

Cell to be completed by Bidder

**Exhibit 6 Cost Quote - BEST AND FINAL OFFER Due 9/09/2013**

Protected Cells

RFQ #816920S Management of the Landlord Rental Repair Program

Firm Name: \_\_\_\_\_

Cost Quote for:	Staffing Category	Equivalent GSA Staffing Category	GSA or Better Hourly Billing Rate (\$)	Section 3.1.1 Start Up - Administrative Preparatio and Budgeting		Section 3.1.2 Landlord Rental Repair Program MIS System		Section 3.1.3 Application Review and Processing and Reimbursement Validation		Section 3.1.4 Construction Management		Section 3.1.5 Quality Assurance / Quality Control		Section 3.1.6 Appeals		Section 3.1.7 Compliance and Monitoring		Section 3.1.8 Issue Tracking and Fraud, Waste and Abuse Coordination		Section 3.1.9 Document Management and Records Retention		Section 3.1.10 Accounting and Reporting		Total Hours Per Staff Category	Total \$ Per Staff Category
				Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)		
Program Chief Executive					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Program Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Construction Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Eligibility Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Information Technology Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Subcontracts Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Budget & Financial Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Communications Director					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Chief Legal Counsel					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Facilities and Equipment Manager					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Cost Estimator					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Other																									



## State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY  
PROCUREMENT BUREAU  
PO BOX 230  
TRENTON, NJ 08625-0230

**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*  
**JIGNASA DESAI-MCCLEARY**  
*Director*

August 30, 2013

To: All Interested Bidders

**Re: RFQ # 816920S**  
**RFQ NAME**

Quotation Submission Due Date: **September 4, 2013** (4:00 p.m.)

### **Modification #3**

The following constitutes Modification #3 to the above referenced solicitation. This addendum is divided into the following parts:

Part 1: Answers to questions.  
Part 2: Not applicable to this RFQ

It is the sole responsibility of the bidder to be knowledgeable of all of the additions, deletions, clarifications and modifications to the RFQ and/or the New Jersey Standard Terms and Conditions relative to this RFQ as set forth in all addenda.

All other instructions, terms and conditions of the RFQ shall remain the same.

**PART 1**  
**Management of the Landlord Rental Repair Program**  
**RFQ#816920S**

**Answers to Questions**

Note: Some of the questions have been paraphrased in the interest of readability and clarity. Each question is referenced by the appropriate RFQ page number(s) and section where applicable.

#	Page #	RFQ Section Reference	Question	Answer
1	9	1.3 Quote Submission	With the extension of the q&a period per Modification 1, we are formally requesting an extension of the quote submission to close of business, Wednesday, 9/4/13.	Due date is Wednesday, 9/04/13 at 4:00pm as documented in Modification 2.
2	9	1.3 Quote Submission	With reference to the RFQ for the Management of the Landlord Rental Repair Program for NJ DCA, it states Quotes will be due at noon on Tuesday, Sept 3 <sup>rd</sup> . Given the Holiday weekend, do you anticipate an extension for the due date?	Due date is Wednesday, 9/04/13 at 4:00pm as documented in Modification 2.
3	9	1.3 Quote Submission	The release of the RFP was dated August 26 <sup>th</sup> , however it was not accessible until August 29, 2013. Will DCA consider a 3 day extension?	Due date is Wednesday, 9/04/13 at 4:00pm as documented in Modification 2.
4			The MIS specifies the system will be in a cloud hosting environment. Is this a requirement or is a dedicated internal company server acceptable?	To meet DCA requirements, the MIS System must be in a cloud based environment
5			Will lead paint and asbestos assessments be required on the projects that are 100% reimbursement? If yes, will the LRRP Contractor be responsible for providing scopes of work for the mitigation and monitoring the compliance?	Based on the most current information from HUD provided in Exhibit 3 - HUD pre-award guidance, it is not anticipated that Lead paint and Asbestos assessments will be required for projects that are 100% reimbursement.
6			Will the program provide reconstruction in the event that the dwellings are severely damaged beyond repair? If yes, will the LRRP Contractor be responsible for providing construction floor plans and specifications?	As noted in Section 3.1 Exhibit 1 Draft "Landlord Rental Repair Guidelines", Reconstruction is considered an eligible activity, that must be approved by DCA on a case-by-case basis. Plans are currently available under the RREM program for 1 unit properties. It is not anticipated that Design services would be provided for by the LRRP contractor for multi-unit properties. The Bidder should have the appropriate labor categories available in their schedule or an appropriate sub-contractor on their team such

#	Page #	RFQ Section Reference	Question	Answer
				that if DCA tasks on a case-by-case basis for this service, the contractor will have the capacity to provide.
7	6 & 7	1.0 Purpose and Intent	Can clarification be provided on the differences on reimbursement on page 6 top paragraph verses page 7 top paragraph? It seems to say the same thing.	In both references to reimbursement, DCA refers the bidder back to EXHIBIT 3 – CDBG-DR Pre-award guidance.
8	8	1.1 LRRP Timeline	On page 8: Will pre-construct services (architecture/engineering as required for building permits and land use approvals) occur during Stage 5?	Should architecture and engineering services be required, it would need to occur prior to Stage 3 selection of a homebuilder and pricing of the project.
9	16	3.1 Core Services and Bidding Assumptions	Can we receive additional numeric information on bidding assumptions (page 16) including the basis for the percentages? Bidding Assumptions do not list the 3 Program Workflows offered to the Landlord; Reimbursement, Landlord-led Construction Management and Assisted Construction Management. Having a number of assumed properties for each workflow would assist in establishing the approximate man-hours required to manage the program.	The assumptions are based on an assessment by DCA and will help to provide a consistent comparison of pricing across the bidders. Additional numeric information on bidding assumptions is not available.
10	19	3.1.4 Construction Management & Exhibit 6	Can you clarify if Section 3.14. Construction Management is to include architecture/engineering as required for building permits and land use approvals?	As noted in task “13) Completing any other tasks or making any other determinations required to successfully implement the LRRP program, as may be specified in the policies required by DCA. “, should on a case by case basis a design activity be required, the Bidder should have the appropriate labor categories available in their schedule or an appropriate sub-contractor on their team such that if DCA tasks on a case-by-case basis for this service, the contractor will have the capacity to provide.
11	24	Exhibit 1	There is no stage listed for per-construction services architecture/engineering as required for building permits and land use approvals between Stages 5 and 6. Should this be added?	See answer to # 10 above.
12			If the event that an applicant does not bring a builder may the contractor assign a builder?	The Contractor may not assign a builder. The LRRP applicant will select the builder.
13	8	1.1 LRRP	Can the contractor require the builder to	Yes

#	Page #	RFQ Section Reference	Question	Answer
		Timeline – Item 6	obtain his/her required permits as is customary in the home building industry?	
14	22	3.17 Compliance Monitoring	3.1.7 says we are responsible for monitoring a portion of grant recipients for compliance with covenants and posting-closing requirements. What is the required duration of this responsibility?	Monitoring of post-closing requirements of covenants will be limited to the term of the contract and may be replaced by a monitoring protocol developed and administered by DCA.
15	25	3.1.10	3.1.10 (1) requires us to reconcile federal funds disbursed and funds recovered among multiple database systems and interfaces. Is this a SSHIP responsibility since they are disbursing the funds and qualifying applicants?	LRRP MIS system would need to have this capacity to gather all of this data, reconcile federal funds and interface with the other systems that DCA is using to manage the Sandy Recovery Programs.
16			Please clarify the extent of design services, if any that are to be included in the scope of the Contractor for the Management of the Landlord Rental Repair Program, RFQ #816290S.	The Contractor is not expected to provide design services such as architectural, engineering or other design services and should not include pricing to accomplish this. However, as the program allows reconstruction on a case-by-case basis, the Contractor should have the appropriate labor categories available in their schedule or an appropriate sub-contractor on their team such that if DCA tasks on a case-by-case basis for this service, the contractor will have the capacity to provide.
17	9	1.3 Quote Submission	With reference to the RFQ for the Management of the Landlord Rental Repair Program for NJ DCA, it states the Quotes will be due at noon Tuesday, Sept 3 <sup>rd</sup> . I believe there has been an Modification #2 issued extending the submission date to 4:00pmon Wednesday, Sept 4 <sup>th</sup> . Given the Holiday weekend and the effort necessary to produce an appropriate submittal, would it be possible to have an extension on the due date for an additional week?	Due date is Wednesday, 9/04/13 at 4:00pm as documented in Modification 2.
18	33	Section 4.11.1 References Attachment 1	Is there an actual Attachment 1 form that these references need to be submitted on? If so, it is not in the RFQ documents. For RREM, we had just listed the 3 references, and will plan on doing the same if there is not an actual Attachment 1 form.	Attachment 1 is no longer used. A list of the three(3) references will suffice.



