

# REQUEST FOR PROPOSAL

**RFP# AAHC-21-A**

Co-developer(s) for  
*121 E Catherine and  
353 South Main*

City of Ann Arbor  
Ann Arbor Housing  
Commission



**Due Date: December 1, 2021 by 2:00 p.m. (local time)**

Issued By:

City of Ann Arbor  
Ann Arbor Housing Commission  
2000 S. Industrial Hwy  
Ann Arbor MI 48104

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## **SECTION I - GENERAL INFORMATION**

### **A. OBJECTIVE**

The Ann Arbor Housing Commission (“AAHC”) is seeking the services of a Co-developer (firm, nonprofit organization, private agency) to prepare a development plan; manage the zoning, site plan, permitting and approvals process; assist in funding applications; prepare schedules; assist in forming a construction and management team; secure equity capital, develop related proformas for the development of one or both of the City-owned lots located at 121 E Catherine Street and 353 South Main Street in Ann Arbor, Michigan (the “Development Sites”).

The Development Sites are formally identified by the City of Ann Arbor (the “City”) to be particularly well-suited for affordable housing development. In 2019, the Ann Arbor City [Council Resolution R-19-138](#) directed the City Administrator to collaborate with AAHC to provide coordinated analysis on the feasibility of City-owned properties as potential locations for affordable housing (“2019 Feasibility Study”). Extensive analysis was presented to the City Council in November 2019, identifying the Development Sites to have minimal site issues, excellent potential to receive competitive Low-Income Housing Tax Credit (LIHTC) financing, and eligibility for support from the Downtown Development Authority (the “DDA”).

In November 2019 City Council adopted [Resolution R-19-514](#), directing AAHC to pursue a long-term ground lease of 121 E Catherine and development of approximately 60-85 affordable units for households earning up to 60% of the Area Median Income (AMI) on average. In April 2021, City Council adopted [Resolution 21-138](#), directing the AAHC to pursue a long-term ground lease for 353 S Main and develop approximately 50-90 affordable units for households earning up to 60% AMI on average.

The [2020-2021 Community Engagement Recommendations](#) outline the extensive Community Engagement Process conducted by AAHC, including a [Housing Needs Assessment](#) by Bowen National Research and concept plans for the Development Sites that were developed with community residents and stakeholders input.

AAHC’s next step is to select a development team, with the expectation that formal site plan approval will be completed with the Co-developer. AAHC is looking for development partners that will support the public mission and goals of the AAHC and the City of Ann Arbor as described in this RFP.

Additional background information about the redevelopment of city-owned properties as affordable housing is available on the [City’s Website](#) including appraisals that were completed in 2019 for the [Catherine](#) and [Main](#) sites. Other due diligence items are underway including surveys, title searches, and a MSHDA-approved Phase I’s for both sites that should be completed in December 2020.

## **B. QUESTIONS AND CLARIFICATIONS / DESIGNATED CITY CONTACTS**

All questions regarding this Request for Proposal (RFP) shall be submitted via e-mail. Questions will be accepted and answered in accordance with the terms and conditions of this RFP.

**All questions shall be submitted on or before November 16, 2021 at 10:00 a.m.**, and should be e-mailed to [Andre](mailto:AWatson@a2gov.org) Watson, Director of Real Estate Development, [AWatson@a2gov.org](mailto:AWatson@a2gov.org).

Should any prospective offeror be in doubt as to the true meaning of any portion of this RFP, or should the prospective offeror find any ambiguity, inconsistency, or omission therein, the prospective offeror shall make a written request for an official interpretation or correction by the due date for questions above.

All interpretations, corrections, or additions to this RFP will be made only as an official addendum that will be posted to a2gov.org and MITN.info and it shall be the prospective offeror's responsibility to ensure they have received all addenda before submitting a proposal. Any addendum issued by the City/AAHC shall become part of the RFP, and must be incorporated in the proposal where applicable.

## **C. PRE-PROPOSAL MEETING**

No pre-proposal meeting will be held for this RFP. Please contact staff indicated above with general questions regarding the RFP.

## **D. PROPOSAL FORMAT**

To be considered, each firm must submit a response to this RFP using the format provided in Section III. No other distribution of proposals is to be made by the prospective offeror. An official authorized to bind the offeror to its provisions must sign the proposal in ink. Each proposal must remain valid for at least one-hundred twenty days from the due date of this RFP.

Proposals should be prepared simply and economically providing a straightforward, concise description of the offeror's ability to meet the requirements of the RFP. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

## **E. SELECTION CRITERIA**

Responses to this RFP will be evaluated using a point system as shown in Section III. A selection committee comprised primarily of staff from the City & AAHC Board members will complete the evaluation.

The fee proposals will not be reviewed at the initial evaluation. After initial evaluation, the City & AAHC will determine the top proposals. The City will then determine which,

if any, firms will be interviewed. During the interviews, the selected firms will be given the opportunity to discuss their proposal, qualifications, past experience, and their fee proposal in more detail. The City further reserves the right to interview the key personnel assigned by the selected offeror to this project. If the City chooses to interview any respondents, the interviews will be tentatively held the **week of January 3<sup>rd</sup>, 2022**. Offeror must be available on these dates.

All proposals submitted may be subject to clarifications and further negotiation. All agreements resulting from negotiations that differ from what is represented within the RFP or in the proposal response shall be documented and included as part of the final contract.

## **F. SEALED PROPOSAL SUBMISSION**

**All proposals are due and must be delivered to the Ann Arbor Housing Commission on or before, December 1, 2021 at 2:00 p.m. (local time).** Proposals submitted late or via oral, telephonic, telegraphic, electronic mail or facsimile **will not** be considered or accepted.

**Each respondent must submit in a sealed envelope**

- **one (1) original proposal**
- **one (1) digital copy of the proposal preferably on a USB/flash drive as one file in PDF format**

**Each respondent must submit in a single separate sealed envelope marked Fee Proposal**

- **one (1) copy of the fee proposal**

**The fee proposal and all costs must be separate from the rest of the proposal.**

Proposals submitted must be clearly marked: **“RFP# AAHC-21-A - Co-Developer(s) for 121 E Catherine and 353 South Main”** and list the offeror’s name and address.

Proposals must be addressed and delivered to:  
Ann Arbor Housing Commission  
2000 S. Industrial Highway  
Ann Arbor, MI 48104

All proposals received on or before the due date will be publicly opened and recorded on the due date. No immediate decisions will be rendered.

Hand delivered bids may be dropped off at the Ann Arbor Housing Commission offices at 2000 S. Industrial Hwy, Ann Arbor MI 48104 The City will not be liable to any prospective offeror for any unforeseen circumstances, delivery, or postal delays. Postmarking on the due date will not substitute for receipt of the proposal. Offerors are responsible for submission of their proposal. Additional time will not be granted to a single prospective

offeror. However, additional time may be granted to all prospective offerors at the discretion of the City.

**A proposal may be disqualified if the following required forms are not included with the proposal:**

- **Attachment C - City of Ann Arbor Non-Discrimination Declaration of Compliance**
- **Attachment D - City of Ann Arbor Living Wage Declaration of Compliance**
- **Attachment E - Vendor Conflict of Interest Disclosure Form of the RFP Document**

***Proposals that fail to provide these forms listed above upon proposal opening may be deemed non-responsive and may not be considered for award.***

***Please provide the forms outlined above (Attachments C, D and E) within your narrative proposal, not within the separately sealed Fee Proposal envelope.***

***All proposed fees, cost or compensation for the services requested herein should be provided in the separately sealed Fee Proposal envelope only.***

## **G. DISCLOSURES**

Under the Freedom of Information Act (Public Act 442), the City/AAHC is obligated to permit review of its files, if requested by others. All information in a proposal is subject to disclosure under this provision. This act also provides for a complete disclosure of contracts and attachments thereto.

## **H. TYPE OF CONTRACT**

A sample of the Professional Services Agreement is included as Appendix A. Those who wish to submit a proposal to the City/AAHC are required to review this sample agreement carefully.

The City/AAHC reserves the right to award the total proposal, to reject any or all proposals in whole or in part, and to waive any informality or technical defects if, in the City/AAHC's sole judgment, the best interests of the City/AAHC will be so served.

This RFP and the selected offeror's response thereto, shall constitute the basis of the scope of services in the contract by reference.

## **I. NONDISCRIMINATION**

All offerors proposing to do business with the City/AAHC shall satisfy the contract compliance administrative policy adopted by the City Administrator in accordance with the Section 9:158 of the Ann Arbor City Code. Breach of the obligation not to

discriminate as outlined in Attachment C shall be a material breach of the contract. Contractors are required to post a copy of Ann Arbor's Non-Discrimination Ordinance attached at all work locations where its employees provide services under a contract with the City/AAHC.

#### **J. WAGE REQUIREMENTS**

The Attachments provided herein outline the requirements for payment of prevailing wages or of a "living wage" to employees providing service to the City/AAHC under this contract. The successful offeror must comply with all applicable requirements and provide documentary proof of compliance when requested.

#### **K. CONFLICT OF INTEREST DISCLOSURE**

The City of Ann Arbor Purchasing Policy requires that the consultant complete a Conflict of Interest Disclosure form. A contract may not be awarded to the selected offeror unless and until the Procurement Unit and the City Administrator have reviewed the Disclosure form and determined that no conflict exists under applicable federal, state, or local law or administrative regulation. Not every relationship or situation disclosed on the Disclosure Form may be a disqualifying conflict. Depending on applicable law and regulations, some contracts may awarded on the recommendation of the City Administrator after full disclosure, where such action is allowed by law, if demonstrated competitive pricing exists and/or it is determined the award is in the best interest of the City/AAHC. A copy of the Conflict of Interest Disclosure Form is attached.

#### **L. COST LIABILITY**

The City of Ann Arbor & AAHC assumes no responsibility or liability for costs incurred by the offeror prior to the execution of a Professional Services Agreement. The liability of the City/AAHC is limited to the terms and conditions outlined in the Agreement. By submitting a proposal, offeror agrees to bear all costs incurred or related to the preparation, submission, and selection process for the proposal.

#### **M. DEBARMENT**

Submission of a proposal in response to this RFP is certification that the Respondent is not currently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal departments or agency. Submission is also agreement that the City/AAHC will be notified of any changes in this status.

#### **N. PROPOSAL PROTEST**

All proposal protests must be in writing and filed with the Purchasing Manager via e-mail to [cspencer@a2gov.org](mailto:cspencer@a2gov.org) within five (5) business days to the notice of the award

action. The offeror must clearly state the reasons for the protest. If an offeror contacts a City Service Area/Unit and indicates a desire to protest an award, the Service Area/Unit shall refer the offeror to the Purchasing Manager. The Purchasing Manager will provide the offeror with the appropriate instructions for filing the protest. The protest shall be reviewed by the City Administrator or designee, whose decision shall be final.

Any inquiries or requests regarding this procurement should be only submitted in writing to the Designated City Contacts provided herein. Attempts by the offeror to initiate contact with anyone other than the Designated City Contacts provided herein that the offeror believes can influence the procurement decision, e.g., Elected Officials, City Administrator, Selection Committee Members, Appointed Committee Members, etc., may lead to immediate elimination from further consideration.

