc. agencies.***

**vi. CIP Implementation (Q4 2017 – End of Contract)**

The CIPMO shall be responsible for overseeing the implementation of the CIP. This will include development of a process to define and track the scope of work, schedule, quality, and budget for each project. Descriptions of the project and supporting documentation need to be provided to parties that will be providing design and construction engineering services.

The project work needs to be tracked from project initiation to completion. Project development process should allow for timely review so problems can be identified early in the process, while the potential for appropriate adjustments is greatest. As projects are completed, the results should be evaluated against the original objectives. Any lessons learned should be identified and result in appropriate refinements to the program.

The tasks performed as part of the pilot program shall be performed, as appropriate, for each new area or program that is selected for the CIP based on lessons learned.

**1. Engineering and Construction Program**

- a. Development and implementation of a program management plan that will be used throughout the program and manage revision control.
- b. Assistance with the review and refinement of engineering design standards, contract specifications, including front end specifications, general requirements and design processes related to different program types.
- c. Development of a program to assure that design and construction complies with all requirements and commitments established during the planning phase, including any requirement of specific funding, and any requirements of different jurisdictional authorities



such as Michigan Department of Transportation, MDEQ, Wayne County, City departments, GLWA, rail road companies, etc.

- d. Support the development of a public/private partnership model where it may be beneficial including, but not limited to, allowing property owners to replace water or sewer services, as appropriate, based on the construction technology being employed.
- e. Final approval of contract documents. Alternative contracting methods and contractor prequalification processes to be considered.
- f. Issue RFPs, issue purchase orders and issue all payments to subcontractors for all aspects of the CIP and this scope of work.
- g. Organization and oversight of construction engineering teams to ensure project compliance and evaluation of contractor performance.
- h. Assistance with the review and modifications of construction administration procedures related to different project types including methods for change order control and management.
- i. Develop a resident engineering/resident project representation (“RE/RPR”) manual of practice (“MOP”) consistent with the construction contract documents adopted by DWSD. The RE/RPR MOP would document all procedures and policies to be used by in-house and contracted construction inspectors and resident engineering staff in the construction administration and on-site monitoring of the construction contractor’s progress and quality of work.
- j. Development and implementation of risk management plans that identify risks, performs qualitative and quantitative risk analyses and plans risk responses.

2. *Public Outreach/Stakeholder Engagement*

The CIPMO shall develop and implement a public outreach program that includes standard notices and procedures for public outreach and engagement. An important component of this work will relate to coordinating public communications regarding DWSD's (evolving) approach to LSL replacements and addressing the potential for lead particulate releases associated with construction activity. The goal of this program is to ensure residents and businesses are aware of and have input into the plans under development or being implemented in their neighborhoods. Every attempt shall be made to minimize adverse impacts to quality of life for DWSD customers. Engagement may involve support of a mobile application or integration with existing applications the City uses for civic engagement.

***Task 6 - CIP Implementation Deliverable: Ongoing management of CIP implementation including subcontractor, liaison and stakeholder coordination and outreach throughout the Contract Term.***

vii. **Water and Sewer Standards and Policies Update (Q2 2017 – 2018)**

1. *Project Specifications and Bid Packages*

The program assessment will include a review of DWSD project specifications/bid packages and recommendations for improvements to make projects more cost competitive and in-line with best practices (a cost estimating toolkit). This includes general and detailed technical specifications for the water main replacement projects, and the technical requirements for the sewer rehabilitation/renewal projects.

2. *Design, Material and Construction Standards*

The Veolia report identified the policies for the automatic up-sizing of certain water mains and the use of thicker walls for pipes as policies that should be reconsidered. Similarly, there are other standards and policies in use that should be reviewed to see if they are delivering the results and cost-effectiveness expected by DWSD. Initial reviews have indicated that construction costs may be higher than neighboring communities.

The type of materials used for replacement/renewal/rehabilitation of water and sewer infrastructure should also be evaluated to determine the most economical materials for various scenarios. The water master plan suggests DWSD pilot the use of materials other than ductile iron for replacement of water distribution main. A ranking criteria should be established that includes factors such as population, effects from climate change, water loss for distribution piping and inflow and infiltration for sewer piping, ease of installation, installation costs, local experience with material, smart technology

compatibility, etc. to establish a process by which material selection can be navigated which allows for the lowest total cost of ownership.

*3. Other Policies and Factors Affecting Bidding Activity*

The number of contractors submitting bids in the City is low, with a smaller number actually being awarded work. It will be important to understand the policies and economic factors that are causing these current trends. Support functions, such as procurement, permitting and accounts payable, also need to be considered. It is expected the CIPMO will conduct research, engage the contractor community and, through this, develop recommendations for future outreach and modifications to stultifying procedures/processes.

*4. Lead Service Lines*

LSL are a major national issue for the water industry. Modifications to national guidance have been issued and significant discussion is underway on further requirements. The responsibility for property owners, particularly when financial affordability is an issue, is likely to result in difficulty reaching closure. DWSD is working with a consultant to develop a program that will meet or exceed proposed changes coming from both the state and federal governments. At this time, however, it is not clear what impact this may have on the CIP. At a minimum, the CIPMO will need to identify when appropriate decisions need to be made in order to keep the CIP implementation on schedule and assist DWSD in preparing the appropriate materials for decision-makers.

*5. Safety Procedures*

Safety procedures and programs should be reviewed, benchmarked against other utility agencies, enhanced and implemented as appropriate to reflect DWSD's commitment to worker safety.

*6. Program Control Methods*

Programmatic standards for controlling and scheduling work streams that are applicable across the design and construction delivery systems should be developed. Additionally, SOPs for estimating construction costs and engineering services costs in the development of the CIP are needed (aligned with best industry practices such as the AACE International and ASCE).

***Task 7 - Water and Sewer Standards and Policies Update Deliverable: The CIPMO shall produce a report which documents the recommended changes to create a new set of standards including general and detailed specifications and policies the DWSD will need to implement for all water and sewer renewal and replacement projects.***

**viii. Sustainable Program Implementation (Q3 2017 – End of Contract)**

Many aspects of the CIPMO work are expected to be tasks that can be handled by a major city water and sewer department. Therefore, the process to recruit, train, and transition the work back to DWSD needs to be identified. The sustainability program should also recognize the desire to maximize available opportunities for City residents to participate in the CIPMO, or as a sub-consultant or subcontractor.

**1. Staff Assessment and Evaluation**

A large portion of DWSD's staff in the Field Services Engineering Division are eligible for retirement due to years of service or age. It is critically important for DWSD to assess staff skills and develop a succession plan to ensure successful ongoing implementation of the CIP. The CIPMO shall be responsible for performing this assessment and providing DWSD with a report that analyzes the gaps between existing resources and a plan for how to align resources with needs.

**2. Staff Training and Development**

DWSD's goal is to work in conjunction with the CIPMO to develop a CIP that can be eventually transitioned to DWSD staff for program administration and execution during the tail end of the Contract Term. To successfully fulfill that goal, a formal training program must be developed (in collaboration with the DWSD unions, where appropriate) which allows DWSD staff to enhance program management skills and employ technology to improve program delivery. The program shall also include construction administration and inspection training.

**3. Inclusion Programs**

DWSD has a goal to ensure qualified businesses and residents in the City have the opportunity to participate in rebuilding the City's infrastructure. To this end, the CIPMO shall work with DWSD to develop an inclusion program for Detroit residents, businesses and students.

**a. Detroit-Based/Disadvantaged/Minority/Small/Woman-Owned Business Enterprise Program:**

The CIPMO shall work with DWSD staff to refine and evaluate a DWSD inclusion/subcontracting program to encourage participation of Detroit-based, Minority Business Enterprise ("MBE"), Woman-Owned Business Enterprise ("WBE"), disadvantaged, and/or small businesses. The goal of the program is to create opportunities for these businesses as well as City residents on projects. The program shall provide for opportunities on both professional service contracts as well as construction contracts. The CIPMO shall evaluate, recommend and integrate a framework for CIP subcontracting into the DWSD program. Refined and expanded

program components should include, at a minimum, the following elements:

- 1) Program refinement to facilitate CIPMO driven CIP implementation.
- 2) Participation goals.
- 3) Market assessments.
- 4) Regulatory requirements.
- 5) Training and technical assistance program.
- 6) Outreach activities.
- 7) Bonding, insurance, and working capital assistance.
- 8) Workforce development.

The CIPMO shall provide DWSD with the opportunity to review program elements and accept or modify it prior to implementation and execution. This program shall be developed within the first 180 days of the Contract Term.

- b. DWSD encourages respondents to use Detroit residents in all employment opportunities including subcontracting. Particular attention should be given to Detroit resident groups experiencing high unemployment. Bidders should submit outreach programs which will be used for this purpose.

- c. Underrepresented Minority Internship Program:

The CIPMO shall be required to implement an internship program which recruits underrepresented minorities to participate in the CIP development and/or implementation. These students shall either be vocational or college educated individuals whose studies focus on science, technology, engineering or mathematics. The goal of this program is to train and develop potential field services maintenance and repair or engineering staff for DWSD.

***Task 8 - Sustainable Program Implementation Deliverable: Execution of a succession/transition plan that includes specific, measurable outcomes related to building DWSD's internal capabilities with industry best practices and systems, along with knowledge transfer and staff development fundamental to program success – with the objective of transitioning the CIPMO back to DWSD by the end of the Contract Term.***

**ix. As-Needed Assistance (*Q1 2017 – End of Contract*)**

DWSD has many challenges to overcome in providing best-in-class services to its water and sewer customers. Various support services may be needed to assist DWSD in understanding complex issues, identifying and evaluating alternatives, and providing guidance and/or recommendations. For example, projects related to the water and sewer services agreement with GLWA, master metering of non-metered customers, or a local water system audit may require as-needed assistance from the CIPMO. DWSD will establish a budget for as-needed assistance. At the time an as-needed request is made by DWSD, the CIPMO will be requested to furnish at least three resumes of professionals with the specific expertise being requested. DWSD would then have the option to interview the proposed professionals or select staff based solely on resume.

**e. Contract Deliverables**

The CIPMO shall prepare and submit the following contract deliverables:

- i. Project kickoff meeting agenda and summary.
- ii. Meeting agenda, summaries and sign-in sheets.
- iii. Project work plan and schedule including, but not limited to, project identification, evaluation criteria, prioritization, implementation of controls and methodologies.
- iv. Monthly reporting for implementation of project schedule, budget monitoring, performance reporting, etc.
- v. The following reports:
  1. Pilot program findings and recommendations.
  2. AMI technical memo with implementation plan recommendations.
  3. Inclusion program policy and implementation plan.
  4. Asset management program adoption and implementation plan.
  5. Water and sewer standards, specifications and policies update.
  6. Engineering and construction cost estimating toolkit and related SOPs.
  7. Annual Five-Year CIP (beginning in FY2018), including assistance with financing the plan.
  8. SRF Project Plan and SOPs related to plan development.
  9. RE/RPR MOP.
  10. Sustainable (i.e., transition) Program Plan.
  11. Monthly waiver and release documents from subcontractors indicating that vendors have been paid timely and that no contractor liens have been placed upon City assets.

- vi. Final design documents, including 50%, 90%, and 100% submittals, including all computer-aided-design (“CAD”) and GIS files associated with the project as constructed.
- vii. Permit applications and permit issuances.
- viii. Pre-bid meeting summary notes.
- ix. Bid evaluation and recommendation letters.
- x. Pre-award meeting evaluation and recommendation letters.
- xi. Correspondence and all required documentation that is standard and customary to fully execute the requirements of the construction administration.
- xii. SOPs to allow DWSD to maintain (post-contract) best practices with respect to coordination and liaison with other City, county and state activities as well as utilities and other third-party stakeholders.
- xiii. Document management should be coordinated by the CIPMO, in collaboration with DWSD IT, for project construction record documents, including but not limited to, the final as-constructed drawings, approved shop drawings, equipment manuals, training manuals, and all other documents specified in the construction bidding documents. All GIS files for the as-constructed project shall be submitted to DWSD.
- xiv. Operations and maintenance manuals, SOPs, and related training materials.
- xv. Comment resolution letters that provide the CIPMO responses to DWSD’s comments on all draft deliverables.
- xvi. Final hydraulic models for water and sewer infrastructure.

All deliverables shall be submitted in draft and final forms. The CIPMO shall address and incorporate DWSD’s and GLWA’s (where required) comments into the final deliverables. The CIPMO shall prepare and submit a comment resolution letter with each final deliverable that clearly shows DWSD and GLWA how each of the respective comments have been addressed in the final deliverable.

- xvii. Other submittals as required to satisfactorily perform the scope of services.

**f. Contract Reporting Requirements**

All deliverables (draft and final versions) shall meet the following requirements:

- i. Deliverables shall be submitted in hard copy and electronic formats.
- ii. An electronic copy of draft documents shall be submitted.
- iii. Four hard copies and an electronic copy of each final submittal.
- iv. Electronic copies shall consist of an Adobe Acrobat portable document file (“PDF”) searchable file format (the entire deliverable in one PDF), and shall also

include the raw files (e.g., Microsoft Word, Microsoft Excel, AutoCAD, project scheduling files, GIS files, etc.).

- v. All electronic text document deliverables shall be in the Microsoft Office platform (Word, Excel, PowerPoint and Project).
- vi. All CAD work shall be performed using AutoCAD® by Autodesk, Inc.
- vii. All GIS work shall be performed using ESRI ArcGIS platform.
- viii. All hydraulic models shall be delivered calibrated. Water model shall be an extended period simulation in InfoWater or EPANET format. Sewer model shall be a continuous simulation provided in SWMM format.
- ix. Calculations shall be submitted in hard copy and electronic formats.
- x. All hard copy deliverables, except final contract documents, shall be three-ring bound. Hard copy final contract documents shall be tape bound.

**g. Self-Performance**

The CIPMO is permitted to self-perform all functions of this contract other than construction services. To clarify, self-performance of design and engineering services will be permitted under this contract. Bidders that would like to propose self-performance of design and engineering services are requested to disclose such in the bid response, as well as propose a process for cost estimating or otherwise ensuring the cost of self-performed design and engineering services will be competitively priced with the market for comparable services. The “Bidder Pricing Form – Self-Performance of Design and Engineering” in Appendix I-C includes a form for this.

Self-performance of construction services, however, is not permitted in the ordinary course with this contract, subject to a Bidder proposing an alternative option whereby self-performance may be in the best interest of DWSD as discussed in section 1.f. Alternate Proposals of this RFP.

**3. DWSD AND CIPMO ROLES, RESPONSIBILITIES AND AUTHORITIES**

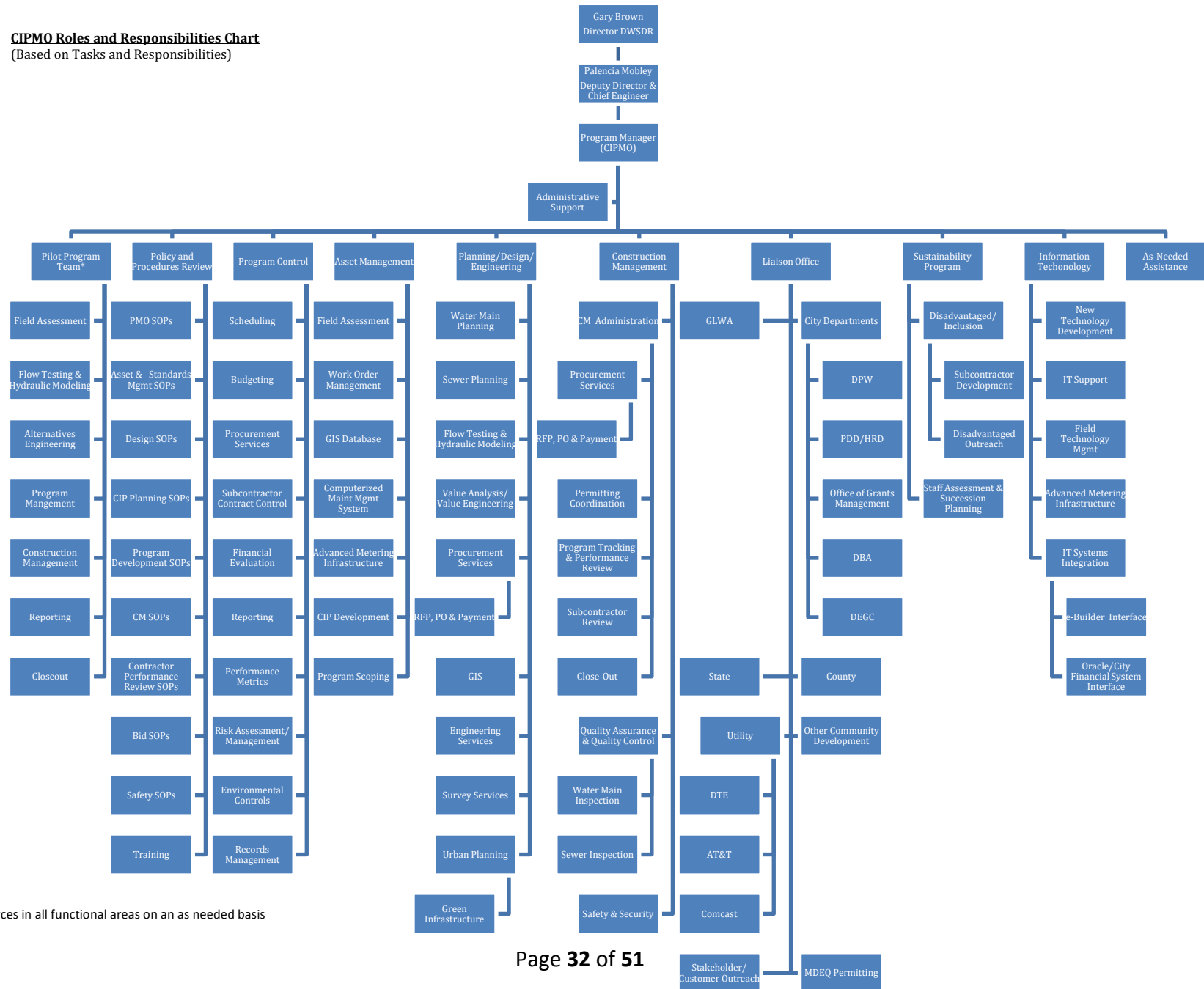
**a. Tasks and Responsibilities Chart**

The tasks and responsibilities of the CIPMO are graphically represented in the chart on the following page. Please note this is not intended to dictate an organizational chart for the Bidders. Rather, it is solely provided to demonstrate the breadth of responsibilities of the CIPMO. Each Bidder will be required to submit its own proposed organizational chart to fulfill the tasks and responsibilities of the CIPMO. Each Bidder will also be required to explain the logic behind the recommended organizational structure.