## State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY  
PROCUREMENT BUREAU  
PO BOX 230  
TRENTON, NJ 08625-0230

**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*  
**JIGNASA DESAI-MCCLEARY**  
*Director*

August 29, 2013

To: All Interested Bidders

**Re: RFQ #816290S**  
**RFQ Landlord Rental Repair Program**

Quotation Submission Due Date: **September 3, 2013** (12:00 p.m.)

### **MODIFICATION #2**

The following constitutes MODIFICATION #2 to the above referenced RFQ. This modification is to extend the Quotation Submission Due Date to 4:00pm on Wednesday, September 4, 2013.

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFQ.

All other instructions, terms and conditions of the RFQ shall remain the same.



## State of New Jersey

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*Lt. Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*  
**JIGNASA DESAI-MCCLEARY**  
*Director*

August 28, 2013

To: All Interested Bidders

**Re: RFQ #816290S**  
**RFQ Landlord Rental Repair Program**

Quotation Submission Due Date: **September 3, 2013** (12:00 p.m.)

### **MODIFICATION #1**

The following constitutes MODIFICATION #1 to the above referenced RFQ. This modification is to extend the Question and Answer period to 4:00pm on August 29, 2013.

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFQ.

All other instructions, terms and conditions of the RFQ shall remain the same.

**REQUEST FOR QUOTE  
FOR  
Management of the Landlord Rental Repair Program for the State of New Jersey  
Department of Community Affairs (“DCA”)**

**Issued by the  
State of New Jersey  
Division of Purchase and Property**

**RFQ#816290S**

**REISSUE Date Issued: August 26, 2013**

**Responses Due by 12:00 noon Eastern Time on:  
Tuesday, September 03, 2013**



## Table of Contents

<b>1.0</b>	<b>PURPOSE AND INTENT</b>	<b>5</b>
<b>1.1</b>	<b>LANDLORD RENTAL REPAIR PROGRAM TIMELINE</b>	<b>8</b>
<b>1.2</b>	<b>BACKGROUND</b>	<b>9</b>
<b>1.3</b>	<b>QUOTE SUBMISSION</b>	<b>9</b>
<b>1.4</b>	<b>PROPRIETARY AND CONFIDENTIAL INFORMATION</b>	<b>9</b>
<b>1.5</b>	<b>QUESTION AND ANSWER</b>	<b>10</b>
<b>1.6</b>	<b>SMALL BUSINESS SUBCONTRACTING SET-ASIDE CONTRACTS</b>	<b>10</b>
<b>1.7</b>	<b>JOINT VENTURE</b>	<b>11</b>
<b>2.0</b>	<b>DEFINITIONS/ACRONYMS</b>	<b>11</b>
<b>3.0</b>	<b>RFQ SCOPE OF SERVICES</b>	<b>15</b>
<b>3.1</b>	<b>CORE SERVICES</b>	<b>15</b>
<b>3.1.1</b>	<b>Start Up – Administrative Preparation and Budgeting</b>	<b>17</b>
<b>3.1.2</b>	<b>Landlord Rental Repair Program MIS System</b>	<b>18</b>
<b>3.1.3</b>	<b>Application Review and Processing and Reimbursement Validation</b>	<b>18</b>
<b>3.1.4</b>	<b>Construction Management</b>	<b>19</b>
<b>3.1.5</b>	<b>Quality Assurance/Quality Control</b>	<b>20</b>
<b>3.1.6</b>	<b>Appeals</b>	<b>22</b>
<b>3.1.7</b>	<b>Compliance and Monitoring</b>	<b>22</b>
<b>3.1.8</b>	<b>Issue Tracking and Fraud, Waste and Abuse Coordination</b>	<b>22</b>
<b>3.1.9</b>	<b>Document Management and Records Retention</b>	<b>23</b>
<b>3.1.10</b>	<b>Accounting and Reporting</b>	<b>25</b>
<b>3.2</b>	<b>ANTICIPATED LEVEL OF EFFORT</b>	<b>25</b>
<b>3.2.1</b>	<b>Anticipated Labor Categories</b>	<b>25</b>
<b>3.3</b>	<b>REPORTING AND DOCUMENTATION</b>	<b>26</b>
<b>3.4</b>	<b>TRAVEL EXPENSES AND REIMBURSEMENTS</b>	<b>26</b>
<b>3.5</b>	<b>DELIVERABLE MILESTONES AND PERFORMANCE GUARANTEES</b>	<b>27</b>
<b>4.0</b>	<b>REQUIRED COMPONENTS OF RFQ</b>	<b>27</b>
<b>4.1</b>	<b>TECHNICAL QUOTE</b>	<b>27</b>
<b>4.1.1</b>	<b>Cover Page</b>	<b>28</b>
<b>4.1.2</b>	<b>Quote Letter</b>	<b>28</b>
<b>4.1.3</b>	<b>Management Overview – Tab 1</b>	<b>29</b>
<b>4.1.4</b>	<b>Start-Up Team – Tab 2</b>	<b>29</b>
<b>4.1.5</b>	<b>Contract Management – Tab 3</b>	<b>30</b>
<b>4.1.6</b>	<b>Potential Challenges – Tab 4</b>	<b>30</b>

4.1.7	Organizational Support and Experience – Tab 5 .....	30
4.1.8	Resumes – Tab 6.....	31
4.1.9	Experience on Contracts of Similar Size and Scope – Tab 7 .....	31
4.1.10	Additional Experience of Bidder – Tab 8 .....	31
4.1.11	Subcontracts – Tab 9 .....	32
4.1.11.1	References – Attachment 1 .....	33
4.1.12	Disclosure .....	33
	As part of the technical proposal, the Bidder must disclose any involvement in the following and provide a statement certifying that there will be no conflict of interest:.....	33
4.2	KNOWLEDGE TRANSFER.....	33
4.3	COST QUOTE.....	33
4.3.1	COST QUOTE FORMAT.....	34
4.3.1.1	Cover Letter .....	34
4.3.1.2	Table of Contents.....	34
4.3.1.3	Tab 1 – Executive Summary.....	34
4.3.1.4	Tab 2 – Administrative Requirements.....	34
4.3.1.5	Tab 3 – Cost Schedules.....	34
4.3.1.6	Other Direct Costs.....	35
5.0	CONTRACT TERM .....	35
5.1	SECURITY AND CONFIDENTIALITY.....	36
5.1.1	Data Confidentiality .....	36
5.1.2	Security Standards .....	36
5.1.3	Federal Tax Information Security .....	38
5.2	OWNERSHIP OF MATERIALS.....	41
5.3	ADDITIONAL WORK AND/OR SPECIAL PROJECTS .....	42
5.4	INSURANCE - PROFESSIONAL LIABILITY INSURANCE .....	43
5.5	RETAINAGE.....	43
5.6	AUDIT OF RECORDS .....	43
5.7	RECORD RETENTION.....	44
5.8	RECORD OWNERSHIP .....	44
5.9	SUBSTITUTION OF PERSONNEL .....	44
5.10	CONFIDENTIALITY OF STATE DATA AND INFORMATION.....	44
5.11	WAIVER OF ADMINISTRATIVE INFORMALITIES .....	45
5.12	CONTRACTOR REQUIREMENTS .....	45
5.13	ANNOUNCEMENTS AND PRESS RELEASES .....	45
5.14	CONTRACT NEGOTIATIONS.....	45
5.15	CONTRACT AWARD AND EXECUTION .....	45

