

THE FOLLOWING STANDARDS SHOULD BE CONSIDERED A DRAFT AND ARE SUBJECT TO CHANGE

I. Contractor Standards

The HAP aims to provide low to moderate income homeowners with the funding and ability to rehabilitate their primary place of residence. JPDCD will oversee and administer the program. For this program, JPDCD may enter into agreements with partners, such as the NOEL, to manage the implementation process.

1. Approved Contractor's List

Contractors that wish to participate in Jefferson Parish Department of Community Development programs must complete a contractor application, which may be found at: <http://www.jeffparish.net/index.aspx?page=3848>. Contractors that meet the eligibility criteria below and have submitted a contractor application will be added to the parish's approved contractor's list.

2. Preliminary Status

Contractors will be added to the approved contractor's list on a preliminary status until they have established a satisfactory track record. During this period, JPDCD reserves the right to limit the number of jobs it will finance at any given time for any single contractor. Once the contractor has established a satisfactory track record, as determined by JPDCD, they are removed from preliminary status and are notified that they have been moved to the Approved Contractor's List.

3. Suspension

Contractors that continually fail to abide by program policies may be removed from the Approved Contractor's List and suspended from participating in Jefferson Parish Department of Community Development programs. Should a contractor be suspended, Code Enforcement will be notified, and any open permits will be transferred to a new contractor, who will complete the remaining work from the existing contract(s). The Parish Attorney's Office will be notified and will take appropriate legal action against the original non-performing contractor, when appropriate.

Contractors are expected to meet all Jefferson Parish Department of Community Development program requirements and provide complete and accurate documentation, as outlined in these guidelines. During their participation in the program, JPDCD staff will provide technical assistance to contractors, as needed. However, JPDCD will operate under a three strikes rule. Each time a contractor does not meet a program requirement, the program will notify the contractor in writing of the strike against them. Contractors that fail to provide necessary documentation, or complete substandard work three times in a program year, will be suspended by the program. For example, contractors who fail to show up to meetings with program staff and/or homeowners will be given one-strike. Contractors may also receive a strike from the Program for failing to:

- Maintain and provide proof of insurance;
- Actively pursue a job to ensure timely completion;
- Conduct oneself in a businesslike manner (e.g., inability to schedule workers or subcontractors so as to minimize inconvenience to the owner, use of abusive language or behavior, drinking on the job site, offering incentives in order to secure a job, etc.);
- Pay subcontractors or suppliers;
- Promptly rectify owner's warranty concerns;
- Remit permits and final inspections to JPDCC in a timely fashion;
- Comply with the description of work or general specifications;
- Failure to respond to items identified in punch lists.

The contractor will be given written notice of the suspension. The suspension shall be for a term of not less than three months.

i. **Reinstatement to the Approved Contractor's List**

A contractor's request for reinstatement to the approved contractor's list may be reviewed upon their written request. In requesting reinstatement, a contractor's request must contain an explanation for the initial incident and action(s) taken to address them, so as to guarantee that the violation will not reoccur. Such reinstatement will be at the sole discretion of the JPDCC Director. Contractors granted reinstatement will be added to the approved contractor's list with preliminary status.

4. Contractor Re-Certification

Every two years, contractors are required to resubmit required documents in order to remain eligible to participate in the program. The two-year period begins to run as soon as the contractor has been added to the approved contractor's list.

5. Subcontractors

Contractors may choose to utilize subcontractors if they are properly licensed and insured. Contractors are required to gather and maintain all documentation on their subcontractor(s). Prior to commencing work, the contractor must complete the section in the contractor application outlining the subcontractor(s) to be used on the project. Additionally, if a contractor chooses to work with subcontractors who cannot provide their own insurance coverage, the contractor must provide insurance certificates which cover the subcontractors. The contractor will be responsible for providing the following information on all subcontractors to the program:

- Name and address of business;
- License;

- Federal Employer Identification Number (EIN);
- DUNS number;
- Documentation of certification of M/WBE owned business, *if applicable*;
- Section 3 Contractor Documentation, *if applicable*;
- Insurance Certificates naming subcontractors, *if applicable*.