# DWSD CAPITAL IMPROVEMENT PROGRAM MANAGEMENT ORGANIZATION – RFP# CS-1812

**CIPMO Roles and Responsibilities Chart**  
(Based on Tasks and Responsibilities)



**b. Table of Authorities**

Although the tasks and responsibilities are relatively easy to define, the authorities of the CIPMO and DWSD are a bit more difficult. The following criteria are an initial definition of authorities for the CIPMO:

Table of Authorities			
	Roles & Tasks	CIPMO	DWSD
1.	CIP Development	Recommends	Approves
2.	Program Scoping	Prequalifies*/prioritizes	Approves
3.	Metering Technical Specs	Recommends	Approves
4.	Design Management	Approves	Stamps
5.	Contractor Management**	Oversees contractors	May participate
6.	Contractor Inspection**	Approves	Audits
7.	RFP Issuance**	Issues RFP	Audits
8.	Contractor Selection**	Recommends	Approves
9.	PO Issuance**	Issues PO	Audits
10.	Change Orders**	Recommends	Approves
11.	Subcontractor Payment**	Makes payment	Audits
12.	Liaison with Other Depts./Agencies	Provides service	May participate
13.	Standards Development and Update	Drafts	Approves
14.	Program Control – day-to-day	Manages	None
15.	Program Control – strategic matters	Recommends	Approves
16.	CIPMO Initial Staffing Level	Recommends	Approves
17.	CIPMO Changes to Staffing Level	Recommends	Approves
18.	GIS Database Updating	Updates	Hosts
19.	Inclusion Program	Recommends	Approves

\* CIPMO should ensure consistency with Master Plan and across individual projects.

\*\* Includes design, construction and metering

**c. Legal and Reporting Structure of CIPMO**

The CIPMO is to provide a single-point of contact for DWSD, as well as a single-point of responsibility. Although DWSD expects and encourages “partnering” among firms to fulfill the CIPMO roles, DWSD expects there to be one “prime” firm to lead the CIPMO and provide the single-point of responsibility from a reporting, control and legal perspective.

**d. Auditing Rights**

DWSD will have the rights to audit the books and records of the Winning Bidder on matters directly related to the CIPMO, including, but not limited to, (a) salaries and wages of CIPMO team members, (b) salaries and wages of subcontractors or partners that provide staffing and resources for the CIPMO, (c) quotes, RFPs, selection documents, purchase orders, change orders, etc. regarding subcontract design, engineering and construction services, (d) calculation of the overhead factor on the

related pricing form and (e) other matters as may be pertinent to DWSD and in direct relation to the CIPMO contract. DWSD and Winning Bidder would agree on adequate notice and other requirements for conducting audits to minimize interference with the CIPMO's day-to-day responsibilities.

**4. CO-LOCATION AND EQUIPMENT RELATED MATTERS**

The CIPMO will be co-located with DWSD's engineering staff at the DWSD's Huber Avenue facility (6425 Huber Avenue, Detroit, MI 48211). DWSD will provide office space, basic office furniture, internet, utilities and parking. Bidders should assume responsibility for providing all other equipment (modular workstations, computers, hand-held devices, field devices, vehicles, office supplies, etc.) required to execute the scope of work. Bidders should also assume responsibility for all travel and living expenses for CIPMO team members that do not reside locally. DWSD will reimburse travel and expense costs on a pre-approved basis only (i.e., to access expertise not available locally or as otherwise needed on an expeditious basis).

**5. CIPMO AND SUBCONTRACTOR INVOICING AND PAYMENT TERMS**

**a. CIPMO**

The CIPMO shall invoice DWSD on a monthly basis within 30 calendars days of the preceding month.

**b. Subcontractors (Design and Construction)**

DWSD currently does not have the procurement resources needed to effectively manage the plethora of RFPs, POs and payments to the subcontractors for design and construction services required to execute the CIP. As such, the CIPMO will be required to issue the RFPs and POs to all of the subcontractors for design and construction, as well as issue payment, in accordance with its customary payment terms.

Additionally, DWSD recognizes the CIPMO will need to price the cost of providing these services as part of the contract. There is a "Bidder Pricing Form – Subcontractor Mark-Up" included in Appendix I-B where Bidders are expected to disclose a mark-up/carry cost as well as any other conditions that may be necessary to accommodate this requirement.

*DWSD reserves the right to maintain responsibility for issuing POs and making payments directly to design and construction subcontractors, although the preferred course of action is for the CIPMO to perform these activities.*

**c. DWSD Payment Terms**

DWSD's expected payment terms of approved invoices are described in the Detroit and BOWC Standard Form of Contract for Engineering Consultant Services (Appendix II), Article V, section 5.02. For planning purposes, Bidders can assume that payment is not expected to exceed 75 days from date of invoice issuance, barring exceptions to an invoice, which would be inclusive of DWSD's review and approval process.

**6. DWSD-GLWA KEY DATES SUMMARY**

As part of the agreement with GLWA, DWSD is required to fulfill certain CIP duties and deadlines. As a result, the CIPMO will be responsible to manage accordingly.

No later than February 1<sup>st</sup> of each year, the DWSD shall develop and provide the GLWA with an updated CIP for DWSD's assets. The DWSD CIP shall include the capital improvements and estimate of the costs which the DWSD plans to undertake in the next fiscal year, and projected capital improvement projects and estimates for the five years following. At least three months prior to finalizing each DWSD CIP and any modifications thereto, DWSD shall provide the proposed CIP to the GLWA for the purpose of (a) coordinating the DWSD CIP and the GLWA CIP to maximize economies of scale, minimize service disruptions and to achieve other efficiencies from a coordinated implementation effort, and (b) providing notice to the GLWA of any financing requirements for DWSD assets to be satisfied from Lease Payments and/or the issuance of GLWA bonds, and (c) requesting collaboration on grant applications or other funding opportunities.

Each fiscal year, no later than May 1<sup>st</sup>, DWSD shall provide to GLWA written direction ("Direction to Apply Lease Payment") concerning the application of the Lease Payment to be paid by GLWA in the next fiscal year. A Direction to Apply Lease Payment shall include direction as to the allocation of the full amount of the Lease Payment for that year, and may also reflect commitment of Lease Payments for future years to the payment of debt service on GLWA bonds. The Direction to Apply Lease Payment shall direct GLWA to allocate and credit to the DWSD identified portions of the Lease Payment for: (i) the payment of principal of and interest on that portion of the GLWA bonds issued to finance the cost of improvements to the DWSD assets; (ii) the payment of DWSD's share of the principal of and interest on GLWA Bonds issued to finance the cost of common-to-all improvements to the Leased Facilities; and (iii) the payment of the cost of improvements to and repairs of DWSD assets.

## **7. RFP TIMELINE**

### **a. Question Deadline**

Questions regarding the RFP procedures, evaluation procedures, the technical nature of the work, or any other matters regarding this RFP should be submitted to the Contract Administrator as follows:

Date: August 5, 2016

Time: 5:00 PM Eastern Standard Time

Location: All technical, procurement, and procedural questions regarding this RFP must be submitted in writing via email to the attention of the Contract Administrator.

No phone calls accepted.

DWSD will not respond to questions after this date and time.

Contract

Administrator: Roderick French

City of Detroit, Water Sewerage Department

Purchasing

E-mail: [dwsd-contracts@detroitmi.gov](mailto:dwsd-contracts@detroitmi.gov)

### **b. Question Responses**

DWSD will publicly post responses to the questions submitted by the Question Deadline, as follows:

Date: August 15, 2016

Time: 12:00 PM Eastern Standard Time

Location: MITN website ([www.mitn.info](http://www.mitn.info))

### **c. Pre-Proposal Conference**

Mandatory: Yes – either in person or via audio conference.

Date: August 15, 2016

Time: 2:00 PM Eastern Standard Time

Location: DWSD Huber Facility - Human Resources Building

2nd Floor Training Room

6425 Huber Street

Detroit, MI 48211-1677

or

Call-in if cannot attend in person at:

855-650-4133; Code: 55742

**d. Site Tour**

A site tour of the co-location office space will be conducted after the Pre-Proposal Conference to help Bidders assess the office work space.

Mandatory: No - optional  
Date: August 15, 2016  
Time: 4:00 PM Eastern Standard Time  
Location: DWSD Huber Facility  
6425 Huber Street  
Detroit, MI 48211-1677

**e. Proposal Deadline:**

Bidders must submit an electronic proposal to DWSD via MITN.

Date: September 2, 2016  
Time: 4:00 PM Eastern Standard Time  
Location: MITN website ([www.mitn.info](http://www.mitn.info))

MITN will not allow proposals to be uploaded after this date and time. Any late submittals will be rejected and not be considered for award.

**8. RFP SUBMISSION REQUIREMENTS**

**a. No Communications with DWSD**

Bidders shall not discuss or make contact with any DWSD staff or agent in relation to this program until a contract award has been announced, other than in the manner permitted in this RFP or as directed by the Contract Administrator in Purchasing, both as disclosed in section 7.a. above.

**b. Submission of Proposal**

Bidders interested in submitting a response to this RFP are required to be registered in MITN (registration is free). DWSD will only receive proposals uploaded by Bidders on the MITN website at [www.mitn.info](http://www.mitn.info).

All solicitation information and documents shall be available to vendors registered in the MITN system. If your firm is not currently registered, you must register to obtain documents and submit a response. Please use the MITN website to register at [www.mitn.info](http://www.mitn.info).

The MITN website has a limitation of 32 megabytes per file. If your file exceeds 32 megabytes, please submit additional files. The technical proposal (a PDF file), the price proposals (an Excel file) and the proposed organizational chart (either Excel or PDF file) must be uploaded in MITN by the Proposal Deadline. MITN will not allow proposals to be uploaded after the Proposal Deadline (date and time) for this RFP.

Cost information should only be submitted on the three Pricing Forms (Appendices I-A, I-B and I-C) as an Excel file. No fax, hard copy, email or any other method of submitting proposals will be accepted. No late proposals will be accepted.

Failure of any Bidder to submit proposals according to all instructions listed in this solicitation may result in proposal rejection at the City's discretion.

**c. Preparation of Proposal**

The preparation of a proposal shall be at the expense of the Bidder. It is the sole responsibility of the Bidder to fully examine this RFP, notices to this RFP, bulletins (if any) and referenced documents.

Only electronic proposals in accordance with the requirements of this RFP shall be submitted. All proposals submitted become the property of DWSD and will be subject to applicable public record laws.

All information pertaining to the Bidder's approach in meeting the requirements of the RFP shall be organized and presented in each Bidder's proposal. The instructions contained in these requirements must be strictly followed.

Accuracy and completeness are essential. Omissions and ambiguous or equivocal statements will be viewed unfavorably and can be considered in the evaluation. Since all or a portion of the successful proposal may be incorporated into any ensuing contract, all Bidders are cautioned not to make any claims or statements that cannot be subsequently included in a legally binding agreement.

**d. Proposal Format and Contents**

The proposal shall be in the format and with attachments and completed forms as specified in the RFP. Each proposal shall show the full legal name and business address of the Bidder, including street address if different from mailing address, and shall be signed and dated by the person or persons authorized to bind the Bidder. Proposals by a partnership or joint venture shall list the full names and addresses of all partners or joint ventures (although joint ventures without a single point of contact are discouraged). The state of incorporation shall be shown for each corporation that is a party to the proposed joint venture.

The name of each signatory shall be typed below each signature. If requested by DWSD, satisfactory evidence of the authority of a signatory on behalf of the Bidder shall be furnished.

DWSD reserves the right to reject any or all proposals and to waive any informality in proposals received, if it is in the best interests of DWSD to do so.

The proposal shall be provided as described in the following sections and in the sequence presented.

**e. Page and Font Size Limitations**

Bidders should limit the technical proposal to no more than 40 pages and the alternate proposals to no more than 10 pages. The proposal should be in a minimum of 10-point font size.

**f. Letter of Transmittal**

Each Bidder's proposal shall include a letter of transmittal not to exceed three pages, signed by an individual, or individuals, authorized to bind the Bidder contractually. The letter must state that the proposal will remain valid (a) for a period of six calendar months from its due date, (b) until the Bidder withdraws it, (c) a contract is executed, or (d) the RFP process is terminated by DWSD, whichever occurs first.

**g. Minimum Requirements**

DWSD, in its sole discretion, will consider the relevant factors to determine which Bidders meet the minimum requirements. DWSD, in its sole discretion, also reserves the right to waive certain minimum requirement on a case-by-case basis. The minimum bidding requirements include the following factors:

- i. Experience providing services for programs of similar scope.
- ii. Experience of a minimum of five programs in the past ten years that consist of program management services, comprehensive program planning, procurement and administration of design and construction subcontracts, subcontracted design/engineering/construction, permitting, program coordination, pre- and post-bid management services, construction assistance, quality control, training, document management, as-built drawings, GIS administration, hydraulic modeling, scheduling, asset management, financial planning and construction close-out for a large (population greater than 100,000) urban water and/or sewer systems. The CIPMO team must also include an urban planning professional to interface with PDD and HRD.
- iii. Single point of contact to lead the CIPMO as well as for contracting and legal matters.
- iv. Financial strength to fund an operating plan related to this RFP.
- v. A legal and/or organizational structure defining how the consortium of partners would operate.
- vi. Appropriate professional licenses.
- vii. Be in compliance with the Ethics Code, Section 2-6-91 et seq of the City of Detroit Code of Ordinances (see Reference Information 10.e.ix.)
- viii. Be in compliance with DWSD Procurement Policy (see Reference Information 10.e.viii.)



**h. Technical Proposal Submission Requirements**

Bidders should organize proposals into the following sections that describe the elements that should be included in each of the above proposal sections. In the scoring for this section, Bidders shall be evaluated on the clarity, thoroughness, and content of their responses to the below items.

*i. Professional Qualifications/Quality of Work*

1. State the full name and address of your organization and, if applicable, the branch office or other subsidiary element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation. If as a corporation, include whether it is licensed to operate in the State of Michigan.
2. Include the name of executive and professional personnel by skill and qualification that will be employed in the work. Show where these personnel will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the project. Identify only individuals who will do the work on this project by name and title. Resumes and qualifications are required for proposed project personnel, including sub-consultants to the extent known.
3. State history of the firm in terms of length of existence, types of services provided, etc. Identify the technical details that make the firm uniquely qualified for this program management work. Identify the programs managed and provide information on those engagements including number of individual projects per annum, annual spend managed and in total for contract term, etc.
4. Provide program team personnel experience in capital improvement program implementation for a water and sewer infrastructure system for urban systems, including green infrastructure/storm water programs. Identify and provide background information on the key personnel who will take the most active role(s) in the administration and management of the program. Provide resumes and biographical information on key professionals that will be directly involved in the program. Include the number of years at your firm, total years of experience, and professional licenses and designations (if applicable). Resumes shall be no more than two pages. In addition to resumes, the use of a matrix to clearly show the staff experience is strongly encouraged.
5. The Bidder should have a minimum of five programs but should not list more than ten over the past ten years that involve capital improvement program implementation for a water and sewer infrastructure system for large urban systems. The Bidder should give a brief description of each program according to the work as described. The description should include the original consultant services contract budget, your firm's budget as a

percentage of contract budget, a brief statement on your firm's involvement in the program, final consultant services contract budget, any change orders included as part of the program, and any additional information which you believe will assist DWSD in evaluating past performance. Regardless of their inclusion on the listed projects, the Bidders performance on DWSD projects may be taken into consideration by the proposal evaluation committee.

6. Explain how your experience on the listed programs demonstrates:
  - a. Your ability to manage and coordinate simultaneous implementation of multiple projects of varying complexity through an integrated schedule that engages a broad array of consultants, contractors and interested stakeholders.
  - b. Your ability to provide the qualified and experienced personnel needed under this contract.
  - c. Your ability to retain the needed support personnel for the duration specified by DWSD.
  - d. Your ability to respond promptly to DWSD's staffing needs, including DWSD's requests for replacement of your personnel.
  - e. That you meet the minimum qualifications described in Section 8.g.
  - f. Your ability to work cooperatively with DWSD and other project stakeholders.
  - g. Evidence of past performance and ability to complete tasks on time and within budget.
  - h. Your knowledge of local conditions, DWSD requirements and procedures.
7. Provide the names, telephone numbers, and email addresses of at least three persons representing clients for whom the bidder has performed work similar to that proposed, and who may be contacted as references. These references should include municipal agencies similar to DWSD and should include the recent programs cited above.
8. List descriptions of any contracts which have been terminated, including the circumstances surrounding the termination. Provide the name and telephone number of your client's representatives of any such contracts.
9. List descriptions of all legal proceedings, lawsuits or claims which have been filed against any firm within the proposing team or any of the firm's past or present employees within the past five years. Indicate circumstance where you actually paid all or part of the claim.

*ii. Proposed Work Plan*

1. A detailed work plan is to be presented which lists all tasks determined to be necessary to accomplish the work detailed in the scope of services. The work plan shall define resources needed for each task. In addition, the work plan shall include a timeline schedule depicting the sequence and duration

of tasks showing how the work will be organized and executed. The Bidder may propose tasks and deliverables outside of those listed in the scope of services if they believe they are necessary to support DWSD's objectives. Any local firm listed as providing services to the project must be assigned a corresponding percentage of the contract on the Local Economic Development Data in Appendix III.

**i. Alternate Proposals**

Bidders are highly encouraged to submit alternate proposals for consideration. Evaluation of alternate proposals will occur in the Round II Evaluation period (see Round II Evaluation Process in section 9.d. and 9.e. for further detail). For alternate proposals to be considered, Bidders must submit a base proposal in accordance with the scope of work and requirements in this RFP. Alternate proposals are not required to be submitted as part of the technical proposal. Rather, alternative proposals (for Bidders that choose to provide alternate proposals) will be required to be submitted prior to the interview date (deadline will be provided at interview scheduling time). Alternate proposals presented as part of technical proposals will be accepted.

