

## Responses to Questions RFQ for Qualified Contractor Pool

The RREM Program Managers have reviewed all the questions that were presented at the three public meetings and in writing to the Program. Where there were multiple questions regarding the same general issue, the questions have been collectively summarized to provide a single answer that addresses the subject matter.

The questions and correlated responses have been broken into three categories: 1) Questions/Responses Related to the RFQ Application; 2) Questions/Responses Related to the Cost/Bid Part of the RFQ; and 3) Questions/Responses Related to Program Implementation. **THE QUESTIONS AND ANSWERS ARE IN NO PARTICULAR ORDER AND UNDERSTANDING EACH RESPONSE IS THE RESPONSIBILITY OF THE GENERAL CONTRACTOR.**

Question related to program implementation have been included since it may impact decisions made by General Contractors about their applications. As many of the implementation policies are being finalized, the Program Managers answered with the best information available at this time. These issues are still subject to change.

Retrieve any documents referenced to a website at the State of New Jersey Department of Community Affairs at: <http://www.state.nj.us/dca/> or if referenced to NJBA at the New Jersey Association of Builders Website at <http://njba.org/sandy/index.php> or the program website at [www.renewjerseystronger.org/rrem](http://www.renewjerseystronger.org/rrem).

The remaining timeline is:

EVENT	DATE/TIME
<b>Evaluation Period/First Qualified Contractor Pool Announced</b>	<b>June 28, 2013, through July 8, 2013</b>
<i>Posting of Request for Qualifications for Second Pool of Qualified Contractors</i>	<i>July 17, 2013</i>
<i>Mandatory Conferences (must attend one)</i> <i>Cape May County (TBD)</i> <i>Ocean County (TBD)</i> <i>Bergen County (TBD)</i>	<i>July 18, 2013 10:00 a.m.</i> <i>July 18, 2013 2:00 p.m.</i> <i>July 19, 2013 10:00 a.m.</i>
<i>Deadline for written questions for Second Qualified Contractor Pool</i>	<i>July 22, 2013</i> <i>ANSWERED July 24, 2013</i>
<b><i>Deadline for submission of Request for Qualifications to be considered in Second Pool</i></b>	<i>July 31, 2013</i>
<i>Evaluation Period/Second Qualified Contractor Pool Announced</i>	<i>July 31, 2013, through August 5, 2013</i>
<i>Third Deadline for Request for Qualifications for Third Pool of Qualified Contractors</i>	<i>August 17, 2013</i>
<i>Final Planned Deadline for Request for Qualifications for Fourth Pool of Qualified Contractors</i>	<i>September 17, 2013</i>

NOTE: These dates represent a tentative schedule of events. The RREM reserves the right to modify these dates at

# Responses to Questions RFQ for Qualified Contractor Pool

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any time upon notice posted in the same location they Request for Qualifications was released.

## **I. Questions/Responses Related to the RFQ Application**

- 1. Does the 25 page maximum include just the narrative, or are other supporting documents included, such as the financial statements and safety plan.**  
*The 25 pages is for the narrative responses. The supporting documentation will be an addendum and not counted in the overall total pages.*
- 2. Can we submit qualifications beyond 5 years?**  
*Yes. The goal of the RFQ is to obtain the relevant experience of the Responder as a homebuilder. It will be necessary to show continuous experience.*
- 3. Must the 5 years be in business in New Jersey, or can any company from anywhere in the country register in New Jersey and then be awarded contracts, and if so do you verify that they have been in business for at least 5 years elsewhere?**  
*The Responder must demonstrate five-years-experience in homebuilding, not just be registered as a company. You must be registered in New Jersey prior to receiving an assignment.*
- 4. Will you need to be bonded? If so will you need a bond for each project if you are awarded several projects?**  
*Yes, the General Contractor must have a bonding amount equal to the number of homes assigned to them, with a minimum of \$1,000,000.*
- 5. Where can we get a copy of the Non-Disclosure form?**  
*It has been posted on the DCA Website. <http://www.state.nj.us/dca/> or [www.renewjerseystronger.org/rrem](http://www.renewjerseystronger.org/rrem).*
- 6. Will questions and answers that are emailed in available to all?**  
*Yes, the questions and answers are on the DCA and NJBA Websites. <http://www.state.nj.us/dca/> or if referenced to NJBA at the New Jersey Association of Builders Website at <http://njba.org/sandy/index.php> or the program website at [www.renewjerseystronger.org/rrem](http://www.renewjerseystronger.org/rrem).*
- 7. Can we get a copy of the sign-in sheet?**  
*The sign in sheet has been posted on the DCA Website. <http://www.state.nj.us/dca/> or [www.renewjerseystronger.org/rrem](http://www.renewjerseystronger.org/rrem).*
- 8. Will the presentation be available online?**  
*Yes it will be on the DCA or NJ Builders Association Website. : <http://www.state.nj.us/dca/> or if referenced to NJBA at the New Jersey Association of Builders Website at <http://njba.org/sandy/index.php> or the program website at [www.renewjerseystronger.org/rrem](http://www.renewjerseystronger.org/rrem).*