II. Bidding Procedures

Any licensed contractor may bid on HAP projects. However, only those contractors on the Approved Contractors List will be allowed to execute a contract with JPDCD. All bids must be received by the time/date deadline indicated in the bid package. Late submissions will not be accepted. The construction management firm, NOEL on behalf of JPDCD will advertise all upcoming projects and will bid these projects out at the same time. Contractors should be aware that while they may bid on as many projects as they see fit, they will only be able to work on two projects at a time. Contractors are given 30, 45, 60, and/or 90 days in order to complete a project, with the option to lengthen the contract by half the time allocated at the sole discretion of the JPDCD Director.

A. Procedure

1. NOEL sends a bid request to the list of approved contractors, including:
 - a. Jefferson Parish approved Section 3 businesses
 - b. Home Builders Association licensed contractors
 - c. Any other contractors approved by JPDCD
2. Bidders must include the following with their hand-delivered bids:
 - a. Notarized non-collusion affidavit;
 - b. Copy of current Louisiana Builder's License, or Jefferson Parish Home Building License; and
 - c. Detailed bid with clearly defined total bid.
3. Bids are opened publicly at the JPDCD office with a witness present and the job is awarded to the lowest reasonable and responsive bidder. NOEL will conduct an independent cost estimate to determine whether the bid is reasonable. To be deemed reasonable, the submitted bid must be within fifteen percent (15%) of the estimate.
4. The winning bidder is responsible for producing the following:
 - a. Notarized campaign contribution affidavit;
 - b. Notarized employment verification affidavit;
 - c. Insurance certificates with the following:
 - i. Limits to match NOEL and JPDCD
 - ii. General Liability - \$2,000,000 aggregate
 - iii. Workers Comp - \$1,000,000 limit
 - iv. NOEL and JPDCD as added insured with a waiver of subrogation

- v. A description of coverage confirming that the work they are doing is covered
5. NOEL confirms information in bid packet is valid (insurance & license) and confirms that the winning bidder has no complaints against their company by NOEL or Code Enforcement.
6. NOEL submits letter of recommendation of bidder to JPDCD
7. JPDCD will contractor's DUNS number and check status in www.SAMS.gov
8. JPDCD will send approval letter to NOEL (which will also serve as NTP)
9. NOEL will send letter to approve/reject contactors

B. Site Visit

Bidders who are interested in viewing the site must RSVP prior to the date of the site visit. When a bidder replies to the program regarding interest in the site visit, the program will provide the site's address. Bidders are ONLY allowed to enter the property during the window of time provided at the pre-bid conference. Construction manager and program staff will be present during the site visit and will not answer any questions about the scope of work or project. All bidders must vacate the property at the end of the site visit.

C. Bid Openings

Bids will be opened on a time and date indicated in the bid package. All bid openings are open to the public.

D. Sales and Use Taxes

HAP projects are not exempt from applicable state and parish sales or use taxes.

E. Award of Bid

The bid will be awarded to the lowest responsive and responsible bidder that is within 15 percent of the ICE.

F. Post Bid Document Collection

The contractor with the lowest responsive and responsible bid will then be required to submit all additional documentation within five business days. Failure to timely provide documents will result in the program selecting the second lowest bid from a responsive and responsible bidder.

G. Post Selection Meeting

After the winning bid has been selected, JPDCD staff and NOEL meet with the contractor and applicant to review key program requirements as well as its disciplinary policies during a kickoff meeting.

H. Notice to Proceed

The general contractor, unless prohibited by inclement weather, must begin work within seven (7) days after a written "Notice TO Proceed". If the contractor does not commence work within seven (7) days, the construction manager and/or Disaster

Recovery Manager may cancel the contract and award the work to the next lowest responsive bidder or request re-bidding of the job.

Prior to any work commencing, the Contractor shall secure all permits, fees and licenses necessary for the execution of work under contract. The Contractor shall provide a copy of the original building permit to the program and display the original in plain view at the worksite.

III. Contractor Eligibility & Requirements

To participate in HAP, a contractor must comply with all requirements in the bidding process, possess a valid contractors' license and maintain sufficient insurance coverage for the type and scale of work to be performed. Contractors that are selected will be given an opportunity to update their insurance policies, if their current policy does not meet required coverage limits.