- 5.16 CDBG BONDING ASSISTANCE .....45**
- 6.0 DIRECTOR’S RIGHT OF FINAL QUOTATION ACCEPTANCE .....46**
- 6.1 FACILITY REQUIREMENTS.....46**
- 7.0 FORM OF COMPENSATION AND PAYMENT.....46**
- 8.0 SELECTION PROCESS .....46**
- 8.1 EVALUATION PROCESS OVERVIEW .....47**
  - 8.1.1 TECHNICAL EVALUATION CRITERIA .....47**
  - 8.1.2 TECHNICAL SCORE and COST REASONABLENESS .....48**
- 8.2 EVALUATION COMMITTEE .....48**
- 8.3 ORAL INTERVIEW.....48**
- 8.4 AWARD SELECTION .....48**
- 8.5 NEGOTIATION AND BEST AND FINAL OFFER (BAFO).....48**
- 8.6 STATE CONTRACT MANAGER .....49**
  - 8.6.1 State Contract Manager Responsibilities .....49**
  - 8.6.2 Coordination with the State Contract Manager .....49**
- 9.0 CONFLICT OF INTEREST CLAUSE .....49**
- 10.0 PROGRAM EFFICIENCY ASSESSMENT.....49**
- 11.0 ADDITIONAL REQUIREMENTS .....49**

**REQUEST FOR QUOTE  
FOR  
Management of Landlord Rental Repair Program for the State of New Jersey  
Department of Community Affairs (“DCA”)**

**1.0 PURPOSE AND INTENT**

This Request for Quote (“RFQ”) is issued by the State of New Jersey (“State”) Procurement Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Department of Community Affairs (“DCA”). The purpose of this RFQ is to solicit quotes from interested qualified GSA firms whose quote, conforming to this RFQ, is most advantageous to the State, price and other factors considered. The U.S. Department of Housing and Urban Development (“HUD”) allocated to New Jersey an initial \$1,829,520,000 in Community Development Block Grant Disaster Recovery (“CDBG-DR”) funds to be used to help recover from the Federally declared disaster that occurred as a result of Superstorm Sandy in 2012. The State has submitted an initial Action Plan for Disaster Recovery (the “Action Plan”) to HUD.

The State of NJ Standard Terms and Conditions will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise. **Quotes submitted with any terms that conflict with the RFQ terms, the New Jersey Standard Terms and Conditions, which is specifically incorporated in this RFQ, and/or the Travel Regulations, may be deemed non-responsive. All exceptions should be included in the Q & A period.**

The CDGB-RG regulations and the State’s Action Plan, as approved by HUD shall apply to all contracts or purchase agreements made with the State of New Jersey. The CDBG- DR regulations can be found at:

**[http://portal.hud.gov/hudportal/documents/huddoc?id=CDBG-FR\\_Sandy\\_Notice.PDF](http://portal.hud.gov/hudportal/documents/huddoc?id=CDBG-FR_Sandy_Notice.PDF)**

These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise.

In its efforts to expedite time-sensitive recovery needs, the State of New Jersey is operating under a two-year timeline for the full draw of funds to eligible projects (by approximately May 1, 2015). The Bidder should be fully aware and ready to execute the Program based on the draft New Jersey Landlord Rental Repair Program Guidelines (Exhibit 1) and Timeline included herein, and plan to be fully operational five (5) days from Date of Award. Additionally, the Bidder must be fully willing to comply with all RFQ Scope of Services outlined in Section 3.0. Finally, all Bidders must ensure that all contractors that work on its behalf are licensed, bonded and insured pursuant to State and Federal law and HUD requirements.

As outlined in the Action Plan (<http://www.nj.gov/dca/>), the State intends to establish a program to create affordable rental housing units through the restoration of approximately 1,000 eligible, privately owned one (1) to twenty-five (25) unit Small Rental Properties damaged in Superstorm Sandy. This \$70,000,000 Program will award no-interest, grants of up to \$50,000 per unit to restore residential properties damaged by the storm. In turn, successful Applicants to the Program

must agree to furnish affected units as affordable rental units to eligible low and moderate income households.

HUD provided guidance to its CDBG-DR grantees on July 30, 2013 to clarify the applicability of reimbursement to the entire applicant pool. The State has analyzed the applicability and believes that this determination will affect the overall scope of service delivery. Reimbursement of eligible construction activities is allowed up until the date of application. This guidance is expected to impact the general distribution of the applicants needing full construction management services, as the State is assuming that 70% of the transactions will be solely a reimbursement of activities completed. If an applicant has incurred eligible costs up to \$50,000, then reimbursement will be made to that level even if the unit is not yet complete. The State will secure a covenant to ensure the completion of the property, occupancy and achievement of national objective. *It is the State's expectation that the impact of reimbursement will reduce the costs and requirements related to environmental requirements, lead/asbestos, Section 3 and Davis Bacon as it relates to the rehab work already completed.*

The Contractor awarded through this RFQ will perform the following activities for up to the approximately 1,000 eligible applicants:

- Review Homebuilders to ensure minimum adequate qualifications for rehabilitation activities;
- Determine the Scope of Work necessary to restore eligible properties and verification of completed work to date;
- Oversee construction activities and schedules related to these properties;
- Approve draws for Homebuilders based on construction progress

The State intends to award a single contract through this RFQ. The selected Contractor, under the guidance and supervision of the State, will be responsible for the implementation of the Program activities referenced above. Specifically, the Contractor will be charged with 1) implementing the LRRP components in accordance with the established administrative procedures, and 2) maintaining all necessary Program records (including a complete database that can be used to assess the Program's progress) and issuing periodic reports on the key Program indicators as set forth by the State.

The Contractor will be responsible for reviewing Homebuilders' qualifications in concert with DCA and disbursing payments through a process approved by DCA.

The Contractor will not be responsible for identifying Applicants to the Program. A separate Contractor, called the Superstorm Sandy Housing Intake Program ("SSHIP") Contractor, will first perform all application and intake processes for the Program, determine eligible Applicants, and refer those Applicants to the Contractor. Once the Applicants have been referred, the Contractor, will then prepare an Estimate of the Cost of Repairs ("ECR"), and verification of work completed to date. Note, the SSHIP Contractor will determine Duplication of Benefit ("DOB"), and make the award determination. The SSHIP Contractor will issue a Notice of Award to the Applicant.

The Applicant, under certain circumstances, may be eligible for reimbursement for funds expended prior to application. For more in-depth listing of rehabilitation efforts please refer to policy guidelines, Exhibit 1. In these instances, the Contractor will need to evaluate the status of the completion of the work as of the date of the submission of the application. After an award is determined, the Contractor will then meet with the Property Owner to review the Scope of Work and have the Property Owner sign off on a LRRP work write-up. The Contractor will review a bid or price provided by the Property Owner's selected Homebuilder to ensure capacity to complete the project and establish cost reasonableness. The Property owner will have final selection of a Homebuilder as long as they meet program requirements as per Exhibit 1 and provide a cost reasonable price.