## **O. SCHEDULE**

The proposals submitted should define an appropriate schedule in accordance with the requirements of the Proposed Work Plan in Section III.

The following is the schedule for this RFP process.

<b>Activity/Event</b>	<b>Anticipated Date</b>
Written Question Deadline	November 16, 2021, 10:00 a.m.
Addenda Published (if needed)	Week of November 22, 2021
Proposal Due Date	December 1, 2021, 2:00 p.m.
Tentative Interviews (if needed)	(EST) Week of January 3, 2022
Selection/Negotiations	February 2022
Expected AAHC Authorizations	March 16, 2022

The above schedule is for information purposes only and is subject to change at the AAHC's discretion.

## **P. IRS FORM W-9**

The selected offeror will be required to provide the AAHC an IRS form W-9.

## **Q. RESERVATION OF RIGHTS**

1. The City/AAHC reserves the right in its sole and absolute discretion to accept or reject any or all proposals, or alternative proposals, in whole or in part, with or without cause.
2. The City/AAHC reserves the right to waive, or not waive, informalities or irregularities in of any proposal if determined by the City/AAHC to be in its best interest.
3. The City/AAHC reserves the right to request additional information from any or all offerors.



4. The City/AAHC reserves the right to reject any proposal that it determines to be unresponsive and deficient in any of the information requested within RFP.
5. The City/AAHC reserves the right to determine whether the scope of the project will be entirely as described in the RFP, a portion of the scope, or a revised scope be implemented.
6. The City/AAHC reserves the right to select one or more consultants to perform services.
7. The City/AAHC reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted.
8. The City/AAHC reserves the right to disqualify proposals that fail to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents outlined within RFP.

## **R. ENVIRONMENTAL COMMITMENT**

The City of Ann Arbor recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a vibrant community and economy. The City/AAHC further recognizes that the products and services the City/AAHC buys have inherent environmental and economic impacts and that the City/AAHC should make procurement decisions that embody, promote, and encourage the City/AAHC's commitment to the environment.

The City/AAHC encourages potential vendors to bring forward emerging and progressive products and services that are best suited to the City/AAHC's environmental principles.

## **SECTION II - SCOPE OF SERVICES**

### **BACKGROUND**

#### **Neighborhood History**

For most of the twentieth century, the area surrounding 121 E Catherine was a predominately Black neighborhood centered around several Black-owned businesses at Ann St and North Fourth Ave. The Kayser Block building, just south of the site, was home to the Colored Welfare League, which housed Black-owned businesses and community organizations such as the early Dunbar Community Center.

In 1959, an Urban Renewal Plan that would have built a highway by-pass through the neighborhood was narrowly avoided due to resistance from the local community and a veto from the Mayor (the area also escaped plans for a Packard-Beakes Highway Bypass in 1972), but ultimately the “old neighborhood” would be shaped by the civil rights and fair housing policies of the 1960s and 70s, the desegregation of the Ann Arbor Public Schools in the 1970s, and issues of parking. In 1980, the predominantly Black Second Baptist Church moved to a new location on the West side to better accommodate its ever growing 700-member congregation. New investment in the late twentieth century sparked the growth of an eclectic commercial district and brought with it the double-edged sword of revitalization and gentrification.

The history of 353 S. Main, located just five blocks south of 121 E Catherine, has been defined by its location within the Downtown Core District and Main Street Character Overlay District. Today the site remains an important gateway to Downtown Ann Arbor’s Main Street District.

#### **2019 Affordable Housing Feasibility Study for Downtown City-Owned Properties and the 2020-2021 Community Engagement Process**

In 2019, City Council Resolution R-19-138 directed the City Administrator to collaborate with AAHC to provide coordinated analysis on the feasibility of City-owned properties as potential locations for affordable housing. 121 E Catherine Street and 353 S Main were two of eleven (11) sites included in the final 2019 Feasibility Study, and both went on to be included in the City’s 2020-2021 Housing + Affordability Community Engagement Process facilitated by AAHC in collaboration with SmithGroup (the “Community Engagement Process”).

The three-month Community Engagement Process included 16 stakeholder meetings (including stakeholder conversations with UofM Design Justice Corps, Second Baptist Church, AAHC board and the Housing and Human Services Advisory Board), 3 Live Virtual Engagement Sessions, 6,000 mailers, and a Mobile Friendly Online survey which received over 650 responses. The engagement process succeeded in achieving a diverse engagement group, including renters, residents under 35, and local residents who can't afford average rents in Downtown Ann Arbor.

The Community Engagement Process concluded in April 2021 with a presentation of 2020-2021 Community Engagement Recommendations to City Council (the "Recommendations"), including development objectives for 121 E Catherine Street and 353 S Main. Both sites have received formal designation to be developed as affordable housing by AAHC. Concept plans for each site were developed over the course of The Community Engagement Process and are outlined in this RFQ and the 2020-2021 Community Engagement Recommendations.

## **SITE DETAILS**

### **121 E Catherine**

121 E Catherine is approximately 16,500 square feet located on the northwest corner of 4th and Catherine in Ann Arbor (the "Site"). The proposed development of the site includes 5-6 story building with some parking preserved on the site.

The Site is adjacent to the Old Fourth Ward and Ann/Fourth Historic Districts. Key adjacent uses include the Ann Arbor Farmers Market, Kerrytown Shops, Community High School, and Washtenaw County municipal buildings. Immediately to the north is Braun Ct. The county owns the surface parking lot to the south of the site.



*Aerial context map*

Today 121 E Catherine Street hosts approximately 50 surface parking spaces managed by the DDA as the Fourth & Catherine Parking Lot - a paid lot serving neighborhood businesses. The Site is also used seasonally for public events. Additional public parking is provided on-street and in the Ann Ashley Structure two blocks to the west. There are approximately 5,250 off-street and 600 on-street parking spaces within a 1/4 mile of the Site.



*Fourth & Catherine Parking Lot*

## 353 S Main

353 S Main is approximately 7,000 square feet, located on the northeast corner of Main and William. Key adjacent uses include Main Street and Liberty Street businesses and the William Street bike lane. As of September 2020, demolition started on the DTE Edison building immediately south of the site to develop a luxury apartment building marketed to students. The proposed development for 353 S. Main includes a 6-10-story building.



*Aerial context map*

Today the site is a surface parking lot managed by the DDA as a paid parking lot, and sometimes used for seasonal public events. The lot contains approximately 25 parking spaces. Additional public parking is provided on-street and in the 4th and Washington Structure immediately adjacent to the site. There are approximately 2,750 off-street and 450 on-street parking spaces within a 1/4 mile of the site.



*Photo of the “Palio” parking lot at 353 S. Main Street*

## **PROJECT GOALS**

### **121 E Catherine**

Following the findings of the 2019 Feasibility Study, the City included the following development objectives for consideration in the Community Engagement Process:

- Maximize affordable housing units for 60% Area Median Income (AMI) households on site
- Maximize market rate residential
- Develop a mix of housing unit types and prices
- Activate the ground floor for public benefit
- Provide parking on site
- Maintain some City ownership/control

Public comment and survey results in the Community Engagement Process showed top community priorities to be 1) maximize affordable housing units for 60% AMI households on the site, and 2) activate the ground floor for public benefit. When asked what objectives are NOT needed participants said: parking (82 responses), and maximum market rate residential units (46 responses).

Item	Overall Rank	Rank Distribution	Score
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,666
Activate the ground floor for public benefit	2		1,359
Develop a mix of housing unit types and prices	3		1,189
Maintain some city ownership/control	4		1,040
Provide parking on site	5		997
Maximize market rate residential	6		694

Lowest      Highest

*Screenshot of Community Engagement Process Online Survey Results (121 E Catherine)*

The Community Engagement Recommendations call for a 5-6 story, 100% affordable building with activation along 4th Avenue and some parking on site. Encourage sustainable, high-quality design and acknowledgment of the neighborhood’s history as a Black business district:

- Maximize the number of affordable units
- Activate the ground floor with complimentary uses and potential adaptability to future ground floor uses
- Emphasize community driven functions that compliment (not compete with) Kerrytown shops. The district would benefit from a parking strategy to alleviate the parking needs during construction and peak market times
- Ensure safe multi-modal access/egress from the site
- Building design should complement the neighborhood and be an asset to the area
- Include a publicly accessible artistic/cultural/design element developed in partnership with the Black community to recognize and reflect the history of Black enterprise in the neighborhood and funded with public and/or grant funds.
- Support for active ground-floor uses on one or both of the Site’s street frontages

### **353 S Main Street**

Following the findings of the 2019 Feasibility Study, the City included the following development objectives for consideration in the Community Engagement Process:

- Maximize affordable housing units for 60%AMI households on site

- Maximize market rate residential
- Develop a mix of housing unit types and prices
- Activate the ground floor for public benefit
- Provide parking on site
- Maintain some City ownership/control
- Contribute to Main Street character

Public comment and survey results in the Community Engagement Process showed top community priorities to be 1) maximizing affordable housing units for 60% AMI households on the site, and 2) activating the ground floor for public benefit. When asked what objectives NOT are needed participants said: parking (89 responses), maximum market rate residential (35 responses), and contribution to Main Street Character (20 responses).

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Maximize affordable housing units for 60% Area Median Income (AMI) households on site	1		1,474	256
Activate the ground floor for public benefit	2		1,294	256
Contribute to Main Street character	3		1,092	251
Develop a mix of housing unit types and prices	4		1,071	245
Maintain some city ownership/control	5		936	238
Provide parking on site	6		679	234
Maximize market rate residential	7		624	232

Lowest      Highest

*Screenshot of Community Engagement Process Online Survey Results (353 S. Main)*

The Community Engagement Recommendations call for a 50-90 unit development that is up to 900% FAR, up to 10 stories in height, with ground floor activation along Main Street and a residential lobby off William Street. Sustainable, high-quality design and no parking on site are encouraged:

- Maximize the number of affordable units
- Activate the ground floor with retail or community space
- Design that supports location as a gateway to downtown
- No parking on-site
- Improve pedestrian/wheelchair/bicycle access and amenities



## City of Ann Arbor [Sustainability Goals](#)

Affordable housing development at 121 E Catherine and 353 S Main will fall under the City's sustainability target of affordable units being in fully electric buildings that achieve Net Zero Energy by 2030. As such, AAHC has the following project goals and requirements related to sustainability:

- Target EUI for each building type in line with 2030 Zero-Carbon goals
- Meet IECC 2021 code, inclusive of the Zero Code Appendix
- The buildings will meet or exceed EGS, NGBS or an equivalent national green building standard

### ZONING & TYPE OF DEVELOPMENT

#### 121 E Catherine

The site is currently zoned within the Downtown Interface District (D2) which allows a building height of 60 feet and 400% Floor Area Ratio (FAR) with an affordable housing premium. No on-site parking is required for the project per zoning.

