

ORANGE COUNTY PROCUREMENT AND DISBURSEMENT POLICY
Housing Rehabilitation Programs, Including Local and North Carolina Housing Finance
Agency (NCHFA) Urgent Repair Activities

A. Procurement Policy

1. To the maximum extent practical, Orange County (the County) promotes a fair, open and competitive procurement process as required under the NCHFA Urgent Repair Program (URP) and the County's local housing rehabilitation programs. Bids are invited from contractors who are included on the County's Approved Contractor Registry. Any current contractor listed with and approved by the County and in good standing (i.e. no unresolved past performance issues and not listed on the federal or state debarred list) will receive automatic approval status on the Contractor Registry.
2. To be listed on the Approved Contractor Registry, a contractor must complete an application, submit proof of insurance and have their recent work inspected and approved by the Rehabilitation Specialist. All contractors' insurance renewals must be submitted to the County on an annual basis. In order to bid on a pre-1978 property, the contractor's firm must be Renovate, Repair and Paint (RR&P) certified and have their RR&P certificate on file with the County.
3. To the maximum extent practical, a minimum of three (3) eligible contractors on the Approved Contractor Registry should be invited to bid on each job and the lowest, most responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means the following: (a) the contractor is deemed able to complete the work in a timely fashion; (b) the bid is within fifteen percent (15%) in either direction of the County's cost estimate; (c) the contractor has not been suspended or debarred; and (d) there is no real or perceived conflict of interest. Because of the increasing difficulty of soliciting eligible bids for state and local funded URP projects, the County may solicit a bid from an eligible contractor on the Approved Contractor Registry based on their rotating placement on the Registry. If the selected contractor submits a responsive and responsible bid, it will be accepted and after successful completion of the project, that contractor will rotate to the end of the Registry. If the contractor does not submit a responsive and responsible bid or chooses not to submit a bid, the next contractor on the Registry will be eligible to submit a bid on the project. In emergency situations, telephone or email bids or quotes will be accepted and documentation of such bids or quotes will be maintained in the applicable file.
4. Although bid packages may be bundled for multiple job sites, these bids shall be considered separate when awarded and shall be awarded to the lowest responsive and responsible bidder(s) for each job site. No contractor shall have more than three (3) open jobs at any one time. A job shall be considered "open" once a contract is signed.

5. Bid packages shall consist of an invitation to bid, work write-up(s) and bid sheet(s) for each job, including instructions for distribution and receipt of bids. For urgent repair projects, contractors will be given no less than seven (7) days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. For moderate and comprehensive housing rehabilitation projects, contractors will be given no less than ten (10) days in which to inspect the property and prepare bid proposals.
6. Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Any discrepancies must be reconciled prior to a contract being awarded.
7. The County reserves the right to reject any or all bids at any time during the procurement process.
8. In an emergency situation, the County reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking quotes and bids by telephone, email, fax and the like. Should such methods ever become necessary the transaction, including the nature of the emergency, will be fully documented and placed in the project file. In the event telephone bids are used, the County will call the next eligible contractor on the Approved Contractor Registry who has indicated a desire to be on the Emergency Call List. The County will track who has been called and been responsive and will rotate through the Emergency Call List before beginning the rotation again.
9. All sealed bids will be opened publicly at the Department of Housing and Community Development (DHCD) located at 300 W. Tryon Street, Hillsborough, NC at a date and time specified in the bid invitation. All bidders are invited and welcome to attend. Within seventy-two (72) hours of the bid opening, after the review of bid breakdowns and construction schedules, the winning bidder(s) will be selected. All bidders and the homeowner will be notified in writing of 1) the selection of the winning bid; 2) the amount of the winning bid; and 3) the specific reasons for the selection if the lowest bidder was not selected.
10. The contractor is responsible for obtaining a building permit for the project before beginning work. The permit must be posted at the project site during the entire period of construction. If applicable, the contractor will obtain a permit for lead and/or asbestos hazard-related activities. The Rehabilitation Specialist will closely monitor the construction to make sure that the work is being done according to the work write-up (which is made part of the contract by reference) and in a timely fashion. Local code enforcement officials will, if required, inspect the work for compliance with the NC State Building Code and the local minimum housing code, when applicable. The homeowner will be responsible for working with the contractor to clear their personal property from

the work areas, as needed and as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.

