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Addendum

SOLICITATION NAME	Construction Services at Five Points Phase 3 C18016	ADDENDUM NUMBER	1	DATE	11-15-17
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This addendum answers questions raised about this solicitation. To aid in readability, the questions are in black, the answers are in **bolded blue**, and the answers follow immediately below.

Q1	Is the utility work on the plans included in the bid?
	Yes.
Q2	Which type of building gets sprinklers?
	A & B. The General Contractor is to verify the complete scope of work.
Q3	Will this work require multiple additional insureds on the Certificate of Insurance? If so, who are they?
	Please see the Appendix to this Addendum for the revised statement of insurance requirements.
Q4	Concerning liquidated damages-how will completion be based-the number of buildings turned over or percentage of work completed?
	Upon award, the successful vendor will work with KCDC to develop a schedule that is satisfactory to KCDC. The schedule will include buildings being completed and turned over to KCDC in multiple phase to be determined. Liquidated damages will apply to the completion dates for each phase.
Q5	The specifications says that questions must be turned in at least five days before the bid due date. Is that calendar or business days?
	All questions must be submitted not later than 2:00 p.m. on 11/21/17. The final addendum will be issued on 11/28/17.
Q6	Does the landscaping shown on the plans include an irrigation system?
	No.
Q7	The plans indicate a playground. Is that an allowance for it or the actual construction of it?
	It is an allowance of \$65,000. This includes all materials, installation, taxes, overhead and profit.
Q8	What is the budget?
	Vendors shall develop their estimates independent of an advertised budget.
Q9	What happens if the bids are over budget? Will KCDC negotiate or re-bid?
	KCDC may choose to negotiate with low bidder to determine if the project can be delivered within a desired budget or KCDC may choose to rebid the project.
Q10	I know the specs say to present a pay scale for employees after the project is awarded, but wanted to know if there was any way a scale could be provided before the bid process to benefit all who are in the process? I know it is following the Davis Bacon so I was just confused as to why there was not a specific chart that was set by the governing bodies.



There is a specific pay rate scale (Davis Bacon) in the solicitation document. Please see pages 13 and 14 for details. However, note that several classifications one would expect are not listed. Unfortunately, the Department of Labor has not issued classifications for HVAC and Painting (for instance). Their procedures require that KCDC wait until after award to request those be added. KCDC shares these recently approved requests as general guidance to prospective vendors. These rates are not guaranteed but the Department of Labor fairly recently approved them on other KCDC projects.

Commercial Floor Installer	\$18.00
Crane Operator	\$23.00
Drywall Finisher	\$14.09
Drywall Installer	\$14.70
Floor Installer	\$13.89
Glazier	\$16.50
HVAC Mechanic	\$17.50
HVAC Mechanic 1	\$14.00
HVAC Mechanic 3	\$12.00
HVAC Technician/Equipment Installer	\$17.50
Insulation Batter	\$13.89
Iron Worker	\$16.00
Large Equipment Operator: Bobcat and Grader	\$13.17
Motor Operator	\$19.14
Painter	\$14.00
Paver Operator	\$17.75
Roller Operator	\$16.48

Q11	Are there changes to architects plans and drawings?
	Yes. Please see the document posted to KCDC's webpage entitled "166200 Five Points Phase 3 Addendum 1" for details.

Appendix 1 Revised Insurance Statement to Replace the Original Statement in the Solicitation.

1. **INSURANCE**

The Contractor shall maintain, at Contractor's sole expense, on a primary and non-contributory basis, at all times during the life of the contract insurance coverages, limits, and endorsements described herein. All insurance must be underwritten by insurers with an A.M. Best rating of A VIII or better. Upon award, the Contractor shall provide Certificate(s) of Insurance to Owner evidencing said insurance coverages.

The Contractor agrees the insurance requirements herein as well as Owner's review or acknowledgement, is not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Contractor under this contract

- a. ***Commercial General Liability Insurance:*** with a minimum combined single limit of \$1,000,000 per occurrence per project with \$2,000,000 in the aggregate with the minimum of \$5,000,000 per occurrence umbrella covering the following perils: products/completed operations (\$2,000,000) for one year after completion of the project; broad form property damage including completed operations for one year after completion of the project.

Such insurance shall contain or be endorsed to contain a provision that includes the entities listed under paragraph "i" below as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the listed insureds.

Unless the umbrella/excess liability insurance provides coverage on a pure/true follow-form basis, or the listed additional insureds are automatically defined as an additional insured, the Contractor shall add by endorsement, each of the entities listed as additional insureds.

- b. ***Automobile Liability Insurance:*** including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each occurrence. Such insurance shall include coverage for loading and unloading hazards.
- c. ***Workers' Compensation Insurance and Employers Liability Insurance:*** with statutory limits as required by the State of Tennessee or other applicable laws, including Employer's Liability with a minimum limit of \$1,000,000.
- d. ***Builder's Risk:*** coverage shall be written on an All-Risk, Replacement Cost, and Completed Value Form basis in an amount at least equal to one-hundred percent (100%) of the projected completed value of the Work, as well as subsequent modifications of that sum due to Change Order(s). Contractor agrees to be responsible for reporting increases in the projected completed value of the work due to Change Order(s).