Alternate proposals should be clearly identified with a description of the advantages and disadvantages of the approach. Alternate proposals should provide a meaningfully accretive economic benefit to the City.

**j. Fee Proposal Submission Requirements** (uploaded to MITN as a separate file)

Bidders are required to complete the four forms included in Appendix I which include (a) CIPMO Staffing, (b) Sub-Contractor Mark-Up, (c) Self-Performance of Design and Engineering and (d) CIPMO Organizational Structure (collectively, "Pricing Forms"). Each of the Pricing Forms is discussed below. DWSD requires completion of the Pricing Forms in the Excel file that was uploaded to MITN.

**i. Bidder Pricing Form – For CIPMO Staffing (Appendix I-A)**

**1. Program Cost**

The proposed program cost should be based upon the scope of work and requirements provided in this RFP and should be all inclusive. The proposed program cost should be based upon a weekly salary range by job classification or category. DWSD intends to manage the costs of this contract on an FTE/headcount basis and not on an hourly basis.

The CIPMO Staffing form should include the names, titles, weekly salary range, overhead factors, profit margin and other details as required therein. Bidders shall be capable of justifying the details of the fee proposal relative to personnel costs, overhead, how the overhead rate is derived, and time.

In development of the CIPMO Staffing form, please consider the potential impact from ramp up at the beginning of the contract and wind down at the end of the contract.

The fee proposed must include the total estimated cost for the project over the course of the five-year term (optional years are not required to be quoted at this time). This total may be adjusted through negotiations with DWSD prior to signing a contract.

2. Overhead Rate

The overhead rate should include any and all benefits and overhead costs, including the equipment necessary for the CIPMO to execute on the scope of work (computers, hand-held devices, field devices, vehicles, etc.). The overhead rate should be entered as a distinct cost component as defined on the CIPMO Staffing form. A detailed calculation of the overhead rate should be appended to the CIPMO Staffing form.

3. Profit Margin

The profit margin is considered a percentage of total program costs including overhead and should be entered as a distinct cost component as defined on the CIPMO Staffing form.

4. Incentive/Penalty Factor

DWSD would look favorably upon a balanced incentive/penalty system based on KPI performance, although DWSD is requesting Bidders to propose the structure. Bidders should also define any necessary changes to the proposed authorities in order to effectuate an incentive/penalty system. The incentive/penalty factor should be entered as a distinct cost component as defined on the CIPMO Staffing form for Bidders that choose to propose such.

5. Escalation Factor

Bidders may include an escalation factor in the fee proposal to reflect the impact of rising salaries and overhead costs over the Contract Term after the initial year. At each Bidder's discretion, the escalation factor should be entered as a distinct cost component as defined on the CIPMO Staffing form. The final escalation factor utilized will be the lesser of the U.S. Employment Cost Index and the proposed escalation factor. There may be an additional adjustment if economic conditions dictate which would be subject to negotiation with DWSD.

6. Performance Bond Cost

Bidders should include the annual cost to hold a \$100 million performance bond.

7. Payment Bond Cost

Bidders should include the annual cost to hold a \$100 million payment bond.

ii. *Bidder Pricing Form - Subcontractor Mark-Up (Appendix I-B)*

Bidders must provide a mark-up rate (if any) for procuring and paying subcontractors. The mark-up rate on subcontractors should be entered as a distinct cost component under both scenarios defined on the Subcontractor Mark-Up form.

iii. *Bidder Pricing Form - Self-Performance of Design and Engineering (Appendix I-C)*

Bidders that would like to propose self-performance of design and engineering services are requested to propose a process for cost estimating or otherwise ensuring the cost of self-performed design services will be competitively priced with the market for comparable services. The proposal description is requested to be included on the Self-Performance of Design and Engineering form.

iv. *Bidder Pricing Form - CIPMO Organizational Structure (Appendix I-D)*

Bidders must include a proposed organizational chart for the CIPMO at full staffing level as required on the CIPMO Organizational Structure form. The organizational chart should graphically define the total team size, management team (with proposed names to the extent known), job functions and job classifications, along with an FTE headcount.

v. *Staffing Level Flexibility*

DWSD understands that the scope of work, roles and responsibilities may be adjusted from time-to-time over the Contract Term. The Pricing Forms are intended to provide flexibility to staffing of the CIPMO accordingly. Please note, however, that DWSD will approve the initial staffing proposal. Any additions or deletions to the initial staffing level will require written approval from DWSD prior to making the change.

vi. *Expenses*

DWSD does not anticipate the CIPMO incurring expenses that would be passed through, other than for one-off matters that would require pre-approval from DWSD. Bidders should assume responsibility for office supplies, equipment, travel and living expenses for non-local team members. Travel expenses will be allowable on a pre-approved basis only (i.e., to access expertise not available locally or as otherwise needed). DWSD will only be responsible for providing the services discussed in section 4. Co-Location and Equipment Related Matters of this RFP.

vii. *Fee Cap Over Contract Term*

CIPMO contract will provide for a cap in fees over the Contract Term. In no event may the CIPMO or DWSD approve staffing or other cost additions that would cause the cap to be exceeded without obtaining approvals from BOWC, City Council and the Financial Review Commission.

**k. Equal Employment Opportunity/Anti-Discrimination Statement**

Submit a statement of Equal Employment Opportunity (EEO) policy on your firm's letterhead and sign the Covenant of Equal Opportunity Form (included on page 7 of Clearance Package in Appendix VII).

**l. Conflict of Interest Statement**

Submit a statement of avoidance of conflict of interest in accordance with Sec. 2-106 of the Detroit City Code Standards of Conduct (attached as Appendix V). Statements must be submitted on company letterhead.

**m. Local Economic Development Data**

Complete the Local Economic Development Data and, if applicable, the Detroit-Based Business (“DBB”) Questionnaire Forms as part of your proposal (Appendices III and IV, respectively).

**n. Financial Capability**

DWSD is obligated to ensure that the financial strength of each Bidder is adequate to carry out the services proposed. During the course of proposal evaluations, DWSD may ask any Bidder to provide proof of financial capability. Such proof must be provided to DWSD within 48 hours of the Bidder's receipt of DWSD's request. The submitted material will be reviewed by DWSD and returned to the Bidder.

Acceptable proof of financial capability includes, but is not limited to, a current Dun and Bradstreet "Business Information Report" with financial rating or income statements for the previous three fiscal years, audited by a certified public accountant.

Bidders for this project, if not previously asked to do so, will be required to present proof of financial capability at the time of interviews following the shortlisting process. The submitted information will be reviewed by DWSD and returned to the Bidder.

**9. EVALUATION PROCESS**

DWSD uses a structured qualifications-based selection process to evaluate proposals. An evaluation committee will be established to evaluate all proposals in accordance with the evaluation criteria point system to select a short-list of firms for further consideration. DWSD reserves the right to reject any proposal that it determines to be unresponsive and deficient in any of the information requested for evaluation. A proposal with all the requested information does not guarantee the Bidder to be a candidate for an interview. The evaluation committee or its designees may contact references to verify material submitted by the Bidders. The evaluation committee will also review the fee (pricing) proposals commensurate with the technical proposals.

**a. Round I Evaluation Criteria**

Criteria	Max. Points
<b>1. Work Plan</b> <ul style="list-style-type: none"> <li>• Level of understanding of DWSD’s goals and objectives.</li> <li>• Soundness of methodology, including: <ul style="list-style-type: none"> <li>○ Efficiency of program management approach.</li> <li>○ Integration with DWSD management and staff.</li> <li>○ Availability and range of resources.</li> <li>○ Knowledge and practicality of asset management and CIP development and management.</li> <li>○ Thoroughness of program plan to accomplish the tasks requested.</li> <li>○ Timeline.</li> </ul> </li> </ul>	<b>25</b>
<b>2. Staff Experience</b> <ul style="list-style-type: none"> <li>• Soundness of organizational chart for CIPMO.</li> <li>• Experience and qualifications of key personnel, including lead program manager and other key personnel.</li> <li>• Experience of any sub-consultants/partners proposed for the CIPMO.</li> </ul>	<b>20</b>
<b>3. Firm Experience</b> <ul style="list-style-type: none"> <li>• Breadth and depth of experience in performing similar program management services to the scope described in this RFP.</li> <li>• Quality of reference checks, including completing projects on time, within budget, etc.</li> </ul>	<b>10</b>
<b>4. Transition Plan</b> <ul style="list-style-type: none"> <li>• Completeness and reasonableness of plan to transition work back to DWSD upon conclusion of contract.</li> </ul>	<b>15</b>
<b>5. Inclusion/Disadvantaged Business Program</b> <ul style="list-style-type: none"> <li>• Soundness of plan to utilize MBE/WBE content and to develop an inclusion/disadvantaged business program.</li> </ul>	<b>10</b>
<b>6. Fee Proposal</b> <ul style="list-style-type: none"> <li>• Reasonableness and competitiveness of total cost.</li> </ul>	<b>20</b>

**b. Shortlisting of Bidders**

DWSD reserves the right to shortlist any number of Bidders for presentations and/or final selection based on its review of the minimum requirements and quality of the proposal. The evaluation committee will notify the shortlisted Bidders via e-mail and/or phone in advance to provide adequate time to arrange for travel.

**c. Interview Process (Presentations/Webinars)**

Shortlisted Bidders will be invited to provide an in-person presentation or webinar to discuss in more detail their qualifications, past experience, proposed work plan and fee proposal, including responding to questions from the evaluation committee and its advisors. When contacted regarding the interview schedule, shortlisted bidders will be notified of a submission deadline for alternate proposals.

The interview must include the program team members expected to complete a majority of work on the program, but no more than eight members total. The interview shall consist of a presentation of up to thirty minutes by the Bidder, including the person who will be the program manager on this contract, followed by approximately thirty minutes of questions and answers (time allotments subject to change at the City's discretion). Audiovisual aids may be used during the interviews. The evaluation committee may record the oral interviews.

Additionally, the shortlisted Bidders may be required to provide written documentation supporting any clarifications that came about during the interview process.

All costs incurred by the Bidders during the interview shall be the responsibility of the Bidder. DWSD reserves the right to waive the interview process and evaluate the consultants based on their proposals and fee (pricing) schedules alone, including review of the fee (pricing) schedules prior to interviews.

**d. Round II Evaluation**

The evaluation committee will re-evaluate and re-score each of the proposals from the shortlisted Bidders following the interview process. In this Round II evaluation phase, the evaluation committee will re-score based on confirmation of material provided in the technical proposal, fee proposal, presentation/interview and alternate proposal (if provided).



**e. Round II Evaluation Criteria**

Criteria	Max. Points
<b>1. Plan Review</b> <ul style="list-style-type: none"> <li>• Confirmation of Work Plan.</li> <li>• Confirmation of Transition Plan.</li> <li>• Confirmation of Inclusion/Disadvantaged Business Program.</li> <li>• Level of understanding of DWSD's goals and objectives.</li> <li>• Soundness of methodology for each plan.</li> </ul>	<b>40</b>
<b>2. Experience Review</b> <ul style="list-style-type: none"> <li>• Validation of Staff Experience.</li> <li>• Validation of Firm Experience.</li> <li>• Soundness of organizational chart for CIPMO.</li> <li>• Quality of reference checks.</li> </ul>	<b>20</b>
<b>3. Confirmation of Fee Proposal</b> <ul style="list-style-type: none"> <li>• Reasonableness and competitiveness of total cost.</li> </ul>	<b>15</b>
<b>4. Alternate Proposal</b> <ul style="list-style-type: none"> <li>• Innovation of alternate proposal.</li> <li>• Level of economic benefit to the City.</li> </ul>	<b>15</b>
<b>5. Presentation/Interview</b> <ul style="list-style-type: none"> <li>• Presentation of the plan.</li> <li>• Responses to questions posed during the interview.</li> </ul>	<b>10</b>

**f. Final Negotiation**

Further negotiation with the selected firm(s) may be pursued leading to the award of a contract by DWSD, if suitable proposals are received.

DWSD reserves the right to enter into final commercial negotiations and/or contract negotiations with more than one party, at its discretion.

## **10. OTHER RFP & CONTRACTUAL MATTERS**

### **a. Sample DWSD Standard Form of Contract for Consultant Services (Appendix II)**

This sample boilerplate contract is provided for reference purposes only. The actual contract developed from this RFP will be the product of contract negotiations with the Winning Bidder of this RFP.

### **b. Insurance Requirements**

Prior to the award of the contract, the Winning Bidder shall furnish certificates of insurance coverage in accordance with the requirements included in the Exhibit F section of the City of Detroit and BOWC Standard Form of Contract for Engineering Consultant Services (Appendix II).

### **c. Bond Requirements**

Prior to the award of the contract, the Winning Bidder shall furnish a performance and payment bond from a surety acceptable to DWSD. An acceptable surety must be licensed by the State of Michigan Insurance Bureau. The performance and payment bonds shall each be dated as of the contract award (or notice of intent to award) along with a separate certified copy of a power of attorney. The performance and payment bond shall each be in the amount of 10% of the total contract value over the Contract Term. For purposes of quoting this RFP, Bidders should assume a \$100 million performance bond and a separate \$100 million payment bond. The costs of all bonds furnished hereunder shall be included in the contract price.

### **d. Addendums**

Each interpretation or correction, as well as any official changes, and modifications, responses to questions or notices relating to the requirements of the RFP that DWSD may decide to include, shall be distributed through the MITN system. It shall be the responsibility of the Bidder to check for addendum and/or notices posted on MITN and to make inquiry as to the changes or addenda issued. All such changes or addenda shall become part of the contract and all Bidders shall be bound by such changes or addenda. Bidders are advised that no oral interpretation, information or instruction by any agent, officer or employee of the City and/or DWSD shall be binding upon the City.

### **e. Reference Information**

The following is a list of documents that Bidders may find helpful in preparing a proposal for this RFP:

- i. 2015 DWSD Water Master Plan  
<http://www.glwater.org/system-planning-documents/master-plans/>
- ii. 2003 DWSD Wastewater Master Plan  
<http://www.glwater.org/system-planning-documents/master-plans/>
- iii. DWSD Green Infrastructure Program Documents  
<http://www.detroitmi.gov/How-Do-I/Find/Green-Infrastructure>

- iv. GLWA/DWSD Water Lease  
<http://www.glwater.org/wp-content/uploads/2016/04/Regional-Water-Supply-System-Lease-as-of-010116.pdf>
- v. GLWA/DWSD Sewer Lease  
<http://www.glwater.org/wp-content/uploads/2016/04/Regional-Sewage-Disposal-System-Lease-as-of-010116.pdf>
- vi. GLWA/DWSD Water and Sewer Services Agreement  
[http://www.glwater.org/wp-content/uploads/2015/11/WATER\\_SEWER\\_AGREEMENT\\_EXECUTED\\_0612151246\\_96746\\_1-2.pdf](http://www.glwater.org/wp-content/uploads/2015/11/WATER_SEWER_AGREEMENT_EXECUTED_0612151246_96746_1-2.pdf)
- vii. NPDES Permit No. MI0022802 Issued March 1, 2013 (note that NPDES permit contains compliance requirements for DWSD solely and those shared with GLWA are found in the Water and Sewer Services Agreement)  
[http://www.michigan.gov/documents/deq/deq-wrd-npdes-DetroitWWTP Permits\\_415424\\_7.pdf](http://www.michigan.gov/documents/deq/deq-wrd-npdes-DetroitWWTP_Permits_415424_7.pdf)
- viii. DWSD Procurement Policy  
<http://www.detroitmi.gov/How-Do-I/Do-Business-with-the-City/DWSD-Procurement-Forms>
- ix. City of Detroit Code of Ordinances Ethics Code  
[https://www.municode.com/library/mi/detroit/codes/code\\_of\\_ordinances?nodeId=PTIIICICO\\_CH2AD\\_ARTVIET\\_DIV4BOET\\_SDAINGE\\_S2-6-91CHINDUPRRU](https://www.municode.com/library/mi/detroit/codes/code_of_ordinances?nodeId=PTIIICICO_CH2AD_ARTVIET_DIV4BOET_SDAINGE_S2-6-91CHINDUPRRU)
- x. Veolia Maintenance and Repair Review Report - available upon request prior to Proposal Due Date
- xi. RFP for the GLWA Units of Service Study (must be enrolled in MITN)  
<http://www.mitn.info/Member/ViewAllOpenTitles2.asp?TN=145169>
- xii. RFP for the GLWA Wastewater Master Plan (must be enrolled in MITN)  
<http://www.mitn.info/Member/ViewAllOpenTitles2.asp?TN=145114>

**f. Related Projects Currently Underway or Planned**

As previously mentioned GLWA and DWSD are updating the GIS. There are no other comprehensive programs underway in the current CIP. There are, however, other short term capital projects underway that include the following:

- i. CS-1673 Professional Engineering Service for Water Main Replacement within the City of Detroit.
- ii. DWS-889, 890, 900 and 901: Inspection and In-Place Rehabilitation/Repair of Existing Sewers- East, Central, North and West Side of the City of Detroit.
- iii. WS-693A, 697 and 698 Water Main Replacements Various Streets in the City of Detroit.

- iv. CS-1522 Green Infrastructure Program 2013-2018 (for further information see Reference Information DWSD Green Infrastructure Program Documents in section 10.e.iii.).

The above information is available upon request. In addition, further information on the ESRI ArcGIS system is available upon request.

**g. Dissemination of Information**

All (non-publicly available) information about DWSD's past, present and future activities disclosed by DWSD to the Winning Bidder shall be considered by the Winning Bidder as confidential and proprietary and shall not be disclosed to any entity or individual (unless required for legal compliance) without the prior written consent of the DWSD. With respect to a subpoena, court order or other legal process, the Winning Bidder shall notify the DWSD of the demand for information before responding, and the Winning Bidder shall comply with this provision to the extent practicable. The Winning Bidder shall inform the Winning Bidder's personnel (including personnel of all sub-consultants) that any such DWSD information is not to be disclosed to any entity or individual except as permitted by this provision. The Winning Bidder shall take appropriate action to ensure that these obligations are fully satisfied.