11. Any change to the original scope of work must be in writing, in the form of a change order to be agreed upon and signed by all parties to the original contract and two representatives of the County. The change order must detail any changes to the original contract price.
12. No work may begin prior to a contract being awarded and executed and a written order to proceed provided to the contractor. A pre-construction conference and a "walk through" must also be held prior to the commencement of the project. The pre-construction conference can be held at the DHCD and the walk through must be held at the project site. At this time, the homeowner, contractor and the Rehabilitation Specialist will discuss the details of the work to be completed. Project start and end dates will be finalized, along with any special arrangements such as weekend or evening work hours and the disposition of items to be removed from the home. Within twenty-four (24) hours of the pre-construction conference, the County will issue a "proceed order" formally instructing the contractor to commence work by the agreed upon date.
13. Orange County is an equal opportunity employer, implements non-discriminatory practices in its procurement and disbursement and will make special outreach efforts to include Minority/Women Business Enterprise (MWBE) businesses within its contractor and subcontractor pool. Contractors will be chosen by the above criteria without regard to race, color, national origin, disability, religion, age, sex/gender, sexual orientation, gender identity and expression, marital status or veteran status.

B. Disbursement Policy

1. All repair work must be inspected by the Rehabilitation Specialist, the local Building or Minimum Housing Code Inspector, when applicable, and the homeowner prior to any payments to contractors. If all construction work is deemed satisfactory and all other factors and written agreements are in order, payment shall be issued upon presentation of an original cost-per-item invoice from the contractor. The contractor should allow up to fourteen (14) business days for processing the invoice for payment.
2. The contractor is entitled to request a maximum of two partial payments and a final payment. For moderate and comprehensive rehabilitation projects only, there will also be a ten percent (10%) retaining fee based on the value of the contract to be held for the 60-day retention inspection. No partial payments will be made for contracts less than ten thousand dollars (\$10,000). For contracts greater than \$10,000 a maximum of three (3) partial payments can be requested by the contractor, each no less than thirty-three

percent (33%) of the value of the contract (less the 10% retaining fee). When a payment is requested, the Rehabilitation Specialist will inspect the work within three (3) days, determine the percentage of job completion and calculate a payment based on the percentage completion.

3. Following the completion of construction, the contractor and the Rehabilitation Specialist will meet with the homeowner in a post-construction conference. At this time, the contractor will provide the owner's manuals and warranties on equipment and materials to the homeowner and be available to answer questions.
4. When the contractor declares the work complete, the Rehabilitation Specialist will thoroughly inspect the work as part of the project closeout. If any of the work is deemed unsatisfactory, it must be corrected prior to the authorization of final payment. If the contractor fails to correct the work to the satisfaction of the Rehabilitation Specialist, payment may be withheld until such time as the work is deemed satisfactory. If a dispute occurs, contractors may follow the procedure dealing with complaints, disputes and appeals in the County's Urgent Repair Loan Pool Assistance Policy. Contractors must abide by the final decision as stated in the policy. The homeowner, Rehabilitation Specialist and Housing and Community Development Manager must sign off on the work. After the receipt of the contractor's final invoice, inspections, certificate of completion and lien releases, the final payment will be processed. All material and workmanship will be guaranteed by the contractor for a period of one (1) year from the date of completion of the work.
5. Orange County assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.
6. All contractors, subcontractors and suppliers must sign a lien waiver prior to the disbursement of funds.

The Orange County Procurement and Disbursement Policy, as revised, is adopted this _____ day of _____, 20____.

ORANGE COUNTY, NC

BY: _____
Chair, Board of County Commissioners

ATTEST: _____