AGENDA

1. Welcome and Introductions

2. Purpose/Goal

3. Project Work Flow
   - Project Eligibility
   - Contract Execution
   - Guide to Procurement
   - Labor Compliance
   - Invoicing
   - Project Close-Out
   - Service Payback
To inform non-profits of the different activities of completing a capital improvement project.

To effectively manage project through proper planning and scheduling.

To avoid having timeliness issue that could lead to funds being reprogrammed.
PROJECT WORK FLOW

1. Project Award
2. Project Eligibility Proposal (PEP) (Including NEPA/CEQA Approval)
3. Contract
4. Procurement (Bid/Proposals)
5. Construction Begins
6. Labor Compliance
7. Invoices
8. Construction Ends
9. Close Out Documents
10. Service Payback Monitoring
PROJECT ELIGIBILITY PROPOSAL (PEP)

- Project Description / Scope of Work
- Activity Description
- How will $ be spent
- Other sources of funding
- Identify National Objective
- Performance Measurement / Outcome Indicator
PROJECT ELIGIBILITY PROPOSAL (PEP)

- Environmental Clearance - NEPA and CEQA review and compliance documents
- Photos
- PEP is submitted by Program Analyst on behalf of non-profit
- PEP needs to be approved BEFORE incurring cost.
CITY CONTRACT WITH NON-PROFIT

- Checklist
- Corporate/Business documents
- Licenses & Registrations
- Los Angeles Business Virtual Network ([www.labavvn.org](http://www.labavvn.org))
- Contract Terms
PERFORMANCE SCHEDULE / PROJECT TIMELINE

NAME OF PROJECT: ____________________________________________

NAME OF CONTRACTOR: _______________________________________

**Time frame begins from the date contract with HCID is executed. Indicate by number of months; e.g. Pre-Design = 1 month, Construction = 6 months.

<table>
<thead>
<tr>
<th>MILESTONE</th>
<th>DESCRIPTION</th>
<th>TIME FRAME*** (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Design</td>
<td>Planning, environmental review &amp; mitigation, relocation, zoning.</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>Architectural design/plan, accessibility report, permits, cost review.</td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>Section 3 outreach, bid opening, contractor selection, contract award, bonds, insurance.</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Physical construction, progress / development monitoring, labor compliance, invoices, inspections</td>
<td></td>
</tr>
<tr>
<td>Post-Construction</td>
<td>Certificate of Occupancy, Notice of Completion, related sign-offs.</td>
<td></td>
</tr>
<tr>
<td>Close Out</td>
<td>Lien releases, Sec 3 summary report, final invoices, HCID closeout documents.</td>
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</table>

PROJECT PHASE:  □ PEP  □ DESIGN  □ BID/PROCUREMENT  □ CONSTRUCTION  □ CLOSE OUT

STATUS: Based on the PROJECT PHASE (as indicated above), please discuss the following:

1. Percentage of Completed Work:
   Click here to enter text.

2. Anticipated Completion Date:
   Click here to enter text.

3. Description of Work Completed:
   Click here to enter text.

4. Issues/Concerns:
   Click here to enter text.

PROJECT ANTICIPATED COMPLETION DATE: Click here to enter text.

TOTAL PROJECT EXPENDITURES TO DATE: Click here to enter text.
Procurement “Claw” (Sections 200.317-326)

1. Micro-Purchases
2. Small Purchases
3. Sealed Bids
4. Competitive Proposals
5. Sole Source

General Standards:
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
   i. Cost & Price Analysis
   ii. Vendor Selection
CONSTRUCTION BIDDING
2CFR200.320(C)

- Written request for City approval of public Bid Notice that cites federal funding per Exhibit J of City contract

- Provision of detailed pre-bid sq. ft. cost estimate and written request for approval of final bid package that includes City’s bid requirements

- Provision of GFE to solicit Sec. 3 contractors & residents, bid-open sign-in sheet, and written request for approval of bid and award to lowest responsive & responsible bidder subject to City approval of bonds, insurance & construction contract

- Written request for City approval of Notice to Proceed
CONSULTANT BIDDING
2CFR200.320(B) & (D)

- If estimated consultant (e.g., architect/engineer) cost < $150K, same as Construction Bidding without bid publication, labor, bonding, and other non-applicable City contract requirements but with evidence at least three qualified consultants were solicited.