AAHC's development concept plan for the Site assumes a 100% affordable program with Type V construction over a Type I podium and a minimum of 24 surface-parking spaces on the ground floor. The site benefits from alley access to the West (the "Alley"), with all scenarios assuming loading and service is provided off the Alley.

AAHC's development concept plan for the Site assumes 100% affordable program with Construction Type designations consistent with the Michigan Building Code and a minimum of 24 surface-parking spaces on the ground floor. The site benefits from alley access to the West (the "Alley"), with all scenarios assuming loading and service is provided off the Alley.

#### 353 S Main

The site is currently zoned within the Downtown Core District (D1). D1 zoning allows for a Floor Area Ratio (FAR) of 900% with affordable housing premiums. D1 has a height maximum of 180 feet, but due to the size of the parcel, the maximum FAR is reached before the building approaches the 180-foot height limit. The site is also subject to secondary street frontage requirements and Main Street Character Overlay District. Zoning requires one parking space per 1,000 SF of non-affordable units above the normal maximum FAR. No on-site parking is required for the first 400% FAR per zoning. Per zoning, parking is only required for any non-affordable square footage between the 400% and 900% delta.

AAHC's maximum development concept plan for the Site assumes a 100% affordable program with Type I construction and no on-site parking. Loading

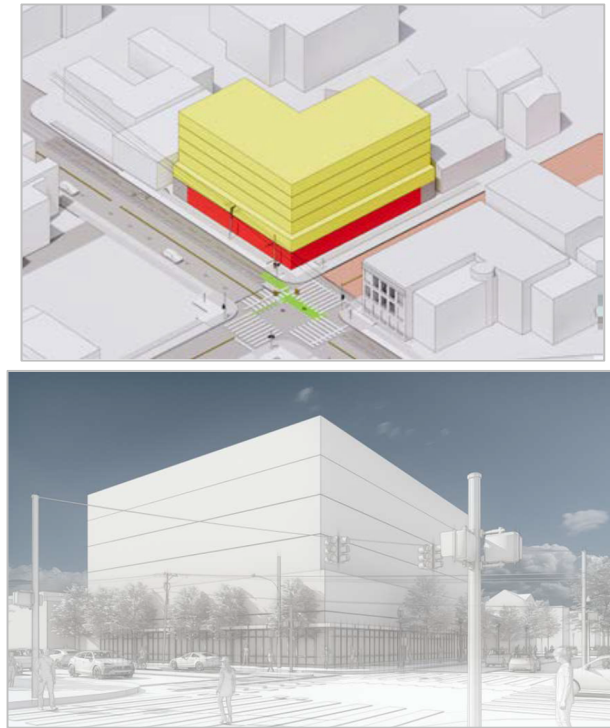
and building service is provided off the adjacent alley.

AAHC's maximum development concept plan (900% FAR) for the Site assumes a 100% affordable program with no parking. Construction Type designations must be consistent with the Michigan Building Code. Loading and building services will be provided from the alley.

## SITE PLAN AND MASSING

### 121 E Catherine

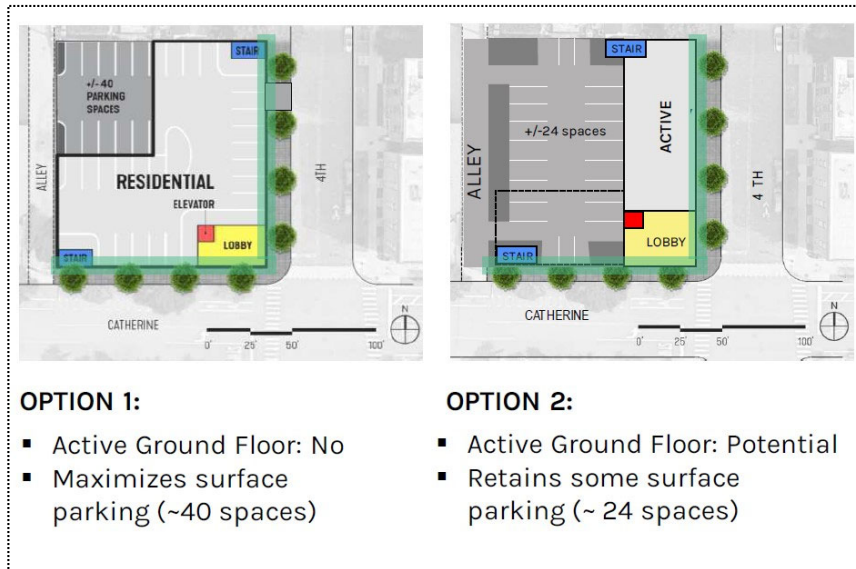
The Community Engagement Recommendations concept plan proposes the development of a 5-6 story L-shaped building with step-back from Braun Court (2-story street-wall). The concept plan utilizes the site's full as-of-right FAR (up to 400% with affordable housing premium). Total building height includes rooftop mechanicals (not visible from street level), slightly exceeding the max zoning height of 60 feet in some scenarios.



*Massing views from AAHC's 2020-2021 Community Engagement Recommendation Presentation*

The 2019 Feasibility Study and the 2020-2021 Community Engagement Processes both dedicated extensive resources to the evaluation of various ground-level site plan layouts, balancing needs for on-site parking, cost-savings,

circulation, and active street-level uses.

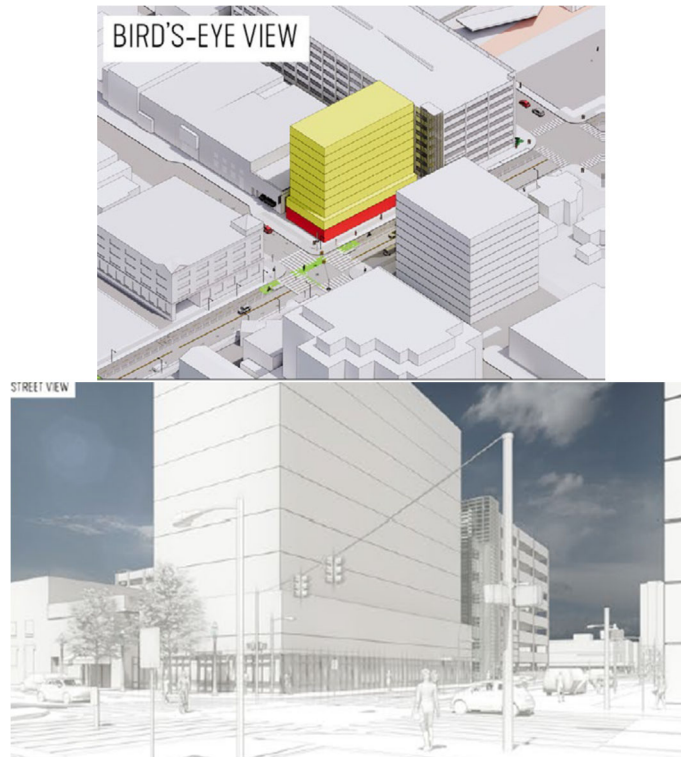


*Screenshot from Community Engagement Process Presentation*

The proposed development concept plan assumes a residential lobby at the corner of 4th and Catherine to anchor the street wall, with the remainder of the site balancing surface parking and active ground-floor space. In evaluating “Option 1” and “Option 2” above, the Community Engagement Process discussed a phased strategy in which the ground floor could be designed with flexibility to accommodate surface parking in the near-term and leasable space in the future or other community space.

### **353 S Main**

The Community Engagement Recommendations propose the development of up to 10 stories at 353 S Main, with a 2-story street-wall, utilizing the site’s full as-of-right zoning (up to 900% FAR with affordable housing premium). The building height in the concept plan is significantly lower than the site’s maximum height limit of 180 feet.



*Massing views from AAHC's 2020-2021 Community Engagement Recommendation Presentation*

The proposed development concept plan assumes full lot coverage and no on-site parking. The residential lobby is located off William and the remainder of the ground floor is activated with residential amenities (including bike parking) and leased commercial or building community space. Loading and service is located on the adjacent alley, and the corner of Main and William is designed for improved safety and pedestrian access.

Other design guidelines considered in the Community Engagement Process, and a full record of community feedback for both sites can be found in the [2020-2021 Community Engagement Recommendations](#).

### **UNIT TYPE AND AFFORDABILITY**

Concept plans for both sites assume ownership remains with the City or the Ann Arbor Housing Commission, both public entities, with reduced ground lease payments to support additional affordability. Both concept plans provide for a variety of unit types including studio, 1-bedroom, and 2-bedroom units.

**121 E Catherine**

The development concept plan for 121 E Catherine assumes 100% affordable units. The site scores competitively for 9% LIHTC financing and is small enough that it will not need significant local funding. The concept plan holds approximately 60 - 85 housing units, with 100% of units being affordable to those making up to an average of 60% AMI or less in accordance with the Michigan LIHTC Qualified Allocation Plan. It is also assumed that there will be a range of affordability including supportive housing units at or below 30% AMI with tenant services.

**353 S Main**

The development concept plan for 353 S Main assumes a 100% affordable program of approximately 60 – 90 units. The site scores competitively for 9% LIHTC financing and is small enough that it will not need significant local funding. The concept plan assumes that the units are affordable to those making up to an average of 60% AMI or less in accordance with the Michigan LIHTC Qualified Allocation Plan. It is also assumed that there will be a range of affordability including supportive housing units at or below 30% AMI.

**A PARTIAL LIST OF POTENTIAL LIABILITIES, FUNDING SOURCES AND FINANCING PROGRAMS**

AAHC, the City of Ann Arbor and the DDA are committed to supporting long-term and permanent affordability, supportive housing tenant services, and housing units at or below 30% AMI at the Site. Below is a partial list of funding sources which can be incorporated into development proposals. Respondents are encouraged to propose additional sources of funds and programs that will assist the Project in achieving the stated goals and achieve feasibility in development and operations. Below is a list of secured local resources and potential local resources that can be requested through an application process.

City of Ann Arbor Affordable Housing Millage Funds	\$1,200,000 Catherine
	\$1,273,755 S. Main
Downtown Development Authority Housing Fund	To be Determined
DDA Infrastructure Funding	\$2,100,000 Catherine
Project Based Vouchers (Administered by the AAHC)	Specific Unit Counts TBD

Local Brownfield Revolving Fund	To be Determined
Brownfield Assessment Fund	To be Determined
HOME Federal Grants	To be Determined
CDBG Demo and Infrastructure Federal Grants	To be Determined
AAHC Revenue Bond Financing	To be Determined
60% AMI Unit PILOT	\$1/unit/year
Senior PILOT	4% of contract rents
Zoning Fee Waivers	50% of fees waived

### **OWNERSHIP, PARTNERSHIP STRUCTURES AND FEE SCHEDULES**

It is assumed that the Site will remain publicly owned by the City of Ann Arbor or conveyed to the AAHC, and ground-leased to the development limited partnership via a long-term ground lease. It is anticipated that the development limited partnership’s managing member general partner will include 1) a newly created legal entity, of which AAHC will be a sole member, and 2) a temporary general partnership between the AAHC’s affiliated legal entity and the Co-developer that will remain part of the managing member through development and tax credit compliance (“Co-development General Partnership”). A development agreement executed between the AAHC’s affiliated legal entity and the Co-developer is assumed. An alternate partnership structure could include the Co-developer in the managing member general partnership on an on-going basis or other structure.