The contractor deemed the most responsive and responsible bidder, prior to the award of the project, must submit the following documents for review:

- Completed Contractor's Qualification Application which is attached to any bid package;
- Copy of current and valid Louisiana State Residential Contractor's License;
 - For contractors who do not possess a valid Louisiana State Residential Contractor's License applying for permits for home improvements with a fair market value between \$7,500 and \$75,000, a Louisiana State Home Improvement Registration is required; and for home improvement projects with a fair market value or \$2,500 or more, the contractor must possess a valid Jefferson Parish Home Improvement License.
 - If a contractor's license(s) becomes suspended or revoked, JPDCD or its partners will suspend the contractor from participating in any projects with Homeowner Assistance Program until the revocation or suspension is corrected, and the contractor's eligibility has been summarily reviewed and reapproved by program staff.
- Copy of insurance certificate, with sufficient types and levels of coverage relevant to work being performed;
- Copy of worker's compensation coverage, if applicable;
- Copy of comprehensive automobile liability coverage, if using company vehicles to perform work.
- Completed affirmation of registration to do business with the U.S. government (verifying non-debarment) (attached to bid documents);
- Signed Affidavit provided in the bid package;
- Copy of Articles of Incorporation or Articles of Organization;
- Certificate of Good Standing and Active Status with LSLBC and Louisiana Secretary of State, and Better Business Bureau (*if applicable*)

- Contractor must be in good standing, and have no outstanding complaints filed with: The Better Business Bureau (*if applicable*), the LSLBC, the Secretary of State, or Attorney General's Office, and Code Enforcement.
- Contractor must not have any outstanding violations or complaints against their company by local government or the implementation partner in the six months prior to bidding. These violations may include:
 - failure to obtain proper permits,
 - failure of a job to pass code inspection for reasons identified prior to inspection,
 - failure to complete a job in the contracted timeframe,
 - failure to use proper materials for a project,
 - failure to meet quality of work standards (*quality of work standards to be determined by JPDCC, partners, representative, and/or a third-party contractor.*)
- Section 3 Business Concern Certification Form (*if a business meets the following criteria*):
 - The business is 51 percent or more owned by Section 3 residents;
 - Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
 - Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.
 - Projects performed under this contract, which are over \$200,000, are subject to the requirements of Section 3 of the Housing and Urban Development (HUD) Act of 1968. The purpose of Section 3 is to ensure that to the greatest extent possible, job training, employment and contract opportunities are available to low and very low-income persons in connection with the projects and activities in their neighborhood.
- Equal Employment Opportunity (EEO) Requirements
 - The Housing Rehabilitation Assistance Program requires that specific language related to EEO be included in all contracts. Specifically, the EEO requires that contractors and subcontractors agree to not discriminate against their employee-based on race, religion, sex, creed, color, disability or national origin. Actions include those related to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoffs, terminations rate of pay or other compensation and training selection or apprenticeship. The contractor will also agree to include language covering EEO in all subcontracting agreements.
- W-9 Form

- All applicants must complete a Federal W-9, providing their federal employer identification number (EIN) or their social security number. The contractor may also go online to <http://www.irs.gov/pub/irs-paf/29.pdf>.
- Minority and Women-Owned Business Certification Forms (M/WBE), *if applicable*.
- Business References
 - Contractors must provide three written references from three agencies or individuals you have completed work for in the past 12 months and include contract values of work completed. References shall include the agency or individual's contact information (name, address, e-mail and phone).

A. Contracting

Once all post-bid documents are received, the program will negotiate the contract with the selected bidder. All contracts must include terms and conditions required by HUD, as provided by JPDCD.

B. Pre-Construction Kickoff Meeting

Once the contract is executed between the contractor, JPDCD and its partners, a pre-construction meeting will be scheduled with the homeowner, contractor, and JPDCD.

