

# Caring for MI Future: Facilities Improvement Fund

CFMF FIF is a grant program to distribute \$50 million to new and expanding early child care education providers across the state of Michigan in order to renovate and upgrade their child care facilities to accommodate additional child care slots, especially in geographic areas with limited providers.

## FAQs: Engaging Contractors

For the purpose of this grant, **contractor** refers to any tradesperson hired to complete project work including, but not limited to, project managers, general contractors, plumbers, and electricians. The contractor connected to a grant application can be supported by subcontractors including, but not limited to, architects, engineers, trade contractors, general contractors, project managers, and material suppliers (e.g., floor tile, paint, furniture, light fixtures). Contractors will provide an itemized quote or bid for labor and materials identifies costs and services that respond to the prospective grantee's scope of work.

### When do I need a contractor?

A prospective grantee would consider engaging a contractor or multiple contractors on a grant-funded project under any of the following circumstances:

- **Planned facilities improvements include modifications, such as changes to plumbing, electrical, or non-load-bearing wall placement that would benefit from the services of an architecture or engineering professional.**
- The scope of improvements requires a level of craftsmanship beyond that which prospective grantees determine they can perform themselves and would be better performed by a trade contractor.
- Construction materials needed or desired to complete the scope of improvements are not readily available for purchase directly by the prospective grantee.
- Complexity of the improvements requires a dedicated resource – such as an architect, general contractor, or project manager – to document the scope of work and/or coordinate contracting and the completion of work on site.

**Be advised:** Projects over \$15,000 in construction cost may require engagement of an architect to provide stamped drawings for submission to the Department of Licensing and Regulatory Affairs' Bureau of Community and Health Systems.

Requirements and exclusions to this rule are found in the [Application for Child Care Plan Review](#).

### Can I contract a relative to do the work?

Whether you are required to hire a contractor for larger projects or choose to do so with smaller projects, related parties cannot be paid to perform grant-funded work on your project. This includes spouses, siblings, parents, and children.

## What do contractors have to do to get grant funding?

All contractors, whether general or trade, are required to fill in a short application to participate as your contractor in this program. This is information is how we will be able to pay the contractor.

Have Your Contractor  
Scan Here to Register  
or visit [Apply.IFF.org](https://Apply.IFF.org)



## What are best practices for working with contractors?

**Contact trade contractors** or suppliers for limited scopes of improvements or a general contractor for scopes that engage multiple trade contractors and/or suppliers to provide bids for implementing the scope. Determine whether the engaged contractor is appropriately experienced, licensed, and insured to implement planned improvements.

**Request written bids** from at least two, but ideally three, contractors that meet the experience, licensing, and insurance criteria noted above in order to compare cost and maximize available project funding. If the prospective grantee determines that receipt of a minimum of two bids is not achievable, reasoning should be documented when completing the application for grant funding.

**Review bids received** from the contractor(s) to ensure that the goods and/or services to be rendered – along with the quoted cost of work – capture the full extent of the planned improvements and the bids are comparing apples to apples. Schedule a meeting with the contractor – either in person or by phone – to review the bid together and update the proposal as required to capture the full scope of improvements. Confirm the anticipated delivery schedule for the improvements.

## What do I do after selecting a contractor?

The prospective grantee may submit an application for grant funding through the Submittable platform that includes the intended scope of work and all bids received for the scope of work, identifying the bid prepared by the selected contractor.

The bids will be reviewed by IFF for compliance with state and federal guidelines for this grant, as well as for the reasonableness of cost estimates. As an industry rule, cost estimates are highly variable from scope to scope based on factors that include trade, labor, material, time, and geography. Due to instability of labor and material costs and availability caused by the ongoing pandemic, IFF will use industry tools – such as RS Means – that aggregate unit cost data in the State of Michigan estimate cost to evaluate each bid.

Reasonable cost falls within a 30 percent tolerance of aggregated unit cost data. Cost beyond the allowable tolerance will be rejected for re-negotiation by the potential grantee with the selected contractor. Unit cost data will be re-evaluated by IFF on a quarterly basis to account for changing market conditions. IFF's review of cost and use of data will be contextualized by its deep engagement in Michigan ECE facilities.

IFF, a mission-driven lender, developer, and real estate consultant, received \$50 million in federal American Rescue Plan Act funding, awarded by the Michigan Department of Education as part of the Caring for MI Future initiative. Caring for MI Future is a \$100 million investment that will help Michigan families find quality, affordable child care in their community by opening 1,000 new, or expanded, child care programs by the end of 2024.

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nonprofits and  
the communities  
they serve.