**h. Errors and Omissions**

DWSD's policy regarding consultant financial responsibility for errors and omissions is included in Appendix VI - Detroit BOWC Policy Regarding Design Compensation for Consultants, and will be followed by DWSD in administering this contract.

**i. Sales Tax**

In computing proposals, the Bidder shall include amounts for Michigan sales tax. Exemption from Michigan sales tax is only applicable when the utility itself procures the materials and equipment. At the present time DWSD is not prepared to procure and store all of the materials required to implement the CIP.

**j. Compliance with All Laws**

The Winning Bidder will be required to comply with all applicable laws and regulations, including without limitation, holding the proper credentials as a registered business entity with the Michigan Department of Commerce.

## Appendix I - Pricing Forms

**Example Pictures of Four Pricing Forms**  
(forms to be submitted in Excel spreadsheets provided, with the exception of Appendix I-D):



**BIDDER PRICING FORM - FOR CIPMO STAFFING**

**REQUEST FOR PROPOSALS**

DWSD RFP No. CS-1812

Professional Engineering and Construction Management Services for the Capital Improvement Program Management Office

APPENDIX I - A

**Instructions**

1. Bidders must complete a CIPMO Staffing Form for each of the 5 years on pages 2 - 6 of this form.
2. Bidders must input the proposed rates for the overhead multiplier, escalation factor and profit margin in cells J14, J15 and J17, respectively.
3. Bidders have the option to insert an incentive/penalty factor. The rate entered into the cell J16 should reflect the top end of the proposed range (which should be discussed in the bid proposal).
4. Bidders must input the performance and payment bond costs. The amount entered into the cell J19 and J20 should reflect annual cost for each of the bonds.
5. Data should only be entered into cells shaded in light gray -- the rest of this form is locked and will not accept changes or entries.
6. This completed form must be submitted to MITN in Excel format.

Cost Components	Description	Proposed Rate
Overhead Multiplier	Proposed multiplier to account for overhead, burden, fringes and other indirect costs not included in weekly salary range.	-
Escalation Factor	Proposed percentage to account for compensation increases for Years 2 - 5.	0%
Incentive/Penalty Factor	Optional proposed incentive and penalty percentage.	0%
Profit Margin	Proposed profit margin.	0%
Performance Bond Cost	Proposed annual cost to hold a \$100 million performance bond.	\$ -
Payment Bond Cost	Proposed annual cost to hold a \$100 million payment bond.	\$ -

YEAR 1							
Job Classification	Job Description (Role, Function, Experience Level)	Proposed # of Positions	Weekly Salary Range Minimum	Weekly Salary Range Maximum	Estimated Working Weeks	% of Time Committed to DWSD Project	Total Cost Per Position Per Year
1							\$ -
2							-
3							-
4							-
5							-
6							-
7							-
8							-
9							-
10							-
11							-
12							-
13							-
14							-
15							-
16							-
17							-
18							-
19							-
20							-
21							-
22							-
23							-
24							-
25							-
							-
<b>Wage Total</b>		-					\$ -
<b>Cost Component Effects</b>							
Overhead Multiplier							-
Escalation Factor							N/A
Incentive/Penalty Structure							0%
Profit Margin							0%
Performance Bond Cost							\$ -
Payment Bond Cost							\$ -
<b>Total Proposed Year 1 Budget</b>							\$ -

# DWSD CAPITAL IMPROVEMENT PROGRAM MANAGEMENT ORGANIZATION – RFP# CS-1812



## BIDDER PRICING FORM - SUBCONTRACTOR MARK-UP

APPENDIX I - B

### REQUEST FOR PROPOSALS

DWSD RFP No. CS-1812

Professional Engineering and Construction Management Services for the Capital Improvement Program Management Office

#### Instructions

1. Bidders must disclose on the mark-up rate on subcontractor invoices.
2. Bidder Payment Terms: mark-up rate to hold contracts and pay subcontractors on the Bidder's standard terms.
3. Pay When Paid Terms: mark-up rate to hold contracts and pay subcontractors upon receiving payment from DWSD.
4. Bidders should provide any requirements necessary that DWSD would need to accommodate in order for the Bidder to carry the subcontractor contracts.
5. Data should only be entered into cells shaded in light gray -- the rest of this form is locked and will not accept changes or entries.
6. This completed form must be submitted to MITN in Excel format.

Bidder Payment Terms To:	Number of Days
Design	
Construction	
Engineering	
Other	
Other	
Other	

Subcontractor Type	Proposed Mark-Up Rates	
	Bidder Payment Terms	Pay When Paid Terms
Design		
Construction		
Engineering		
Other		
Other		
Other		

Subcontractor Type	Other Considerations to Accommodate Holding Contracts of Subcontractors
Design	
Construction	
Engineering	
Other	
Other	
Other	



**BIDDER PRICING FORM - SELF-PERFORMANCE OF DESIGN AND ENGINEERING  
REQUEST FOR PROPOSALS**

**APPENDIX I - C**

**DWSD RFP No. CS-1812**

**Professional Engineering and Construction Management Services for the Capital Improvement Program Management Office**

**Instructions**

1. Bidders that would like to propose self-performance of design and engineering services are requested to disclose such in the bid response.
2. Bidders that would like to propose self-performance of design and engineering services are requested to provide a process for cost estimating or otherwise ensuring the cost of self-performed design services will be competitively priced with the market for comparable services.
3. Data should only be entered into cells shaded in light gray -- the rest of this form is locked and will not accept changes or entries.
4. This completed form must be submitted to MITN in Excel format.

**Self-Performance Design Cost Estimating/Assurance Process Description**

--





**BIDDER PRICING FORM - CIPMO ORGANIZATIONAL STRUCTURE**

**REQUEST FOR PROPOSALS**

**DWSD RFP No. CS-1812**

**Professional Engineering and Construction Management Services for the Capital Improvement Program Management Office**

**APPENDIX I - D**

**Instructions**

1. Bidders must complete an organizational structure for the CIPMO which must include positions proposed on the CIPMO Staffing Form.
2. Bidders may include as many pages as necessary to complete the proposed organizational chart.
3. Responses should be in the format of an organizational chart (not a listing).
4. Data should only be entered into cells shaded in light gray.
5. This completed form (or comparable form) must be submitted to MITN either in Excel or PDF format.

Appendix II - City of Detroit and BOWC Standard Form of Contract for  
Engineering Consultant Services

MIKE DUGGAN, MAYOR

CITY OF DETROIT

AGREEMENT

BETWEEN

CITY OF DETROIT, MICHIGAN

BOARD OF WATER COMMISSIONERS

AND

---

(ENGINEER'S NAME)

CONTRACT NO. CS-\_\_\_\_\_

CONTRACT PURCHASE ORDER NO. \_\_\_\_\_

(TITLE)

(\_\_\_\_\_, 20\_\_\_\_)

## TABLE OF CONTENTS

ARTICLE I: EMPLOYMENT OF ENGINEER .....	1
ARTICLE II: CONTRACTING OFFICER .....	2
ARTICLE III: ENGINEER'S BASIC SERVICES .....	2
ARTICLE IV: COMMENCEMENT AND COMPLETION SCHEDULE.....	2
ARTICLE V: CONTRACT PRICE; TERMS OF PAYMENT.....	3
ARTICLE VI: INSURANCE.....	4
ARTICLE VII: NOTICES.....	4
ARTICLE VIII: MISCELLANEOUS PROVISIONS.....	5
EXHIBIT A: GENERAL DESCRIPTION.....	
EXHIBIT B: THE WORK PLAN.....	
EXHIBIT C: GENERAL CONDITIONS.....	
ARTICLE 1: GENERAL PROVISIONS .....	
1.1    DEFINITIONS .....	
1.2    RELATIONSHIP OF THE PARTIES.....	
ARTICLE 2: ENGINEER'S OBLIGATIONS.....	
2.1    GENERAL OBLIGATIONS.....	
2.2    SCHEMATIC DESIGN PHASE .....	
2.3    DESIGN DEVELOPMENT PHASE.....	
2.4    CONSTRUCTION DOCUMENTS PHASE.....	
2.5    BIDDING PHASE.....	
2.6    DESIGN REVIEW.....	
2.7    OWNERSHIP OF DRAWINGS AND SPECIFICATIONS .....	
2.8    COOPERATION.....	
2.9    INDEMNIFICATION.....	
2.10   ROYALTIES AND PATENTS.....	
ARTICLE 3: CONTRACTING OFFICER .....	
3.1    DESIGN REVIEW.....	
ARTICLE 4: CITY.....	
4.1    INFORMATION AND SERVICES REQUIRED OF THE city. ....	
ARTICLE 5 SUBCONTRACTORS .....	
5.1    THIRD PARTY BENEFICIARY .....	
5.2    AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK. ....	
5.3    SUBCONTRACTUAL RELATIONS.....	
ARTICLE 6: WORK BY CITY OR BY SEPARATE PARTIES .....	
6.1    CITY'S RIGHT TO PERFORM WORK AND TO AWARD SEPARATE CONTRACTS.....	
ARTICLE 7: MISCELLANEOUS PROVISIONS.....	
7.1    OTHER PROJECTS.....	
7.2    NONDISCRIMINATION.....	
ARTICLE 8:TIME.....	
8.1    SUSPENSION BY CITY.....	
8.2    ACCELERATION OF PERFORMANCE .....	
8.3    TIME EXTENSIONS.....	
ARTICLE 9: WAIVER OF SUBROGATION.....	
9.1    WAIVER OF SUBROGATION.....	
ARTICLE 10: CHANGES IN THE WORK.....	
10.1   CHANGES .....	
10.2   CHANGE ORDER PROCEDURE.....	
ARTICLE 11: TERMINATION OF THE AGREEMENT.....	

11.1	TERMINATION FOR CAUSE .....
11.2	TERMINATION FOR CONVENIENCE.....
ARTICLE 12: AUDIT .....	
12.1	CITY'S ACCESS TO ENGINEER'S RECORDS .....
ARTICLE 13: CONFLICT OF INTEREST .....	
ARTICLE 14: CONFIDENTIAL INFORMATION .....	
ARTICLE 15: CLAIMS .....	
15.1	CLAIMS .....
15.2	CLAIMS FOR ADDITIONAL COST.....
15.3	INJURY OR DAMAGE TO PERSON OR PROPERTY.....
15.4	SUBMITTAL OF CLAIMS; RESOLUTION.....
<b>EXHIBIT D: COSTING SUMMARY .....</b>	
<b>EXHIBIT E: DESIGNATION OF NOTICE ADDRESS .....</b>	
<b>EXHIBIT F: INSURANCE.....</b>	
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY .....	
COMPREHENSIVE GENERAL LIABILITY .....	
COMPREHENSIVE AUTOMOBILE LIABILITY .....	
EXCESS LIABILITY .....	
REGULATORY .....	
PROFESSIONAL ERRORS AND OMISSIONS.....	
SUBCONTRACTORS .....	
<b>EXHIBIT G: GLOSSARY .....</b>	

## RECITATIONS

This Agreement (the “Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the City of Detroit, a municipal corporation of the State of Michigan (the “City”), acting by and through its Board of Water Commissioners of the Water and Sewerage Department (“DWSD”) and \_\_\_\_\_, a \_\_\_\_\_ (the “Engineer”), with offices located at \_\_\_\_\_.

WHEREAS, the City desires to retain the Engineer for purposes of securing from the Engineer certain design services generally described in attached **Exhibit A** (the “Work”) relating to the project generally described in attached **Exhibit A** (the “Project”); and

WHEREAS, the Engineer desires to perform the Work in accordance with this Agreement.

NOW, THEREFORE, in consideration of the promises, the mutual undertakings and benefits to accrue to the parties and to the public, the parties hereto agree as follows:

## ARTICLE I

### EMPLOYMENT OF ENGINEER

1.01 The City hereby engages the Engineer and the Engineer hereby agrees to faithfully and diligently perform the Work in accordance with the terms and conditions contained in this Agreement. This Agreement shall be administered by DWSD as authorized agent for the City, and the Engineer shall perform the Work at the direction of DWSD as set forth herein.

1.02 If all or portions of the Work will be funded by the State Revolving Loan Fund as defined in, and in accordance with the U.S. Environmental Protection Agency (EPA) regulations as administered by the Michigan Department of Environmental Quality, it must be noted that neither the United States, the U.S. Environmental Protection Agency, the State of Michigan, nor the Michigan Department of Environmental Quality is a party to the Agreement.

## ARTICLE II

### CONTRACTING OFFICER

2.01 The Contracting Officer shall be the Director of DWSD or an employee of DWSD named as such by the Director. The Contracting Officer has the rights and authority assigned to the Contracting Officer in this Agreement. The term “Contracting Officer” shall include certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

## ARTICLE III

### ENGINEER’S BASIC SERVICES

3.01 The Work shall include, without limitation, the services identified in the Work Plan attached hereto as **Exhibit B** (the “Work Plan”). The Engineer shall perform the Work in accordance with the requirements of this Agreement, including, without limitation, the General Conditions attached hereto as **Exhibit C**.

## ARTICLE IV

### COMMENCEMENT AND COMPLETION; SCHEDULE

4.01 The Work shall be started by the date specified in the Notice to Proceed and shall be completed prior to the time indicated for Final Completion on the Critical Path Methods (CPM) Schedule approved by the Contracting Officer and attached hereto as part of the Work Plan. The Engineer will have no authority to start the Work, and no payments will be made, prior to the issuance of the Notice to Proceed.

4.02 The Engineer shall strictly adhere to the CPM Schedule. The Engineer is not, however, to proceed from one phase to the next without the written approval of the preceding phase and authorization by the Contracting Officer.

## ARTICLE V

### CONTRACT PRICE; TERMS OF PAYMENT

5.01 Subject to the performance by the Engineer of its obligations hereunder, the City agrees to pay the Engineer for the performance of the Work the sum of \_\_\_\_\_ (\$\_\_\_\_\_), (the “Contract Price”) payable as set forth below and in the Costing Summary set forth in **Exhibit D** attached hereto (the “Costing Summary”).

5.02 Subject to other provisions of this Agreement, and provided that the Engineer has submitted to the Contracting Officer an Application for Payment in a form acceptable to the Contracting Officer on or before the \_\_\_\_\_ day of the month for work completed through the last day of the previous month, the City shall make payment of the amounts properly due the Engineer on or before the \_\_\_\_\_ day of the month following the month in which the relevant Application for Payment is received. Applications for Payment shall be proportioned for each phase of the Work in accordance with the CPM Schedule.

5.03 The Engineer shall be reimbursed for the reimbursable expenses set forth on the Costing Summary. The Engineer shall present each month a statement of reimbursable expenses for the preceding month. The Engineer expressly waives any right to payment for any reimbursable expenses other than those described above if the Engineer does not secure the Contracting Officer’s prior written approval of such reimbursable expenses. The Engineer further waives any right to payment for any reimbursable expense if the Engineer fails to invoice the City for same within thirty (30) days following the date on which the expense was incurred. Notwithstanding anything contained herein to the contrary, in no event shall the reimbursable expenses described in the Costing Summary exceed, in the aggregate, throughout the term of the Agreement, the sum of \$\_\_\_\_\_ unless otherwise agreed to by the City, in writing.

5.04 Upon Final Completion of the Work, the Engineer shall request Final Payment. Upon written acceptance of Final Completion by the Contracting Officer, the Final Payment shall be made. Acceptance of the Final Payment by the Engineer shall constitute accord and satisfaction of all claims against the City of whatsoever kind or nature under the Agreement.



5.05 Invoices shall be submitted electronically each month and must be received by the City not more than thirty (30) days after the close of the immediately preceding calendar month. Invoices shall be submitted by E-mail to: dwsd-ap@dwsd.org

## ARTICLE VI

### INSURANCE

6.01 The Engineer shall provide the insurance required in **Exhibit F** attached hereto and made a part hereof. The Engineer acknowledges that it has read and understands the insurance requirements set forth in attached **Exhibit F** and agrees that it shall comply with the terms and conditions thereof at no additional cost to the City.

## ARTICLE VII

### NOTICES

7.01 Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (herein collectively called "Notices") required or permitted under the Agreement shall be given in writing and mailed by first class mail, addressed as follows:

If to the DWSD on behalf of the City:

Sue F. McCormick, Director  
Detroit Water and Sewerage Department  
735 Randolph  
Detroit, Michigan 48226  
Attention: Daniel Edwards  
Construction and Contract Services  
Procurement Manager

If to the Engineer, to the address and to the attention of the person designated on **Exhibit E** "Designation of Notice Address".

7.02 All Notices shall be deemed given on the day of deposit in the U.S. Mail, first class postage prepaid. Any Notice given by a party hereunder must be signed by an authorized representative of such party.

7.03 Notwithstanding the requirement above as to the use of first-class mail, change of address notices, termination notices, and other Notices of a legal nature, shall be sent by certified first-class mail, postage prepaid, return receipt requested.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

8.01 No failure by the City to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right, term or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or such covenant, agreement, term and condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

8.02 If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.03 This instrument and all Exhibits designated herein and attached hereto contain the entire agreement between the parties and all prior negotiations and agreements are merged herein. Neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Engineer by implication or otherwise unless expressly set forth herein.

8.04 Unless the context otherwise expressly requires, the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision

8.05 All the terms and provisions of this Agreement shall be deemed and construed to be "covenants" and "conditions" as though the words specifically expressing or imparting covenants and conditions were used in each separate term and provision.

8.06 The headings of the Articles in this Agreement are for convenience only and shall not be used to construe or interpret the scope or intent of this Agreement or in any way affect the same.

8.07 The rights and remedies set forth herein are not exclusive and are in addition to any of the rights and remedies provided by law or equity. This Agreement and all actions arising hereunder shall be governed by, subject to, and construed according to the laws of the State of Michigan. The Engineer agrees, consents and submits to the personal jurisdiction of any competent court in Wayne County, Michigan, for any action arising out of this Agreement. The Engineer agrees that service of process at the address and in the manner specified in Article 6 "Notices" will be sufficient to put the Engineer on notice and hereby waives any and all claims relative to such Notice. The Engineer also agrees that it will not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement, in any courts other than those in the County of Wayne, State of Michigan, unless original jurisdiction can be had in the United States District Court, Eastern District, Southern Division, the Michigan Court of Appeals or the Michigan Supreme Court.