C. Permits

Contractors are required to secure and maintain all necessary permits pertaining to the identified scope of work to be performed during the project. Contractors are required to obtain permits in person at the Permit Office, from JPDCD-designated individuals. Once a contractor is selected, they will be notified of their contact person and must request an in-person meeting with that individual. All NWP work must be attached to the original permit pulled by the contractor. Prior to final payment, the contractor must successfully close all permits associated with Code Enforcement and must receive the certificate of completion. All permits associated with the work of subcontractors will be filed under the primary permit, and the primary contractor will be responsible for ensuring all permits are successfully closed.

D. Submission of Documents

Contractors may submit hard copies of the required documents or may submit their documents electronically (PDF format). As requested by the program, contractors must submit original paper copies of documents when applicable for payment purposes. All documents being submitted electronically must be sent to program staff via the following protocols:

- All electronic documents must be submitted to the implementation subrecipient: Philip@home-builders.org
- Include in subject line: Type the word HAP: Address of property
 - E.g. "HAP 123 Bluebird Street Marrero, LA 70072"
- Include in body of email: HAP: address of property, name of document

- E.g. "HAP: 123 Bluebird Street Marrero, LA 70072, Certificate of Completion"

The following procedures are followed by all contractors submitting documents:

1. While the site work is in progress, any change orders are submitted and approved/denied by NOEL and JPDCCD. Work that is not approved will not be paid by the grant.
2. Contractor notifies NOEL that work is complete on a site
3. Contractor submits the following to NOEL:
 - a. All receipts available for the job
 - b. A final invoice with a note that all work is completed
 - c. Copies of any appropriate permits for the site, or a signed letter confirming that no permit was required for the work done
4. NOEL's third-party contractor reviews the completed work for quality and gives direction on any necessary follow up tasks.
5. NOEL reviews the work and confirms with the home owner that the job was done to their satisfaction and gets a signature on the final invoice confirming that they feel the work is complete.
6. If the homeowner disputes the quality of work and the third-party contractor's inspection report, Jefferson Parish will conduct its own inspection. The Parish will make the final determination of whether the work meets its quality standards.
7. NOEL submits a request to Code Enforcement, and copies JPDCCD, to inspect the site.

E. Standards

The services performed, as well as materials and equipment provided, shall be in full compliance with all applicable statutes, ordinances, codes, regulations and laws (collectively "laws"), and in actual conformance with the described scope of work. In addition, the home must be rehabilitated to meet the program's standards, which is outlined by the scope of work. Unless expressly stated in the scope of work, all materials and equipment shall be new and with appropriate warranties. Selected contractors are responsible for providing warranties against the structural, functional, and aesthetic integrity of the structures, products, materials and/or equipment. Contractors that choose to use higher grade materials than allowed by the program will do so at their own expense. Luxury items and items outside the scope of work will not be reimbursed by the program. Any upgrade will need to be approved, in writing, by the JPDCCD Director or designee.

F. Inspections

Once notified by NOEL that all work is complete, Code Enforcement and JPDCCD inspect all work performed on the project. Inspectors compare receipts from the contractor with the materials found on-site to guard against the use of substandard or used materials. In addition, date and time-stamped photographs are taken during inspections, detailing complete and incomplete work. The contractor (or relevant subcontractor) will schedule all required inspections with the homeowner, if the homeowner is occupying the house during repairs.

At the completion of work, the JPDCD Director or their designee performs a final walk through of the property, noting any deficiencies that must be cured before the final payment is made. A punch list is drafted by JPDCD and provided to the contractor. The punch list includes photographs, indicating the location of each item which must be completed. Once all items from the punch list are completed, the contractor will receive its final payment from the Program.

G. Payment

NOEL submits administrative and programmatic invoices to JPDCD at the beginning of each month. On a case by case basis, individual site invoices may be submitted at any time during the month in order to process payments to winning bidders in a timely manner. Monthly NOEL invoice submissions include the following:

- a. Administrative/programmatic invoice including receipts, cancelled checks, and contractor invoices.
- b. Monthly budget
- c. Staff time sheet
- d. Notarized payment submission affidavit
- e. (Digitally) Updated spreadsheet with job site status

Progress payments are based on the amount of work satisfactorily completed according to the description of work. During the project kick-off meeting, milestones will be established, detailing what line items from the scope of work must be completed before a draw request may be submitted to JPDCD. No payment will be made until all line items are completed, inspected, and determined satisfactorily by the program and NOEL. Milestones have to be completed in the order presented and accepted at kick-off.

