



REQUEST FOR PROPOSALS

Purchase & Renovation
of 602 Jean Ave.

GENERAL INFORMATION

The City of Sturgis, Michigan is seeking proposals from individuals for the purchase and renovation of 602 Jean Ave.

The City of Sturgis received ownership of 602 Jean Ave. by quit claim deed. The City of Sturgis acquired the home from St. Joseph County through tax foreclosure.

Proposals will be accepted until 4:00 p.m. on October 16, 2023 at Sturgis City Hall, 130 N. Nottawa St., Sturgis, MI 49091. Faxed or electronic submissions will not be accepted. Proposals shall include, at a minimum, the following:

- Sealed envelope clearly marked: "City Manager's Office
602 Jean Ave."
- Complete response to specifications included herein
- Project Information Form (Attachment A)
- Any other information that would assist in the selection of the best "Purchaser" for this project

Once received, submissions will not be returned. Formal communication, such as requests for tours of the house/property as well as clarification and/or information concerning this solicitation shall be submitted to Will Prichard, Community Development Director, City of Sturgis, via e-mail addressed to wprichard@sturgismi.gov, or via phone to (269) 659-7235.

The anticipated schedule for this Request for Proposals, selection of a Purchaser and contract approval is as follows:

Activities

RFP Available
Site Walk Through. Meet at 602 Jean Street.
Submittals Due by 4:00 p.m.
Review and award of proposals by Sturgis City Commission

Date

September 14, 2023
September 20, 2023 10:00am
October 16, 2023
October 23, 2023

The City reserves the right to modify this timetable at its sole discretion.

SELECTION PROCESS

City Staff will conduct a review process to establish responsiveness of each submittal. The proposals will be evaluated through consideration of several factors. Following a review of the submittals, staff will forward the submittals to the City Commission for review and selection. If the proposed

terms of a project development agreement are acceptable to both parties, the City may enter into a contract with the Purchaser.

The review of all documents submitted will be in accordance with the following criteria:

- Completeness of proposal and required information and support documents
- Amount of investment in the property, types of proposed improvements, and purchase bid amount
- Demonstration of financing or wherewithal to complete the project
- Experience with residential rehabilitation projects
- Other factors deemed relevant by those involved in the selection process
- The City reserves the right, in its absolute discretion, to reject any or all proposals, to waive irregularities, informalities and/or non-conformities in any submission, to select the Purchaser and proposal deemed to be in the best interest of the City, and to negotiate with the selected Purchaser.

PROPOSAL SUBMISSION

In a separate sealed envelope, the submitter shall complete the Project Information Form. The Scope of Required Improvements are items that the City of Sturgis will require as part of any proposal. Review the following attachments:

- Project Information Form (Attachment A)
- Scope of Required Improvements (Attachment B)
- City parcel map w/ address location

MINIMUM BID REQUIREMENTS

The minimum bid shall be no less than \$5,000.00. The City will reject any bid that does not meet the minimum bid requirement.

CONTRACT PROVISION REQUIREMENTS

The City and Purchaser shall enter into a Real Estate Development and Purchase Agreement ("Agreement") for the real estate that incorporates the terms of the RFP and Proposal and the following provisions:

Performance of Required Improvements:

All work as outlined in the scope of required improvements shall be completed within 1 year of executing the Agreement.

Insurance:

The Purchaser shall obtain and maintain during the execution of the Agreement an insurance policy for the dwelling and attached structures based on the value of the home and what it would cost to replace the home. The City must provide written approval and acceptance of an insurance policy submitted by the Purchaser.

Indemnification:

The Purchaser shall defend, indemnify and hold harmless the City of Sturgis, its officials, officers, employees, agents and representatives from all liability, claims, demands, judgments, costs and expenses resulting from personal injury or property damage, or both, arising, directly or indirectly, in whole or in part, from any negligent act, error or omission of the Purchaser, its agents, employees, subcontractors or suppliers. The obligation of the Purchaser to defend, indemnify and hold the City harmless shall continue after final payment, acceptance of the work and termination or expiration of the Agreement.

