



**NEIGHBORHOOD OPPORTUNITY FUND
REQUEST FOR QUALIFICATIONS (RFQ) FOR TECHNICAL ASSISTANCE PROVIDERS**
February 7, 2019

Purpose: SomerCor is seeking applications for professional services firms, non-profit organizations, sole proprietors and other professionals to provide specific technical assistance services for Neighborhood Opportunity Fund (NOF) Grantees in completing their projects.

The goal is to develop a list of approved, pre-qualified technical assistance service providers (“**Approved TA Providers**”) who will reliably and consistently work with NOF Grantees.

This RFQ specifically seeks professionals and firms who can provide technical assistance in the following roles:

- **Construction Project Managers**
- **Project Lending Coaches**

Inclusion on the list of Approved TA Providers does not ensure that an individual Approved TA Provider will be chosen by NOF Grantees to contract for professional services. All Approved TA Providers will be evaluated periodically for continued inclusion on the NOF Approved TA Providers list.

Due Date: To be considered for inclusion on the initial list of Approved TA Providers for the NOF program, responses must be submitted no later than Friday, March 29, 2019, 5 PM CST.

Future solicitations for additional Approved TA Providers may occur on a to-be-determined basis.

Responses are to be submitted electronically via email to jstern@somercor.com or by US mail to the address listed below.

Requesting Organization:
Attn: Jake Stern
SomerCor
601 S. LaSalle St., Suite 510
Chicago, IL 60605



TABLE OF CONTENTS

- I. Neighborhood Opportunity Fund Overview**
- II. Technical Assistance Objectives**
- III. Technical Assistance Provider Roles**
- IV. Fees for Technical Assistance Services**
- V. Technical Assistance Provider Application**
- VI. Selection Process**
- VII. Reporting & Evaluation**
- VIII. Calendar of Next Steps**

I. What is the Neighborhood Opportunity Fund?

In 2016, the City of Chicago implemented reforms to the City’s Zoning Code to ensure that the growth of downtown drives equitable development throughout the City. These changes created the Neighborhood Opportunity Fund, leveraging new development in and around the Loop to generate funds that will catalyze investment on Chicago’s West, Southwest and South Sides. The focus of the Neighborhood Opportunity Fund is to create and reinforce inclusively vibrant commercial corridors in our neighborhoods, with grant funding to support small business and cultural projects by funding real estate construction and rehabilitation costs.

For additional information about NOF, please visit the program’s website, www.neighborhoodopportunityfund.com.

II. What Technical Assistance is Needed and Why?

Over the summer of 2018, the City of Chicago held **three strategic planning sessions** with over **40 NOF stakeholders**, including NOF grantees, lenders and community organization partners to learn how the NOF program could continue to adapt to support grantees and neighborhoods most in need. Overall, while the NOF grant is a critical equity contribution to a project, grantees and partners identified two significant challenges that hold grantees back from making their projects come to reality:

- **Managing the contracting and construction processes:** Grantees are already spread thin running their own businesses (some while still working a day job). Finding licensed, insured and reputable contractors and design professionals – and then working through contracts and project management – is a significant lift for grantees.
- **Navigating the lending landscape and securing access to other sources of capital:** Many grantees struggled with the time and process of working with lenders. Finding and securing the additional financial resources (equity or debt) needed to fund the parts of the project not covered by the NOF Grant (e.g. the other 35-50% of the project’s cost) is an area of consistent need.

By identifying and providing funding for technical assistance support, the City of Chicago is supporting NOF grantees to respond to the above challenges to improve outcomes for NOF Grantees. The two technical assistance provider roles being solicited are:

- **Construction Project Managers:** These individuals will help NOF Grantees find reputable contractors more expeditiously and provide support to them in the contract negotiation stage as well as during the construction period.
- **Project Lending Coaches:** These individuals will help NOF Grantees prepare to apply for any debt they need to fund the project as well as during the loan application and closing processes. These individuals may also help NOF Grantees self-assess the amount of debt they will be able to qualify for to ensure they are sizing their projects accordingly.

After reviewing applications, SomerCor (working with the City of Chicago) will create a list of Approved TA Providers for both Construction Project Managers and Project Lending Coaches. The City will share the final Approved TA Provider List with NOF grantees and may facilitate introductions between NOF grantees and Approved TA Providers. The City will not recommend or endorse any one Approved TA Provider, and, ultimately, NOF Grantees will select the Approved TA Provider.