At present, work inspections must be conducted at each milestone. Once the work is inspected, NOEL will submit the paperwork to the program in a timely manner. The payment process will average between 25-45 work days from the date of submittal of an invoice to the program.

H. Payment Schedule – Minor versus Major Repair

1. Minor Repair (Below \$10,000)

Projects will follow a 30-70 draw schedule, with respect to payments requested as a percentage of the overall contract value. The draw schedule will correspond to milestones within the identified scope of work for each project, and the corresponding contract value. Both the scope of work, milestones, and contract value shall be established and verified with the program for said project. NOEL and JP Code Department will provide on-site inspection and milestone verification support.

1st Draw: 30 percent

Permitting - The 1st draw corresponds to obtaining appropriate permitting with Code Enforcement and constitutes a 30 percent payment of the total contract value. Once the

permit is pulled, the contractor will prepare and submit a payment request and submit the request and required documentation to NOEL detailing items completed and value as shown on itemized bid. NOEL will review and submit recommendation of payment to JPDCCD staff for final approval and submit to the Accounting Department for approval and processing.

2nd Draw: 70 percent

The 2nd draw corresponds to the final inspection performed by NOEL and Code Enforcement and will be a 70 percent payment of the total approved scope and will not be made until a minimum of 100 percent of the full scope of work has been completed. Once the inspection is complete, the contractor will prepare and submit its payment request and submit the request and required documentation to NOEL detailing items completed and value as shown on itemized bid. NOEL will review and submit recommendation of payment to JPDCCD staff for final approval and submit to the Accounting Department for approval and processing.

2. Major Repair (Above \$10,000)

Projects will follow a 30-30-40 draw schedule, with respect to payments requested as a percentage of the overall contract value. The draw schedule will correspond to milestones within the identified scope of work for each project, and the corresponding contract value. Both the scope of work, milestones, and contract value shall be established and verified with the program for said project. NOEL and JP Code Department will provide on-site inspection and milestone verification support.

1st Draw: 30 percent

Permitting - The 1st draw corresponds to obtaining appropriate permitting with Code Enforcement and constitutes a 30 percent payment of the total contract value. Once the permit is pulled, the contractor will prepare and submit a payment request and submit the request and required documentation to NOEL detailing items completed and value as shown on itemized bid. NOEL will review and submit recommendation of payment to JPDCCD staff for final approval and submit to the Accounting Department for approval and processing.

2nd Draw: 30 percent

The 2nd draw corresponds to completion of the agreed upon milestones and will be a 30 percent payment of the total approved scope and will not be made until a minimum of 60 percent of the full scope of work has been completed. NOEL and Code Enforcement will complete an on-site inspection to verify satisfactory completion of milestone items have been 100 percent completed. Once the inspection is complete, the contractor will prepare and submit a payment request and submit the request and required documentation to NOEL detailing items completed and value as shown on itemized bid. NOEL will review and submit recommendation of payment to JPDCCD staff

for final approval and submit to the Accounting Department for approval and processing.

3rd Draw: 40 percent

The 3rd draw corresponds to the final inspection performed by NOEL and Code Enforcement and will be a 40 percent payment of the total approved scope and will not be made until a minimum of 100 percent of the full scope of work has been completed. Once the inspection is complete, the contractor will prepare and submit its payment request and submit the request and required documentation to NOEL detailing items completed and value as shown on itemized bid. NOEL will review and submit recommendation of payment to JPDCD staff for final approval and submit to the Accounting Department for approval and processing.

I. Change Orders

Contractors will submit all proposed change orders to NOEL for review and approval. Requests for changes must be made in writing and must include an estimate of costs. A licensed contractor will then complete a work write up for the proposed work. JPDCD will then complete an ICE to determine if the estimate of costs is reasonable, by comparing it to the independent estimate. Only change orders within 15 percent of the estimate will be deemed reasonable. Prior to commencing the work, the change order must be approved, in writing, by JPDCD and the homeowner. Contractors will not be compensated for any work performed prior to approval. Additional work or materials required, due to damages or repairs resulting from contractor error or miscalculation, will not be eligible for change order consideration.