Permits:

The Purchaser shall be responsible for completing the Agreement in compliance with all local, State and Federal permit requirements and standards.

Contemporaneous with the closing of the Agreement, Purchaser shall execute and deliver to the City a Real Estate Mortgage pledging the real estate as collateral for the performance of the Purchaser's obligations and covenants contained in the Agreement. The City shall subordinate its rights under the Mortgage to an institutional lender providing construction financing for improvements to the real estate. In the event of a breach of the Agreement by Purchaser, the City's damages and right of recovery against the Purchaser shall be limited to 50% of the equity in the real estate plus costs of collection including actual attorney's fees. For purposes of the Agreement, "equity in the real estate" shall be defined as the fair market value of the real estate as determined by an appraisal performed by a licensed residential appraiser selected by the City and the amount paid by Purchaser in acquiring and developing the real estate as provided in the Agreement.

Attachment A

PROJECT INFORMATION FORM

Name of Bidder: _____
Address: _____ City: _____ State: _____ Zip Code: _____
Phone: _____
Email: _____

Estimated Cash Investment in Rehabilitation: _____
Estimated In-kind Work for Rehabilitation: _____
Purchase Bid Amount: _____

Briefly describe your interest in the project and your reasons for submitting a proposal:

Describe your experience renovating or rehabbing residential structures (feel free to attach photos, licenses or any other documentation that demonstrates your related experience):

Describe your timeline for the project and whether you plan to reside in the home.

How will you finance or fund the scope of required improvements (please attach documentation of financing or funding, i.e., bank letter of credit or pre-qualification)?

I HAVE READ UNDERSTAND THE ENTIRETY OF THE PROPOSAL INCLUDING THE SCOPE OF REQUIRED IMPROVEMENTS (ATTACHMENT B) AND UNDERSTAND THE TERMS AND CONDITIONS, AND I ACCEPT AND AGREE TO ALL OF ITS TERMS AND CONDITIONS BY SIGNING BELOW.

Name (Printed) _____

Signature _____

Date _____

Attachment B

SCOPE OF REQUIRED IMPROVEMENTS

Buyer(s) shall repair and improve the property in accordance with all requirements of the City of Sturgis Building Code, Property Maintenance Code and all other laws and regulations established by any governmental authority.

All Plumbing, Electrical and Mechanical systems must be inspected by a licensed tradesperson or if required by the City of Sturgis trades inspectors and all identified deficiencies must be repaired and updated to meet code as mentioned above.

The project shall include a driveway surfaced with a minimum four-inch asphaltic or concrete surfacing as per City of Sturgis Zoning Ordinance Article IX 1.0902(G).

The project shall include an accessory storage shed of not less than eight feet by ten feet (8' x 10') in size.

The Buyer(s) and Contractor(s) are responsible for securing all necessary permits.

Prior to a Certificate of Occupancy being issued by the City of Sturgis, all noted violations must be corrected and a property maintenance final inspection must be completed.

LIST OF REQUIRED REPAIRS/IMPROVEMENTS TO BE COMPLETED BY BUYER:

1. All damaged floors must be repaired/removed and replaced with new floor coverings or hardwood floors properly resurfaced.
2. Repair and/or remove and replace front and rear porch deck surfaces and install new steps.
3. Any basement foundation issues must be corrected. Address and repair all exterior masonry (i.e. mortar cracks, etc.).
4. Remove existing roof materials. Properly install sheathing materials, roof framing and install new roofing materials.
5. Address and repair existing vinyl siding as needed.
6. Repair or replace interior stairs. Install new handrail(s) and guardrails.
7. Interior wall coverings must be properly repaired or replaced.
8. All peeling paint (interior and exterior) must be addressed. Properly seal (paint) interior walls and ceilings after all repairs are completed.
9. Install code approved smoke detectors.
10. All electrical, plumbing and HVAC must be properly repaired or replaced.
11. Repair and/or replace all windows and install screens.
12. Properly insulate to code standards and seal interior walls and ceilings after necessary repairs are completed.
13. Install new exterior doors to house.
14. Gutters must be properly installed.
15. Remove all noxious weeds and overgrowth from house and yard.
- 16.