8.08 If any Subcontractor shall take any action which, if done by a party, would constitute a breach of this Agreement, the same shall be deemed a breach by the Engineer with right legal effect.

8.09 It is understood that this is not an exclusive service contract and that, during the term of this Agreement, the City may contract with other consulting firms and contractors. It is also understood that the Engineer is free to render the same or similar services to other clients, provided however, that the Engineer's obligations to the City contained in this Agreement will not be affected in any manner.

8.10 The Engineer warrants that all of the prices, terms, warranties and benefits granted to the City are comparable to or better than the equivalent terms presently being offered by the Engineer to any other customer for the performance of the Work.

8.11 The Engineer covenants that it is not, and will not become in arrears to the City upon any contract, debt, or other obligations to the City including real property, personal property and income taxes. The Engineer agrees to include this provision in any Subcontracts for the Work.

8.12 This Agreement may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Promptly after the execution hereof, the City shall submit to the Engineer a confirmed copy of this Agreement.

8.13 As used herein, the singular shall include the plural, and the plural singular.

8.14 This Agreement shall not be construed to create any rights in any third party.

8.15 No part of this Agreement may be waived except by the written agreement of the parties. Forbearance in any form from demanding performance is not a waiver of performance. Until complete performance under this Agreement, the party owed performance may invoke any remedy under this Agreement or under law, despite its past forbearance.

8.16 The Engineer shall not assign all or any part of this Agreement, nor any Work, nor any payments due or to become due hereunder, without first obtaining consent in writing from the City.

The City, through its DWSD, shall be permitted to assign this Contract to any successor in interest without the prior consent of the Contractor. As soon as practicable thereafter, the City shall provide written notice to Contractor of the assignment.

8.17 Nothing contained herein shall be construed as to create a relationship of employment, principal and agent, or joint venture between the City and the Engineer. It is agreed and understood that the Engineer is an independent contractor with respect to the Work to be performed hereunder.

8.18 The Engineer represents that the individual signing this Agreement on behalf of the Engineer has the authority to sign and bind the Engineer.

8.19 Capitalized terms, which are not defined herein shall have the meanings ascribed in the Glossary attached as **Exhibit G**.

IN WITNESS WHEREOF, the City and the Engineer by and through their duly authorized officers and representatives have executed this Agreement as of the day and year first above written.

ENGINEER

By: \_\_\_\_\_

Its: \_\_\_\_\_

Print or Type Name: \_\_\_\_\_

WITNESS (ENGINEER)

By: \_\_\_\_\_

Print or Type Name: \_\_\_\_\_

CITY OF DETROIT BY BOARD OF WATER COMMISSIONERS

By: \_\_\_\_\_

Title: Sue F. McCormick, Director

WITNESS (Director)

By: \_\_\_\_\_

Print or Type Name: \_\_\_\_\_

APPROVED BY DETROIT WATER AND SEWERAGE DEPARTMENT GENERAL COUNSEL

\_\_\_\_\_  
General Counsel

\_\_\_\_\_  
Date

THIS AGREEMENT WAS APPROVED BY THE CITY COUNCIL ON \_\_\_\_\_

\_\_\_\_\_  
Construction and Contract Services  
Procurement Manager

\_\_\_\_\_  
Date

CITY ACKNOWLEDGMENT

STATE OF MICHIGAN        )  
                                      ) SS.  
COUNTY OF WAYNE        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Sue F. McCormick, the Director, of the Water and Sewerage Department of the City of Detroit, Michigan a municipal corporation.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
My Commission Expires:

RESOLUTION OF CORPORATE AUTHORITY

I, \_\_\_\_\_, Corporate Officer of  
(Print or Type)

\_\_\_\_\_, a \_\_\_\_\_  
Corporation (the "Company") DO HEREBY CERTIFY that the following is a true and correct  
excerpt from the minutes of the meeting of the Board of Directors duly called and held on  
\_\_\_\_\_ and that the same is now in full force and effect:

"RESOLVED, that the Chairman, the President, each Vice President, the  
Treasurer and the Secretary and each of them, hereby is authorized to execute and  
deliver, in the name and on behalf of the Company and under its corporate seal or  
otherwise, any agreement or other instrument or document in connection with any  
matter or transaction that shall have been duly approved; the execution and  
delivery of any agreement; document, or other instrument, or document in  
connection with any matter or transaction that shall have been duly approved; the  
execution and delivery of any agreement, document, or other instrument by any of  
such officers to be conclusive evidence of such approval."

I FURTHER CERTIFY that \_\_\_\_\_ is Chairman of the Board, and  
\_\_\_\_\_ is President, \_\_\_\_\_ is Treasurer,  
\_\_\_\_\_ is Secretary.

I FURTHER CERTIFY that any of the aforementioned officers of the Company are  
authorized to execute or guarantee and commit the Company to the conditions, obligations,  
stipulations and undertakings contained in \_\_\_\_\_ and that all necessary  
corporate approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

CORPORATE SEAL

\_\_\_\_\_  
Corporate Officer's Signature

\_\_\_\_\_  
Title



CORPORATE ACKNOWLEDGMENT

STATE OF MICHIGAN    )  
                                  ) SS.  
COUNTY OF WAYNE    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation on behalf of the Corporation.

\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
My Commission Expires:

## **EXHIBIT A**

### **GENERAL DESCRIPTION OF THE WORK AND PROJECT**

**The Project:** [Describe the project in general terms]

**The Work:** Attached in Exhibit B [Describe the Work in general terms]

**Key Personnel/Approved Subcontractors:** Attached

**Time of Performance:** ( ) Years

## **EXHIBIT B**

### **THE WORK PLAN**

**[MUST INCLUDE DETAILED DESCRIPTION OF BASIC SERVICES TO BE PROVIDED, INCLUDING ALL PHASES AND REQUIRED DELIVERABLES—INCLUDE OBLIGATION TO DELIVER EVALUATION PERFORMANCE CERTIFICATION FORM. THE WORK PLAN SHOULD INCLUDE THE PROJECT SCHEDULE, INCLUDING KEY INTERIM MILESTONES AND THE DATES ON WHICH ANY DELIVERABLE IS DUE, DELIVERY OF THE SCHEDULE AND MONITORING REPORT]**

**[DO NOT INCLUDE ENGINEER’S PROPOSAL OR BID DOCUMENTS UNLESS NECESSARY TO DESCRIBE SCOPE OF SERVICES TO BE PROVIDED]**

## **EXHIBIT C**

### **GENERAL CONDITIONS**

#### **ARTICLE 1 GENERAL PROVISIONS**

**1.1 DEFINITIONS** Unless the context expressly requires otherwise, defined terms used herein shall have the meanings set forth in the Glossary attached to the Agreement as Exhibit G.

**1.2 RELATIONSHIP OF THE PARTIES**

1.2.1 The Engineer accepts the relationship of trust and confidence established between the Engineer and the City by the Agreement. The Engineer agrees to furnish the services set forth in the Agreement and to use best efforts to complete the Work in the best and soundest way and in the most expeditious and economical manner consistent with the interests of the City. The Engineer acknowledges that the City is relying on the Engineer's skill and integrity to produce work suitable for the City's intended purposes. Throughout the course of the Agreement, the Engineer shall provide professional advice and consultation to the Director, the Contracting Officer and/or their authorized representatives.

1.2.2 It is intended that the Engineer will assume full responsibility and liability with respect to design of the Project in accordance with applicable professional standards and the requirements herein and will indemnify, defend and hold harmless the Indemnitees (as defined in Section 2.9) with respect to any defects in the design of the Project which may relate to errors, omissions, inconsistencies or other defects therein. The Engineer assumes and accepts full responsibility to the City for the accuracy, adequacy, consistency, buildability and completeness of the Construction Documents.

1.2.3 By executing the Agreement, the Engineer represents that it is financially solvent; that it is qualified to do business in the State of Michigan, that it has all required licenses and permits necessary in connection with performance by Engineer under the Agreement (all such licenses and permits shall be at the Engineer's sole cost and expense); that it has the expertise and authority to perform its obligations under the Agreement; that it has inspected the Project and the Work and familiarized itself with the local conditions (including, both all physical conditions and all local codes, laws and applicable regulations) under which the Work is to be performed; that it is familiar with all federal, state, municipal and county laws, ordinances and regulations which may, in any way, affect the Work or those employed therein, including, but not limited to, those particularly applicable to the Project; and that the Contract Price is the agreed amount for all the Work, including all risks, hazards, and difficulties in connection therewith assumed by the Engineer under the Agreement. Each Subcontractor shall review the foregoing representations and shall be deemed to have made the same representations to the City in performing any portion of the Work on the Project.

1.2.4 The relationship between the Engineer and the City shall be that of an independent contractor. The Agreement shall not be construed to create any third party beneficiaries or to create any rights in any third parties.

## **ARTICLE 2 ENGINEER'S OBLIGATIONS**

### **2.1 GENERAL OBLIGATIONS**

2.1.1 The Engineer's general obligation is to design the Project. The Engineer shall deliver the Project in phases, based on the applicable completion milestones set forth in the CPM Schedule approved by the Contracting Officer.

2.1.2 The Engineer shall furnish the design of the Project (a) in accordance with all professional engineering principles generally accepted as standards of the industry for projects of similar technology, size, scope and complexity at the time the design Work is furnished, and for the purpose of this subsection (a) industry standards shall be those of the United States, or, if more stringent, those generally accepted or observed, and (b) in accordance with applicable laws, rules, regulations, codes and ordinances and the criteria of performance, reliability and availability set forth in the Agreement.

2.1.3 At all times during the term hereof, including during the course of, and notwithstanding the existence of, any dispute, the Engineer shall perform in a diligent manner and without delay, shall abide by the decision or order of the Contracting Officer, and shall comply with all applicable provisions of the Agreement. The Engineer shall be responsible for the professional quality, technical accuracy and coordination of all designs, Drawings, Specifications, and other work furnished by Engineer and its Subcontractors under the Agreement. The Engineer shall, without additional compensation, promptly correct or revise any errors or deficiencies in its completed designs, Drawings, Specifications or other portions of the Work.

2.1.4 At all times the Engineer shall provide a Project Manager approved by the Contracting Officer who (a) will have full responsibility for the prosecution of the Work, (b) will act as agent and be a single point of contact in all matters on behalf of the Engineer, and (c) will be available to execute instructions and directions from the Contracting Officer or its authorized representatives.

2.1.5 The Engineer shall be responsible to the City for the acts and omissions of its employees. The Engineer shall be as fully responsible to the City for the acts of its Subcontractors, Sub-Subcontractors, their agents and persons directly or indirectly employed by them, and other persons performing any of the Work as it is for the acts and omissions of persons directly employed by the Engineer

2.1.6 The Engineer shall not be relieved from its obligations to perform the Work in accordance with the Agreement either by the activities or duties of the Contracting Officer or by inspections, tests or approvals required or performed by persons other than the Engineer. No inspection performed or failed to be performed by the City hereunder shall be a waiver of any of

the Engineer's obligations hereunder or be construed as an approval or acceptance of the Work or any part thereof.

2.1.7 The Engineer, at the request of the Contracting Officer, will attend, make presentations and participate in Project meetings and other Project-relevant community and public meetings. The Engineer, if directed by the Contracting Officer, will provide materials describing the services rendered or that will be rendered by the Engineer, and their current progress, when such material is required or appropriate for such meetings and presentations.

## **2.2 SCHEMATIC DESIGN PHASE**

2.2.1 The Engineer shall review the program furnished by the Contracting Officer to ascertain the requirements of the Project and shall review the understanding of such requirements with the Contracting Officer.

2.2.2 The Engineer shall provide a preliminary evaluation of the program and the Project budget requirements, each in terms of the other.

2.2.3 The Engineer shall review with the Contracting Officer alternative approaches to design and construction of the Project.

2.2.4 Based on the mutually agreed upon program and Project budget requirements, the Engineer shall prepare, for approval by the Contracting Officer, Schematic Design Documents consisting of Drawings and other documents illustrating the scale and relationship of Project components.

2.2.5 Upon completion of the Schematic Design Phase, the Engineer shall provide Drawings and other documents in reproducible form and digital documents as specified by the Contracting Officer. Digital format shall include all of the following: (i) copies of all drawing files in the resident format of the CAD program used to create them; (b) plot files for all printed sheets in the reproducible drawing set provided; (iii) a "TIFF File" version of each printed sheet in the reproducible drawing set; and (iv) all digital files shall be presented on compact disc media.

## **2.3 DESIGN DEVELOPMENT PHASE**

2.3.1 Based on the approved Schematic Design Documents and any adjustments authorized by the Contracting Officer in the program or Project budget, the Engineer shall prepare, for approval by the Contracting Officer, Design Development Documents consisting of Drawings and other documents to fix and describe the size and character of the entire Project as to architectural, structural, mechanical, electrical and plumbing systems, materials and such other elements as may be appropriate.

2.3.2 Upon completion of the Design Development Phase, the Engineer shall provide Drawings and other documents in reproducible form and digital documents as specified by the Contracting Officer. Digital format shall include all of the following: (i) copies of all drawing files in the resident format of the CAD program used to create them; (b) plot files for all printed sheets in the reproducible drawing set provided; (iii) a "TIFF File" version of each printed sheet

in the reproducible drawing set; and (iv) all digital files shall be presented on compact disc media.

## **2.4 CONSTRUCTION DOCUMENTS PHASE**

2.4.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the project or in the Project budget authorized by the Contracting Officer, the Engineer shall prepare, for approval by the Contracting Officer, Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Project.

2.4.2 The Engineer shall assist the Contracting Officer in the preparation of the necessary bidding information.

2.4.3 The Engineer shall assist Contracting Officer in connection with the filing of documents required for the approval of governmental authorities having jurisdiction over the Project.

2.4.4 Upon completion of the Construction Documents Phase, the Engineer shall provide Drawings and other documents in reproducible form and digital documents as specified by the Contracting Officer. Digital format shall include all of the following: (i) copies of all drawing files in the resident format of the CAD program used to create them; (b) plot files for all printed sheets in the reproducible drawing set provided; (iii) a “TIFF File” version of each printed sheet in the reproducible drawing set; and (iv) all digital files shall be presented on compact disc media.

## **2.5 BIDDING PHASE**

2.5.1 If requested by the Contracting Officer, the Engineer, following the Contracting Officer’s approval of the Construction Documents, shall assist the Contracting Officer in obtaining bids, and assist in awarding and preparing contracts for construction.

2.5.2 If requested by the Contracting Officer, the Engineer shall arrange for procuring the reproduction of Bidding Documents for distribution to prospective bidders. The City shall pay directly for the cost of reproduction or shall reimburse the Engineer for such expenses.

2.5.3 If requested by the Contracting Officer, the Engineer shall distribute the bidding documents to prospective bidding and request their return upon completion of the bidding process. The Engineer shall maintain a log of distribution and retrieval, and the amounts of deposits, if any, received from and returned to prospective bidders.

2.5.4 The Engineer shall consider requests for substitutions, and shall prepare and distribute Addenda identifying approved substitutions to all prospective bidders.

2.5.5 The Engineer shall participate in or, at the Contracting Officer’s direction, shall organize and conduct a pre-bid conference for prospective bidders.

2.5.6 If requested by the Contracting Officer, the Engineer shall evaluate the reasonableness of bids and their compliance with the requirements of the bidding documents. The Engineer shall render its opinion of qualification with a confidential report to the Contracting Officer on all information known or ascertainable by reasonable inquiry, bearing on the qualifications of the three (3) lowest bidders on each contract for which contractor qualifications are required by the bidding documents.

## **2.6 DESIGN REVIEW**

2.6.1 The Engineer shall furnish the design of the Project by preparing and delivering to the Contracting Officer the Schematic Design Documents, Design Development Documents and the Construction Documents. The Engineer shall cause all documents to be produced and delivered to the Contracting Officer within the time periods and according to the completion milestones set forth in the CPM Schedule.

2.6.2 The Contracting Officer shall have the right to review, comment on and object to the materials prepared by the Engineer during its performance of the Work. The Contracting Officer will coordinate all Contracting Officer design review comments and will deliver such comments to the Engineer. The Contracting Officer shall have the applicable review periods set forth in the CPM Schedule. The Engineer shall obtain the Contracting Officer's written approval of any deviations from the requirements of the Agreement.

2.6.3 The Engineer shall respond to all the Contracting Officer's comments and make modifications as necessary to fully reflect such comments. The Engineer acknowledges that comments may be provided which reflect concerns regarding operability or preferences of the commenter. The Engineer agrees to undertake reasonable efforts to accommodate or otherwise resolve any such comments. If the Engineer does not accommodate or otherwise resolve any comment, the Engineer shall deliver to the Contracting Officer within a reasonable time period, not to exceed fourteen (14) days after receipt of the Contracting Officer's comments, a written explanation why modifications based on such comments are not required. The explanation shall include facts, analyses and reasons that support the conclusion. Any failure of the Engineer to so notify the Contracting Officer shall constitute the Engineer's full acceptance of all responsibility for changes made to in response to such comments and shall be treated for all purposes hereunder as if the Engineer had initiated such changes.

2.6.4 The Engineer shall be responsible for handling all design reviews required by, and obtaining all design approvals of any third parties as required.

## **2.7 OWNERSHIP OF DRAWINGS AND SPECIFICATIONS**

2.7.1 All Drawings, Specifications, reports and other data (including without limitation, written, printed, graphic, video and audio material contained in any computer data base or computer readable form) (hereinafter "Works of Authorship") developed during the term of the Agreement are the property of the City. Works of Authorship created during the term of the Agreement are "Works for Hire," as that term is defined in copyright law. The City shall own all rights to any inventions, discoveries, new uses, advances on the state of art, protocols, ideas, products, or other protectable rights arising from any activities within the scope of the



Agreement (hereinafter “Inventions”). The Engineer shall execute all documents, provide all information, and otherwise take all actions requested by the City including, without limitation, assignments of any rights the Engineer may have in such works, to secure for the City the ownership rights and available legal protections for all Works of Authorship or Inventions. The Engineer expressly disclaims any rights in Works of Authorship or Inventions related to the performance of services under the Agreement. In the event of termination of the Agreement for any reason, the Engineer shall promptly deliver to the Contracting Officer one complete set of all Drawings and Specifications prepared to the date of termination in the digital formats required by the Agreement.