## **Responses to Questions RFQ for Qualified Contractor Pool**

- 9. Do the plans become the property of the state?**  
*If your firm is selected to participate in the Contractor pool, then the submitted plans to obtain the 10% scoring item may (at the State's discretion) be made available to all builders in the Contractor pool, but will not become the property of the state.*
- 10. This is a grant and the contract is between us and the home owner?**  
*Yes the Construction Agreement is between the Homeowner and the Contractor. The RREM Program Manager will be identified as a required agent for the Homeowner.*
- 11. Does the GC need to be able to meet all items in the scope, including elevation of existing homes?**  
*The General Contractor should be able to meet or subcontract for all items in the scope of work.*
- 12. In past CDBG-funded programs we have participated in, we have been allowed to use a non-admitted insurer who is authorized to do business in the state of the program (ex. New York City Rapid Repairs program). In the RFQ, it requests a company who is licensed in the state of New Jersey. Will a non-admitted surplus lines company who is authorized to do business in New Jersey qualify?**  
*Yes, they will be allowed if they are authorized to do business in New Jersey by the State of New Jersey.*
- 13. When a section asks for submittal information do we install in section it is asking for it or as an attachment for submitting. EX. 5.7 Annual Report asks for 3 submittals. Do these submittals get inserted to 5.7 of the technical analysis or does it need to be referenced in section 5.7 as an attachment in the Appendices?**  
*Where the RFQ requests an supporting document, it will be considered an Appendix and not counted in the 25 pages.*
- 14. How many General Contractors will be in the Qualified Contractor Pool? Qualifications are too high – will keep out small builders – what are you doing about this?**  
*The goal is to select qualified contractors who can perform the work under the terms of the program.*
- 15. Since we do not do consolidated statements. Can we submit two years of tax returns for our holding company in lieu of consolidated statements?**  
*No. There are three option listed in the RFQ. You can use audited financial statements, unaudited financial statements, or two years of banking records. Tax records do not provide liquidity or capitalization information.*
- 16. When is bonding to be submitted at the RFQ or later?**  
*Bonding will need to be submitted before Notice to Proceed is made, but not at the time of the RFQ. A letter from the bonding company will suffice for the RFQ.*
- 17. How can a home builder submit a “program approved set of home plans” that abides by all local, state and federal laws, guidelines and regulations?**  
*The plans must meet the 2009 IRC. Plans must also comply with ADA requirements and the Energy Star provision of the NJ CDBG Action Plan.*

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**18. What about modular homes – are they allowed?**

*Yes. The RFQ states that modular builders may select a modular only option or include modular homes in the reconstruction program. If the reconstruction option is selected, the response must include stick built homes.*

**19. Need a separate classification for elevation contractors? - Submit under rehab**

*Elevation only contractors are allowed to submit under this RFQ and the process is identified for doing so within the RFP. A company that identifies as elevation only will be unlikely to receive an assignment as the primary contractor in the RREM Program at this time. The list of qualified elevation companies will be a resource to General Contractors who do not have those resources.*