III. Description of Approved TA Provider roles

CONSTRUCTION PROJECT MANAGER

Purpose: The Construction Project Manager will provide NOF Grantees with comprehensive construction management support.

Services Provided: If selected by an NOF Grantee, the approved Construction Project Manager will be responsible for helping the NOF grantee with:

- Soliciting multiple architect and design services proposals for an approved construction project (if design services are necessary)
- Soliciting multiple construction bids for the full scope of the project along with copies of the contractors' City business license(s) and Certificate(s) of Insurance
- Evaluating construction bids and pricing based on architectural designs and current market pricing for labor and materials
- Selection of construction contractors, including negotiating pricing and final contractual terms and the development of a construction schedule
- Supervision, as needed, of construction activities, ensuring the project stays on-budget and on-time, and interfacing with contractors as needed
- Organization of payment documentation including sworn statements, lien waivers and invoices

PROJECT LENDING COACH

Purpose: The Project Lending Coach will provide NOF Grantees with coaching and preparation work for loan applications as well as potential other efforts to secure funding for their project.

Services Provided: If selected by an NOF Grantee, the approved Project Lending Coach will be responsible for helping the NOF grantee with:

- The organization of financial documents needed for underwriting processes, including balance sheets, income statements, personal financial statements, bank statements, and other documents as requested by lending institutions
- Self-performing cash flow analyses to anticipate what level of debt the grantee can support given industry standard debt service coverage requirements and to determine what amount of funding they are likely to qualify for
- Fine tuning of business plan (if applicable) and assumptions made in financial projections as requested by lenders
- Helping grantees with finding appropriate lending opportunities from either traditional bank lenders, CDFIs or alternative financing options
- Providing hands-on support for completion of all loan applications including responding to questions (in a timely manner) posed by underwriting staff at lending institutions
- Connecting grantees with other professional service providers, as needed, such as accounting and tax professionals

IV. Fees for Technical Assistance services and Required Milestones for Payment

Selection for inclusion on the Approved TA Provider List does not guarantee compensation. After notice of an NOF Grant award, NOF Grantees will be able to select and determine scope with an Approved TA Provider. Compensation for Approved TA Providers will vary depending on the scale of the NOF project and the services that are required.

Fees: Fees for these services must be billed using an hourly rate with a total time commitment relative to each required project milestone below. It is understood that, particularly for project lending coaches, the total time commitment per milestone will vary based on grantees' readiness—therefore, in filling out Attachment A (Schedule of Fees), respondents should identify any assumptions as to readiness or other conditions that inform the total time commitment amounts for each milestone.

Fees for Construction Project Managers will be capped at 20% of the approved NOF grant amount or \$25,000 (assuming work on all three milestones), whichever is less, and must be based on a total time commitment and an hourly rate.

Fees for Project Lending Coaches are determined by loan size, recognizing that smaller loans are often more difficult to secure. For loans from \$0-50,000, fees will be capped at 20% of the final loan amount. For loans over \$50,001, fees will be capped at 15% of the loan amount or \$15,000 (assuming work on all three milestones), whichever is less. Fees must be based on a total time commitment and an hourly rate.

Required Milestones for Payments: The following are the minimum required milestones at which payment will be issued for each of the Approved TA Provider roles. Respondents are permitted to include for consideration additional milestones at which payment could be received:

- **Construction Project Manager (CPM):**

CPM Milestone 1: Completion of bid letting – the point at which the NOF grantee has received *at least* two adequate bids from contractors for their scope of work and has selected the contractor with whom they want to work with. Please note that in some projects, depending on complexity and scale, this may require that an architect was selected and engaged with to produce architectural drawings for the contractors to bid on.

CPM Milestone 2: Permit issuance and “ground breaking” – the point at which the project has all of its required approvals and construction is demonstrably underway.

CPM Milestone 3: Project completion – the point at which the project has passed all of its inspections and all payment documentation (inclusive of sworn statements and lien waivers) has been collected.

- **Project Lending Coach (PLC):**

PLC Milestone 1: Completion of prep work for and submission of loan application(s) – the point at which the NOF grantee has prepared and organized all the necessary financial documents, business plan (if necessary), and other documents required in loan package and has submitted at least one application to a targeted lender.