Respondents must propose terms of the partnership structure and fee schedule which outlines the roles and responsibilities of the development team. Partnership structure proposals should include the percentage of ownership for the respondent, the AAHC and any other parties proposed to participate in the development and ownership, if applicable.

It should be assumed that AAHC or affiliated entity will receive a share of the

developer fee and cash flows as appropriate in consideration of its contributions to the development of the Project and its contribution of the land for development.

## **PROJECT TEAM ROLES**

This section outlines the anticipated roles of the Co-developer, the AAHC and its affiliated legal entity, and SmithGroup consultants.

### **ANN ARBOR HOUSING COMMISSION'S ROLE (AND ITS AFFILIATED LEGAL ENTITY)**

Responsibilities of AAHC, as sole member of its affiliated legal entity, will include but are not limited to the following:

- Engage the selected Co-developer in the overall development process including decisions impacting the development and management of the Project
  - Participate in the overall development process including making decisions impacting the development and management of the Project
  - Approval of Architect, Engineer/s and General Contractor
- Lead some municipal project approvals, including approval to transfer ownership of property, ground lease, and approval of the payment-in-lieu-of-taxes (PILOT) from the City of Ann Arbor, if necessary
- Assist with public relations between the development and the community
- Assist design, construction, and quality control of the development
  - Work closely with the Co-developer, City, and DDA on the building design, materials and finishes
  - Assist with compliance with Section 504 of the Rehabilitation Act, as amended, and the rules and regulations there under, with regard to provision of accessible housing
- Assist in securing public resources
  - Lead in securing a portion of pre-development funds for market study, appraisals, design and other pre-development and pre-entitlement activities
  - Where possible, assist with interaction amongst public funding agencies including, but not limited to, HUD, MSHDA, FHA, the City of Ann Arbor and Washtenaw County

- Assist in applying for local/state/federal funding to help support the development financing
  - o Work with Co-developer to apply for Low Income Housing Tax Credits, New Markets Tax Credits, bond financing or other resources, if appropriate
- Lead in securing project-based vouchers, if needed
- Facilitate funding and coordination of community and tenant supportive services
- Maintain ownership or co-ownership control of all properties
- Establish a financial structure that allows it to participate in a stream of income from the development, including developer fee cash flow and incentive management fees
- Provide historical operating costs to develop detailed operating budgets showing at least 15-year projections
- Assist with Section 3 and Davis-Bacon compliance, as needed
- Lead leasing activities and manage waitlists
- Limited guarantees to be negotiated with the selected Co-developer and various lenders and syndicators, such as guarantees related to the lease-up of the project, tax credit basis adjustments, tax credit recapture events, operating deficit guarantee, environmental indemnities and payment of any deferred development fee
- Property Management

### **THE CO-DEVELOPER'S ROLE**

Responsibilities of the selected Co-developer(s) will include, but are not limited to, the following:

- Undertake pre-development activities and due diligence
- Hire 3<sup>rd</sup> party professional services including environmental, architectural, engineering, marketing, accounting, and legal, as needed under the advisement of AAHC and SmithGroup
- Hire and oversee general contractor and all trades
- Develop architectural plans and construction documents and specifications consistent with local lender or other guidelines, and obtain local approvals and permits
- Obtain all permits, approvals, and environmental clearances
- Develop and manage a project budget
- Develop and manage an implementation schedule and oversee construction
- Develop a project operating pro-forma showing at least 15-year projections
- Assist in obtaining financing and coordinating local resources



- Provide all required guarantees which exceed those which can be provided by the AAHC because of its nonprofit & governmental status
- Provide all necessary financial guarantees and assurances to the lenders and investors, including but not limited to: tax credit timing adjustments, payment of excess development costs, construction completion obligations, completion date, cost certification and environmental indemnities
- Determine a general management structure and prepare a management plan with the AAHC as the property manager for the property
- Coordinate and lead Low Income Housing Tax Credit application to MSHDA, Federal Home Loan Bank, and other applications, as needed
- Assist with developing training and employment opportunities to Section 3 individuals.
- Solicit participation by MBE, WBE, and Section 3 firms
- Ensure compliance with Davis-Bacon, if required
- Provide regular monthly reports on the progress of development efforts, including work completed, associated costs, and schedule
- Oversee monthly draws and coordinate draws with title company and all funders
- Assist AAHC staff in developing capacity in the development and mixed-finance arenas
- Oversee asset management functions as required through lease-up and conversion to permanent financing
- Lead hiring of auditor for audits, tax returns and Cost Certification
- Submit 8609 to MSHDA

### **THE SMITHGROUP'S ROLE**

Please see Attachment A for SmithGroup's Scope and a further explanation of the role.

- Assistance with Co-developer selection and pre-entitlement
- Coordinate with selected Co-developer(s)
- Develop basis of design with Co-developer and AAHC
- Support the identification, selection, and coordination with design-builder & Co-developer
- Represent AAHC's interests in the development of project-related review and documentation
- If mutually agreed upon, SmithGroup may enter into an agreement with the AAHC and the Co-developer to provide bridging documents. Additionally, SmithGroup may enter into an

agreement with the Co-developer to provide construction documents, and construction contract administration services if the Project is delivered via design-bid-build.

- SmithGroup may not participate in co-developer ranking and selection to avoid any potential conflict of interest.

## **SECTION III - MINIMUM INFORMATION REQUIRED**

### **PROPOSAL FORMAT**

Offerors should organize Proposals into the following Sections:

- A. Development Introduction
- B. Professional Qualifications
- C. Financing and Affordability
- D. Community Development and Tenant Services
- E. Design and Performance
- F. Attachments
- G. Fee Proposal (include in a separate sealed envelope clearly marked "Fee Proposal")

The Development Team will be selected through a competitive and transparent selection process. The applicant can submit a response for one or both sites. If the applicant chooses to submit a response for both sites, then the applicant can submit one response but needs to distinguish within the response when there is a difference between the sites. Submissions must contain each Tab and supporting documents; submissions that are not complete or do not conform to the requirements of this Request will be eliminated from further consideration, unless AAHC permits the Respondent to correct the omission or provide further information through a Request for Information (RFI).

The following describes the elements that should be included in each of the proposal sections and the weighted point system that will be used for evaluation of the proposals.

#### **DEVELOPMENT INTRODUCTION – 0 points**

1. Completeness Checklist (Form 1)
2. Respondent's Cover Letter, printed on Respondent's letterhead and signed by an authorized representative. Each person signing the cover letter certifies that they are a person in the offeror's firm/organization responsible for the decision regarding the elements being offered in the Proposal and has not and will not participate in any action contrary to the terms of this provision. Indicate which site/s the respondent is applying for.
3. List 3 references including at least 1 municipal reference and 1 financial institution
4. Project Narrative / Development Summary – (1-2 pages)
  - a. Project Narrative must introduce and provide an overview of the submission, including the sites included in the project, elements that distinguish the proposed project, the

qualifications of the respondent and the development team.

- b. The Project Summary must provide a synopsis of the submission's major elements.
- c. The Project Narrative and Project Summary must be concise and introduce all aspects of the Submission.

#### A. Professional Qualifications – 30 points

##### 1. Co-developer Respondent Description

- a. A listing of all critical team members, organizational Structure, chart or diagram of existing legal structure of partnership or joint venture, including percentages of ownership and investment, with a brief description of the type of entity or joint venture and the roles and responsibilities of each party. Name the project lead/s who will be the primary staff interacting with the AAHC.

##### 2. Development Team Experience and Capacity - brief narrative describing the roles of each entity of the Development Team during construction and throughout the life of the Project. [developer, architect, engineer/s, general contractor, attorney]

- a. Experience that makes the development team uniquely suited to develop the site utilizing efficient construction methods.
- b. Experience developing projects of similar size, scale and program in the State of Michigan.
- c. Experience in property management.
- d. Experience with community/economic development, such as investments in community programs or services, grants, subsidy programs and interactions with governmental agencies.
- e. Previous experience and most recent developments, lender relationships and completed developments.
- f. Respondents should indicate successful LIHTC or other funding or financing that was awarded on a competitive basis within the past 7 years, if applicable.
- g. Experience with Permanent Supportive Housing and Tenant Services for Homeless and Special Needs households

##### 3. Development Plan listing and scheduling industry standard

activities, including, at a minimum:

- a. Plan for Community Engagement through site plan approval and construction
- b. Basic Conceptual Design
- c. High Level Development & Construction Budget Estimate
- d. Plan for Governmental planning approvals and construction/building permits
- e. Proposed Timeline for the development including:
  - i. Site due diligence and preparation
  - ii. Bidding
  - iii. Financing and financial closing/Site disposition
  - iv. Construction commencement, completion, and close-out
  - v. Marketing and lease-up
  - vi. Stabilized Occupancy

4. Partnership Structure

- vii. Outline of the roles and responsibilities of the partnership structure
- viii. Percentage of ownership for the respondent, the AAHC's affiliated entity and any other parties proposed to participate in the development and ownership, if applicable.

B. Financing and Affordability – 20 points

1. Financing Narrative - a formal budget is not required, but respondents must include a financing narrative which includes the following elements in written form.
  - a. Financing Narrative with a description of potential sources and uses. The Financial Narrative must clearly explain the financing structure of the Project, and explicitly identify proposed subsidy/financing programs. The financing narrative should explain the feasibility of obtaining the proposed sources and/or describe the respondents' history of successfully applying for the proposed sources.
  - b. Historical Financing Letters of Interest / Award Letters, as applicable.
  - c. Rents and AMIs - the Financing Narrative must include the

incomes targeted for rent (based on AMIs), including any costs borne by occupants including utilities or additional fees and utilities. In addition to the affordability goals described throughout this Submission, Respondents should list any subsidy programs that are proposed with amounts and conditions, as applicable. The AAHC expects the project to include some deeply affordable units as Permanent Supportive Housing with the average AMI not exceeding 60% AMI.

- d. Tax Exemption Programs - submissions must indicate which tax exemption program(s) the Project plans to utilize, if any.
- e. The Co-developer is encouraged to propose strategies for extended and permanent affordability. Submissions must explain any future financial and other resources needed from the governmental agencies to extend affordability beyond any regulatory period and indicate how the Submission budgets for future capital needs.
- f. Ground lease – discuss proposed ground lease terms and structure

### C. Community Development and Tenant Services – 15 points

- 1. Community Space
  - a. Narrative describing a comprehensive perspective of the various components of the development program, particularly the residential spaces, but including any additional aspects of the Project.
- 2. Tenant Services
  - a. Narrative describing the types of on-site & off-site partnerships to provide tenant services and sources of funding for tenant services.
- 3. Community Engagement
  - a. Narrative describing a comprehensive approach to the various components of the Community Engagement Plan related to affordable housing and including the artistic/cultural/design element.