- If estimated consultant cost > $150K, same as Construction Bidding without City contract’s labor-related and bonding requirements.
SECTION 3 COMPLIANCE

WHAT IT IS

- Ensures that employment, training, contracting, and other economic opportunities generated by certain HUD projects be directed to:
  
  - Low- and very low-income persons (a.k.a. “Section 3 Residents”)
  
  - Business concerns that are 51% owned, or whose workforce is represented 30% by low- and very low-income persons (a.k.a. “Section 3 Businesses”)
The City is responsible for complying with Section 3, since it receives over $200,000 combined in HOME, CDBG, ESG, HOPWA, and other HUD funds.

Section 3 applies to all covered activities undertaken by the City.

The responsibility of complying is shared with sub-recipients, contractors, and subcontractors that:
- Receive over $100,000
- Projects with a total cost exceeding $200,000

Smaller contracts are figured into the calculation of the City’s overall goals for compliance with Section 3: so the City still needs to account for actual Section 3 hiring and contracting numbers associated with those contracts.
GOALS

- 30% aggregate number of new hires should be Section 3
- 10% of all subcontracts for building trades (a.k.a. construction) work should be Section 3 businesses
- 3% of all subcontracts for all other (a.k.a. non-construction) work should be Section 3 businesses
The Requirements

- Section 3 clause must be included in all Section 3-covered contracts and subcontracts for applicable projects (even non-construction)
- Good Faith Effort Outreach to Section 3 Businesses (must occur prior to preparation of any Subcontractor List)
  - Google “Section 3 Business Registry” or go to: 
    https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness
  - Preference to Section 3 business concerns means that a recipient’s or contractor’s procurement procedures include methods to provide preference to Section 3 business concerns. The City feels that conducting specialized outreach provides that preference.
  - **Submit the “Affirmation of Section 3 Good Faith Effort Outreach” with Contracting Docs to HCIDLA**
  - 1st Invoice will not be paid until the “Affirmation of Section 3 Good Faith Effort Outreach” is submitted
Good Faith Effort Outreach to Section 3 Residents

- Preparation of a notice that includes
  - Minimum number and job titles subject to hire under each Section 3-covered activity (and qualifications for each)
  - Availability of apprenticeship and training positions (and qualifications for each)
  - Name and location of person to contact re: hiring opportunities
  - Anticipated date work shall begin

- Send notice to each labor organization or representative of workers (if any) with which the contractor has a collective bargaining agreement or other understanding

- Post copies of the notice in conspicuous places at the work site

- Send the notice to all HACLA housing sites in the project Service Area

- Send the notice to the City’s network of WorkSource Centers
THE REQUIREMENTS

- Reporting of actual numbers via SECTION 3 Summary Report
  - **ALL** contractors and subcontractors (even those with a contract that is less than $100,000) must submit actual data on Section 3 hires and subcontracting to project managing non-profit or City department with their specific part of the work is done, using the Section 3 Summary Report
  - Non-profit or City department aggregates all contractor and subcontractor data for the project, also using the Section 3 Summary Report, and submits the aggregate data to HCIDLA Neighborhood Improvements Unit
  - **HCIDLA will hold the retention payment for each project until the Section 3 Summary Report is submitted and reconciled**
Timely submission of at least one properly completed & executed, weekly 2-page Certified Payroll Report (WH347) for the general contractor & each subcontractor for each week worked and/or each consecutive weeks not worked of construction period, and DAILY SIGN-IN SHEET

Submit CPR supporting documentation as needed – Fringe Benefit Statement, state & federal-approved apprentice certifications, non-standard deduction evidence, signatory authorizations

Submit photo of posted bi-lingual federal labor posters and Project Wage Rate Sheet (see City bid requirements) at project site

City will conduct unannounced site visits, review CPRs, mail worker questionnaires and/or refer willful violations to HUD, DOL, and/or DIR (https://portal.hud.gov/hudportal/documents/huddoc?id=makingdavisbaconwork001.pdf)
**FEDERAL CPR (WH347)**

[Link](https://www.dol.gov/whd/forms/wh347.pdf)
The bid opening date “locks in” the wage decision provided that contract is awarded within 90 days. For contracts awarded more than 90 days after bid opening, the contract award date “locks in” the wage decision.
HCID construction bid requirements include nonprofit registration with state DIR as the Public Agency awarding a public works contract, project registration, and subrecipient’s construction contractor registration with state DIR as the project’s contractor.