Coverage shall insure against the perils of fire and extended coverage and physical loss or damage including, but not limited to, theft, vandalism, malicious mischief, collapse, windstorm, testing and startup, temporary buildings portions of the work stored off site, all portions of the work in transit, debris removal including demolition occasioned by enforcement of any applicable legal requirements and shall cover reasonable compensation for architect's and Contractor's services and expenses required as a result of such insured loss. Insurance is to cover all property of Contractor (and its subcontractors), Owner and all certificate holders as their interest may appear. Coverage shall cover the completed value of the construction including without limitation, slab on grade, excavations, foundations, caissons, tenant finish work, and retaining walls around the perimeter of the project. Any exclusion of so-called underground damage to pipes, collapse of structure, or damage resulting from explosion or blasting shall be deleted. Such policy shall provide that any loss thereunder shall be payable to the Contractor, Owner, and others as their interests may appear and shall also have a replacement cost endorsement. See list of additional insureds and certificate holders listed in paragraph "i" below.

Coverage shall include soft costs resulting from damage or destruction to insured property on-site and while in transit including flood, earthquake and earth movement when such perils are required. Such insurance shall cover continuing expenses not directly involved in the direct cost of construction/renovation, including expense incurred upon money borrowed to finance construction or repair, continuing interest on mortgage loans, advertising, promotion, realty taxes and other assessments, the cost to the insured of additional commissions incurred upon re-negotiating leases, and other expenses incurred as a result of property loss or destruction by an insured peril.

- e. **Pollution Liability Insurance:** pollution liability coverage, providing defense and indemnity coverage for bodily injury, property damage, and environmental investigation and clean-up costs for pollution conditions arising from the Contractor's operations. Limit of liability not less than \$1,000,000 each occurrence and \$2,000,000 annual aggregate. The policy shall include a minimum three (3) year Discovery (tail) reporting period, and a Retroactive Date that equals or precedes the effective date of this contract or the performance of work hereunder. Coverage may be provided on a per project basis.

- f. **Other Insurance Requirements:** Contractor shall:
 - 1. Upon award, furnish Owner with original Certificates of Insurance and amendatory endorsements effecting coverage required by this section. All insurance shall include a provision requiring the insurance company(s) to notify Additional Insureds and Certificate Holders in writing no less than 30 days prior to any cancellation, non-renewal or material change in the terms and conditions of coverage. If the Contractor receives a non-renewal or cancellation notice from an insurance carrier affording the required coverage, or receives notice that coverage no longer complies with the insurance requirements herein, Contractor shall notify Owner by email or fax within five (5) business days and provide a copy of the non-renewal or cancellation notice or written specifics as to which coverage is no longer in compliance.

2. Provide certified copies of endorsements and policies if requested by Owner in lieu of or in addition to Certificates of Insurance.
3. Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
4. Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated as a material breach of contract.
5. Require all subcontractors to maintain during the term of the resulting contract commercial general liability insurance, automobile liability insurance, and workers' compensation/employers liability insurance (unless subcontractor's employees are covered by Contractor's insurance) in the same manor and limits as specified for the Contractor with the exception of the following limits:

General Liability – limits of not less than \$1,000,000 each occurrence. If such insurance contains a general aggregate, it shall apply separately to the work/location for this contract or be no less than \$2,000,000.

Contractor shall furnish subcontractor(s)' Certificates of Insurance to Owner without expense prior to subcontractor(s) commencing work.

Contractor shall include in their contract with all subcontractors the insurance requirements as specified herein to include, but not limited to, additional insured status, primary-noncontributory provision, and waiver(s) of subrogation for the entities listed under paragraph "i" below.

6. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by Owner prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by Owner.
7. Provide a waiver of subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit Contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, the policy should be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This waiver of subrogation requirement shall not apply to any policy which includes a condition specifically prohibiting such an endorsement, or voids coverage should Contractor enter into such an agreement on a pre-loss basis.
8. All policies must be written on an occurrence basis.

- g. **Right to Revise or Reject:** Owner reserves the right, but not the obligation, to review or revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work / specifications affecting the applicability of coverage; or as dictated by project equity investor and/or lender that will be identified at a later date.
- h. **No Representation of Coverage Adequacy:** The coverages, limits or endorsements required herein protect the primary interests of Owner, and the Contractor agrees in no way should these coverages, limits or endorsements required be relied upon when assessing the extent or determining appropriate types and limits of coverage to protect the Contractor against any loss exposures, whether as a result of the project or otherwise.
- i. **Certificate Holders and Additional Insureds (Certificates of Insurance must read verbatim):**

Knoxville's Community Development Corporation (KCDC), its officials, officers, employees, and volunteers
901 Broadway, NE
Knoxville, TN 37917

Five Points 3 LP
901 Broadway, NE
Knoxville, TN 37917

Five Points 3 Corporation
901 Broadway, NE
Knoxville, TN 37917

Equity Investor Entities

Lender Entities