### D. Design and Performance - 25 points

- 1. Design Narrative

- a. Design Narrative that provides a clear and comprehensive description of the design approach and succinctly articulates the design approach to achieving the Project vision and goals including, the ways to achieve a Net Zero ready building.
  - b. The Design Narrative should include a listing of partners or contractors proposed for design and construction.
  - c. The Design Narrative should include proposed first floor use and financing of that use.
  - d. Design drawings are NOT expected or required to be included in this response.
2. Zoning strategy, site planning and building massing
- a. Zoning Analysis and Building Code - how the proposed Project complies with, or requires a variance from, applicable zoning and other legal requirements,
  - b. Site Capacity and Program Evaluation - how the planning and design approach addresses the existing buildings and any significant Site features, and the capacity (opportunities and challenges) of the Site to incorporate the various components of the development program.
  - c. How the Site plan creates safe and active urban residential environments, connects the Site to the surrounding neighborhood, enhances the public and pedestrian realm, and fosters sustainable development.
3. Innovative and efficient construction techniques
- a. Design and Construction - innovative construction methods or any other cost containment concepts to achieve quality design within proposed budget and schedule parameters, and consistent with the development program.
4. Green and Sustainable Design
- a. Affordable housing development at 121 E Catherine and 353 S Main will fall under the City's sustainability target of affordable units being in fully electric buildings that achieve Net Zero Energy by 2030. As such AAHC has the following project goals and requirements related to sustainability:
    - Target EUI for each building type in line with 2030 Zero-Carbon goals
    - Meet IECC 2021 code, inclusive of the Zero Code Appendix

- The building will meet or exceed EGS, NGBS or an equivalent national green building standard.

E. Fee Proposal – 10 points

The Developer Fee shall be submitted in a separate, sealed, envelope as part of the proposal. The respondent should include a fixed developer fee amount and/or the percent of the maximum developer fee allowed by funding source that the respondent is proposing to receive and include the percent of the developer fee the AAHC will receive in consideration of its contributions to the development of the project and its contribution of the land for development. Include the schedule and terms by which the developer fee will flow to the respondent and the AAHC. The respondent should include the proposed fees for the other team members (i.e. if the team includes an architect, engineer/s, and/or general contractor).

F. Attachments

Legal Status of Offeror, Conflict of Interest Form, Living Wage Compliance Form, and the Non-Discrimination Form should be returned with the proposal. These elements should be included as attachments to the proposal submission.

**PROPOSAL EVALUATION**

**SCORING**

Submissions that meet all requirements will be comprehensively evaluated and rated according to the scoring criteria below. A proposal will be scored on how strongly it meets the submission requirements.

<b>CRITERIA</b>		<b>SCORING (100)</b>	
A. Professional Qualifications	Development Team Experience and Capacity	15	30
	Development Plan	5	
	Development Narrative	5	
	Partnership Structure	5	



B. Financing and Affordability	Ability to Finance and Innovation in Funding Sources	15	25
	Feasibility of Submission	10	
C. Community Development & Tenant Services	Community Space	5	15
	Tenant Services	5	
	Community Engagement	5	
D. Design and Performance	Design Narrative	5	20
	Zoning, Site Plan and Building	5	
	Innovative and efficient construction techniques	5	
	Green and sustainable design sustainability	5	
<b>E. FEE SCHEDULE</b>	<b>DEVELOPER FEE &amp; IF APPLICABLE, ARCHITECT, ENGINEER/S, GENERAL CONTRACTOR</b>	<b>10</b>	<b>10</b>

1. The selection committee will evaluate each proposal by the above-described criteria and point system (A through D) to select a short-list of firms for further consideration. The City/AAHC 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 proposing firm to be a candidate for an interview. The committee may contact references to verify material submitted by the offerors.

2. The committee then will schedule interviews with the selected firms if necessary. The selected firms will be given the opportunity to discuss in more detail their qualifications, past experience, proposed work plan and fee proposal.
3. The interview must include the project team members expected to complete a majority of work on the project, but no more than six members total. The interview shall consist of a presentation of up to thirty minutes (or the length provided by the committee) by the offeror, including the person who will be the project manager on this contract, followed by approximately thirty minutes of questions and answers. Audiovisual aids may be used during the oral interviews. The committee may record the oral interviews.
4. The firms interviewed will then be re-evaluated by the above criteria (A through E), and adjustments to scoring will be made as appropriate. After evaluation of the proposals, further negotiation with the selected firm may be pursued leading to the award of a contract by the AAHC, if suitable proposals are received.

The AAHC reserves the right to waive the interview process and evaluate the offerors based on their proposals and fee schedules alone and open fee schedules before or prior to interviews.

The AAHC will determine whether the final scope of the project to be negotiated will be entirely as described in this RFP, a portion of the scope, or a revised scope.

Work to be done under this contract is generally described through the detailed specifications and must be completed fully in accordance with the contract documents.

Any proposal that does not conform fully to these instructions may be rejected.

## **PREPARATION OF PROPOSALS**

Proposals should have no plastic bindings but will not be rejected as non-responsive for being bound. Staples or binder clips are acceptable. Proposals should be printed double sided on recycled paper. Proposals should not be more than 30 sheets (60 sides), not including required attachments and resumes.

Each person signing the proposal certifies that they are a person in the offeror's firm/organization responsible for the decisions regarding the fees being offered in the Proposal and has not and will not participate in any action contrary to the terms of this provision.

## **ADDENDA**

If it becomes necessary to revise any part of the RFP, notice of the addendum will be posted to Michigan Inter-governmental Trade Network (MITN) [www.mitn.info](http://www.mitn.info) and/or the City of Ann Arbor web site [www.A2gov.org](http://www.A2gov.org) for all parties to download.

Each offeror must acknowledge in its proposal all addenda it has received. The failure of an offeror to receive or acknowledge receipt of any addenda shall not relieve the offeror of the responsibility for complying with the terms thereof. The City will not be bound by oral responses to inquiries or written responses other than official written addenda.

## **SECTION IV - ATTACHMENTS**

FORM 1 – Proposal Completeness Checklist

Attachment A – SmithGroup Scope of Work Agreement with AAHC

Attachment B - Legal Status of Offeror

Attachment C – Non-Discrimination Ordinance Declaration of Compliance Form

Attachment D – Living Wage Declaration of Compliance Form

Attachment E – Vendor Conflict of Interest Disclosure Form

Attachment F – Non-Discrimination Ordinance Poster

Attachment G – Living Wage Ordinance Poster

Appendix A – SAMPLE Professional Service Agreement

FORM 1	CONTENTS	YES	NO
<b>TAB A</b>	<b>DEVELOPMENT INTRODUCTION</b>		
	Form 1 – Completeness Checklist		
	Respondent’s Cover Letter		
	Project Narrative / Development Summary		
	List 3 references including at least 1 municipal reference, and 1 financial institution		
<b>TAB B</b>	<b>PROFESSIONAL EXPERIENCE</b>		
	Co-developer Respondent Description		
	Development Team Experience and Capacity		
	Development Plan		
	Partnership Structure		
<b>TAB C</b>	<b>FINANCING AND AFFORDABILITY</b>		
	Financing Narrative		
<b>TAB D</b>	<b>COMMUNITY DEVELOPMENT &amp; TENANT SERVICES</b>		
	Community Space		
	Tenant Services		
	Community Engagement		
<b>TAB E</b>	<b>DESIGN AND PERFORMANCE</b>		
	Design Narrative		
	Zoning Strategy, Site Planning, and Building Massing		
	Innovation in Construction, Efficiency, and Sustainability		
	Green and Sustainable Design		
<b>TAB F</b>	<b>ATTACHMENTS</b>		
	Attachment B - Legal Status of Offeror		
	Attachment C – Non-Discrimination Ordinance Declaration of Compliance Form		
	Attachment D – Living Wage Declaration of Compliance Form		
	Attachment E – Vendor Conflict of Interest Disclosure Form		

## ATTACHMENT A

# SMITHGROUP

May 24, 2021  
(rev May 27, 2021)

Ms. Jennifer Hall, Director  
Ann Arbor Housing Commission



**RE: Affordable Housing Advisory Services**

Dear Ms. Hall:

On behalf of SmithGroup, Inc., ("SmithGroup") We are pleased to submit this proposal to provide professional advisory services to assist the Ann Arbor Housing Commission (AAHC) in developing three sites for affordable housing. The following is our understanding of the services which are to be provided.

## UNDERSTANDING OF THE PROJECT

After advancing a 2+year effort with SmithGroup to lay the groundwork for affordable housing development across seven potential sites within Ann Arbor the AAHC has received City Council approval to develop three sites, including:

- 121 East Catherine (Fourth & Catherine)
- 353 South Main Street (Main & William)
- 350 South Fifth Street (Former Y-Lot)

At this time, AAHC is preparing to release Developer Requests for Proposals (RFPs) for these three sites to fulfill their affordable housing objectives. While the AAHC is working with Marc Norman to complete the RFPs, the AAHC has engaged SmithGroup to provide advisory services that will help to mitigate risk and ensure outcomes that meet the objectives AAHC has developed for each project. The advisory services will include:

- A focus on the Fourth & Catherine property, the Main & William property, and the former Y-Lot property.
- Support to AAHC regarding selection of qualified developers.
- Coordination with the AAHC and the selected developer.
- Development of basis-of-design documentation (specifically for the Fourth & Catherine site and the Main & William site) in coordination with AAHC and the developer to ensure the AAHC's preferred outcomes may be achieved.

The **Fourth & Catherine** site will be considered as a maximum 400% FAR / 5-6 story structure with multifamily residential units above a ground floor that will include a lobby, parking and potential leasable space. The construction type is anticipated to be Type 5 wood framed (over a concrete podium). The total development is anticipated to be nominally between 45,000-5,000 square feet.

The **Main & William** site will be considered as a minimum 550% FAR / 6 story structure and maximum and 900% FAR / 10 story structure with multifamily residential units above a ground floor. Both scenarios will include a lobby and ground floor retail. Parking will be off-site. The total development is anticipated to be nominally between 39,000-65,000 square feet.

The **Former Y-Lot** site will be considered consistent with the current basis-of-design documentation developed for pre-entitlement in concert with the AAHC. No addition design work will be generated, but SmithGroup will provide support regarding developer selection and initial developer coordination.

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Ann Arbor  
Housing Commission

**Affordable Housing Advisory Services**

SmithGroup  
Ann Arbor, Michigan

# SMITHGROUP

## SCOPE OF SERVICES

### PROJECT START-UP

At the outset of the Advisory Services work, SmithGroup will host a start-up work session with AAHC and Marc Norman to confirm:

- Overall project objectives and desired outcomes.
- Project team members and their role.
- Project schedule, including key milestones and deliverables, with an emphasis on AAHC developer solicitation and award, and any key dates linked to funding resources.

#### **Deliverables:**

- Project start-up documentation, including objectives and outcomes, as well team members and roles, and project schedule

### DEVELOPER SELECTION

SmithGroup will:

- Coordinate with the AAHC and Marc Norman to provide design, programming, and performance-based insight regarding necessary developer qualifications regarding Fourth & Catherine, Main & William and the Y-Lot.
- Assist the AAHC in identifying and attracting preferred local and regional developers to receive the RFQ/RFP.
- Participate in the AAHC-led review of developer-submitted qualifications and proposals.