Program staff will perform site visits, as needed, to determine the viability of proposed change orders. Further, Code Enforcement will determine if proposed change orders will require revised permitting. If approved change orders result in a substantial increase of the contract value that greatly exceeds existing insurance and bonding thresholds, the contractor may be required to provide updated documentation demonstrating corresponding increases in coverage.

If, as a result of an inspection, additional work is required to bring the home into compliance with code, a change order will be written, to bring the home into compliance, even if the work required to address the code violations is outside the original scope.

J. Default

If the contractor commits a material breach of the contract, the contractor shall be placed in default. The contractor and all affected parties shall be notified in writing, via certified mail, of the default and the required corrective action. Additional liquidated damages at an amount not less than \$50 per day will be assessed to contractors on a weekly basis for unreasonable delays within their control. The value of liquidated damages will be established at the discretion of the JPDCD director, should the need arise.

K. Final Acceptance

Once the certificate of completion is issued and the final third-party inspection is complete, the homeowner, contractor, JPDCC, the homeowner and the subrecipient will execute a Final Acceptance document. This document will verify the completion of the job within the program's standards and will allow for the project to move into the warranty phase. A copy of the signed Final Acceptance will be placed in the project file.

If the homeowner refuses to execute the Final Acceptance, they must choose to file a grievance noting the specific items and reason for the grievance and follow the instructions outlined in Section XI.A below. However, if the third-party inspector and Code Enforcement have certified the work is complete, JPDCC may choose to release the final payment to the contractor without a Final Acceptance.

L. Warranty Procedures

All contractors shall provide homeowners with a warranty on the scope of work identified and completed under the program. The warranties provided by the contract must meet the requirements outlined in the Rehabilitation Contract. In addition, the contractor guarantees the work product of all its subcontractors. Therefore, if a subcontractor fails to perform, it is the primary contractor's responsibility to ensure that the work is completed. All warranties begin on the date which the final acceptance is filed in the Jefferson Parish Clerk of Court's office and are enforceable for one year. Warranties will not account for the homeowner's own negligence. The warranty will follow the below procedures:

1. The final acceptance is a document which the homeowner signs to verify that the contractor has completed the scope of work identified under the program, and certificates of occupancy and completion (if relevant) have been issued by the Parish.
2. After filing, a written letter acknowledging the final acceptance that notes the filing date will be sent to the homeowner.
3. If the homeowner has a valid concern or problem with any work performed under the identified scope of work and approved change orders by the contractor or subcontractor within the warranty period, the homeowner must first contact the contractor to fix the work. If the contractor fails to address the concern, the homeowner may contact the program.

The program will use the following procedures to handle all warranty claims:

1. The homeowner must submit to the program, in writing, a list of concerns, along with dates that they attempted to contact the contractor via phone, e-mail or mail.
2. The program will send the contractor a certified letter outlining the list of warranty items to be addressed.
3. Contractors have 20 business days from the date of the letter to correct the list of items outlined the certified mailing.

4. If the contractor does not believe the warranty items can be addressed within 20 business days, the contractor must submit a written request for an extension and an updated timeline to address all outstanding items. The program must review and approve all extension requests.
 - As a standard rule, the program will not allow extensions longer than 60 days unless extenuating circumstances occur. These will be reviewed on an individual basis. Once the program has reviewed the extension request, the program will provide a written approval or denial to the contractor and homeowner.
5. When the contractor completes the outstanding list of warranty items, the homeowner must sign the bottom of the list, acknowledging that all warranty repairs have been completed. The contractor must submit a copy of the signed list to the program.
6. If the contractor fails to repair the warranty items within the allotted timeframe, the homeowner may take legal action.

IV. Contract Management

Housing Assistance Program participation requires the execution of a three-party contract between an identified contractor and the program applicant. A second agreement (the “Grant Agreement”) will be executed between the applicant and Parish which binds the program applicant to the rules and requirements for the HAP.

To facilitate efficient, successful, and fair execution of construction contracts, the Parish reserves the right to intervene in construction matters where necessary to ensure that HAP goals are met.