The SSHIP Contractor will be responsible for closing and escrow, as necessary. The Contractor will issue a Notice to Proceed to the Homebuilder. The Contractor will work with the Property Owner and Homebuilder in accordance with the property owner's/Homebuilder contract and terms of the awarded grant to ensure that the property is being repaired according to State and local codes, or other Program requirements, and that the Property Owner's project meets the Program's scheduling needs. The SSHIP Contractor will distribute funds which are drawn down from the State's CDBG-DR allocation and paid out as outlined in Exhibit 1 policy guidelines in a timely fashion for work that has been verified to be complete according to the approved specifications. Property Owners will approve final draw requests for homebuilder's payment when the project is complete. Property Owners may opt for a process whereby the LRRP funds are distributed upon completion of repairs. The Contractor hired to represent the interests of the NJ DCA as a result of this RFQ shall none the less be responsible for performing an inspection and oversight role during the construction period.

Upon final completion of the repairs, the Contractor will notify the SSHIP Contractor, who will then complete the closeout of the Applicant's grant. A draft flowchart of the process is attached as (Exhibit 2).

The Contractor shall coordinate with the SSHIP Contractor, as the SSHIP Contractor will provide the intake of all applications, make eligibility determinations, issue the Notice of Awards, set-up and maintain the Housing Program – Central Management Information System ("HP-CMIS") for all Housing Programs, conduct closings, and closeout of the Applicant from the Program.

Bidders should understand and take into consideration that the Program could be increased to serve additional damaged housing needs in the affected areas in the event that Congress approves additional allocations from the original appropriations of CDBG-DR funds. The State also reserves the right to decrease the scope and amount of work.

A detailed description of the functional and implementation services scope for the project is provided in Section 3.0. A Quote may include subcontractors, but must include only one Bidder.

**NOTE:** The Contractor and its affiliates or subcontractors will be prohibited from participating in the LRRP as homebuilders. Further, any firm in which the Contractor or its principals have interests will similarly be prohibited from participating in LRRP programs as homebuilders. As part of the technical proposal, the Bidder must provide a statement certifying that there is and will be no such conflict of interest.

**1.1 LANDLORD RENTAL REPAIR PROGRAM TIMELINE**

The Bidder must be prepared to accept the first approved applicants within 5 days of Contract Award.

The Bidder should be prepared and aware of the following milestones related to the advancement of Property Owners:

1. Complete the Scope of Work for a homeowner including assessment of the Estimated Cost to Repair; Validation of work already completed, assessment of lead based paint hazards; and assessment for asbestos. Confirm the environmental review process status and timeline for completion.	Within 30 days after the referral of Applicant by the SSHIP.
2. Upon receipt of an environmental clearance, meet with the Applicant to review the Scope of Work.	Within 5 days of receipt of Environmental Clearance notification.
3. Upon selection of the Homebuilder by the Applicant; ensure threshold qualifications review; assist in pricing or review of existing bid for cost reasonableness.	Within 10 days assuming a qualifications review is required assist SSHIP with the completion of DOB calculation and final award amount.
4. SSHIP will complete Duplication of Benefit Calculation and finalize award amount.	Within 3 days of approval of Homebuilder pricing.
5. SSHIP Contractor will arrange escrow of other and ensure all items necessary for closing.	Within 15 days after finalizing award amount.
6. If necessary; obtain permits and Contractor to Issue Notice to Proceed to Homebuilder and homebuilder will begin construction.	Within 15 days after closing
7. Complete the Scope of Work for Rehabilitation within the scheduled and approved time for completion.	90 days from the issuance of a Notice to Proceed to completion.
8. Notify the SSHIP of the completion of the Scope of Work and project closeout.	Within 7 days of completion.

The Timeline included herewith assumes that Environmental Reviews are completed and cleared, at a minimum for Tier 1 through the New Jersey Department of Environmental Protection.

## **1.2 BACKGROUND**

On October 21, 2012, Governor Chris Christie signed Executive Order 104 declaring a State of Emergency in New Jersey related to the impact of Hurricane Sandy, which caused massive property damage and loss of life. On October 30, 2012, President Obama declared a major disaster for New Jersey, DR-4086, thereby qualifying New Jersey for Federal disaster assistance funds. The Governor's Office assigned the DCA as the lead agency for the State's housing response and recovery. As the Lead Agency, the DCA formulates and implements the State's housing recovery plan. The DCA moves into the recovery phase of the storm, it seeks quotes from Contractors to provide management services in connection with the Housing Programs.

It is the State's intent to ensure that all work performed pursuant to this RFQ is eligible for HUD grant funding and performed in accordance with HUD regulations, policies and guidance. Qualified firms shall possess all required Federal and State licensing.

**Any State or Federal suspension, debarment, or disqualification action against a Contractor, key members of the contractor's team and any subcontractor to be utilized by contractor will render them ineligible to participate in this program.**

## **1.3 QUOTE SUBMISSION**

Quotes are to be submitted through the GSA eBuy site pursuant to State law that authorizes the Director of DPP to "promulgate the Federal Supply Schedules of the Federal General Services Administration" RFQ process by **Tuesday, September 3, 2013 noon 12:00 p.m. EST.**

Qualified GSA Bidders may also submit quotes via email to [Angela.Breland-Jackson@treas.state.n.us](mailto:Angela.Breland-Jackson@treas.state.n.us) or via first class mail to:

Department of the Treasury  
Division of Purchase and Property – 9<sup>th</sup> Floor  
33 West State Street  
Trenton, NJ 08625

Bidders are to include the RFQ # on the outside of each package sent in via first class mail.

Subsequent to response submission, all information submitted by Bidders in response to the solicitation is considered public information and subject to EO 125 Compliance, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, Quotes will not be made public until the contract award is approved by the Treasurer's Office.

## **1.4 PROPRIETARY AND CONFIDENTIAL INFORMATION**

Any proprietary and/or confidential information in your quotations will be redacted by the State. A Bidder may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when the Bidder has a good faith legal



and/or factual basis for such assertion. The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the Bidder accordingly. The location in the proposal of any such designation shall be clearly stated in a cover letter. The state will not honor any attempt by a Bidder to designate its entire proposal as proprietary, confidential and/or to claim copyright protection for its entire proposal. In the event of any challenge to the Bidder's assertion of confidentiality with which the State does not concur, the Bidder shall be solely responsible for defending its designation.

## **1.5 QUESTION AND ANSWER**

The Procurement Bureau will accept questions electronically, pertaining to this RFQ, until **12:00 noon, Wednesday, August 28, 2013**. Questions shall be directed via email to:

**Angela Breland-Jackson**  
[Angela.Breland-Jackson@treas.state.nj.us](mailto:Angela.Breland-Jackson@treas.state.nj.us)

Questions regarding the State of New Jersey Standard Terms and Conditions, and the New Jersey Travel and Reimbursement Section of the RFQ, and specifically incorporated herein and exceptions to mandatory requirements shall be posed during the Question and Answer period and should also contain suggested changes.

**Quotes submitted with any terms that conflict with the RFQ terms, the New Jersey Standard Terms and Conditions, which is specifically incorporated in this RFQ, and/or the Travel Regulations, may be deemed non-responsive. All exceptions should be included in the Q & A period.**

Communications with other representatives of the State regarding this RFQ are prohibited during the submission and selection processes. Failure to comply with these communications restrictions will result in rejection of a firm's quote.

The State will not be responsible for any expenses in the preparation and/or presentation of the Quotes, oral interviews or for the disclosure of any information or material received in connection with this RFQ.

The State reserves the right to reject any and all Quotes received in response to this RFQ, or to waive minor errors in a quote, when determined to be in the State's best interest. The State further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting Quotes in response to this RFQ. In the event that all Quotes are rejected, the State reserves the right to re-solicit Quotes.