#### **Deliverables:**

- Documented information regarding building and site design, programming, and performance to support the RFQ/RFP generation process for all three sites, as well as:
  - Preferred developers to be considered
  - Written recommendations regarding developer selection

### BASIS-OF-DESIGN

SmithGroup will:

- Coordinate with the AAHC and the selected developer to develop basis-of-design documents for the Fourth & Catherine site and Main & William site to ensure the AAHC's design and performance objectives and outcomes are integrated into the development early on while also incorporating the developer's objectives and outcomes. The basis-of-design will include:
  - Overall buildable area definitions, including general three-dimensional massing and diagrammatic plans.
  - Relevant principles, assumptions and considerations that will inform the overall design, physical form, sustainability, and performance (financial, program, affordability).
  - Incorporation of AAHC design standards and specific design recommendations that reflect the AAHC's preferred outcomes and expectations provided by the public during the previous public engagement process.
  - Program objectives (i.e. affordable unit count, ground floor activation) that meet the objectives of the RFP, including:
    - Net leasable to gross floor area ratios
    - Overall diagrammatic unit types, layout, and organization
    - Tenant amenity spaces
    - Active ground floor retail



# SMITHGROUP

- Parking (auto and bicycle)
- Physical form, characteristics, and performance criteria (including alignment with existing and potential future AAHC design standards and City of Ann Arbor standards):
  - Exterior materials and cladding at the ground floor and across upper floors
    - Total glazed area and glazing systems (including curtain wall, casement, etc.)
    - Depth of façade and façade types (including solar shading devices)
    - Roof structure and material (including preferred high-albedo, EPDM v. White TPO v. Metal, etc.)
    - General signage
    - Pavers, entries, and planters within property line
  - Interior materials and finishes
- Sustainability, including LEED (Leadership in Energy and Environmental Design) standards, AAHC standards, and related energy use intensity (EUI) outcomes, including:
  - Building systems performance objectives and criteria, including
    - Heating and cooling systems, including active and passive
    - Exterior and interior lighting
    - Power distribution systems
    - Telecommunications systems
    - Vertical conveyance
- Conduct two draft review work sessions with the AAHC to review and refine the basis-of-design materials in development. The first work session will be with the AAHC directly and the second will be with the AAHC and the selected developer.
- Incorporate comments and updates from the AAHC and selected developer.
- Develop final deliverables.

## **Deliverables:**

- Documented information regarding the basis-of-design for the building and site design, programming, and performance to support the RFQ/RFP generation process for the Fourth & Catherine site and Main & William sites:
  - Graphic diagrams, three-dimensional illustrations and annotation (in digital PDF):
    - Compliance with relevant zoning, including buildable area massing and site utilization
    - Summary of overall design principles, assumptions and considerations that will:
      - Inform the overall design, sustainability and performance
      - Include AAHC design standards and recommendations
    - Program objectives, including:
      - Overall unit count, and typical unit layout and floor area ranges
      - Other potential floor configurations (alt for Main & William)
      - Net leasable floor area to gross floor area ratios
    - Physical form objectives, characteristics, and performance reflecting:
      - Exterior materials
      - Interior materials and finishes
      - Relationship to existing zoning, design principles and affordable housing requirements
    - Sustainable design standards, including LEED (EUI measurements) and A2 Zero considerations:
      - Building systems performance objectives and criteria

## **ASSUMPTIONS**

- The AAHC is the Client.
- Marc Norman is the economic development consultant advisor to the Client. Marc will develop the developer RFP, assist the AAHC in reviewing developer submissions and coordinate with SmithGroup.

# SMITHGROUP

- SmithGroup is the planning and design consultant to the Client. SmithGroup will develop the basis-of-design documents for the Fourth & Catherine and Main & William sites, while providing insight and coordination with selected developers regarding these sites and the former Y-Lot site.
- The project delivery process for all three sites may be either design-bid-build or design-build.
- SmithGroup may be engaged by one or more developers to provide design and documentation services. SmithGroup may consider such engagements and provide such services if it desires.
- SmithGroup is prepared to play an owner's representative/client representative future role throughout the design, documentation and construction process, should the AAHC deem such services necessary.
- LEED (Leadership in Energy and Environmental Design) standards and standards in line with the city's A2 Zero goals will be used to guide and evaluate sustainable building design and performance. Other methods may be considered in lieu of LEED, or in addition to LEED. If required, SmithGroup will negotiate additional fee for related services.
- Survey will be provided by AAHC.

## USE OF ANY SPECIALIZED EQUIPMENT

SmithGroup may, on occasion, use laser scanning equipment for data gathering purposes. Use of such equipment is for the limited purpose of assisting SmithGroup in processes associated with the delivery of its services and is not a survey or inspection of existing conditions.

## PREPARATION OF DIGITAL DATA

In the event SmithGroup is requested to prepare digital data for transmission to the Owner's consultants, contractors or other Owner authorized recipients ("Digital Data"), the Owner acknowledges that due to the limitations of the digital data software, not all elements of SmithGroup's services may be represented in the Digital Data, this being in the sole discretion of SmithGroup. Accordingly, although SmithGroup will endeavor to represent all material elements of SmithGroup's services in the Digital Data, any use shall not relieve the Owner's consultants, contractors, or other Owner authorized recipients or their respective obligations. The Owner agrees that it will include this provision in any agreements with its consultants, contractors, or other Owner authorized recipients, in which Digital Data is provided.

## SCHEDULE

[REDACTED]

## CONSULTANTS

At this time SmithGroup does not anticipate using any consultants, but should consultant be needed SmithGroup will coordinate with AAHC to confirm scope of services, fee and schedule. No fee allowance for such consultants is presented in this proposal.

## COMPENSATION

The Ann Arbor Housing Commission shall compensate SmithGroup for the scope of services outlined above a fixed lump sum fee of [REDACTED] plus reimbursable cash charges.

## REIMBURSABLE EXPENSES

[REDACTED]

Ann Arbor  
Housing Commission

Affordable Housing Advisory Services

SmithGroup  
Ann Arbor, Michigan

# SMITHGROUP

1. [REDACTED]

## ADDITIONAL SERVICES

Requests for additional services or staff will be documented by SmithGroup (if given verbally), and the work will commence upon Ann Arbor Housing Commission approval of an estimated fee for that effort or, if not agreed otherwise, Ann Arbor Housing Commission shall reimburse SmithGroup on an hourly basis of SmithGroup's project staff actively engaged for all personnel hours worked on the project.

## PAYMENTS

Invoices will be prepared monthly on the basis of services rendered,

## DELIVERY OF CADD GRAPHIC FILES

Any electronic/data/digital files (Files) from SmithGroup shall be deemed Instruments of Service, and/or Work Product, as the case may be, for the Project identified above. Ann Arbor Housing Commission covenants and agrees that: 1) the Files are Instruments of Service of SmithGroup, the author, and/or Work Product of SmithGroup, as the case may be; 2) in providing the Files, SmithGroup does not transfer common law, statutory law, or other rights, including copyrights; 3) the Files are not Contract Documents, in whole or in part; and 4) the Files are not As-Built files. Ann Arbor Housing Commission agrees to report any defects in the Files to SmithGroup, within 45 days of the initial Files transmittal date (Acceptance Period). It is understood that SmithGroup will correct such defects, in a timely manner, and retransmit the Files. Ann Arbor Housing Commission further agrees to compensate SmithGroup, as Additional Services, for the cost of correcting defects reported to SmithGroup after the Acceptance Period. Ann Arbor Housing Commission understands that the Files have been prepared to SmithGroup's criteria and may not conform to Ann Arbor Housing Commission's drafting or other documentation standards. Ann Arbor Housing Commission understands that, due to the translation process of certain CADD formats, and the transmission of such Files to Ann Arbor Housing Commission that SmithGroup does not guarantee the accuracy, completeness or integrity of the data, and that the Ann Arbor Housing Commission will hold SmithGroup harmless for any data or file clean-up required to make these Files usable. Ann Arbor Housing Commission understands that even though SmithGroup may have computer virus scanning software to detect the presence of computer viruses, there is no guarantee that computer viruses are not present in the Files, and that Ann Arbor Housing Commission will hold SmithGroup

Ann Arbor  
Housing Commission

**Affordable Housing Advisory Services**

SmithGroup  
Ann Arbor, Michigan

# SMITHGROUP

harmless for such viruses and their consequences, as well as any and all liability or damage caused by the presence of a computer virus in the Files. Ann Arbor Housing Commission agrees, to the fullest extent permitted by law, to indemnify and hold SmithGroup harmless from any and all damage, liability, or cost (including protection from loss due to attorney's fees and costs of defense), arising from or in any way connected with and changes made to the Files by Ann Arbor Housing Commission.

Under no circumstances shall transfer of Files to Ann Arbor Housing Commission be deemed a sale by SmithGroup. SmithGroup makes no warranties, express or implied, of merchantability or fitness for any particular purpose.

## LIMITATION OF LIABILITY

Notwithstanding anything to the contrary and to the fullest extent permitted by law, Ann Arbor Housing Commission agrees that the total liability of SmithGroup in connection with this agreement, whether in contract, tort, negligence, breach or otherwise, shall not exceed and shall be limited to the total compensation received by SmithGroup under this agreement.

## MISCELLANEOUS PROVISIONS


SmithGroup will use reasonable professional efforts and judgment in responding in the design to applicable federal, state and local laws, rules, codes, ordinances and regulations. Ann Arbor Housing Commission acknowledges that certain state and local laws, rules, codes, ordinances and regulations may reference standards that are outdated and/or contrary with today's industry requirements. SmithGroup cannot and does not warrant or guarantee that the Project will comply with all such outdated and/or contrary federal, state and local laws, rules, codes, ordinances and regulations.

Notwithstanding anything to the contrary, nothing contained herein shall be construed: i) to constitute a guarantee, warranty or assurance, either express or implied, that the SmithGroup's Services will yield or accomplish a perfect outcome for this Project; or ii) to obligate the SmithGroup to exercise professional skill or judgment greater than the standard of care exercised by other similarly situated design professionals currently practicing in the same locale as this Project, under the same requirements of this Agreement; or iii) as an assumption by the SmithGroup of liability of any other party.

SmithGroup will use reasonable professional efforts and judgment to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances and regulations as applicable to this Project. Ann Arbor Housing Commission acknowledges that requirements of ADA, as well as other federal, state and local laws, rules, codes, ordinances and regulations, will be subject to various and possibly contradictory interpretations. SmithGroup cannot and does not warrant or guarantee that the Project will comply with all interpretations of the ADA requirements and/or the requirements of other federal, state and local laws, rules, codes, ordinances and regulations.

Thank you for contacting SmithGroup. We look forward to working with Ann Arbor Housing Commission on this project.