## **2.8 COOPERATION**

2.8.1 The Engineer shall cooperate with the City and its consultants for the Project in their review and oversight of the design of the Project and their oversight and conduct of inspections during the construction of the Project.

## **2.9 INDEMNIFICATION**

2.9.1 To the fullest extent permitted by law, the Engineer shall defend, indemnify and hold harmless the City and its respective agents and employees (the “Indemnitees”) from and against claims, damages, losses, and expenses (including but not limited to attorney fees) arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. The Engineer shall not be required to defend or indemnify the City for damages caused by the sole negligence of the City. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 2.9.1.

2.9.2 To the fullest extent permitted by law, the Engineer shall defend, indemnify and hold harmless the City and its agents and employees (the “Indemnitees”) from and against all claims, liability, cost and expense (including, without limitation, attorneys fees) resulting from claims against the Indemnitees attributable to bodily injury in connection with the Project by any employee of the Engineer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not caused in whole or in part by the negligence of the Engineer, excepting only claims caused by the sole negligence of the Indemnitees hereunder. In any and all claims against the City or any of its agents or employees by any employee of the Engineer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this Paragraph 2.9.2 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Engineer or any Subcontractor under workers’ or workmen’s compensation acts, disability benefit acts or other employee benefit acts.

2.9.3 The obligations of the Engineer under this Paragraph 2.9 shall survive the termination of the Agreement as to all matters arising prior to the date of termination and shall be fulfilled at no cost or expense to the City.

## **2.10 ROYALTIES AND PATENTS**

2.10.1 The Engineer shall pay all royalties and license fees. The Engineer warrants that its design work will not violate or infringe upon any patent rights or copyrights of any third party. The Engineer shall defend, with counsel reasonably acceptable to the City, all suits or claims for infringement of any patent rights or copyrights and shall indemnify, defend and save the City harmless from all loss, cost or expense (including attorneys fees) on account thereof. Notwithstanding the foregoing, the Engineer shall not be responsible for infringement of patent rights or copyrights where a particular design process or product of a particular manufacturer is specified by the City and the Engineer has no reason to believe that such design process or product specified is an infringement of a patent or copyright.

## **ARTICLE 3 CONTRACTING OFFICER**

### **3.1 DESIGN REVIEW**

3.1.1 The Contracting Officer shall render decisions in a timely manner pertaining to documents submitted by the Engineer in order to avoid unreasonable delay in the orderly and sequential progress of the Work. The City may obtain independent review of the documents by a separate architect, engineer, or cost estimator under contract to or employed by the City. Such independent review shall be undertaken at the City's expense.

3.1.2 In the event of the death, resignation, refusal or inability to act of the Contracting Officer, the Director may designate another representative, as the Contracting Officer for purposes of the Agreement. Such designation must be in writing and shall be effective when delivered to the Engineer and thereafter the Contracting Officer named herein shall no longer be the Contracting Officer for the Project, and the Contracting Officer named in the designation shall be the Contracting Officer for the Project.

3.1.3 The City shall not be stopped, bound, or precluded by any determination, return, decision, approval, order, letter, payment or certificate made or given by the Contracting Officer or any other officer, employee, servant or agent of the City, at any time, either before or after Final Completion and acceptance of the Work and payment therefore from: (i) showing the true and correct amount, classification, quality, and character of the Work completed and materials furnished by the Engineer or any other person or entity performing the Work under the Agreement, or from showing at any time that any determination, return, decision, approval, order, letter, payment, or certificate is untrue and incorrect, or improperly made in any particular, or that the Work or the materials or any parts thereof, do not in fact conform to the requirements of the Agreement; or (ii) from demanding the recovery of any overpayments made to the Engineer, or such damages as the City may sustain by reason of failure to strictly perform each and every term, provision or condition of the Agreement.

## **ARTICLE 4 CITY**

### **4.1 INFORMATION AND SERVICES REQUIRED OF THE CITY**

4.1.1 Information or services under the City's control shall be furnished by the City with reasonable promptness after written request to avoid delay in the orderly progress of the Work. Notwithstanding the foregoing, the Engineer agrees that it has full responsibility for the design of the Project. The Engineer is not entitled to rely on any of the documents or information provided by the City, except to the extent expressly provided otherwise in the Agreement.

4.1.2 THE CITY DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED IN THE REFERENCE DOCUMENTS PROVIDED TO THE ENGINEER IS EITHER COMPLETE OR ACCURATE.

## **ARTICLE 5 SUBCONTRACTORS**

**5.1 THIRD PARTY BENEFICIARY** Nothing contained in the Agreement shall create any contractual relation between the City or any Subcontractor or Sub-Subcontractor.

### **5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK**

5.2.1 Prior to executing any Subcontracts for the Work, the Engineer shall provide the City with a list of proposed Subcontractors for the City's prior review and approval (the "Subcontractor List"). The City may object, for any reason, to any proposed Subcontractor within a reasonable time after its receipt of the Subcontractor List. The Engineer shall not award any portion of the Work to a Subcontractor that was not nominated before execution of the Agreement, without first obtaining the Contracting Officer's written consent. If the City objects to any Subcontractor without cause, and such objection causes an increase in the Contract Price, the City shall order any adjustments in the Contract Price required to make up the difference in cost between the proposed Subcontractor and the Subcontractor approved by the City, or the Engineer's cost to self-perform, that part of the Work involved, whichever is applicable. The Engineer shall make no substitution for any Subcontractor, person or entity previously approved by the City without first obtaining the City's written consent.

5.2.2 The Engineer shall promptly deliver to the Contracting Officer a complete executed copy of each Subcontract awarded.

5.2.3 Upon award of a Subcontract, the Subcontractor shall identify its job-site staff and agree that such job-site staff may not be changed or reassigned (except where an individual leaves the employ of the Subcontractor or any affiliate) without the prior written consent of the Engineer. The Engineer shall consult with the Contracting Officer prior to giving consent to any proposed substitution.

5.2.4 The Engineer agrees to make every reasonable effort to utilize the Subcontractors listed in Exhibit A of the Agreement.

5.2.5 In no event shall Subcontractor costs result in an increase to the Contract Price without the prior written approval of the City and the Board of Water Commissioners. Any mark-up of Subcontractor costs shall not exceed five percent (5%) for administration and coordination by the Engineer.

### **5.3 SUBCONTRACTUAL RELATIONS**

5.3.1 By an appropriate written agreement, the Engineer shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Engineer by the terms of the Agreement, and to assume toward the Engineer all the obligations and responsibilities which the Engineer, by the Agreement, assumes toward the City. Where appropriate, the Engineer shall require each Subcontractor to enter into similar agreements with his Sub-Subcontractors.

## **ARTICLE 6 WORK BY CITY OR BY SEPARATE PARTIES**

### **6.1 CITY'S RIGHT TO PERFORM WORK AND TO AWARD SEPARATE CONTRACTS**

6.1.1 This is not an exclusive services contract. The City reserves the right to (i) perform work related to the Project with his own forces; and (ii) to award separate contracts in connection with other portions of the Project or other work on the Project.

6.1.2 The Engineer will provide for the coordination of the work of the City's forces and of each separate engineer with the Work of the Engineer.

## **ARTICLE 7 MISCELLANEOUS PROVISIONS**

### **7.1 OTHER PROJECTS**

7.1.1 Nothing set forth in the Agreement shall constitute an agreement between the City and the Engineer with respect to services other than those included in the Agreement.

### **7.2 NONDISCRIMINATION**

7.2.1 The Engineer shall comply with Titles VI and VII of the Civil Rights Act of 1964 (Public Law 88-352, 78 STAT.266), U.S. Department of Justice Regulations (28 CFR Part 42), the Michigan Civil Rights Act (Public Act No. 453 of 1976), the Michigan Handicappers Civil Rights Act (Public Act No. 220 of 1976) and all other fair employment practices and equal opportunity laws. The Engineer shall furnish and file compliance reports within the times and in form prescribed by the City. Compliance reports may also elicit information as to the practices, policies, programs, and employment statistics of the Engineer and Subcontractors. The Engineer will permit access to Engineer's records and accounts by City and/or its agent for purposes of

investigation to ascertain compliance with the Agreement. The Engineer agrees that it will not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment because of religion, race, color, national origin, age, sex, height, weight, marital status, or handicap that is unrelated to the individual's ability to perform the duties of a particular assignment or position. The Engineer hereby recognizes the right of the United States, the State of Michigan and the City of Detroit to seek judicial enforcement of the foregoing covenants against discrimination, against itself or its Subcontractors connected directly or indirectly with the performance of the Agreement.

## **ARTICLE 8 TIME**

### **8.1 SUSPENSION BY CITY**

8.1.1. The City may order the Engineer in writing to suspend, delay or interrupt all or any part of the Work on the Project for such period of time as it may determine to be appropriate for the convenience of the City. The City shall not be liable to the Engineer for any extra compensation or for any damages or additional costs that the Engineer may suffer or incur from delays in performing Work or furnishing materials, or other causes attributable to the City's other contractors or any other persons. The Engineer's sole remedy for delays caused by the City or the City's other contractors shall be an extension of the completion date set forth in the CPM Schedule.

8.1.2 No adjustments to the Contract Time or Contract Price shall be allowed for any suspension, delay or interruption (i) to the extent that performance would have been so suspended, delayed or interrupted the fault or negligence of the Engineer; or (ii) for which an equitable adjustment is provided or excluded under any other provision of the Agreement. The City's exercise of any of its rights under the Agreement, or the City's requirement of correction or re-execution of any defective Work shall not, under any circumstances, be construed as interference with the Engineer's performance of the Work.

### **8.2 ACCELERATION OF PERFORMANCE**

8.2.1 If the City shall desire the Work of the Engineer hereunder to be performed with greater speed than is herein contracted for, the Engineer shall, without affecting or abridging the rights of the City set forth in the Agreement, upon receipt of a written order from the City, specifically setting forth a request pursuant to this Section 8.2, employ overtime work as so ordered. Only the premium cost of such overtime work, as shown on the time slips checked and approved each day by the City shall be paid by the City to the Engineer as additional compensation, and no overhead, profits, costs, commissions, claims for inefficiencies or otherwise, or other costs or claims shall be charged or due with respect to use of overtime work or the acceleration of performance. This provision shall not apply to acceleration of performance caused by the Engineer's default, the cost of which shall be borne solely by the Engineer.

### **8.3 TIME EXTENSIONS**

8.3.1 **NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ENGINEER ACKNOWLEDGES THAT NO EXTENSIONS TO THE**

**CONTRACT TIME SHALL BE PERMITTED EXCEPT AS APPROVED IN ADVANCE BY THE CONTRACTING OFFICER, THE CITY'S BOARD OF WATER COMMISSIONERS AND THE CITY COUNCIL.**

**ARTICLE 9  
WAIVER OF SUBROGATION**

**9.1 WAIVER OF SUBROGATION**

The City and the Engineer waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance required under the Agreement or any other insurance actually carried by the City or the Engineer, respectively. The Engineer shall require similar waivers by Subcontractors and Sub-Subcontractors. All insurance policies required under the Agreement shall permit and recognize such waivers of subrogation.

**ARTICLE 10  
CHANGES IN THE WORK**

**10.1 CHANGES**

The City may from time to time consider it in its best interest to change, modify or extend a term, condition or covenant of the Agreement or require changes in the scope of services to be performed by the Engineer, or require the Engineer to perform additional services not included within the Agreement. Any such change, addition, deletion, extension or modification, including any increase or decrease in the Contract Price, shall be incorporated in a written Change Order to the Agreement. Such changes, additions, deletions, extensions or modifications shall not relieve or release the Engineer from any of its obligations under the Agreement

**10.2 CHANGE ORDER PROCEDURE**

**NO CHANGE IN THE WORK, WHETHER BY WAY OF ALTERATION OR ADDITION TO THE WORK, SHALL BE THE BASIS OF AN ADDITION TO THE CONTRACT SUM OR A CHANGE IN THE CONTRACT TIME UNLESS AND UNTIL SUCH ALTERATION OR ADDITION HAS BEEN AUTHORIZED BY A CHANGE ORDER EXECUTED AND ISSUED IN ACCORDANCE WITH AND IN STRICT COMPLIANCE WITH THE REQUIREMENTS OF THE AGREEMENT.**

**ANY CLAIM FOR INCREASED COST FOR DELAY SHALL BE ASSERTED IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT UNLESS THE TIME IS EXTENDED IN WRITING BY THE CITY. ACCORDINGLY, NO COURSE OF CONDUCT OR DEALINGS BETWEEN THE PARTIES, NOR EXPRESS OR IMPLIED ACCEPTANCE OF ALTERATIONS OR ADDITIONS TO THE WORK, AND NO CLAIM THAT THE CITY HAS BEEN UNJUSTLY ENRICHED BY ANY ALTERATION OR ADDITION TO THE WORK, WHETHER OR NOT THERE IS IN FACT ANY SUCH UNJUST ENRICHMENT, SHALL BE THE BASIS FOR ANY CLAIM TO AN INCREASE IN THE CONTRACT PRICE OR CHANGE IN THE CONTRACT TIME.**

**CONTRACT PRICE AND CONTRACT TIME SHALL BE CHANGED ONLY BY CHANGE ORDER APPROVED IN ADVANCE BY THE CONTRACTING OFFICER, CITY'S BOARD OF WATER COMMISSIONERS AND CITY COUNCIL.**

**ARTICLE 11  
TERMINATION OF THE AGREEMENT**

**11.1 TERMINATION FOR CAUSE**

11.1.1 The City shall have the right, without prejudice to any other right or remedy it may have to terminate the Agreement upon twenty-four (24) hours prior written notice to the Engineer upon the occurrence of any of the following events of default:

11.1.1.1 The Engineer breaches a material term of the Agreement; or

11.1.1.2 The Engineer shall make an assignment for the benefit of creditors; or make an admission in writing of its inability to pay its debts generally as they become due; or

11.1.1.3 The Engineer shall voluntarily make any unauthorized changes in the personnel previously approved by the City; or

11.1.1.4 The filing of claims with the City by third parties alleging failure to pay any amount due (except disputed claims).

If the Agreement is terminated due to any of the circumstances set forth above, the Engineer shall receive no fees or reimbursable expenses other than those due for services actually rendered prior to the date of termination.

**11.2. TERMINATION FOR CONVENIENCE**

11.2.1 The City may also terminate the Agreement for its convenience at any time upon fifteen (15) days' written notice of termination to the Engineer. In such case, the Engineer shall be entitled to receive, as total compensation for all services performed hereunder to the date of termination, plus reimbursable expenses then due. Payment of such compensation is the sole and exclusive remedy of the Engineer for a termination of the Agreement by City without cause and the Engineer shall not be entitled to, and hereby waives, claims for lost profits and all other damages and expenses. The Engineer shall execute a waiver and general release of claim as a condition of payment. At the City's option, the Engineer shall assign to the City all approved Subcontracts and the City shall indemnify and defend the Engineer against all claims for payment thereunder in respect of Work performed after the date of termination.

## **ARTICLE 12 AUDIT**

### **12.1 CITY'S ACCESS TO ENGINEER'S RECORDS**

12.1.1 The Engineer agrees that the City or any of its duly authorized representatives shall, until the expiration of three (3) years after final payment under the Agreement, have access to and the right to examine and audit any directly pertinent books, documents, papers and records of the Engineer involving transactions related to the Agreement.

12.1.2. The Engineer shall include in the Subcontracts a provision to the effect that the Subcontractor agrees that the City or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under the Agreement, have access to and the right to examine any directly pertinent books, documents, papers and records of such Subcontractor, involving transactions related to the contract. The term "Subcontracts," as used in this clause only, excludes (1) purchase orders not exceeding Two Thousand Five Hundred (\$2,500.00) Dollars and (2) subcontracts or purchase orders, for public utility services at rates established for uniform applicability to the general public.

## **ARTICLE 13 CONFLICT OF INTEREST**

13.1 The Engineer covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Work under the Agreement. The Engineer further covenants that, in the performance of the Agreement, no person having any such interest shall be employed. The Engineer further covenants that no officer, member or employee of the City and no other public official who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Agreement has any personal or financial interest, direct or indirect, in the Agreement or in the proceeds thereof in accordance with Article 2, Section 2-106 "Standards of Conduct" of the Charter of the City of Detroit.

13.2 The Engineer also hereby warrants that it has not and will not employ any person to solicit or secure the Agreement upon any agreement or arrangement for payment of a commission, percentage, brokerage, or contingent fee, either directly or indirectly. The Engineer further agrees that if this warranty is breached, the City may, at its option, terminate the Agreement without penalty, liability or obligation, or may at its election, deduct from any amounts owed to the Engineer hereunder any amounts of such commission, percentage, brokerage, or contingent fee.

13.3 The Engineer agrees that neither it nor its employees will endeavor to influence the City's employees to seek employment with the Engineer within the duration of the Agreement and shall not for a period of one (1) year thereafter employ any of the City's employees without prior written approval from the City. Proof of such activity as determined by City may cause immediate termination of the Agreement.



13.4 The Engineer shall include the provisions of this Article in any Subcontract it enters into pursuant to the Agreement.

## **ARTICLE 14 CONFIDENTIAL INFORMATION**

14.1 In order that the Engineer may effectively fulfill its covenants and obligations under the Agreement, it may be necessary or desirable for the City to disclose confidential and proprietary information to the employees pertaining to the City's past, present and future activities. Since it is difficult to separate confidential and proprietary information from that which is not, the Engineer shall instruct its employees and all Subcontractors to regard all information gained by each such person as a result of the Work to be performed hereunder as information which is proprietary to the City and not to be disclosed to any organization or individual without the prior consent of the City.

14.2 The Engineer agrees to take appropriate action with respect to its employees, Subcontractors and agents to insure that the obligations of non-use and non-disclosure of confidential information of the Agreement can be fully satisfied.

## **ARTICLE 15 CLAIMS**

### **15.1 CLAIMS**

15.1.1 A "Claim" is a demand or assertion by the Engineer (i) seeking adjustment or interpretation of contract terms, payment of money, extension of time or other relief with respect to the terms of the Agreement or any of the Contract Documents that (ii) the procedure for resolution of which is not specifically provided for in the Agreement. The term "Claim" also includes all other disputes, controversies and matters in question between or among the City and the Engineer arising out of or in any way relating to the Agreement, the Project or the Work. Claims must be made by written notice to the Contracting Officer containing as much detail as reasonably possible. The burden for substantiating any Claim shall rest with the Engineer.