## **1.6 SMALL BUSINESS SUBCONTRACTING SET-ASIDE CONTRACTS**

The Division strongly encourages the use of local subcontractors and has set a 25% goal for the use of subcontractors that are registered with the N.J. Division of Revenue as Small Business Enterprises (SBE). Contractors may search for registered SBEs at:  
[https://www6.state.nj.us/CEG\\_SAVI/jsps/vendorSearch.jsp](https://www6.state.nj.us/CEG_SAVI/jsps/vendorSearch.jsp)

If the Bidder intends to subcontract, it must submit a Subcontractor Utilization Plan, and the following actions to achieve the set-aside subcontracting goal requirements:

1. Attempt to locate eligible small businesses in Categories I, II, and III appropriate to the RFQ;
2. Request a listing of small businesses by Category from the New Jersey Division of Revenue, Small Business Enterprise Unit;
3. Record efforts to locate eligible businesses, including the names of businesses contacted and the means and results of such contacts;
4. Provide all potential subcontractors with detailed information regarding the specifications;
5. Attempt, whenever possible, to negotiate prices with potential subcontractors submitting higher than acceptable price quotes;
6. Obtain, in writing, the consent of any proposed subcontractor to use its name in response to the RFP; and
7. Maintain adequate records documenting efforts to achieve the set-aside subcontracting goals.

Quotes shall also contain a copy of the New Jersey of Revenue, Small Business Enterprise Unit's proof of registration as a small business for any business proposed as a subcontractor and documentation of the Bidder's good faith effort to meet the targets of the set-aside subcontracting requirement in sufficient detail to permit the Bid Review Unit of the Division to effectively assess the Bidder's efforts to comply if the Bidder has failed to attain the statutory goals.

If the Bidder chooses to use subcontractors and fails to meet the small business subcontracting targets set forth above, the Bidder must submit documentation demonstrating its good faith effort to meet the targets with its quote or within seven (7) business days upon request. Note a Bidder's failure to satisfy the small business subcontracting targets or provide sufficient documentation of its good faith efforts to meet the targets with the quote or within seven (7) days upon request shall preclude award of a contract to the Bidder.

If awarded the contract, the Bidder shall notify each subcontractor listed in the Plan, in writing.

## **1.7 JOINT VENTURE**

If a joint venture is submitting a proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's proposal. Authorized signatories from each party comprising the joint venture must sign the proposal. A separate Ownership Disclosure Form, Disclosure of Investigations Action Involving Bidder, Disclosure of Investment Activities in Iran, Affirmative Action Employee Information Report and the Conflicts Certification described in Section 1.0 must be supplied for each party to a joint venture. NOTE: Each party comprising the joint venture must also possess a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract.

## **2.0 DEFINITIONS/ACRONYMS**

Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in this Section.

**Action Plan:** State of N.J. submitted a proposed Action Plan, which is posted on the DCA website at the following link: [www.nj.gov/dca/gov](http://www.nj.gov/dca/gov)

**Amendment:** A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

**Applicant:** A New Jersey resident that applies for the Housing Programs.

**BAFO:** Best and Final Offer.

**Bidder:** Denotes any contractor that submits a quote responding to the RFQ prior to award.

**Case Worker:** Individual employed by the SSHIP Contractor who is responsible for interface with the Applicant through all (3) Housing Programs.

**CDBG:** Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs.

**CDBG-DR:** Community Development Block Grant-Disaster Recovery.

**Construction Managers:** The group responsible under the Contractor for estimating, scope, and Homebuilder monitoring for individual Homeowner homes (“CM”). The CM group can be part of the Contractor firm or subcontractor(s).

**Contract:** This RFQ, any modification to this RFQ, and the Bidder’s proposal submitted in response to this RFQ, as accepted by the State.

**Contractor:** Denotes the Bidder that is awarded a contract as a result of this procurement and will have full responsibility and liability for the completion of all deliverables.

**Core Services:** Tasks provided in Subsection 3.1, and all of its subparts.

**Data Warehouse:** Storage/staging area for incoming data from various third-party sources.

**Date of Award:** The date the Director of the Division of Purchase and Property signs any awarded contract.

**Days:** The use of ‘days’ refers to calendar days.

**DCA:** Department of Community Affairs for the State of New Jersey.

**DEP:** New Jersey Department of Environmental Protection.

**Director:** Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

**Division or DPP:** The Division of Purchase and Property for the State of New Jersey.

**DRGR:** Disaster Recovery Grant Reporting.

**DOB:** Duplication of Benefits

**ECR:** Estimated Cost to Repair an Applicant's storm damaged property to the appropriate code standard and CDBG-DR requirement.

**Evaluation Committee:** A committee established by the Director to review and evaluate proposals submitted in response to this RFQ and to recommend a contract award to the Director.

**FEMA:** Federal Emergency Management Agency.

**Final Appeal to State:** When an Applicant is not satisfied with the decision of the Contractor's Appeals Team, such Applicant has the right to appeal the decision of said Appeals Team to the State's Department of Community Affairs.

**FTE:** Full Time Equivalent.

**Green Building:** The practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's life-cycle from siting to design, construction, operation, maintenance, renovation and deconstruction.

**GSA:** United States General Services Administration.

**Homebuilder:** Construction contractor under contract with the Property Owner to perform the actual rehabilitation activities on individual properties.

**Housing Database Manager:** Individual or Entity that host Management Information System Records on behalf of Housing Programs.

**HP-CMIS:** Housing Program - Central Management Information System.

**Housing Programs:** Denotes the Housing Resettlement, Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM), and Landlord Rental Repair Programs (LRRP).

**HUD:** United State Department of Housing and Urban Development.

**Joint Venture:** A business undertaking by two or more entities to share risk and responsibility for a specific project.

**New Owners:** Property Owners that have purchased or obtained site control of a storm-damaged property with the intention of rehabilitating it.

**Modification:** Written clarification or revision to this RFQ issued by the Division of Purchase and Property.

**Notice of Award:** Letter indicating whether or not an Applicant has been deemed eligible for the Program, and the amount of said Applicant's Award.

**Original Owners:** Property Owners that owned damaged property at the time of Superstorm Sandy and have continued to own the property to date.

**Performance Guarantee:** An agreement for the contractor to perform all of the required obligations under the contract.

**Program:** Denotes the Landlord Rental Repair Program.

**Program Services:** Denotes those services to be provided by the Contractor awarded a contract under this RFQ.

**Retainage:** A portion of the agreed upon contract price deliberately withheld until the work is substantially complete to assure that contractor will satisfy its obligations and completes a project.

**RREM:** Reconstruction, Rehabilitation, Elevation and Mitigation Program.

**SIROMS:** Sandy Integrated Recovery Operations and Management System.

**SBA:** Small Business Administration.

**Scope of Services:** The tasks outlined in Section 3.0 of this RFQ, including all of its subparts.

**Scope of Work:** A detailed list and description of all actions necessary to restore a home and complete construction, including but not limited to, all rehabilitation or reconstruction, elevation, mitigation and/or remediation activities.

**State:** State of New Jersey

**State Contract Manager:** The individual designated by the State to responsible for the approval of all deliverables, *i.e.*, tasks, sub-tasks or other work elements in the Scope of Services, as set forth in Sections 3.0.

**Subcontractor:** An entity having an arrangement with a State contractor, whereby the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Transaction:** The payment to the Contractor for services rendered or products provided to the State pursuant to the terms of the contract, including but not limited to the following: purchase orders, invoices, hourly rates, firm fixed price, commission payments, progress payments and contingency payments.

**URA:** Uniform Relocation Act.

**Using Agency:** The entity for which the Division has issued this RFP and will enter into a contract.

Throughout this RFQ the following terms shall be used to designate mandatory and non-mandatory requirements.

**MAY, SHOULD, CAN, OPTIONALLY:** Denotes desirable, non-mandatory language.

**SHALL or MUST:** Denotes that which is a mandatory requirement. Failure to meet a mandatory material requirement will result in the rejection of a quote as non-responsive.