**20. During one of the Mandatory Conferences it was stated that pricing and costs would not be needed for plans that were submitted, however in the RFQ it states to submit them with specifications and costs. Do we need to submit costs? And if we submit costs on an 11.17 form, do they need to be included in the Narrative/Technical Proposal and the Cost Document, or in the Appendix along with the plans?**

*Cost and specifications should be submitted. The plans and the 11.17 for the pricing component do not count in the 25 pages.*

**21. The text mentions we can receive up to 10% points for submitting floor plans. How many plans do we need to submit in order to qualify to receive the full 10%? It mentions having 2, 3, and 4 bedrooms plans for base, standard and large options. However, a 2-bedroom plan wouldn't necessarily be practical in the case of a large plan option. Is there a specific number you're looking for?**

<i>A Plan submitted in the 2, 3, and 4 bedroom models</i>	<i>10 points</i>
<i>2 of 3 floor plans submitted</i>	<i>07 points</i>
<i>1 of 3 floor plans submitted</i>	<i>05 points</i>

**22. Does this mean that we need to supply nine copies of solely the Proposal and one copy of items 2-9 of the submission checklist? Or Does this mean we need to provide nine copies of items 1-9 of the submission checklist?**

*9 copies of all items (see response to email below)*

**23. Are we in fact allowed to submit our proposal electronically via email as indicated above? If so, how should we address the 1 original and 9 copies as stated in Section 3.2.1?**

*If the proposal is submitted electronically one copy is sufficient. However, it is incumbent upon the Responder to ensure that the files will open when emailed. If emailed files do not open, they will be considered missing.*

**24. Please advise if one bond covering multiple homes is acceptable in lieu of multiple bonds for each home. Please advise if we can submit one bond per county or advise on the specific bonding requirement per this contract.**

*Each home will require a separate bond.*

**25. What is meant by elevation only?**

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*Elevation only is for those contractors who only want to do elevation and not take on the specific responsibilities of being a General Contractor. It does not refer to a program that will only elevate homes.*

- 26. If experienced company for many years and forming new company, can I show the old company's experience?**

*As long as the principals of the former company are directly involved in the new company, the experience may be counted.*

- 27. Is there a target liquidity – financial capacity?**

*As this is a reimbursement program, the General Contractor should have sufficient financial capacity to make substantial progress on assigned homes in accordance with the Program's expected building timelines while awaiting reimbursement for draws.*

- 28. When is the next meeting regarding this process?**

*The next meeting will be under the second release of the Request for Qualifications for Qualified Contractor Pool. See table above.*

### **II. Questions/Responses Related to the Bid Process in RFQ**

- 29. Is there a way to send the form 11.17 in a different format, I cannot open the link on the website?**

*Send an email address to [builders@njrrem.com](mailto:builders@njrrem.com) and a copy will be sent to you.*

- 30. Article VI, 6.1 states "Respondent(s) are provided with one (1) sample set of housing options that are attached hereto as EXHIBIT I (3 Bedroom 2 Bath)." Drawing on website is a (2 Bedroom 2 Bathroom) drawing. Will another drawing follow, or are we to price the 2 Bedroom 2 Bathrooms? The house in the RFQ has 2 bedrooms, but says 3 – what should do?**

**[The RFQ document specifies we are to submit pricing for a 3BR/2BA home, but the provided plans are for a 2BR/2BA home. What is correct?]**

*This is a typographical error and the 2 bedroom house in Exhibit I is the correct plan set to bid.*

- 31. Are you asking for estimates or will you be holding us to the numbers we give? Finding the qualified contractors that are bonded and understand the speed you need to finish in my opinion is key. Once you find those guys we can revisit the true cost and become a team.**

*The pricing exercise is not to establish a cost for the plans in Exhibit I, but is used to determine the ability of the General Contractor to demonstrate a method of pricing.*

- 32. How should Habitat bid? How handle volunteer labor?**

*The goal of the bid sheet is to determine the ability of the General Contractor to bid using their method of construction pricing. An organization that uses volunteer labor should account for it in the bid package.*

- 33. Are we to add elevation to the pricing sheet?**

*The General Contractor is not required to do an elevation for the bid. Only the elevation only contractor.*