15.1.2 Except as otherwise specifically provided in this Agreement, Claims by the Engineer must be made promptly and within not more than twenty (20) days, unless a longer period is granted by writing, after the Engineer first recognizes the condition giving rise to the Claim, whether or not any impact in money or time has been determined. **In no event shall this provision be deemed to extend the period of time for the Engineer to make claims for an extension of the Contract Time or adjustment to the Contract Price as provided in the other provisions of the Agreement, which provisions and time periods are to be strictly adhered to by the Engineer.**

15.1.3 Pending final resolution of a Claim, the Work shall continue unabated, the Engineer shall proceed diligently with performance of the Work, and the City shall continue to make payment in accordance with the Contract Documents, except as to amounts in good faith dispute.

## **15.2 CLAIMS FOR ADDITIONAL COST**

15.2.1 Subject to the limitations and other time limits contained herein, if the Engineer wishes to make a Claim for an increase in the Contract Price, to the extent the Claim is reasonably discoverable, written notice of it shall be given to the Contracting Officer before the Engineer proceeds to execute the Work for which the Claim is made. Prior notice is not required for Claims relating to bona fide emergencies endangering life or property. All Claims for adjustment to the Contract Price shall be supported by such documentation as the Contracting Officer shall require.

## **15.3 INJURY OR DAMAGE TO PERSON OR PROPERTY**

15.3.1 If the Engineer suffers injury or damage to person or property because of an act or omission of the Owner, or its employees or agents, or others for whose acts the Owner is legally liable, prompt notice of such injury or damage shall thereafter be given within a reasonable time and not exceeding twenty-four (24) hours in the case of serious personal injury or damage or seventy-two (72) hours in all other cases after first observance. The notice shall provide sufficient detail to enable the Owner to investigate the matter.

## **15.4 SUBMITTAL OF CLAIMS; RESOLUTION**

15.4.1 All Claims shall be submitted to the Contracting Officer. Any mutual agreement reached shall be final and binding upon the parties.

15.4.2 All Claims which are not asserted and pursued strictly (not substantially) in accordance with the provisions of this Article 18 shall be deemed to have been waived and forever barred, regardless of whether the Engineer is prejudiced thereby.

15.4.3 The resolution of all Claims under this Article 15 resulting in a change in the Contract Price or Contract Time shall be memorialized by a Change Order. The provisions of this Article 18 shall survive the completion of the Work and termination of the Agreement.

## **EXHIBIT D**

### **COSTING SUMMARY**

## **Exhibit D**

### **Costing Summary**

- ◆ Form A for Engineer and each of subcontractors
- ◆ Form B for authorized reimbursable costs

## **EXHIBIT E**

### **DESIGNATION OF NOTICE ADDRESS**

## **DESIGNATION OF NOTICE ADDRESS**

Notices to the Engineer should be sent to:

Name

Title

Company

Address

**EXHIBIT F**

**INSURANCE**

## **EXHIBIT F**

### **INSURANCE**

Until completion and final acceptance of the Work, the Engineer shall purchase and maintain Worker's Compensation Insurance, Employer's Liability Insurance, Direct Liability Insurance for Engineer's own operations, Contingent Liability Insurance for the operations of Subcontractors and Contractual Liability Insurance to insure the indemnifying portions of the Agreement, such insurance to include Bodily Injury Liability and Property Damage Liability. Certificates of such insurance (and copies of policies if requested) shall be filed with the Contracting Officer and shall be subject to its approval for adequacy of protection and the satisfactory character of the insurer, but in no case shall they be less than the following limits:

**Worker's Compensation and Employer's Liability** meeting statutory limits mandated by State and Federal laws and in at least the following minimum amounts:

One Million (\$1,000,000) Dollars Each Accident  
One Million (\$1,000,000) Dollars Disease - Policy Limit  
One Million (\$1,000,000) Dollars Disease - Each Employee

**Commercial General Liability** (including Premises-Operations; Independent Engineers' Protective; Products and Completed Operations; Contractual Liability, Personal Injury (with Employment Exclusion deleted), and Broad Form Property Damage):

One Million (\$1,000,000) Dollars Each Occurrence  
Two Million (\$2,000,000) Dollars General Aggregate  
Two Million (\$2,000,000) Dollars Personal and Advertising Injury  
Two Million (\$2,000,000) Dollars Products-Completed  
Operations Aggregate

- (i) The policy shall be endorsed to have the General Aggregate apply to the Project only.
- (ii) The Contractual Liability insurance shall include coverage sufficient to meet the Engineer's obligations under paragraph 4.15 hereof.
- (iii) Products and Completed Operations to be maintained for one (1) year after final payment.
- (iv) Property Damage Liability Insurance will provide X, C and U Coverage as applicable.



**Comprehensive Automobile Liability** (owned, non-owned and hired vehicles):

Bodily Injury and Property Damage:

One Million (\$1,000,000) Dollars Each Accident Combined Single Limit

**Excess Liability:** Two Million (\$2,000,000) Dollars Each Occurrence; Two Million (\$2,000,000) Dollars Aggregate (to cover at least all risks described in the Commercial General Liability and Comprehensive Motor Vehicle Liability policies) which shall cover and relate to the Project and no other work of the Engineer.

**Regulatory:** Any other insurance required by applicable federal, state or local laws, ordinances, rules, regulations or orders.

**Professional Errors and Omissions:** The Engineer shall obtain and maintain professional errors and omissions coverage with respect to the Engineer's employees performing design and/or engineering services in accordance herewith and shall require any third-party engineer to obtain and maintain professional errors and omissions coverage in connection with its work. Professional errors and omissions insurance shall be endorsed to provide contractual liability coverage. Certificates of such coverage shall be furnished to the Owner along with other certificates of insurance and such coverage shall be for the Engineer in an amount not less than \$1,000,000.00. The Engineer agrees, and shall require any third-party architect and/or engineer to agree, to maintain such coverage in effect for a period of three (3) years following completion of the Project.

**Subcontractors:** The Engineer shall require all Subcontractors, if any, performing design and other architectural or engineering services hereunder to maintain professional errors and omissions coverage in connection with subcontracted work. All professional errors and omissions insurance shall be endorsed to provide contractual liability coverage, shall be in amounts approved by City prior to the execution of any Subcontract including design or engineering responsibilities, and shall be maintained for such period as may be specified by City (which will extend, at a minimum, through the applicable warranty period). Certificates of such coverage shall be filed with the Contracting Officer prior to the commencement of the Work.

All insurance required to be maintained by Engineer shall be written on an occurrence basis, if the same is commercially available.

The commercial general liability insurance shall include the City and others designated by the City as additional named insureds. Each such policy shall contain the following cross-liability wording: "In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder." All such insurance shall be primary and any similar or additional insurance maintained by the City shall be secondary and excess to that carried by the Engineer or any Subcontractor. Before commencing the Work, the Engineer shall furnish a certificate from its insurance carrier showing that it has complied with the provisions of this Exhibit F, and

providing that the said insurance policies will not be changed or cancelled during their term until after at least thirty (30) days' prior notice by registered mail to the City. In the event of failure of the Engineer to furnish and maintain such insurance or to furnish a satisfactory certificate therefor, the City shall have the right to take out and maintain the said insurance for and in the name of the Engineer, and the Engineer agrees to furnish all necessary information to permit the City to take out and maintain such insurance for the account of the Engineer and to pay the cost thereof to the City immediately upon presentation of a bill. Compliance by the Engineer with the foregoing requirements as to carrying insurance and furnishing certificates, shall not relieve the Engineer from liability under the Agreement.

[INSERT INSURANCE CERTIFICATE]

## **EXHIBIT G**

## **GLOSSARY**

## GLOSSARY

Agreement	The written agreement executed between the Engineer and the City.
Allowance	An amount established by the City for inclusion in the Contract Price to cover the cost of prescribed items not specified in detail, with provision that variations between such amount and the finally determined cost of the prescribed items will be reflected in Change Orders appropriately adjusting the Contract Price.
Application for Payment	The Engineer's certified request for payment for completed portions of the Work .
Cash Allowance	A sum specified by the City included within the Contract Price to reimburse the Engineer for actual purchase/furnished cost of required materials, equipment or other designated items that are to be furnished as part of the Work, as provided in the Agreement. Although the scope (i.e., the required quantity) of any portion of the Work covered by a Cash Allowance is sufficiently detailed in the Agreement for the equipment and supplemental costs, it is understood that the required materials, equipment or other designated items are either of uncertain purchase cost at the time the Agreement is executed or are yet to be specified in more detail by the Contracting Officer as to quality, appearance, durability, finish and such other necessary features. Any remaining balance of the Cash Allowance upon final completion of the Work shall be retained by the City and not paid to the Engineer.
Change Order	An amendment to the Agreement signed by the City and the Engineer that authorizes a change in the Work, an adjustment in the Contract Price or Contract Time, or both.
City	The City of Detroit, a municipal corporation
City Council	The City Council of the City of Detroit and its predecessor, the Common Council.
Construction Documents	Drawings and Specifications which set forth in detail the requirements for the construction of the Project, including revisions to adequately and properly address

	comments by the Contracting Officer and comments and changes required by others pursuant to the Contract Documents.
Contract Price	The sum stated in the Agreement that is the total amount payable by the City to the Engineer for the performance of the Work.
Contract Time	The period of time allotted in the Contract Documents for completion of the Work, including authorized adjustments.
Contracting Officer	The Director or an employee of DWSD named as such by the Director.
Contractor	The entity that contracts with the City for construction of the Project designed by the Engineer.
CPM Schedule	A schedule or diagram of all events expected to occur and operations to be performed in completing the Work, approved in writing by the Contracting Officer and rendered in a form permitting determination of the optimum sequence and duration of each operation.
Design Development Documents	All documents that manifest the design for the Project or any portion, component or element thereof, as the case may be, including revisions to adequately and properly address comments by the Contracting Officer and comments and changes required by others.
Director	The Director of the Detroit Water and Sewerage Department of the City of Detroit, as duly appointed by the Board of Water Commissioners.
Drawings	Graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project.
DWSD	The Detroit Water and Sewerage Department, under the direction of the Board of Water Commissioners, as established by the Charter of the City of Detroit.
Final Completion	The date on which the Work has been completed in accordance with the terms and conditions of the Agreement and accepted by the Contracting Officer in writing.
Final Payment	Payment made by the City to the Engineer of the entire

	unpaid balance of the Contract Price as adjusted by Change Orders.
Notice to Proceed	Written communication issued by the Contracting Officer to the Engineer authorizing the Engineer to proceed with the Work and establishing the date for commencement of the Work.
Project Manager	The individual designated by the Engineer to manage the Engineer's activities in connection with the Project.
Provisionary Allowance	An amount included in the Contract Price to reimburse the Engineer for the cost to furnish and perform Work that is uncertain, i.e., may not be required, or of indeterminate scope, i.e., design information and quantities, complexity, etc. are neither shown or detailed in the Agreement. Work authorized under any Provisionary Allowance may consist of (a) changes required by actual conditions, as determined by the Contracting Officer, that are incorporated into the Work in accordance with the Agreement, and (b) any other work authorized and completed under the pertinent provisions of the Agreement. Unlike a Cash Allowance, payments under a Provisionary Allowance shall include not only the purchase and finished cost of materials and equipment involved, but also all associated labor, Subcontracts, construction equipment and supplemental costs, provided those costs are substantiated as required by the General Conditions. Any remaining balance upon final completion of the Work shall be retained by the City and not paid to the Engineer.
Schematic Design Documents	Drawings and other documents illustrating the scale and relationship of project components.
Specifications	A part of the Contract Documents consisting of written requirements for materials, equipment, construction systems, standards and workmanship.
Subcontract	Agreement between the Engineer and Subcontractor for performance of a portion of the Work.
Subcontractor	A person or entity who has a direct contract with the Engineer to perform any of the Work.

Sub-subcontractor	A person or entity who has a direct or indirect contract with a Subcontractor to perform any of the Work.
Work	The services required by the Agreement including all labor, materials, equipment, and services provided or to be provided by the Engineer to fulfill the Engineer's obligations. The Work may constitute the whole or any part of the Project.



## Appendix III - Local Economic Development Data

# LOCAL ECONOMIC DEVELOPMENT DATA

I.

PRIME CONSULTANT	DETROIT BASED BUSINESS YES/NO	TYPE OF VERIFICATION SUBMITTED

II.

PROJECT SUBCONSULTANTS	DBB STATUS	TYPE OF VERIFICATION SUBMITTED	PERCENTAGE OF CONTRACT
TOTAL PERCENTAGE OF DBB PARTICIPATION			

# LOCAL ECONOMIC DEVELOPMENT DATA

III.

PROJECT TEAM MEMBERS (PRIME SUBCONSULTANTS)	MBE/WBE STATUS	TYPE OF VERIFICATION SUBMITTED	PERCENTAGE OF CONTRACT
TOTAL PERCENTAGE OF MBE/WBE PARTICIPATION			

Appendix IV - Detroit-Based  
Business Questionnaire Form



**DETROIT WATER AND SEWERAGE DEPARTMENT  
DETROIT-BASED BUSINESS QUESTIONNAIRE**

Please complete this form for consideration for Detroit Water and Sewerage Detroit-Based Business Certification. (Attach where applicable.)

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Person Completing this Questionnaire \_\_\_\_\_ Title \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

1. Does your firm/company have the physical resources including, but not limited to, inventory, equipment, vehicles, etc., as well as the ability to provide the services indicated in the bid documents at the City location? If yes, please provide verification.
2. Does your firm/company have the ability to carry out the service or repair the product to be sold to the DWSD at the City site? If yes, please provide verification.
3. Has the services your firm/company offer to DWSD been provided at the City site for at least one year prior to the bid advertisement date? If yes, provide references, licenses or other means of verification.
4. Does your firm/company either have or can procure an adequate number of employees based at its City site to perform the services indicated in the RFP or bid specifications? If yes, please provide verification.
5. Does your firm/company have a Current City of Detroit Income Tax Clearance? If yes, please attach.
6. Does your firm/company have a current City of Detroit Property Tax Clearance? If yes, please attach.
7. Does your firm/company have a current City of Detroit Personal Property Clearance? If yes, please attach.
8. Please list other Detroit locations where inventory, equipment, vehicles are stored. Please attach sheet if additional space is needed.

\_\_\_\_\_

9. Please list all Michigan and national locations. Please attach sheet if additional space is needed.

\_\_\_\_\_

\_\_\_\_\_

## Appendix V- Detroit City Code Section 2-106 Standards of Conduct

# DETROIT CITY CODE

## Sec. 2-106. Standards of Conduct.

1. **Conflict of Interest.** An elective officer, appointee, or employee who has a conflict of interest between a personal interest and the public interest as defined by law, this Charter, or ordinance shall fully disclose to the Corporation Counsel the nature of the conflict. Except as provided by law or ordinance, no elective officer, appointee, or employee of the City may participate in or act upon or vote upon any matter if a conflict exists.

2. **Conflict Involving Financial Interest.** Any elective officer, appointee, or employee who has a substantial financial interest, direct or indirect or by reason of ownership of a substantial amount of stock in any corporation, in any contract with the City or in the sale of any land, materials, supplies or services to the City or to a contractor supplying the City, shall make known that interest and shall refrain from voting upon or otherwise participating as an elective officer, appointee, or employee in the making or performance of the contract or sale. Violation of this subsection with the knowledge, express or implied, of the person or corporation contracting with or making a sale to the City shall render the contract or sale voidable by the Mayor or the City Council.

3. **Expenditure Limitations.** Every elective officer or candidate for election shall make public all campaign contributions received by him or her, or on his or her behalf, and a file or have filed a report or reports thereof as directed by ordinance. The City shall prescribe by ordinance uniform procedures for reporting campaign contributions and may set limits on campaign expenditures by candidates for elective City office.

4. **Board of Ethics.** A Board of Ethics is created, consisting of the Corporation Counsel and the Personnel Director, either of whom may serve by deputy, and three public members appointed by and serving at the pleasure of the Mayor. Members of the Board shall be residents of the City and shall serve without compensation.

The primary function of the Board of Ethics is to render advisory opinions to elective officers, appointees, and employees with respect to the meaning and application of provisions of the Charter and ordinances establishing standards of conduct for the City service. Advisory opinions shall be rendered upon written request by an elective officer, appointee, or employee or by a superior of an appointee or employee. Advisory opinions shall be published by the Board but they shall not disclose the identities of the elective officers, appointees, or employees concerned.

The Board of Ethics may recommend improvement in the Standards of Conduct for the City service or in the organization and procedures related to the administration and enforcement of those standards.

Appendix VI - Detroit BOWC Policy Regarding Design  
Compensation for Consultants





CITY OF DETROIT  
WATER AND SEWERAGE DEPARTMENT  
GENERAL ADMINISTRATION

735 RANDOLPH STREET  
DETROIT, MICHIGAN 48226-2830  
PHONE 313-224-4800/224-4801  
FAX 313-224-6067

February 28, 1996

The Honorable  
Board of Water Commissioners  
Detroit, Michigan 48226

President Evans and Commissioners:

Regarding: Design Compensation for Consultants

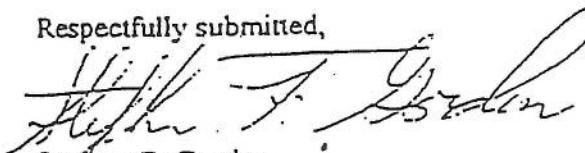
Motion: Upon recommendation of the Director, the Board of Water Commissioners authorizes the Director to adopt the following policy that addresses consultant compensations as they relate to changes in construction contracts:

- Resolved: that the Board adopts, as a guiding principle, the policy that the compensation for consulting engineers, architects and other consultants retained by the Detroit Water and Sewerage Department (DWSD) to provide professional services on DWSD's various projects, should be established upon a quantified scope of services to be rendered by the Consultant.
- And Be It Further Resolved: that the Consultant's compensation shall be determinate for the duration of a project unless the compensation is revised by amendment and approved by the Board.
- And Be It Further Resolved: that no Consultant will receive an increase in compensation for services relative to any change to a construction contract if the change is necessitated to correct or overcome any negligent act, error or omission of the Consultant.
- And Be It Further Resolved: that should any negligent act, error or omission by a Consultant result in a construction rework or additional expense to DWSD, the Consultant shall be expected to reimburse DWSD for the additional costs or extra expenses of the construction rework.