### **3.0 RFQ SCOPE OF SERVICES**

The Purpose of this RFQ is to obtain competitive Quotes from qualified GSA Bidders to manage the Program described above in Section 1.0, and in the attached Exhibit 1 guidelines. The Contractor awarded the Contract under this RFQ will be responsible for the Core Services described in Section 3.1. The Contractor shall consult regularly with DCA and follow all State, Federal and Program regulations and policies and will obtain direction from the State Contract Manager. The Contractor will be responsible for entering into appropriate agreements with subcontractors and third party vendors necessary to complete the activities contemplated in this RFQ.

### **3.1 CORE SERVICES**

The Bidder shall coordinate with the State Contract Manager and will be responsible for the subsequent implementation of the Program referenced in Section 1.0. Specifically, the Contractor will be charged with 1) creating administrative procedures from the Operational Guidelines referenced in section 3.3.1 into administrative procedures and then 2) implementing the Program components (with the exception of application intake, Notice of Award, escrow, closing, and Applicant Closeout which will be performed by the SSHIP Contractor) in accordance with any established administrative procedures.

In the course of fulfilling this role, the Bidder must ensure that the Program is responsive to the needs of eligible Property Owners in the State and that assistance is provided in a manner that is fair, transparent, and expeditious and meets Affirmative Fair Housing Guidelines and the Uniform Relocation Act. In recognition of the fact that CDBG-DR funds will be used to support the Program, the Contractor will also be responsible for ensuring that the Program components are administered in a way that is completely consistent and compliant with all applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a Federal government or State governmental agency with jurisdiction. The contract shall be subject to all cross-cutting Federal Requirements and it will comply with Subpart K requirements of 24 CFR §570.600-570.609 and 24 CFR §570.610-570.614, as applicable.

The Contractor shall be responsible for performing, or causing to be performed, the tasks enumerated below. In each instance, the Contractor shall indicate whether it intends to perform the tasks itself or through a subcontractor. The Contractor must identify its subcontractors in this Quote. The State reserves the right to reject any proposed subcontractor determined to be engaged improperly. The Contractor shall ultimately be responsible for any actions taken by any subcontractor they proposed and are supervising.

The Contractor shall regularly furnish Program information in real-time necessary for the State to evaluate Program performance. Program information includes, but is not limited to, the status of each Applicant, information on award determinations, repair estimates, environmental reviews, lead and asbestos testing, construction progress, payments, projections for expenditures and verification for work completed.

The Contractor shall utilize the services of the SSHIP for intake of applications to the Program, verification of eligibility, and the transmission of information on DOB. The Contractor shall report all account activity information necessary for the SSHIP Contractor's Case Workers to timely and accurately advise Applicants.

The Contractor should make the following assumptions about the distribution of applications to be administered under the Landlord Rental Repair Program. The actual distribution of applications may vary; however, the Contractor will be expected to maintain its price with non-material variances to the assumptions below:

### **BIDDING ASSUMPTIONS**

85% of the applications are anticipated to be located in the three most affected counties: Ocean, Monmouth, and Atlantic Counties.

Affected damaged units will be in approximately 700 buildings

60% of the buildings will contain 1 damaged unit; 35% of the buildings will contain 2-7 damaged units and 5% of the buildings will contain greater than 8 damaged units.

15% overlap of landlords to total number of applicants (i.e. a single landlord submits several individual Applications).

70% of the buildings will be paid for under reimbursement based on HUD guidance of July 30, 2013 as noted in Exhibit 3.

30% of the buildings will require some level of construction management assistance.

70% of the applicants will require only a single disbursement from the program. 30% of the applicants are expected to require 2 or more disbursements.

Review of Homebuilder qualification is limited to ensuring compliance with Federal Suspension, Debarment, and State licensing bonding and insurance requirements as described in Exhibit 1.

The Bidder shall be directly responsible for ensuring the accuracy, timeliness and completion of all tasks assigned under this Contract.

- 3.1.1 Start Up – Administrative Preparation and budgeting.
- 3.1.2 Landlord Rental Repair Program MIS system.
- 3.1.3 Application Review and Processing.
- 3.1.4 Construction Management.
- 3.1.5 Quality Assurance/Quality Monitoring.
- 3.1.6 Appeals.
- 3.1.7 Compliance and Monitoring.
- 3.1.8 Issue Tracking and Fraud, Waste and Abuse Coordination.
- 3.1.9 Document Management and Records Retention.
- 3.1.10 Accounting and Reporting.

### **3.1.1 Start Up – Administrative Preparation and Budgeting**

#### **Scope:**

In coordination with the State, the Contractor shall be responsible for completing an operational plan and cash flow projections for the Program within thirty (30) days of award. The Contractor shall be responsible for all, staffing and logistics to ensure the Program is operational to complete site inspections by having on site staff available within five (5) days from the Date of Award. The Contractor's operational plan must include, but is not limited to, the methods contemplated to implement the Core Services contemplated in this RFQ.

#### **Administrative Requirements:**

The Contractor shall be responsible for monitoring its staff, its subcontractors and any State-provided assets. These activities include, but are not limited to:

- 1) Supervising internal and subcontractor employee activities;
- 2) Reviewing procedures to ensure that all operations efficiently follow LRRP policies and Federal regulations and requirements, and recommending updates to procedures as necessary;
- 3) Conducting interviews with subcontractors and Homebuilders regularly to determine whether the subcontractor is observing the various administrative-related requirements in their subcontract. Administrative-related requirements include the following, when applicable: flow-down clauses, Davis-Bacon, HUD's Section 3 Program, and Policies, Procedures, and Standards issued while implementing the Program;
- 4) Reviewing subcontractor's contract deliverables and policies and procedures regularly to determine whether they are in compliance with their contracts and CDBG requirements; and
- 5) Communicating potential risks, issues, and statuses to the State Contract Manager.

#### **Operational Requirements:**



A set of Operational Procedures based on RFQ Exhibit 1, are in the process of being finalized and approved. The Contractor shall be responsible for managing the program based on those procedures.

- 1) For the Program, construction improvements must be compliant with the required building codes including: compliance with the N.J.A.C. 5:23-6; HUD Housing Quality Standards as defined at 24 CFR Part 982, and the guidelines specified in the HUD CPD Green Building Retrofit Checklist:  
[http://portal.hud.gov/hudportal/documents/huddoc?id=drsi\\_retrofit.xls](http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls). The rehabilitation must also be completed in conformance with standards adopted by the State for the RREM and LRRP programs (for general guidelines see Exhibit 1).
- 2) The Contractor shall coordinate regularly with the SSHIP Contractor and any relevant HP-CMIS maintained by the SSHIP or by way of LRRP MIS system to receive any necessary information regarding the Applicants.

### **3.1.2 Landlord Rental Repair Program MIS System**

The LRRP applications are being received through the e-grants system also known as the HP-CMIS system which is being run by SSHIP.

The Contractor shall provide a cost to establish a system which can accept data from the HP-CMIS system from the application, additional attachments of documentation provided by the applicant, third parties, such as existing contract documents, title reports, etc. and can, on interface with existing or anticipated DCA systems such as SIROMS to manage payment processing, environmental clearance, data management, and reporting on the CDBG-DR funds.

The system should include mapping of business processes and rules for transfer and tracking of data. The system should have a clear governance structure that provides visibility, as well as Integration of System and Delivery processes. The system tracking should be auditable within HUD and State requirements

A LRRP MIS System Requirements Specification is attached as Exhibit 4

### **3.1.3 Application Review and Processing and Reimbursement Validation**

#### **Scope:**

The Contractor shall be responsible for determining appropriate action needed for all LRRP applications forwarded to the Contractor by the SSHIP.