HCID monitors payment of higher of federal and state wages.
LABOR COMPLIANCE TRAINING INFO/LINKS

CITY OF LOS ANGELES
BOARD OF PUBLIC WORKS
BUREAU OF CONTRACT ADMINISTRATION
LABOR COMPLIANCE TRAINING
CHRIS JENSON
(213) 847-2662 - OFFICE
(213) 798-5260 – CELL
CHRIS.JENSON@LACITY.ORG

2ND Monday of each month


CITY OF SANTA BARBARA

Public Works, Prevailing Wage & Labor Compliance Workshop

Presented by:

- Request for Payment - HCID Cash Requisition form with 2 signatures
- Cost Reimbursement only
- No advance payment
- 2 party checks
- Submit with cover letter with supporting documents
- HCID retains 10% of project funding
## INVOICE – CONSTRUCTION ONLY

### SUPPORTING DOCUMENTS:
- Cancelled checks
- Receipt of payment
- Invoice/Statement

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**APPLICATION AND CERTIFICATE FOR PAYMENT**

<table>
<thead>
<tr>
<th>TO (OWNER):</th>
<th>APPLICATION NO.:</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM (CONTRACTOR):</td>
<td>DISTRIBUTION TO:</td>
</tr>
</tbody>
</table>

**CONTRACT FOR:**

<table>
<thead>
<tr>
<th>CONTRACT DATE:</th>
</tr>
</thead>
</table>

**CONTRACTOR’S APPLICATION FOR PAYMENT**

**CHANGE ORDER SUMMARY**

<table>
<thead>
<tr>
<th>Change Orders applied to previous month’s bill</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Date Approved</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
</tr>
</thead>
</table>

**RETAINAGE**

1. Total Retainage: $2,345.67
2. Return of Retainage: $456.78
3. Balance to owner: $1,888.89

**CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on site observations and the data comprising the above application, the Architect/Inspector certifies to the Owner that to the best of the architect’s knowledge, information and belief, the work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

<table>
<thead>
<tr>
<th>Inspectors:</th>
<th>Date:</th>
</tr>
</thead>
</table>

Project Manager: Date: 

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. No interest, payment and acceptance of payment will be without prejudice to any rights of the Owner or Contractor under this Contract.

<table>
<thead>
<tr>
<th>AMOUNT CERTIFIED:</th>
<th>$1,888.89</th>
</tr>
</thead>
</table>

(Attach explanation if amount certified differs from the amount applied for.)
Conditional Waiver and Release On Progress Payment

Unconditional Waiver and Release on Progress Payment

Conditional Waiver and Release On Final Payment

Unconditional Waiver and Release on Final Payment
Section 3 Summary Report
HCID Accounting Forms
- Subrecipient Release
- Subrecipient Assignment of Refunds, Rebates & Credits
- Contract closeout Tax Certification
Certificate of Occupancy/ Notice of Completion/ or Dept. of Building Safety Final Sign-Off
Final lien release; release of 10% retainage
Project Close Out Letter
SERVICE PAYBACK

- National Objective = Limited Clientele
- Minimum of 5 years
- Quarterly Participant & Maintenance Report (QPR)
- Deborah Wood, Manager
  213.808.8656
  deborah.mwood@lacity.org
REFERENCES


- HUD – OIG INTEGRITY BULLETINS https://www.hudexchange.info/resource/5065/hud-integrity-bulletins/
THANK YOU

CONSOLIDATED PLANNING DIVISION
NEIGHBORHOOD IMPROVEMENT SECTION

Julie O’Leary, Director
Jacqueline Mendez, Section Manager
Steve Walworth, Asst. Section Manager
Velinda Riparip, Program Analyst
Joshua Fogelson, Program Analyst

HTTP://HCIDLA.LACITY.ORG/Neighborhood-Development