The above recommended policy is in response to the Board meeting of September 27, 1995, where Commissioner Welsh spoke to the effect that there should be a Board policy that prevents the size of a Consultant's compensation from being tied to the value of the constructed work resulting from the design. Moreover, that the compensation should not increase directly as change orders alter the value of a project as it is being constructed.

It is pointed out to the Board that the Department is currently updating/revising the way it procures consulting engineering services, and that the new model agreement presently under review includes provisions that are consistent with the above recommended policy.

Respectfully submitted,

  
Stephen F. Gorden  
Director

SFG/TD/dj

DENNIS W. ARCHER, MAYOR

## Appendix VII - Clearance Package



## **CLEARANCE NOTIFICATION**

Any bidder or vendor may apply for clearance certificates. Before the City can award a contract to a successful bidder, that bidder must obtain and provide clearance certificates to the City of Detroit Water and Sewerage Office of Purchasing Division.

**ALL BIDDERS AND POTENTIAL VENDORS ARE ADVISED TO OBTAIN PRE-APPROVALS UTILIZING THE ATTACHED CLEARANCE REQUEST FORMS SO AS NOT TO DELAY OR JEOPARDIZE CONTRACT AWARD.**

Clearance certificates are statements of bidder compliance with applicable City of Detroit Ordinances and are required prior to award of contracts. The clearance certificates must be obtained from each of the following departments and divisions:

1. **Income Tax Division**, Finance Department  
512 Coleman A. Young Municipal Center  
Detroit, MI 48226  
Telephone: (313) 224-3329
2. **Revenue Collection Division**, Finance Department  
128 Coleman A. Young Municipal Center  
Detroit, MI 48226  
Telephone: (313) 224-4087

**FAILURE TO PROVIDE ALL REQUIRED CLEARANCES WITHIN THE TIME ALLOWED MAY RESULT IN THE REJECTION OF QUOTES BIDS AND/OR PROPOSALS.**

After the evaluation of quotes, bids or proposals the City of Detroit Water and Sewerage Department will send (via E-MAIL or First Class mail to the E-MAIL or MAILING ADDRESS indicated on the signature page of the bid form) notifications to the two lowest responsive and responsible bidders that they must obtain and provide the DWSD Office of Purchasing Division with clearance certificates within ten (10) business days after date of request.

The vendor and/or bidder shall be responsible for any mailing delays or failure of the U. S. Postal Service to deliver.

3. **Human Rights Covenant of Equal Opportunity (effective 7/12/12)** must be completed in its entirety, notarized and submitted with your bid. Failure to submit completed affidavit with your bid will disqualify your bid for non-compliance or will be cause for rejection.



# Requirements For Income Tax Clearance

**Background.** The City of Detroit is authorized to levy an income tax under the Uniform City Income Tax Ordinance (No.900-F) set forth in Chapter 2 of Act 284 of the Public Acts of 1964, known as the "City Income Tax Act." No bid shall be accepted from or contract awarded to any person who is in arrears to the City..." see Detroit codes: Sec.18-5-13, Sec. 18-10-25 and General Conditions# 28.

**What Is An Income Tax Clearance?** An **approved** Income Tax Clearance states that an individual, business or subcontractor seeking employment or contracts with the City of Detroit has complied with all the provisions of the City Income Tax Ordinance. Contractors (individuals, businesses or Subcontractors) cannot be awarded a contract and are not authorized to perform services until they are in compliance with the City Income Tax Ordinance. **The "Request for Income Tax Clearance" form should be submitted 30 days prior to the submission for new bids or renewals of contract extensions.**

**Requirements For Individuals.** Individuals must file returns and pay income taxes, and not have any unpaid assessments. Detroit residents must file form D-1040(R). If a taxpayer claims a non-resident status, proof will be required (copy of lease, mortgage closing statements, drivers license, voter's registration, ect.). If an individual seeking a tax clearance reside within the City, but claimed dependent status on another person's tax return, or received assistance, proof may be required.

**Requirements For Businesses.** Businesses must file Corporation D-1120 or Partnership D-1065 returns, regardless of net profit or loss. Non-profit organizations are required to file D-1120 tax return based on non-related income. All employers located in the City or "doing business within the City" must withhold City of Detroit income taxes from employees' compensation. Employers subject to withholding tax must file monthly or quarterly forms D-941/501, as well as, form DW-3 Annual Reconciliation with W2's. All assessments must be paid. New employers must request an Employer's Package and register with the City by completing and submitting an Employer's Withholding Registration form DSS-4. Contractors must supply a list of subcontractors with federal identification numbers or social security numbers. Contractors must also supply the federal identification numbers used for their leased employees...

**Income Tax Clearance Denials.** Income Tax Clearances are denied based on one or more of the following reasons: (1) Missing withholding payments, DW-3 Annual Reconciliation with W2's, (2) Unpaid assessments and (3) Missing tax returns and related data regarding taxpayers are confidential: therefore, reasons for denial are given only to the taxpayer or authorized representative with power of attorney. Taxpayers with denied clearances may visit our office to obtain information about their account or to drop off requested information.

**Appointments are not necessary. For additional information contact the Clearance Section at (313) 224-3328. Our office is located in the Coleman A. Young Municipal Center, 2 Woodward Avenue, Suite 512. Office hours are 8:00 a.m. to 4:00 p.m., Monday through Friday.**





## INCOME TAX CLEARANCE CERTIFICATE

### INFORMATION AND INSTRUCTION FOR PURCHASING VENDORS

The vendor is responsible for completing Parts A, B and C of the Bidder's Income Tax Clearance. (The information required to complete Part B is enclosed in the Bidder's solicitation Packet.) The vendor must submit the Bidder's Income Tax Clearance request to Income Tax Clearance request to Income Tax at least seven (7) business days before the Tax Clearance is due in Purchasing. A drop off tray for Purchasing Vendors tax clearance requests will be located on the front counter of the Income Tax Division's reception area. **NO ONE WILL BE AVAILABLE TO ANSWER QUESTIONS AT THE TIME THE REQUEST IS DROPPED OFF.** Tax Clearances may be picked up at the same location one week from the day that the clearance was dropped off.

**WHAT IS AN INCOME TAX CLEARANCE?** An Income Tax Clearance, valid for ninety (90) days, states that an individual or business seeking employment or contracts with the City of Detroit has complied with all the provision of the City Income Tax Ordinance.

**REQUIREMENTS FOR VENDORS.** When requesting an Income Tax Clearance, complete the form carefully to avoid processing delays. We must have the full name of the individual or business, the complete address, including zip code and telephone number. Clearances without social security numbers or federal identification numbers **CANNOT** be processed, they will be denied. Individuals married or previously married who filed joint returns must include spouse's social security number. If business is a sole proprietorship, the owner's social security number must be provided.

**REQUIREMENTS FOR INDIVIDUALS.** Individuals must show compliance for five (5) years and have no unpaid assessments. Compliance is proven by filing returns or providing proof of non-residency (copy of lease, mortgage closing statement, driver's license, voter's registration card, etc.) during the period of assessment. If individuals seeking tax clearance resided within the City, but claimed dependent status on another person's tax return, or received public assistance, then proof may be required. Assessment balances must be paid or payment arrangements made before an approved tax clearance can be issued.

**REQUIREMENTS FOR BUSINESSES.** Businesses must show compliance for five (5) years and have no unpaid assessments. Compliance is proven by filing and paying withholding taxes and corporate income taxes. If a business seeking tax clearance was not required to file taxes because business location was outside of City, or because business had no employees subject to withhold, proof may be required. Contractors must supply list of sub-contractors with federal identification numbers or social security numbers. Assessment balances must be paid or payment arrangements made before an approved tax clearance can be issued.

**INCOME TAX CLEARANCE DENIALS.** Income Tax Clearances are usually denied because of one of the following reasons: (1) No City income tax filing history, (2) Unpaid assessments and (3) Missing tax returns. Taxpayers denied an income tax clearance will be notified by telephone, fax or mail. They must call (313) 224-3328 to schedule an appointment as soon as possible to resolve tax issues. Income tax returns and related data regarding taxpayers are confidential; therefore, reasons for denial are given only to the taxpayer. Our office is located in the Coleman A. Young Municipal Center, Room 512. Office hours are 8:00 A.M. - 4:00 P.M., Monday through Friday.



## REQUEST FOR INCOME TAX CLEARANCE

REQUESTING DEPARTMENT/DIVISION: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

Type of Clearance: ☐ New ☐ Renewal (Please submit 30 days prior to submitting bid or expiration date)

A. To:  
City of Detroit  
Income Tax Division  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Ste. 512  
Detroit, MI 48226

Phone: (313) 224-3328 or 224-3329  
Fax: (313) 224-4588

For:  
Individual or  
Company Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ Fax # \_\_\_\_\_

E-mail Address \_\_\_\_\_

B. Name of Chief Financial Officer/Authorized Contact Person  
(include address if different from above)

Telephone # \_\_\_\_\_

Fax # \_\_\_\_\_

Employer Identification or Social Security Number

Spouse Social Security Number

Nature of Contract \_\_\_\_\_

BID CONTRACT AMOUNT (if known):

Labor: \$ \_\_\_\_\_ Material: \$ \_\_\_\_\_

Contract # (if known) \_\_\_\_\_

C. ALL QUESTIONS MUST BE ANSWERED TO EXPEDITE APPROVAL PROCESS. ANY QUESTION NOT ANSWERED MAY RESULT IN A DENIAL OF INCOME TAX CLEARANCE.

Check One: ☐ Individual ☐ Corporation ☐ Partnership ☐ Estate & Trust

### INDIVIDUALS ANSWER QUESTIONS 1,2,3,4.

1. Have you filed joint returns with spouse during the last seven (7) years? (If yes, include spouse SSN above) ☐ Yes ☐ No
2. Are you a student, and/or claimed as a dependent on someone else's tax return? ☐ Yes ☐ No
3. Were you employed during the last seven (7) years? ☐ Yes ☐ No
4. Were you a resident of Detroit during the last seven (7) years? ☐ Yes ☐ No

### CORPORATIONS AND PARTNERSHIPS ANSWER QUESTIONS 5,6,7.

5. Is the company a new business in Detroit? If yes, attach Employer Registration (Form DSS-4). ☐ Yes ☐ No
6. Will the company have employees working in Detroit? ☐ Yes ☐ No
7. Will the company use sub-contractors or independent contractors in Detroit? ☐ Yes ☐ No

### D. FOR INCOME TAX USE ONLY

Has the contractor complied with the provisions of the City Income Tax Ordinance?

☐ Yes ☐ No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_  
☐ Yes ☐ No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_  
☐ Yes ☐ No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_

To check the status of a clearance, please call (313) 224-3328 or (313) 224-3329  
VISIT OUR WEBSITE FOR INFORMATION AND TAX FORMS AT [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us)



# **PURCHASING DIVISION VENDOR CLEARANCE REQUEST**

## **REVENUE COLLECTION CLEARANCE**

All Purchasing Division vendors in compliance with Ordinance 52-H (No outstanding obligations to the City of Detroit) requirements will receive an approved Revenue Collection Clearance. Copies of the approved clearance may be submitted with bid packages until the clearance expiration date. Revenue Collection Unit clearances may have various validity dates--usually within the same fiscal year.

## **VENDOR CLEARANCE REQUESTS**

Purchasing Division clearance requests will be called Purchasing Division Vendor Clearance Request.

The vendor request provides for submission of all pertinent data relating to the business or individual seeking the contract. It must be filled out in its entirety and submitted along with any additional documentation, such as:

- (1) Copies of lease and/or rental agreements, if the real property does not belong to the applicant
- (2) Federal I.D. number or SS#, if a sole proprietor.
- (3) Personal Property tax I.D. number, if applicable. If you do not know your number or need to apply for one, you must go to Room 607 for this information.

Missing and/or inaccurate information may result in processing delays.

## **INTERNAL PROCESSING**

DOCUMENT REVIEW TAKES FIVE (5) WORKING DAYS. IT IS THE VENDOR'S RESPONSIBILITY TO PROVIDE REQUIRED DOCUMENTATION IN TIME FOR A REVIEW AND RECOMMENDATION PRIOR TO THE BID ENDING DATE.

CLEARANCE REQUESTS MAY BE DROPPED OFF ON ALL NORMAL WORK DAYS BETWEEN 8:30 A.M. AND 4:30 P.M. IN ROOM 1012 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER. A TRAY LABELED VENDOR CLEARANCES WILL BE AVAILABLE ON THE FRONT COUNTER. PICKUP OF COMPLETED FORMS CAN BE MADE AFTER 8:30 A.M. THE FIFTH WORKING DAY (NO SATURDAYS OR SUNDAYS) AFTER SUBMISSION

NO ONE WILL BE AVAILABLE TO ANSWER QUESTIONS AT THE TIME OF SUBMISSION.

DENIED REQUESTS WILL INCLUDE THE REASON FOR DENIAL.

VENDORS IN POSSESSION OF AN EXPIRED APPROVED CLEARANCE SHOULD SUBMIT THE EXPIRED CLEARANCE WITH THEIR REQUEST.

# CITY OF DETROIT

## ACCOUNTS RECEIVABLE CLEARANCE APPLICATION

2 WOODWARD AVENUE, SUITE 105, COLEMAN A YOUNG MUNICIPAL CENTER

REVENUE COLLECTIONS UNIT (313) 224-4087 / FAX: 224-4238 / [RevenueCollections@DetroitMi.gov](mailto:RevenueCollections@DetroitMi.gov)

**SECTION A:** BUSINESS LICENSE BUDGET CITY COUNCIL DDOT DPW FINANCE FIRE HEALTH  
HUMAN RIGHTS LAW MAYOR OMBUDSMAN PLANNING & DEVELOPMENT POLICE PURCHASING  
RECREATION WATER & SEWAGE OTHER \_\_\_\_\_

ADDRESS OF DEPARTMENT \_\_\_\_\_

DATE SENT \_\_\_\_\_ CONTACT PERSON \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_ EMAIL \_\_\_\_\_

CONTRACT AMOUNT \$ \_\_\_\_\_

### SECTION B: CORPORATION

LICENSE TYPE \_\_\_\_\_

CORPORATION NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

CITY PERSONAL PROPERTY NUMBER \_\_\_\_\_ FID / EIN NUMBER \_\_\_\_\_

OTHER CITY-OWNED PROPERTY PARCELS \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_

### SECTION C: PARTNERSHIP

LICENSE TYPE \_\_\_\_\_

BUSINESS NAME \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

CITY PERSONAL PROPERTY NUMBER \_\_\_\_\_ FID / EIN NUMBER \_\_\_\_\_

A: PARTNER'S NAME \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

DRIVER'S LICENSE # \_\_\_\_\_ OTHER CITY-OWNED PROPERTY PARCELS \_\_\_\_\_

B. PARTNER'S NAME \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

DRIVER'S LICENSE # \_\_\_\_\_ OTHER CITY-OWNED PROPERTY PARCELS \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_

### SECTION D: SOLE PROPRIETORSHIP

LICENSE TYPE \_\_\_\_\_

BUSINESS NAME \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

CITY PERSONAL PROPERTY NUMBER \_\_\_\_\_ FID / EIN NUMBER \_\_\_\_\_

OWNER'S NAME \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_ OWN LEASE

OTHER CITY-OWNED PROPERTY PARCELS \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

### SECTION E: PERSONAL SERVICES

NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_ OWN LEASE

CITY/STATE/ZIP \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ DRIVER LICENSE # \_\_\_\_\_

OTHER PROPERTY ADDRESSES OWNED IN WITHIN DETROIT \_\_\_\_\_

SOCIAL SECURITY NUMBER \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_

### FOR TREASURY COLLECTION USE ONLY:

APPROVED

DENIED

DENIED WITH ATTACHMENTS

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_ CLEARANCE VALID UNTIL \_\_\_\_\_



**REVISED 7-12-2012**  
**COVENANT OF EQUAL OPPORTUNITY**  
**(Application for Clearance – Terms Enforced After Contract is Awarded)**

I, being a duly authorized representative of \_\_\_\_\_, (hereinafter "Contractor"), am hereby authorized to enter into a Covenant of Equal Opportunity, (hereinafter "Covenant") with the City of Detroit, ("hereinafter" City); obligating the Contractor and all sub-contractors, not to discriminate against any employee or applicant for employment, training, education, or apprenticeship connected directly or indirectly with the performance of the contract, with respect to his/her hire, promotion, job assignment, tenure, terms, conditions or privileges of employment because of race, color, religious beliefs, public benefit status, national origin, age, marital status, disability, sex, sexual orientation, or gender identity or expression; except as otherwise exempted under City Code, Ordinance No. 27-2-12.

Contractor will ensure that the City of Detroit Human Rights Department shall receive notification of all potential sub-contractors and a copy of their Covenant prior to the commencement of work on any City of Detroit contract. Contractor further agrees that the City of Detroit reserves the right to require additional information prior to, during, and at any time after the Covenant is fully executed.

Furthermore, Contractor agrees that this Covenant is valid for the life of the contract and/or for a specified period of time as indicated below and that a breach of this Covenant shall be deemed a material breach of contract and be subject to damages pursuant to City Code, Ordinance No. 27-3-2, Section (e).

RFQ / PO No.: (if applicable) \_\_\_\_\_

Duration of Covenant \_\_\_\_\_ to \_\_\_\_\_

Printed Name of Contractor/Organization \_\_\_\_\_  
(Type or Print Legibly)

Contractor Address \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(City) (State) (Zip)

Contractor Phone/E-mail \_\_\_\_\_ / \_\_\_\_\_  
(Phone) (E-mail)

Printed Name & Title of Authorized Representative \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

**\*\*\* This document MUST be notarized \*\*\***

Signature of Notary: \_\_\_\_\_

Printed Name of Seal of Notary: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**FOR CONTRACTING DEPARTMENT USE ONLY:**

Date Rec'd: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Received by: \_\_\_\_\_ Title: \_\_\_\_\_

Please fax a COPY of the notarized Covenant and Award Letter to the Human Rights Department (313) 224-3434