#### **Contractor's Operational Requirements:**

The Contractor shall be responsible for, but not limited to, the following:

- 1) Verifying that the subject property did in fact sustain significant damage from Superstorm Sandy;

- 2) Photographing units before repairs, during repairs, and at completion of the Project (does not apply to repairs initiated prior to receiving grant);
- 3) Coordinating the preparation of an Environmental Review worksheet with the Property owner, the New Jersey Department of Environmental Protection and paperwork to DCA for approval, for each application determined to be preliminarily eligible based on SSHIP review and confirmation of damage due to Superstorm Sandy. [NOTE: The Program Requirements and Waivers for this initiative published by HUD on March 8, 2013 indicate that a streamlined Environmental Review (“ER”) process may be acceptable for projects that can be covered by an earlier ER performed by another agency or which can be determined to be “exempt” or “categorically excluded”];
- 4) Following the State’s URA Policy to ensure that no illegal displacement, either permanent or temporary, takes place as a result of the assisted project;
- 5) Determining if the subject project is covered by Section 503 and/or the Americans with Disabilities Act (“ADA”) and ensure that these requirements are incorporated into the Scope of Work analysis;
- 6) Conducting lead paint and asbestos assessments and testing wherever required meeting local, state or Federal requirements and ensuring that costs and scope of any required remediation is incorporated into the Scope of Work. Ensure all assessments and tests are reviewed by DEP;
- 7) Determining if Davis Bacon requirements apply to the project and ensure that these requirements are incorporated into the Scope of Work analysis;
- 8) Establishing a Scope of Work and an ECR for all projects. The ECR will be based on contract pricing and include the basic costs necessary to repair the home. The ECR incorporates costs necessary for rehabilitation, and/or any other service necessary to restore the Applicant’s storm-damaged property to the appropriate code standard and CDBG-DR requirements as described in Exhibit 1;
- 9) Validating repairs for work completed to date including assessment of reasonable cost and items eligible for reimbursement under HUD guidance and DCA program guidelines, Exhibit 1.

Assisting the SSHIP case managers in communicating requirements to Applicants, securing appropriate receipts and field verifying completed work;

- 10) The SSHIP contractor will complete a final DOB analysis using the ECR in conjunction with other evidence of assistance received by the Applicant (e.g. Insurance, SBA, and FEMA etc.) and Contractor will assist SSHIP as necessary where interpretation of construction activities or receipts may be required;
- 11) Once the DOB is completed, SSHIP will determine the appropriate CDBG-DR grant amount using the estimated ECR, the LRRP maximum award rules and the DOB calculation which is required to move to the Closing;
- 12) SSHIP will also ensure that other sources of funds needed for repair such as owner equity are escrowed or otherwise firmly committed at or prior to closing; and
- 13) Completing any other tasks or making any other determinations required to successfully implement the LRRP program, as may be specified in the policies required by DCA.

### **3.1.4 Construction Management**

**Scope:**

The Quote must include staffing for Construction Managers who will ensure that all Core Services comply with the minimum property standards and all building codes outlined by the Contractor and the State at the time of award:

**Administrative Requirements:**

The Contractor's Construction Manager shall be responsible for, but not limited to, the following:

- 1) The Applicant may select a Homebuilder of their own choosing or select from the prequalified pool of RREM homebuilders. The Construction Manager will review homebuilder qualifications that have not already been reviewed by one of the Housing Assistance Programs;
- 2) The Construction Manager may assist the Applicant in securing pricing for the scope of Work from multiple Bidders;
- 3) The Construction Manager will ensure cost reasonableness of pricing of a scope of work by a Homebuilder;
- 4) Construction Manager will coordinate a pre-construction meeting with the property owner and Homebuilder;

**Operational Requirements**

- 1) The Construction Manager will present the final scope of work and a finalized grant award to the property owner for their review and acceptance.
- 2) A closing will occur where all contracts will be signed and private funds will be escrowed.
- 3) Construction Manager will conduct interim inspections at appropriate intervals for approval of work in place. The Program will fund at agreed upon stages as described in the Program Policies.
- 4) For individual projects, Construction Manager will determine that:
  - a. the Scope of Work has been completed;
  - b. the Program's construction standards and green building standards have been reached;
  - c. all of the attendant CDBG provisions have been complied with, and
  - d. final construction inspections have been conducted so that the final construction payment can be issued.

**3.1.5 Quality Assurance/Quality Control****Scope:**

The Contractor shall perform routine quality checks using a State approved methodology of the operational areas and Applicant files including electronic records to ensure that quality assurance is met. Results must be reported to State management on a routine basis.

As a part of an on-going process, the Contractor shall also perform a comprehensive review of all Applicant files prior to the SSHIP file-closeout process. A standard checklist must be developed and followed to ensure consistency and accuracy. Hard-copy documents and electronic files will be reviewed against LRRP Policies and Program Requirements to guarantee that all eligibility requirements have been met.

The Contractor shall retain Applicant files according to the State's record retention requirements set forth in Section 3.1.9. This includes the physical and electronic records comprising the Applicant file. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area.

### **Operational Requirements:**

The Contractor shall be responsible for, but not limited to, the following:

- 1) Surveying and documenting internal operations to ensure that LRRP policies and procedures are in place and being followed;
- 2) Ensuring that operational processes have adequate controls in place to comply with all applicable CDGB, Federal or State requirements;
- 3) Performing analytics to identify application files that potentially do not comply with CDGB, Federal or state requirements; and
- 4) Coordinating with the State to ensure that proper controls are set forth in the Program policies and procedures to prevent fraud, waste and abuse.

All issues must be reviewed by DCA for a final determination on an Applicant's file to be closed. A clean review will allow the Applicant file to be closed. A review with unresolved issues will put the Applicant file on hold until the issues can be resolved.

The final review shall include validation/verification, including, but not limited to the following areas:

- 1) Reviewing status of any open issues:
  - a. Attempting to resolve all issues before completing the final review;
  - b. Coordinating with the owner regarding each issue to resolve if possible;
- 2) Identifying outstanding issues that might impact the completion of the Grant Review (i.e., Appeals, Compliance, etc.);
- 3) Verifying the damaged site's address and structure type;
- 4) Reviewing the names on critical documents to see if they match the Applicant/co-Applicant names, and are signed, uploaded, and exists in the system of record. (i.e., Power of Attorney, Covenants, Subrogation Agreements, Affidavits, etc.) and review the verification efforts of documentation; and
- 5) Researching files and providing documentation to DCA as required.

### **3.1.6 Appeals**

#### **Scope:**

The appeals process will be conducted through the SSHIP, with DCA making the final determination of each appeal. The Contractor shall participate in this appeals review for any issue in its scope related to benefit determination. In any such appeals, the Contractor shall be responsible for investigating, reviewing and recommending a detailed response to each appeal. The Contractor shall cooperate fully with DCA to ensure DCA can make a timely decision for each appeal.

### **3.1.7 Compliance and Monitoring**

#### **Scope:**

To perform management, file review, reporting and document management for compliance with Program policies and procedures. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area. To work with the DCA to respond to the State's monitoring requirements and otherwise from Federal or state agencies.

#### **Operational Requirements:**

The Contractor shall be responsible for, but not limited to, the following:

- 1) Monitoring a statistically significant number of Property Owners that received grants for compliance with the covenants and post-closing Program requirements;
- 2) Ensuring that procedures are in compliance with CDBG, state and Federal guidelines;
- 3) Identifying operational compliance issues associated with the compliance reviews of Program policies and procedures;
- 4) Reporting findings to the State Contract Manager regularly, and upon request;
- 5) Any other compliance or monitoring task required by the Program policies developed by the Contractor or DCA;-.

### **3.1.8 Issue Tracking and Fraud, Waste and Abuse Coordination**

#### **Scope:**

The Contractor shall perform Fraud, Waste and Abuse management, file review and reporting and document management as required for:

- Internal and external audits (Federal, State Agency and Legislative);
- Potential fraud investigations; and
- Responses to Open Public Records Act (OPRA) requests, subpoenas, and prosecutorial support. File documentation, document management, quality control,

reporting, Program and Federal compliance, and issue tracking are also requirements for this functional area.