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- 34. While I realize that exhibit 11.17 is to somehow be incorporated into the RFQ responses, the information contained within the 11 17 spreadsheet is somewhat cryptic and its true intent is unclear to me. There are also abbreviations used, whose definitions I did not find within the RFQ document. Line 19; Gap amount must be supported by a DOB calculator in WT. Please define? Would you please provide additional overall guidance? Is there a specific format/criteria for the estimate that is expected? Is it the intent of the cost estimate to be included, that every single line item/component of the estimate be broken out separately with an individual cost to that line item, and P & O added as separate overall line items, or should it be done with P&O included in each line item? Do we have to use the 11.17 form you supplied for pricing or can we use a more updated form if we have it?**  
*Ignore the request for "gap amount." The estimate should be broken down in enough detail within each of the different categories to demonstrate the respondent's ability to accurately develop a cost estimate. Profit and overhead allocations should be included within each of the respondent's costs. The Program does not desire to see P&O broken out as a separate line item. Use of the 11.17 form is required for the cost estimate.*
- 35. Are we free to add categories that reflect the items and materials contained in the plans and specifications or are we limited to the form in its present configuration? Some categories have a line for "other" and others do not so we can't utilize "other" as a remedy throughout. The Respondent General Contractor should submit the bid in that feel is complete and represents their pricing system.**
- 36. How do you want us to quote fill when we have no base level at this point? Include this as a unit price for purchase, delivery, and placement of fill.**
- 37. No stamped foundation plan or elevation height to cost out a foundation.**  
*Respondent should prepare the cost estimate for the foundation with the information provided. Since this is not a home to actually be constructed in New Jersey and is considered a "Not for Construction" plan set, signed/sealed plans are not required.*
- 38. Do we need piles?**  
*Plan set requires slab on grade.*
- 39. Electrical underground?**  
*Respondent should make an assumption relative to placement of electrical service and note that assumption in the cost proposal.*
- 40. Will the home owner get to select any material?**  
*The homeowner will be provided with options from which they can choose.*
- 41. Do we need sidewalks or driveways?**  
*Not required for this estimate.*
- 42. How do we bid site work without seeing the lots?**  
*Respondent should bid the plan set as provided. Site specific costs to adapt the home do not need to be provided.*
- 43. On the plumbing portion for the cost estimate can we only use three categories: underground, rough-in and finish?**

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*Respondent should provide enough detail to demonstrate their cost estimating capabilities.*

44. **With the electrical portion of the cost estimate can we only use rough, connected mechanical, set fixtures and finish? With the electrical portion of the cost estimate can we only use rough, connected mechanical, set fixtures and finish?**

*Respondent should provide enough detail to demonstrate their cost estimating capabilities.*

45. **The foundation plan A7 has some discrepancies on the slab reinforcement. Is the slab reinforced with #3 rods 15" O.S.E.W or a 6x6 10/10 WWF.**

*#3 Rods.*

46. **Does bid include site work?**

*No.*

47. **What is the program building – elevations and designs?**

*Rehabilitation, reconstruction, elevation and mitigation of storm damaged owner-occupied properties. Contractors are allowed to earn additional points in the scoring criteria by providing plan sets for program use.*

48. **The foundation plan A7. The foundation bolts show a 5/8" x ? Anchor and the notes mention a 1/2" x 12" anchor. What size anchor do we need to use?**

*Respondent should make an assumption relative to foundation construction and note that assumption in the cost proposal.*

49. **How will the demolition, site preparation, sidewalk, driveway replacement and landscaping per location be cost estimated?**

*Not required in this response.*

50. **The foundation plan A7. The foundation bolts show a 5/8" x ? Anchor and the notes mention a 1/2" x 12" anchor. What size anchor do we need to use?**

*1/2" x 12"*

51. **How will the demolition, site preparation, sidewalk, driveway replacement and landscaping per location be cost estimated?**

*The General Contractor should provide a quote based on the product you describe in your estimate.*