PLC Milestone 2: Loan approval – the point at which the NOF grantee has obtained a formal loan approval document such as a commitment letter for an amount that will fill the gap in their project budget not funded by the NOF grant or their own equity.

PLC Milestone 3: Loan closing – the point at which the NOF grantee has closed on their loan and has no additional work to do (other than providing construction draw documentation) in order to qualify for and access those funds.

Not every project will contain every milestone (e.g., a grantee could have already completed bid letting and only needs help on CPM 2 and 3), which is why the RFQ requires respondents to give hourly rates as well as total time commitments for each milestone.

What happens with fees if milestones are not reached due to factors fully outside of an Approved TA Provider's control:

For projects in which an NOF Grantee does not reach milestones for factors fully outside of an Approved TA Provider's control (e.g., a Grantee decides to not move forward), an Approved TA Provider may apply for a partial payment associated with the unachieved milestone. The specific provisions will be included in the contract, but, for general guidance in this RFQ, **the partial payment will be up to 75% of the contracted milestone payment under conditions**, including:

1. The party responsible for the delay or failure to reach milestones has formally acknowledged that they decided to no longer move forward (e.g., letter from the NOF Grantee stating that they are rescinding their project.)
2. The Approved TA Provider was not listed as a reason for the NOF Grantee in arriving at their decision.
3. The hours worked by the Approved TA Provider can be substantiated.

Determining Scope of Services: NOF Grantees and Approved TA Providers will be responsible for scoping the services to be delivered based on individual needs of each unique grantee project and its relevant milestones. Each Approved TA Provider will be responsible for documentation of the services provided to NOF Grantees (based on the agreed-upon scope of services).

Contracting and Invoicing: Prior to the initiation of any services, an NOF Grantee and their selected Approved TA Provider shall enter into a contractual agreement on a form deemed acceptable by the City of Chicago which includes an invoice form and supplementary information that evidences the work for which payment is requested. Approved invoices will be paid by SomerCor on behalf of the City of Chicago, and payments can be made up to four (4) times during an engagement.

<p>Note: Please turn to the next page to find Section V. Approved TA Provider Application.</p>

V. Approved TA Provider Application

Completed applications should be submitted to:

Jake Stern
Somercor
601 S LaSalle St., Suite 510
Chicago, IL 60605
Contact: jstern@somercor.com

Please Note: Applications may be submitted via e-mail. Hard copies of applications are not required. Responses should be developed and submitted on a separate document directly responding to the questions below.

A) Applicant Profile:

The following identifying information should be provided at the beginning of your response:

- Business Name
- Address
- Website
- Lead contact's name and title (person responsible for managing these TA services)
- Phone and email information
- Number of years in business
- Total number of staff available to provide these specific TA Provider services
- Ethnicity/race and gender of business owner (for data purposes)

B) Existing City Contracts:

If the Applicant has existing contracts or outstanding bid applications with a City of Chicago department or sister agency, please provide a list of such contracts or applications.

C) Category of Services:

Please identify the Approved TA Provider role(s)* (Construction Project Manager and/or Project Lending Coach) for which you intend to apply for.

**A provider can qualify for both, but applicants are encouraged to select the service they are most qualified or experienced to offer. If both services are selected, you must provide the materials relevant to both roles; your application for each role will be evaluated separately.*

D) Proposal Narrative:

Applicants must submit their answers to each of the following questions and include attachments/exhibits, where necessary, to be considered. Applicants should convey how their technical assistance services will benefit grantees in a cost-effective and timely manner appropriate to the goals of the Neighborhood Opportunity Fund. *Please be specific in relating your answers to your desired service provider role.*

1. Statement of Interest

Provide a brief introduction to your business/organization, main professional services offered, and areas of expertise. Include a statement that details why your business is interested in serving as an Approved TA Provider.

2. Experience

Provide **2-3 examples** of previous experiences providing lending or construction management technical assistance services. If you have neither, please describe experiences that you've had which you believe are comparable and why you believe they are comparable. Please be specific. **Each example should include:**

- (1) a summary of services provided,
- (2) **for construction project management examples:** the projected construction timeline for the project and how well the project adhered to that schedule
- (3) **for lending coach examples:** how many and what type of loan application(s) did the client submit and if successful, what amount of time did it take to secure funds
- (3) cost/fee charged for services, and
- (4) at least one reference, per example, with phone and email contact information.

Within the response to this question, please identify if your business/organization has direct experience engaging with businesses in low- to moderate-income, urban commercial districts and particularly experience within the South, Southwest and West sides of Chicago.