Sincerely,



Michael Johnson, PLA, ASLA  
Principal | Co-Director of Urban Design



Dan Kinkead, AIA, NCARB  
Principal | National Urban Design Practice, Co-Director

Ann Arbor  
Housing Commission

**Affordable Housing Advisory Services**

SmithGroup  
Ann Arbor, Michigan

# SMITHGROUP

---

This document will serve as an agreement between us, and you may indicate your acceptance by signing in the space provided below and returning one (1) signed copy for our files.

  
\_\_\_\_\_  
SmithGroup (Signature)

  
\_\_\_\_\_  
Ann Arbor Housing Commission (Signature)

Emily S. McKinnon, Principal | Director of Operations  
(Printed name and title)

Jennifer Hall  
(Printed name and title)

May 27, 2021  
Date

5/27/2021  
Date

**Attachment 'A' – Standard Fee and Reimbursement Schedule**

# SMITHGROUP

Standard Fee and Reimbursement Schedule  
Ann Arbor, Michigan  
February 1, 2021

CLASS DESCRIPTION

BILLING RATE

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

These billing rates are subject to semi-annual review and revision.

[REDACTED]

**ATTACHMENT B**  
**LEGAL STATUS OF OFFEROR**

(The Respondent shall fill out the provision and strike out the remaining ones.)

The Respondent is:

- A corporation organized and doing business under the laws of the state of \_\_\_\_\_, for whom \_\_\_\_\_ bearing the office title of \_\_\_\_\_, whose signature is affixed to this proposal, is authorized to execute contracts on behalf of respondent.\*

\*If not incorporated in Michigan, please attach the corporation's Certificate of Authority

- A limited liability company doing business under the laws of the State of \_\_\_\_\_, whom \_\_\_\_\_ bearing the title of \_\_\_\_\_ whose signature is affixed to this proposal, is authorized to execute contract on behalf of the LLC.
- A partnership organized under the laws of the State of \_\_\_\_\_ and filed with the County of \_\_\_\_\_, whose members are (attach list including street and mailing address for each.)
- An individual, whose signature with address, is affixed to this RFP.

Respondent has examined the basic requirements of this RFP and its scope of services, including all Addendum (if applicable) and hereby agrees to offer the services as specified in the RFP.

\_\_\_\_\_  
Signature Date: \_\_\_\_\_,

(Print) Name \_\_\_\_\_ Title \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_





**ATTACHMENT D**  
**CITY OF ANN ARBOR**  
**LIVING WAGE ORDINANCE DECLARATION OF COMPLIANCE**

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that an employer who is (a) a contractor providing services to or for the City for a value greater than \$10,000 for any twelve-month contract term, or (b) a recipient of federal, state, or local grant funding administered by the City for a value greater than \$10,000, or (c) a recipient of financial assistance awarded by the City for a value greater than \$10,000, shall pay its employees a prescribed minimum level of compensation (i.e., Living Wage) for the time those employees perform work on the contract or in connection with the grant or financial assistance. The Living Wage must be paid to these employees for the length of the contract/program.

*Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from compliance with the Living Wage Ordinance. If this exemption applies to your company/non-profit agency please check here  No. of employees\_\_*

The Contractor or Grantee agrees:

- (a) To pay each of its employees whose wage level is not required to comply with federal, state or local prevailing wage law, for work covered or funded by a contract with or grant from the City, no less than the Living Wage. The current Living Wage is defined as \$14.05/hour for those employers that provide employee health care (as defined in the Ordinance at Section 1:815 Sec. 1 (a)), or no less than \$15.66/hour for those employers that do not provide health care. The Contractor or Grantor understands that the Living Wage is adjusted and established annually on April 30 in accordance with the Ordinance and covered employers shall be required to pay the adjusted amount thereafter to be in compliance with Section 1:815(3).

**Check the applicable box below which applies to your workforce**

Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage without health benefits

Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage with health benefits

- (b) To post a notice approved by the City regarding the applicability of the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.
- (c) To provide to the City payroll records or other documentation within ten (10) business days from the receipt of a request by the City.
- (d) To permit access to work sites to City representatives for the purposes of monitoring compliance and investigating complaints or non-compliance.
- (e) To take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee covered by the Living Wage Ordinance or any person contracted for employment and covered by the Living Wage Ordinance in order to pay the living wage required by the Living Wage Ordinance.

The undersigned states that he/she has the requisite authority to act on behalf of his/her employer in these matters and has offered to provide the services or agrees to accept financial assistance in accordance with the terms of the Living Wage Ordinance. The undersigned certifies that he/she has read and is familiar with the terms of the Living Wage Ordinance, obligates the Employer/Grantee to those terms and acknowledges that if his/her employer is found to be in violation of Ordinance it may be subject to civil penalties and termination of the awarded contract or grant of financial assistance.

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

\_\_\_\_\_  
 Street Address

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

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 City, State, Zip

\_\_\_\_\_  
 Print Name and Title

\_\_\_\_\_  
 Phone/Email address



**ATTACHMENT E**

<b>VENDOR CONFLICT OF INTEREST DISCLOSURE FORM</b>
--

All vendors interested in conducting business with the City of Ann Arbor must complete and return the Vendor Conflict of Interest Disclosure Form in order to be eligible to be awarded a contract. Please note that all vendors are subject to comply with the City of Ann Arbor’s conflict of interest policies as stated within the certification section below.

If a vendor has a relationship with a City of Ann Arbor official or employee, an immediate family member of a City of Ann Arbor official or employee, the vendor shall disclose the information required below.

1. No City official or employee or City employee’s immediate family member has an ownership interest in vendor’s company or is deriving personal financial gain from this contract.
2. No retired or separated City official or employee who has been retired or separated from the City for less than one (1) year has an ownership interest in vendor’s Company.
3. No City employee is contemporaneously employed or prospectively to be employed with the vendor.
4. Vendor hereby declares it has not and will not provide gifts or hospitality of any dollar value or any other gratuities to any City employee or elected official to obtain or maintain a contract.
5. Please note any exceptions below:

<b>Conflict of Interest Disclosure*</b>	
Name of City of Ann Arbor employees, elected officials or immediate family members with whom there may be a potential conflict of interest.	<input type="checkbox"/> Relationship to employee <hr/> <input type="checkbox"/> Interest in vendor’s company <input type="checkbox"/> Other (please describe in box below)

\*Disclosing a potential conflict of interest does not disqualify vendors. In the event vendors do not disclose potential conflicts of interest and they are detected by the City, vendor will be exempt from doing business with the City.

<b>I certify that this Conflict of Interest Disclosure has been examined by me and that its contents are true and correct to my knowledge and belief and I have the authority to so certify on behalf of the Vendor by my signature below:</b>		
<b>Vendor Name</b>	<b>Vendor Phone Number</b>	
<b>Signature of Vendor Authorized Representative</b>	<b>Date</b>	<b>Printed Name of Vendor Authorized Representative</b>

Questions about this form? Contact Procurement Office City of Ann Arbor Phone: 734/794-6500, [procurement@a2gov.org](mailto:procurement@a2gov.org)

**ATTACHMENT F**  
**CITY OF ANN ARBOR NON-DISCRIMINATION ORDINANCE**

[Relevant provisions of Chapter 112, Nondiscrimination, of the Ann Arbor City Code are included below.](#)  
[You can review the entire ordinance at www.a2gov.org/humanrights.](http://www.a2gov.org/humanrights)

**Intent:** It is the intent of the city that no individual be denied equal protection of the laws; nor shall any individual be denied the enjoyment of his or her civil or political rights or be discriminated against because of actual or perceived age, arrest record, color, disability, educational association, familial status, family responsibilities, gender expression, gender identity, genetic information, height, HIV status, marital status, national origin, political beliefs, race, religion, sex, sexual orientation, source of income, veteran status, victim of domestic violence or stalking, or weight.

**Discriminatory Employment Practices:** No person shall discriminate in the hire, employment, compensation, work classifications, conditions or terms, promotion or demotion, or termination of employment of any individual. No person shall discriminate in limiting membership, conditions of membership or termination of membership in any labor union or apprenticeship program.

**Discriminatory Effects:** No person shall adopt, enforce or employ any policy or requirement which has the effect of creating unequal opportunities according to actual or perceived age, arrest record, color, disability, educational association, familial status, family responsibilities, gender expression, gender identity, genetic information, height, HIV status, marital status, national origin, political beliefs, race, religion, sex, sexual orientation, source of income, veteran status, victim of domestic violence or stalking, or weight for an individual to obtain housing, employment or public accommodation, except for a bona fide business necessity. Such a necessity does not arise due to a mere inconvenience or because of suspected objection to such a person by neighbors, customers or other persons.

**Nondiscrimination by City Contractors:** All contractors proposing to do business with the City of Ann Arbor shall satisfy the contract compliance administrative policy adopted by the City Administrator in accordance with the guidelines of this section. All city contractors shall ensure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon any classification protected by this chapter. All contractors shall agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of any applicable protected classification. All contractors shall be required to post a copy of Ann Arbor's Non-Discrimination Ordinance at all work locations where its employees provide services under a contract with the city.

**Complaint Procedure:** If any individual believes there has been a violation of this chapter, he/she may file a complaint with the City's Human Rights Commission. The complaint must be filed within 180 calendar days from the date of the individual's knowledge of the allegedly discriminatory action or 180 calendar days from the date when the individual should have known of the allegedly discriminatory action. A complaint that is not filed within this timeframe cannot be considered by the Human Rights Commission. To file a complaint, first complete the complaint form, which is available at [www.a2gov.org/humanrights](http://www.a2gov.org/humanrights). Then submit it to the Human Rights Commission by e-mail ([hrc@a2gov.org](mailto:hrc@a2gov.org)), by mail (Ann Arbor Human Rights Commission, PO Box 8647, Ann Arbor, MI 48107), or in person (City Clerk's Office). For further information, please call the commission at 734-794-6141 or e-mail the commission at [hrc@a2gov.org](mailto:hrc@a2gov.org).

**Private Actions For Damages or Injunctive Relief:** To the extent allowed by law, an individual who is the victim of discriminatory action in violation of this chapter may bring a civil action for appropriate injunctive relief or damages or both against the person(s) who acted in violation of this chapter.

**THIS IS AN OFFICIAL GOVERNMENT NOTICE AND  
MUST BE DISPLAYED WHERE EMPLOYEES CAN READILY SEE IT.**

## ATTACHMENT G

### CITY OF ANN ARBOR LIVING WAGE ORDINANCE

#### RATE EFFECTIVE APRIL 30, 2021 - ENDING APRIL 29, 2022

**\$14.05 per hour**

If the employer provides health care benefits\*

**\$15.66 per hour**

If the employer does **NOT** provide health care benefits\*

Employers providing services to or for the City of Ann Arbor or recipients of grants or financial assistance from the City of Ann Arbor for a value of more than \$10,000 in a twelve-month period of time must pay those employees performing work on a City of Ann Arbor contract or grant, the above living wage.

### ENFORCEMENT

The City of Ann Arbor may recover back wages either administratively or through court action for the employees that have been underpaid in violation of the law. Persons denied payment of the living wage have the right to bring a civil action for damages in addition to any action taken by the City.