52. **The bid you are asking for is for new construction. The costs to do renovations are much different and in many cases higher. On new construction the entire home will need siding but on a renovation you may only need 2-5 squares. You cannot use the base cost for new construction to get the number for the cost of 2-5 squares. Can SIP (Structural Insulated Panels) homes be approved or substituted for conventional framing if the cost is equal to or lessor then conventional framing?**

*Rehabilitation projects are being examined for the most efficient system that HUD will allow. The two programs may have different methods of distribution.*

### **III. Questions/Responses Related to Program Implementation**

## **Responses to Questions RFQ for Qualified Contractor Pool**

- 53. In regards to “Homeowner and General Contractor Construction Agreement CDBG-DR RREM Program State of New Jersey Sample For Information Only - 1.3: Does the 60 days include both production time at the modular plant as well as the onsite time to complete the home. If so, does this mean that the modular home would have to be ordered prior to receiving the Notice to Proceed?”**

*The total allowable build time for new construction homes is 90 days (including production time and on-site time to complete the home). It is up to the General Contractor to determine when to order a modular home – it is their risk to order it prior to the signing of the Construction Agreement and the issuance of a NTP.*

- 54. What are the factors that are considered when assigning projects at your discretion?**

*The primary issues considered for assignment will be the capacity of the builder (financial capacity, bonding capacity, and production capacity) but also track record of meeting the 90 day construction target deadline, quality performance, as well as customer service and satisfaction.*

- 55. There will be reimbursement aspect to program – FED requires NEPA Review will this be included?**

*The Reimbursement program is not part of the RREM Program at this point.*

- 56. Duplication of Benefits will not negate the home owner being in program?**

*Duplication of benefits will be determined prior to the project being assigned to the General Contractor. Duplication of Benefits will not be an issue once assigned.*

- 57. Are there General Contractor liquidated damages?**

*The primary penalty is to cover the cost for the Homeowners extended alternate living arrangements beyond the 90 days and fewer or no subsequent assignments being made. There may also be some fee payments for duplicative inspections or persistent draw submission failures.*

- 58. Substantially damaged house can be damaged/repaired & elevated later?**

*State, Federal, and local codes will be adhered followed.*

- 59. Contract between Owner/Builder Construction Agreement, will it be approved by the State?**

*The Homeowner Contractor Agreement form will be reviewed by the state for compliance with program requirements. The State will not be a party to the contract but the form agreement will be required to be approved for Program use by the State.*

- 60. Who will pay for these expenses?**

*The Scope of Work will include a final project cost. The funds will be in escrow or committed with federal funds for the total cost of the project.*

- 61. Who will provide certification?**

*Unsure as to what certification the question is alluding to. In most cases certification will come from the proper federal, state, or local governing body. RREM Program Managers will perform Program inspections following all required local and municipal inspections.*

- 62. The program will be set up in a rotating system. With this in mind, the renovation cost, is this a negotiated cost between the project managers and G.C's or a competitive bid between other G.C's?**

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*The rehabilitation process will at least initially be a competitive process between participants in the Qualified Contractor Pool.*

