

City of New Bedford Department of Planning, Housing and Community Development
Construction Loan Procedures

I. PROCEDURE FOR HOUSING AND COMMUNITY DEVELOPMENT CONSTRUCTION PROJECTS

- Set up File including application and related information
- Obtain project description, determine NO and eligibility, census tract/BG
- LMI Area Benefit – determine service area of project
- Take photos of the project and place in file
- Schedule meeting with applicant to discuss overall project, method and approach to the construction, evaluate capacity of applicant
- Obtain the project scope and preliminary cost estimate
- Review Project for feasibility
 - Funding sources have all been committed
 - Project budget includes minimum 10% construction contingency
 - Capacity of Agency
- Determine how plans and specifications will be completed – Will the applicant employ an architect or construction professional
- Determine the procurement requirements and who will be responsible for the procurement process
- Complete the environmental and historical review process
- The Project Manager will review the initial project proposal and determine appropriateness and feasibility. A preliminary review and cost estimate will be completed at this time
- After meeting with applicant and determination of roles and responsibilities:
 - Prepare formal letter of award that describes the project and roles and responsibilities of City and Applicant. Include a copy of the City's procurement requirements and describe the procurement process for this project.
 - Obtain letters of award for all required project funding
 - Complete the Subrecipient construction agreement which includes the project budget.
 - Complete the Restrictive Covenant and record at Registry of Deeds

II. BID PROCEDURE.

Contingent upon the estimated construction cost, applicants will be required to follow the bidding procedures established by the City of New Bedford.

The Applicant or Applicants Agent will complete the following procedures to prepare the Invitation for Bids:

- o Collect completed technical specifications and cost estimate;
- o Establish applicable Federal Bidding requirements based on the estimated project amount in accordance with the City's Procurement Policy.
- o Assemble Invitations for Bids (IFB).
- o Cost estimate will determine level of procurement and may include the following:
 - o Advertisement New Bedford Standard Times.
 - o Advertisement in Central Register
 - o Posting on City Website

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- Solicitation of competitive bids not requiring public advertisement – best practices
- The invitation for Bids should include:
 - Project description and the estimated project cost;
 - Bid timeframe – including bid period and bid opening date.
 - City’s Federal Bid and Construction Requirements including Instructions to Bidders for Affirmative Action Issues and Section 3 Requirements;
 - Obtain Davis Bacon Wage Rate Determinations.
 - Project Description
 - Information and Instructions to Bidders;
 - Contractor’s Form for Bid (Contractor’s Bid submission form);
 - Blank copy of the Construction Contract (Agreement between Owner and Contractor)
 - Performance Bond (If Applicable)
 - Labor and Materials Bond (If Applicable)
 - Vote of Corporate Authorization;
 - Non-Collusion Affidavit ;
 - Federal Davis Bacon Wage Rates and Instructions;
 - HUD Form 4010;
 - General Conditions of the Contract for Construction;
 - Technical Specifications.

B. BID / CONTRACT AWARD

The following procedures are followed for bid review and bid award:

- Once bidding time-frame expires, a bid opening should be conducted and record the bidding results;
- Applicant will review all bids submitted for compliance with City of New Bedford Procurement Requirements;
- Verify that all funds have been encumbered for the project and may require escrow of funding.
- Review all bids for compliance to federal requirements. Reviews to ensure that the bid log is completed.
- Review bids to ensure that proposers have completed the Section 3 and MBE/WBE requirements. Proposers must demonstrate that they have either hired MBE/WBE subcontractors or they have demonstrated best efforts to hire them if they are not available.
- Applicant/City completes a letter of award to low bidder instructing low bidder that company will be awarded the contract and that the following items must be submitted (if applicable):
 - Performance Bond
 - Labor and Materials Bond
 - Certificates of Liability Insurance
- City provide applicant will all federal contract provisions to be included in the contract
- Applicant provides City with a copy of the contract for review and approval
- Upon approval from the City, Applicant executes a contract.

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II. PRE-CONSTRUCTION CONFERENCE

- ❑ Once Contract Document is completed the City coordinates timeframe for the pre-construction conference with the Applicant and Contractor (**Contract execution can be completed at this meeting if required signatories are present**)
- ❑ Purpose of the pre-construction conference is to coordinate the construction start-up timeframe and to ensure that all of the proper payroll documentation and federal requirements describing Equal Employment Opportunity and Section 3 requirements.

III COMPLIANCE MONITORING:

- ❑ The General Contractor must submit weekly payrolls to the City for review and compliance with applicable State or Davis Bacon Wage Rates.
- ❑ Construction Progress Payments are submitted to the City for review and approval.
- ❑ The City is responsible for conducting on-site employee interviews for compliance with applicable prevailing wage rates and compliance with all federal, state and local requirements concerning – Section 3, MBE/WBE, etc...
- ❑ The City will periodically monitor the construction and complete Field Reports.
- ❑ Process for Change Orders
 - Contractor submits request for change order
 - Project Manager reviews the request
 - Project Manager prepares Memorandum to Finance Manager and Compliance Manager
 - Review of Project Budget and impact of change order on project Contingency Fund
 - Submit to Director for Final Approval – Circulate Change Order form for execution
- ❑ Payment Request process:
 - Contractor submits payment request
 - Construction manager conducts on-site inspection
 - Construction Manager prepares Memo documenting that work has been completed and authorizes release of payment
 - Review of wage rate, section 3 submittals is completed to ensure contractor is up to date
 - Payment request is approved by Compliance Manager, Finance Manager, and Director
 - Contract Disbursements are documented in file and disbursement budget
- ❑ Prior to the issuance of final contractor payment, the following must be received:
 - ❑ Certification that all Prevailing Wage documentation has been completed.
 - ❑ Copies of employee interview forms completed by the City.
 - ❑ Release of Liens Statement from General Contractor.
 - ❑ Final Field Report from Project Manager authorizing final payment.
 - ❑ All required Section 3 and EEO forms (If applicable)