Violation of this Ordinance is punishable by fines of not more than \$500/violation plus costs, with each day being considered a separate violation. Additionally, the City of Ann Arbor has the right to modify, terminate, cancel or suspend a contract in the event of a violation of the Ordinance.

\* Health Care benefits include those paid for by the employer or making an employer contribution toward the purchase of health care. The employee contribution must not exceed \$.50 an hour for an average work week; and the employer cost or contribution must equal no less than \$1/hr for the average work week.

**The Law Requires Employers to Display This Poster Where Employees Can Readily See It.**

**For Additional Information or to File a Complaint contact  
Colin Spencer at 734/794-6500 or [cspencer@a2gov.org](mailto:cspencer@a2gov.org)**

**APPENDIX A: SAMPLE PROFESSIONAL SERVICES AGREEMENT**

*If a contract is awarded, the selected Firm(s) will be required to adhere to a set of general contract provisions which will become a part of any formal agreement. These provisions are general principles which apply to all contractors/service providers to the City of Ann Arbor. The required provisions are:*

(2020 PSA over \$25,000 NO Auto AI Rev. 1)

This agreement ("Agreement") is between the City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St. Ann Arbor, Michigan 48104 ("City"), and \_\_\_\_\_ ("Contractor"), a(n) \_\_\_\_\_, with its address at \_\_\_\_\_ (State where organized) \_\_\_\_\_ (Partnership, Sole Proprietorship, or Corporation). City and Contractor are referred to collectively herein as the "Parties." The Parties agree as follows:

**I. DEFINITIONS**

Administering Service Area/Unit means \_\_\_\_\_.

Contract Administrator means \_\_\_\_\_, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for and delivered to City by Contractor under this Agreement.

Project means \_\_\_\_\_  
Project name

**II. DURATION**

Contractor shall commence performance on \_\_\_\_\_, 20\_\_ ("Commencement Date"). This Agreement shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in Article XI. The terms and conditions of this Agreement shall apply to the earlier of the Effective Date or Commencement Date.

**III. SERVICES**

A. The Contractor agrees to provide \_\_\_\_\_

Type of service

("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the compensation shall be adjusted

accordingly. All such changes shall be executed under the conditions of the original Agreement.

- B. Quality of Services under this Agreement shall be of the level of quality performed by persons regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Contractor shall perform its Services for the Project in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement. The Contractor shall also comply with and be subject to the City of Ann Arbor policies applicable to independent contractors.
- D. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City (if any) except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

#### **IV. INDEPENDENT CONTRACTOR**

The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Contractor does not have any authority to execute any contract or agreement on behalf of the City, and is not granted any authority to assume or create any obligation or liability on the City's behalf, or to bind the City in any way.

#### **V. COMPENSATION OF CONTRACTOR**

- A. The Contractor shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator.
- B. The Contractor will be compensated for Services performed in addition to the Services described in Article III, only when the scope of and compensation for those additional Services have received prior written approval of the Contract Administrator.
- C. The Contractor shall keep complete records of work performed (e.g. tasks performed, hours allocated, etc.) so that the City may verify invoices submitted by the Contractor. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

## VI. INSURANCE/INDEMNIFICATION

- A. The Contractor shall procure and maintain from the Effective Date or Commencement Date of this Agreement (whichever is earlier) through the conclusion of this Agreement, such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage that may arise under this Agreement; whether the act(s) or omission(s) giving rise to the claim were made by the Contractor, any subcontractor, or anyone employed by them directly or indirectly. Prior to commencement of work under this Agreement, Contractor shall provide to the City documentation satisfactory to the City, through City-approved means (currently myCOI), demonstrating it has obtained the policies and endorsements required by Exhibit C. Contractor shall add registration@mycoitracking.com to its safe sender's list so that it will receive necessary communication from myCOI. When requested, Contractor shall provide the same documentation for its subcontractor(s) (if any).
  
- B. Any insurance provider of Contractor shall be authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-authorized insurance companies are not acceptable unless approved in writing by the City.
  
- C. To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses, including attorney's fees, resulting or alleged to result, from any acts or omissions by Contractor or its employees and agents occurring in the performance of or breach in this Agreement, except to the extent that any suit, claim, judgment or expense are finally judicially determined to have resulted from the City's negligence or willful misconduct or its failure to comply with any of its material obligations set forth in this Agreement.

## VII. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Contractor agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of MCL 37.2209. The Contractor further agrees to comply with the provisions of Section 9:158 of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.

- B. Living Wage. If the Contractor is a “covered employer” as defined in Chapter 23 of the Ann Arbor City Code, the Contractor agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Contractor agrees to pay those employees providing Services to the City under this Agreement a “living wage,” as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

### **VIII. WARRANTIES BY THE CONTRACTOR**

- A. The Contractor warrants that the quality of its Services under this Agreement shall conform to the level of quality performed by persons regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills, experience, and professional licenses (if applicable) necessary to perform the Services pursuant to this Agreement.
- C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services pursuant to this Agreement.
- D. The Contractor warrants that it has no personal or financial interest in the Project other than the fee it is to receive under this Agreement. The Contractor further certifies that it shall not acquire any such interest, direct or indirect, which would conflict in any manner with the performance of the Services it is to provide pursuant to this Agreement. Further Contractor agrees and certifies that it does not and will not employ or engage any person with a personal or financial interest in this Agreement.
- E. The Contractor warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes. Further Contractor agrees that the City shall have the right to set off any such debt against compensation awarded for Services under this Agreement.
- F. The Contractor warrants that its proposal for services was made in good faith, it arrived at the costs of its proposal independently, without consultation, communication or agreement, for the purpose of restricting completion as to any matter relating to such fees with any competitor for these Services; and no attempt has been made or shall be made by the Contractor to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.



- G. The person signing this Agreement on behalf of Contractor represents and warrants that she/he has express authority to sign this Agreement for Contractor and agrees to hold the City harmless for any costs or consequences of the absence of actual authority to sign.

**IX. OBLIGATIONS OF THE CITY**

- A. The City agrees to give the Contractor access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Contractor of any defects in the Services of which the Contract Administrator has actual notice.

**X. ASSIGNMENT**

- A. The Contractor shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Contractor shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

**XI. TERMINATION OF AGREEMENT**

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice. The waiver of any breach by any party to this Agreement shall not waive any subsequent breach by any party.
- B. The City may terminate this Agreement, on at least thirty (30) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to Contractor, except the obligation to pay for Services actually performed under the Agreement before the termination date.
- C. Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The Contract Administrator shall give Contractor written notice of such non-appropriation within thirty (30) days after it receives

notice of such non-appropriation.

- D. The provisions of Articles VI and VIII shall survive the expiration or earlier termination of this Agreement for any reason. The expiration or termination of this Agreement, for any reason, shall not release either party from any obligation or liability to the other party, including any payment obligation that has already accrued and Contractor's obligation to deliver all Deliverables due as of the date of termination of the Agreement.

## **XII. REMEDIES**

- A. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory and/or other legal right, privilege, power, obligation, duty or immunity of the Parties.
- B. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any agreement between the parties or otherwise.
- C. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently effect its right to require strict performance of this Agreement.

## **XIII. NOTICE**

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated below or such other address as either party may designate by prior written notice to the other. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONTRACTOR, it shall be addressed and sent to:



sensitive, proprietary or otherwise confidential information of a non-public nature that, if known to another client of the Contractor, could be used in any such other matter by the other client to the material disadvantage of the City. Each matter will be reviewed on a case by case basis.

#### **XVII. SEVERABILITY OF PROVISIONS**

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

#### **XVIII. EXTENT OF AGREEMENT**

This Agreement, together Exhibits A, B, and C, constitutes the entire understanding between the City and the Contractor with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. No terms or conditions of either party's invoice, purchase order or other administrative document shall modify the terms and conditions of this Agreement, regardless of the other party's failure to object to such form. This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may only be altered, amended or modified by written amendment signed by the Contractor and the City. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

#### **XIX. ELECTRONIC TRANSACTION**

The parties agree that signatures on this Agreement may be delivered electronically in lieu of an original signature and agree to treat electronic signatures as original signatures that bind them to this Agreement. This Agreement may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

#### **XX. EFFECTIVE DATE**

This Agreement will become effective when all parties have signed it. The Effective Date of this Agreement will be the date this Agreement is signed by the last party to sign it.

**[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]**

**FOR CONTRACTOR**

By \_\_\_\_\_  
Type Name

Its

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

**FOR THE CITY OF ANN ARBOR**

By \_\_\_\_\_  
Christopher Taylor, Mayor

By \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

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

**Approved as to substance**

\_\_\_\_\_  
Type Name  
Service Area Administrator

\_\_\_\_\_  
Milton Dohoney Jr., Interim City Administrator

**Approved as to form and content**

\_\_\_\_\_  
Stephen K. Postema, City Attorney

**EXHIBIT A  
SCOPE OF SERVICES**

**(Insert/Attach Scope of Work & Deliverables Schedule)**

## **EXHIBIT B COMPENSATION**

### General

Contractor shall be paid for those Services performed pursuant to this Agreement inclusive of all reimbursable expenses (if applicable), in accordance with the terms and conditions herein. The Compensation Schedule below/attached states nature and amount of compensation the Contractor may charge the City:

(insert/Attach Negotiated Fee Arrangement)

**EXHIBIT C  
INSURANCE REQUIREMENTS**

From the earlier of the Effective Date or the Commencement Date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall have, at a minimum, the following insurance, including all endorsements necessary for Contractor to have or provide the required coverage.

A. The Contractor shall have insurance that meets the following minimum requirements:

1. Professional Liability Insurance or Errors and Omissions Insurance protecting the Contractor and its employees in an amount not less than \$1,000,000.
2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:  
  
Bodily Injury by Accident - \$500,000 each accident  
Bodily Injury by Disease - \$500,000 each employee  
Bodily Injury by Disease - \$500,000 each policy limit
3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 04 13 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements that diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:  
  
\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined  
\$2,000,000 Per Project General Aggregate  
\$1,000,000 Personal and Advertising Injury
4. Motor Vehicle Liability Insurance equivalent to, as a minimum, Insurance Services Office form CA 00 01 10 13 or current equivalent. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. There shall be no added exclusions or limiting endorsements that diminish the City's protections as an additional insured under the policy. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.



- B. Insurance required under A.3 and A.4 above shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City for any insurance listed herein.
  
- C. Insurance companies and policy forms are subject to approval of the City Attorney, which approval shall not be unreasonably withheld. Documentation must provide and demonstrate an unconditional and unqualified 30-day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number(s); name of insurance company; name(s), email address(es), and address(es) of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions, which may be approved by the City in its sole discretion; (c) that the policy conforms to the requirements specified. Contractor shall furnish the City with satisfactory certificates of insurance and endorsements prior to commencement of any work. If any of the above coverages expire by their terms during the term of this Agreement, the Contractor shall deliver proof of renewal and/or new policies and endorsements to the Administering Service Area/Unit at least ten days prior to the expiration date.