- 63. H-1 our workers' compensation policy providing statutory benefits and employer's liability is currently at \$ 500,000 limit per occurrence with a 5 million umbrella limit. Is this sufficient?**  
*The General Contractor must meet the state and/or local requirements and the requirements called for in the as of yet not finalized Homeowner Contractor Construction Agreement.*
- 64. We are a NJ licensed/registered contractor and have already been working with home owners from the Monmouth County area; Union Beach, Port Monmouth, Keansburg, Highlands and Sea Bright. We have home plans that have been drawn up by our engineer and architect as well as applied for permits for these projects, how will this be affected or not by the recent RREM program and it's proposals? If a homebuilder already has already been assisting home owners with grant procedures, home plans, surveys and permits – Does the home owner have the final decision on which they can use as a home builder or will this affect their grant status? Can a home owner still choose a "home plan" outside of the program and be grant eligible?**  
*To be part of the program, the homeowner must be eligible, use a program approved home design (or rehabilitation under a scope of work from the program), and complete the required program documents including acknowledging that the RREM Program Manager would assign a builder and it is not a homeowner selection item.*
- 65. When does the 90 day construction time start since this seems to be a very quick build period?**  
*The construction clock starts when the Notice To Proceed is issued (after the homeowner has vacated their home and after the zoning and building permits have been issued). The Notice to Proceed (NTP) will be issued once the homeowner has moved out of the home; the general contractor has supplied original performance and payment bonds to the RREM Program Manager, and after the builder has obtained all necessary construction permits.*
- 66. Who signs the draw request to release funds; does it require the homeowner sign off?**  
*The General Contractor and the RREM {program Manager inspectors will sign all draws requests and the Homeowner will sign at least the final draw request certifying the work has been done. In addition, DCA will review for final approval. The program will work with Contractors who have met all requirements to ensure payments. The General Contractor will regularly coordinate and document homeowner inspection visits throughout the process.*
- 67. It is not fair to make builders pay for homeowner living expenses beyond 90 when it takes 4-6 weeks to get inspections – what is the program going to do about this?**  
*The normal compliance timelines have been factored into the 90 day timeline. Where there are delays in the approval process, the General Contractor should report the delay immediately to the RREM Program Manager assigned to the project so it can be factored into any extensions. The idea is to make sure that progress is being made and the Homeowner is inconvenienced as little as possible. The RREM Program Manager will assist in getting the approval or document the delays. The State will assist with additional resources, as needed, to allow for the inspection process on a timely manner.*
- 68. Will there be multiple awards for 3-4 homes?**  
*If the question is whether it is possible that a single contractor could have more than one home assigned at any one time, the answer is yes. Bonding and production capacity will be factored into the assignment process.*
- 69. How will the program handle upgrades?**

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*Upgrades must be accounted prior to the closing process. All homeowner funds will be placed in Escrow before the Agreement is executed. This includes any funds for upgrades. Upgrades will not be allowed after the project has been assigned.*

**70. What if the home only needs elevation?**

*At this point, to be considered an eligible applicant, the home must have sustained substantial damage. Elevation only may be considered under a later program or priority if there are funds remaining.*

**71. What if home is located in water and on pilings?**

*The Scope of work will include all necessary work on the home that is eligible. Homes located in a floodway are not eligible to receive Federal funding and thus will not be eligible to participate in the Program.*

**72. Who provides the engineering services for each home?**

*The RREM Program Manager will provide a floor plan to the General Contractor that includes the relevant engineering.*

**73. We are concerned that \$150,000 will not be sufficient to build a home, what happens then?**

*The Action Plan currently identifies a maximum Program benefit of \$150,000 in Federal funds. The RREM Program Managers are extremely sensitive to the cost factor and are working with design teams to build decent sanitary safe and affordable housing.*

*Current Program design requires the homeowners to supply the additional funds. In the event that the homeowner is not able to supply the required funds to complete their home, the State has been contacted by several philanthropic groups whom have expressed an interest in assisting.*

**74. Will the state consider new building methods, such as continuous concrete piers?**

*All building methods must be in compliance with the New Jersey Uniform Construction Code and able to receive zoning and permitting approvals.*

**75. Is there a limit on the homeowner expenses that we have to pay beyond 90 days?**

*Living and storage expenses that would not be required of the homeowner were they in their home like rent and storage of personal belongings. Utilities, entertainment, food and similar expenses will not be required to be paid. The General Contractor would be required to fund these activities until they have completed the homeowner's home.*

**76. How will delays that occur outside the General Contractor's control be treated in terms of the 90 day construction period?**

*Delays that are outside the General Contractor's control should be reported to the RREM manager and documented—including the efforts made by the General Contractor to resolve the situation.*

**77. Is landscaping required?**

*Construction must be in accordance with the local, state, and federal requirements as stated in the RREM Program description, the NJ Uniform Construction Code, and the HUD CPD Green Building Retrofit Checklist. Site-specific requirements will be identified in the Scope of Work developed for each project site.*

**78. How will the price of a reconstructed home be determined?**

*The design team will create plans for use by all contractors. The team will create an anticipated build price using a software program based on New Jersey construction costs. Once the designs are ready,*