3. Qualifications of Key Personnel

Provide a description of your organizational structure, and **a list of and resumes for qualified staff or independent contractors** that will be responsible for providing technical assistance services for these projects. Please describe how you will allocate staff (and their time) and any other resources if selected for a contract with a NOF grantee.

4. Strategy for TA Service Delivery

Provide a description of what your typical approaches will be for service provision on NOF grantee projects. Consider answering the following questions in developing your response:

- (1) **For Construction Project Managers:** What techniques will you use to solicit bids for grantees? How will you evaluate and compare bids and the firms which provide them? How will you ensure architects and contractors adhere to schedules and the construction project remains on schedule, as possible?
- (2) **For Project Lending Coaches:** What techniques will you use to help grantees determine what amount of debt they can expect to qualify for? How will you approach helping the grantees identify lending sources and submit strong applications for funding? How will you support the grantees during the loan application processes?

5. Additional Information

Please include any other relevant information you believe is essential to the evaluation of your proposal.

- E) Final Certifications:** In your response, please indicate a “Yes” or “No” response to each of these four certifications. You may type the exact copy followed by the “Yes” or “No” or re-write the statement to indicate the affirmative or negative response (e.g. “Our staff is willing and able...”).
- a. Are you and/or your staff willing and able to travel to any and all of the NOF grantee locations in order to provide technical assistance directly to the grantees in their preferred location?
 - b. Is your organization able to start providing services immediately upon their addition to the list of Approved TA Providers?
 - c. Is there any pending litigation against your organization or its principals in courts situated within Illinois within the past five years?
 - i. If you answered “Yes,” please provide details on court cases
 - d. Do you and your staff acknowledge that it is prohibited to provide gifts to NOF grantees or to accept gifts from them (e.g. free meals or merchandise).

F) Attachment A – Schedule of Fees for Technical Assistance (Required):

Please provide a cost breakdown of technical assistance services your organization would provide attributable to each milestone. If there are different hourly fees based on the type of service, phase of the NOF project (identifiable by a certain milestone as discussed in Section IV of this RFQ) or size of the NOF project, please be specific.

The fees per project need to be justified on the basis of an anticipated time commitment (per milestone) at a specified hourly rate. Invoices shall be paid upon the completion of milestones or the confirmation that a project has stalled due to reasons outside of the Approved TA Provider’s control.

The minimum milestones outlined in Section IV of this RFQ **must** be used as a baseline in developing responses, although respondents are not required to provide assistance for all milestones (so, if a respondent is only skilled at assisting with CPM Milestones 2 and 3, that’s okay.)

We realize each NOF project is unique in terms of its scope as well as the amount of Technical Assistance required (e.g., some grantees will require more time commitment to prepare for submitting a loan application than others.)

A suggested template format for responding is below, which identifies (A) the relevant milestone, (B) the applicable services you are proposing to provide re: that milestone, (C) the hourly rate per service per milestone, (D) the total time commitment to achieve that milestone, (E) any assumptions you have made, (F) the maximum total time commitment if the (E) assumptions are not correct and (G) any notes.

Section F*—we know well that Grantees arrive at NOF at different stages, and we want to know what you are going to charge at any stage. So, if you have based your (D) total time commitment for a certain milestone on certain Grantee deliverables being ready—e.g., a Grantee having all paperwork fully in order, having their architect plans ready, etc...--we want to know that. And Section (F) is the place to tell us what your maximum total time commitment will be if those Section (E) assumptions must be adjusted.

Please note: The information included in the following suggested template for Schedule of Fees is for **example purposes only**. A second page with a blank template is also provided, but RFQ respondents may choose to create their own form that provides the requested information.