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*they will be sent to all General Contractors in the Qualified Contractor Pool that expressed a preference to do reconstruction. They will be asked to bid each design in the region the home was designed for (northern, central, southern) and return the bids. The bids will be reviewed and compared to create a composite price. The composite price will be the build price for that home and the builder will be expected to build it for that price, plus any site specific costs (driveways, elevation, etc.), plus any homeowner selected upgrade costs.*

**79. How many recons?**

*There is no way to determine this until we know which Homeowners are eligible for the RREM Program and the extent of their damages.*

**80. How do the 3 RREM PMs work? How does the rotation among RREM contractors work?**

*DCA will assign each of the RREM Program Managers a number of eligible applicants to prepare and coordinate the rehabilitation or reconstruction of the home.*

**81. Can you provide a week by week expectation in order for us to meet 90 day schedule?**

*Construction means and methods will be the responsibility of the general contractors. The Program has minimum requirements that must be satisfied in order to pass each Program required inspection. These requirements will be discussed in subsequent contractor workshops. Week-by-week schedules will not be provided.*

**82. If a homebuilder finances anticipated grant money for the project can they apply for RREM reimbursement with no guarantee?**

*A homebuilder can finance their assigned projects as they see fit. Homebuilders are eligible to receive funds from periodic draw requests in accordance with program standards and requirements. The RREM Program is not a reimbursement program and only those approved costs will be paid.*

**83. Can a home owner be reimbursed for work started after the application for the RREM program that was submitted?**

*Not under the RREM Program.*

**84. Will Energy Star Certification be required?**

*The homes will be required to meet ENERGY Star requirements, certification has not been finally determined. HUD CPD Green Building Checklist – certification not required.*

**85. How many draws for elevation?**

*At this point in the Program, elevation will be factored into either rehabilitation or reconstruction projects. The Program will adhere to the draw processes for those projects as discussed in subsequent contractor workshop.*

**86. Please provide additional information on what Section 3 is and how it will be implemented and required.**

*Section 3 is a requirement in CDBG funding designed to provide economic activity to the areas that are using HUD funds. It is not an extension of a HUB or MWBE program. It requires that to the “greatest extent feasible” that businesses who are hiring new employees or subcontractors use Section 3 eligible people for new employees or subcontract with Section 3 businesses.*

*The intent is to find people who reside in Public Housing authorities, earn less than 80% of the area median income, or other specific programs and use the federal funding to provide additional economic*

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*activity. Section 3 can also be accomplished by hiring Section 3 businesses. These are businesses that have 51% or more of their employees (hired with in the last three years) that are eligible as Section 3 individuals. There are also ways through setting aside percentages of contracts for Section 3 businesses that a business can earn a Section 3 designation. To qualify, the people and businesses should be as local as possible.*

*The Department of Community Affairs is currently developing a policy that will indicate the target percentages for Section 3 hires and reporting methods. The policy will provide guidance on Section 3 preferences.*

**87. Are program inspectors available to conduct the municipal inspections?**

*No. However if inspections lag behind due to increased activity, there is a commitment from DCA to add inspectors.*

**88. How are funds being distributed – by town?**

*Funds are being distributed through eligible applicants residing in the nine eligible coastal counties. The RREM Program Managers will attempt to create efficiencies by assigning work nearby to the same contractor where possible. However due to the nature of the program, the homeowners will be paired with a General Contractor as the homeowner is determined eligible.*

**89. When will the construction phase begin and assignments be made? It is anticipated that the first Notices to Proceed will be issued in Fall 2013? How are assignments to builders being made?**

*This is still in development but see above question.*

**90. How are payments from homeowners being handled? How are we getting paid by state if contract is between the homeowner and homebuilder?**

*Funds contributed by homeowners to the total construction cost will be placed in Escrow and released with federal funds to the General Contractor upon approved draws. No direct payment from the Homeowner to the General Contractor is anticipated nor is any direct payment from the State to the General Contractor*

**91. If elevations are only paid at 50%, it will be hard on small builders....can this be changed?**

*Program design and Guidelines have been developed under this assumption. This is a reimbursement program and it is anticipated that General Contractors will judge their own financial capacity to participate in the program.*