(A)	(B)	(C)	(D)	(E)	(F)*	(G)
Milestone	Services	Hourly Rate	Total Time Commitment (in hours)	Assumptions that inform Hourly Rate and/or Total Time Commitment	Maximum Total Time Commitment if (E) assumptions are different (and specifying the differences)	Notes
Construction Project Manager (CPM) Milestone 1	Contractor bid letting	\$70/hr	30	Expect to spend five hours with four (4) GCs and 5-10 hours preparing solicitation documents and answering questions	50, If GCs do not follow up on bids it may require additional time	Two employees will be tasked with this
	Contract negotiation and value engineering	\$80/hr	10	Expect to spend around 10 hours fine tuning design/finishes to ensure project falls within budget	20, If re-design or engineering is required, this will be more time intensive	
CPM Milestone 2	Project oversight and coordinating services	\$70/hr	25	Expect to spend 5-10 hours per week helping the architect and GC obtain the permit, set a schedule and begin work	40, If there are GC changes or large issues with the permit application, this will be more time intensive	
CPM Milestone 3	Construction project management	\$70/hr	50	Expect to spend 5 hours per week for an expected 10-week project	80, If the project hits a delay due to inspections or a contractor issue, this will be more time intensive	
Project Lending Coach (PLC) Milestone 1	Financial document and loan application prep	\$60/hr	20	Expect to have 4-5 meetings with grantee ranging from 4-5 hours each in preparation to apply for loan	100, If the grantee requires financial statements built, or, if the grantee is a start-up, this will be much more time intensive	We will use Quick Books for grantees without Financial Statements
PLC Milestone 2	Coaching during underwriting	\$60/hr	8	We will support grantees as needed to respond to underwriting questions	24, If the grantee is being underwritten by multiple lenders	
PLC Milestone 3	Coaching during closing and funding	\$60/hr	8	We will support grantees throughout the loan closing process and in preparation for loan funding	16, If the closing process is complicated	Grantee may need coaching on how to manage loan proceeds

Schedule of Fees

(A)	(B)	(C)	(D)	(E)	(F)*	(G)
Milestone	Services	Hourly Rate	Total Time Commitment (in hours)	Assumptions that inform Hourly Rate and/or Total Time Commitment	Maximum Total Time Commitment if (E) assumptions are different (and specifying the differences)	Notes

VI. The selection process

All applications will be reviewed for completeness, and incomplete or non-responsive applications will be negatively considered. Scoring of Approved TA Provider applications will be based on the following points schedule:

- I. **Relevant work experience:** 40 points
- II. **Qualifications of key personnel:** 30 points
- III. **Strategy for TA Service Delivery:** 30 points

Maximum number of points: 100.

All applications will be scored using the above scoring framework and each application will be reviewed by at least two reviewers. In some cases, a phone interview may be requested as part of the selection process.

VII. Reporting and Evaluation Requirements

NOF Grantees will complete satisfaction surveys after the completion of their projects regarding their use of an Approved TA Provider, if applicable. The results of these surveys along with an evaluation of outcomes observed on projects where an Approved TA Provider was used (e.g. completion of projects, expediency of project relative to its deadlines) will be assessed periodically.

Approved TA Providers will be responsible for submitting annual internal evaluation reports. These reports should contain a description of the technical assistance provided to NOF grantees within the reporting period, as well as the key quantitative and qualitative outcomes covered in this solicitation request.

If Grantees report having an unsatisfactory experience working with an Approved TA Provider and the objectives of their contract were not achieved, the Approved TA Provider may be removed from the Approved TA Provider list.

Please note: Approved TA Providers will not be removed from the Approved TA Provider List solely because a grantee wasn't able to secure a loan or a construction project wasn't completed. The full context of the engagement and the challenges of the particular project would be considered.

VIII. Calendar of Next Steps for Respondents to RFQ

- (1) **Pre-submission conference call:** A conference call will be held to address any questions that respondents may have regarding the RFQ.

When: Wednesday, February 27th, 2:00 – 3:00 PM CST

Conference Line Info:

Dial: 1-646-749-3135

Conference ID: 626-934-080

- (2) **Circulation of responses:** Formal responses to questions raised on the conference call will be sent out via email. Recipients will include anyone who RSVP'd for the conference call, or, individuals who reached out and requested to receive the responses as an interested party.
When: Monday, March 4th, 5 PM CST
- (3) **Deadline for submission of Questions:** At this point, no further questions will be accepted and responded to regarding the RFQ and its application.
When: Friday, March 15th, 5 PM CST
- (4) **Deadline to submit an application to become an Approved TA Provider for the NOF Program:**
This will be the deadline to submit an application. The deadline has been selected to ensure this list will be available for the next funding round of the NOF Program.
When: Friday, March 29th, 5 PM CST
- (5) **Anticipated date for decisions regarding an Approved TA Provider List:** This will be the date by which all applicants will receive a response regarding their selection or non-selection for the Approved TA Provider list.
When: Friday, April 26th, 5 PM CST