**92. What happens when homeowners have existing contracts with homeowners? What if work hasn't started? If under contract, should they start work?**

*The Program Guidelines do not allow Homeowners to select their own builders. Therefore the Homeowner will need to determine if they want to participate in this particular program. That type of program is still being discussed, but is not currently part of the RREM Program.*

**93. Are prevailing wages required?**

*The program is designed to create a relationship with the Homeowner and the Contractor to provide safe decent and sanitary housing. There is no state or federal requirement to meet prevailing wage statutes. It is anticipated that the General Contractors will hire experienced and qualified people to work on the homes assigned to them.*

**94. Can elevations be under a separate contract?**

## **Responses to Questions RFQ for Qualified Contractor Pool**

*It is anticipated that the entire construction project will be assigned to the General Contractor. They will be responsible to make sure all relevant work is done.*

**95. Who performs A/E services?**

*The RREM Program Managers are responsible for getting the services completed.*

**96. What is the trigger to release retainage?**

*The retainage will be released after thirty days unless there are still issues to be resolved.*

**97. How will the projects be funded?**

*Total Project Costs must be in place before the home is assigned. Any funds over the grant amount must be arranged by the Homeowner or through other assistance organizations.*

**98. Are change orders covered by the grant?**

*Any change orders must be approved by the RREM Program manager and the costs will be addressed as part of that approval.*

**99. At what stage can you get a draw?**

*Draws for Reconstruction will be at 33%, 66% and Final with 10% retainage taken out of every draw. For Rehabilitation, Modular and Manufactured Housing, two draws will be permitted. The first is at 50% complete and a final with 10% retainage taken out of every draw.*

**100. What if the project costs exceed \$150K? How will the program handle mortgages?**

*Total Project Costs must be in place before the home is assigned. Any funds over the grant amount must be arranged by the Homeowner or through other assistance organizations. General Contractors will not have to work with mortgages.*

**101. Who does the soil boring for elevations?**

*All testing, such as this, is provided by the RREM Program Managers prior to the assignment of the project to the General Contractor.*

**102. What is the profit level for builders?**

*The profit level will vary depending on the Contractor's efficiencies.*

**103. Can homebuilder refuse to take a project?**

*Yes. Program is a voluntary Program for both the Homeowner and the General Contractors.*

**104. When do homeowners pick the house model they want?**

*The Housing selection will be made prior to it being assigned. When an assignment is made to the General Contractor, all decisions will have been completed.*

**105. Will information about assignments be public information?**

*This topic has not been determined.*

**106. Are decks included?**

*It is unlikely that decks will be included in the program cost.*

**107. Will all counties have intake centers?**

## **Responses to Questions RFQ for Qualified Contractor Pool**

*All nine counties identified in the RREM Program have intake centers in place. There will likely be space for the Homeowners and General Contractors to meet for RREM Program scheduled appointments in these centers.*

**108. How will draw requests be submitted?**

*Draw requests will be submitted on forms provided by the program. Draw request procedures will be addressed at the training after the Qualified Contractor Pool is announced.*

**109. Does environmental mitigation fall in the 90 days?**

*This question will be on a case-by-case basis and will be addressed prior to the issuance of the NTP.*

**110. Can existing client request them to build/repair their house?**

*No. The builder will be assigned by the RREM Program Manager.*

**111. Does Lead paint apply?**

*Yes. Any home built prior to 1978 will need to be tested. If lead paint is found, proper protocols must be followed for construction activities.*

**112. Does Asbestos apply? Who will do testing for the asbestos?**

*The Scope of work will include this item if any Asbestos remediation is required. If asbestos is found, proper protocols must be followed for remediation if applicable.*

**113. On the reconstruction it is my understanding that the QCP will bid on the house submitted in the package and the average cost arise will be used? Why then would we have to fill out an 11.17 spread sheet for each address?**

*The builder will be required to provide costs for the site adaptation costs. The RREM Program Managers will complete the rest of the 11.17 for the property to document the scope of the Project.*