**Operational Requirements:**

The Contractor shall be responsible for, but not limited to, the following:

- 1) Identifying and reporting to DCA potential fraudulent activity:
  - a. Researching any potentially fraudulent application activity;
  - b. Coordinating and working with appropriate prosecutorial agencies to resolve;
  - c. Updating systems to prevent further processing until resolved;
- 2) Facilitating external audits:
  - a. Providing support to external auditing companies, HUD, FEMA if applicable, and the State, as requested;
  - b. Responding to external audit findings;
- 3) Coordinating with prosecutorial agencies and document requests:
  - a. Coordinating with appropriate agencies.
  - b. Responding to requests for documents, subpoenas, etc.; and
- 4) Reporting findings to the State.

**3.1.9 Document Management and Records Retention**

**Scope:**

To store and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, and policy and procedures associated with the Program along with all information leading up to policy and procedures decisions. Documents and images must be stored in a secure environment for quick retrieval. The documents and images must be stored and archived according to Program, State and Federal guidelines for record retention. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area. The State, at its discretion, may elect to adopt a uniform document management and records retention policy to which the Contractor must be compliant.

**Operational Requirements:**

- 1) The Contractor may use their own information management system, as described in RFQ Section 3.1.2, to manage documents and images, and to conduct work; however, the system must interface or be compatible with the State’s MIS and the SSHIP HP-CMIS;

- 2) Upon contract award, develop and administer a records retention plan (“RRP”), which shall comply with all State policies and procedures, State and Federal record retention policies, and State and Federal laws and/or regulations. The RRP shall comply with all State records storage policies, which includes but is not limited to the short and long-term housing of physical documents and electronic images (*i.e.* paper documents, emails, correspondence, training material, and policy and procedures associated with the Program, etc.) Once a RRP has been developed and approved by the State Contract Manager the Contractor shall retain all records in accordance with the RRP.
- 3) Adhere to State image system certification processes administered by the Record Management Service Branch of the Division of Revenue and Enterprise Services. The Contractor shall comply with the records retention and disposition requirements set forth by the State’s Department of Treasury. These requirements can be found at the following website:

<http://www.nj.gov/treasury/revenue/rms/retentiondisposition.shtml>

The State Contract Manager will schedule a meeting with the Contractor and Record Management Service Branch of the Division of Revenue and Enterprise Services within three business days after bid award and contract execution to enable the Contractor to prepare a plan that meets the requirements of this Section. The Contractor shall secure plan approval from the Record Management Service Branch of the Division of Revenue and Enterprise Services as set forth in Exhibit 3. Contractor shall submit the approved plan to the State Contract Manager and Director prior to the start of System development.

- 4) Establish a process to ensure that all requests made upon the Contractor for information that falls under OPRA are recorded and transmitted electronically to the State Contract Manager. OPRA requests will be processed by the State OPRA Custodian within DCA who will respond to all such requests. The State may require the Contractor to establish an interface with the State OPRA system.

The State is required to comply with the New Jersey Open Public Records Act, P.L. 2001, CHAPTER 404, N.J.S.A. 47:1A-1 et seq. (“OPRA”) which may be found at:

<http://www.state.nj.us/grc/laws/act/act.pdf> and the New Jersey Administrative Code

Title 5, Chapter 105 N.J.A.C. 5:105 (2008) which may be found at:

[http://www.state.nj.us/grc/home/rules/pdf/Promulgated\\_Regulations.pdf](http://www.state.nj.us/grc/home/rules/pdf/Promulgated_Regulations.pdf).

- 5) Receive and process incoming Program related documents according to Program requirements.
  - a. Identify existing and new Applicant documents and images, classify them, and store them for easy retrieval.
  - b. Identify the location where the documents will be stored for current access and the location where the documents will be archived for long-term access.
  - c. Establish a retrieval method that includes search capability for all documents assigned to a specific Applicant; Search functionality must allow inquiries by Applicant name, co-Applicant name or application ID.
- 6) Send mail to Applicants as required.
- 7) Ensure documents are transferred for filing according to record retention policies.

- 8) Provide the status of an Applicant's file to the SSHIP Contractor, who will relay this status to the Applicant at critical stages.
- 9) Implement process/system to be used to organize the documents for later retrieval, and implement controls for document filing and incoming mail and fraud prevention.
- 10) Store application files (physical and electronic) in a secure environment.
- 11) Make files (physical and electronic) readily available for public records requests. Public records requests must be integrated with the compliance and investigation process for any files under investigation.
- 12) Develop a disaster recovery plan to prevent destruction of the files from natural disasters, flood, fire, sabotage or theft.
- 13) Ensure that all necessary documents from Closing Firms are received, and are uploaded into HP-CMIS in a timely manner. Monitor for accuracy and completeness.
- 14) Research inquiries from DCA regarding missing documents or any pertinent information required.
- 15) Provide reports to management as requested.
- 16) Maintain an inventory of all documents and records.
- 17) Ensure documents are processed according to Program deadlines.
- 18) Provide documents for audit as State Contract Manager. The Contractor shall make all of its work product and records available for a full range of oversight activities to State employees directly managing the Contract, to State and HUD monitors, to State and HUD auditors, and to any other entity, state or federal, having jurisdiction over the use of funds provided through this program.

### **3.1.10 Accounting and Reporting**

#### **Scope:**

The Contractor will account for and reconcile all Federal funds requested and drawn from HUD for the LRRP Program and awarded to grant recipients. File documentation, document management, quality control, reporting, Program and Federal compliance, and issue tracking are also embedded requirements for this functional area.

#### **Operational Requirements:**

The Contractor shall be responsible for, but not limited to, the following:

1. A reconciliation of Federal funds disbursed and funds recovered among multiple database systems and interfaces.
2. Preparation of all required production reports on an agreed to periodic basis.

## **3.2 ANTICIPATED LEVEL OF EFFORT**

### **3.2.1 Anticipated Labor Categories**



The following is a sample of Labor Categories that may be proposed. The sample is only given for Contractors to ascertain the approximate level of effort and to prepare the Cost Quote. Contractors may propose alternative labor categories, explaining the reasons for doing so:

- a. Program Chief Executive;
- b. Program Manager;
- c. Construction Manager;
- d. Eligibility Manager;
- e. Information Technology Manager;
- f. Subcontracts Manager;
- g. Budget and Financial Manager;
- h. Communications Director;
- i. Chief Legal Counsel;
- j. Facilities and Equipment Manager;
- k. Cost Estimators;

### **3.3 REPORTING AND DOCUMENTATION**

The Contractor shall provide and submit to the State all reports and documents as may be necessary to support the provisions of the State's HUD Action Plan in accordance with all relevant requirements, including but not limited to those imposed by HUD, FEMA and the State.

The Contractor shall retain all records, documents, and communications of any kind (including electronic in disk or print form) that relate in any manner to the award and performance of this Contract as set forth in section 3.1.9

The Contractor shall maintain all records related to products, transactions or services under this Contract for a period of five (5) years from the date of final close-out of the State Disaster Recovery Program. Such records shall be made available to DPP, DCA, the New Jersey Office of the State Comptroller, for audit and review, upon request pursuant to N.J.A.C. 17:44-2.2, or to other authorized parties for audit and review. Record retention beyond the five year period may be necessary and will be directed by the State.

The Contractor shall be responsible for providing protective storage of daily or disaster-related documents and reports during the disaster event and shall be available to the State upon request.

### **3.4 TRAVEL EXPENSES AND REIMBURSEMENTS**

Travel Expenses and Reimbursements shall be made to the Contractor as follows:

The Contractor agrees to adhere to the General Services Administration ("GSA") published travel rules and rates to include disaster specific amendments in accordance with the Federal Travel Regulations. This Section is limited to a select management that will be negotiated prior to the execution of the Contract. This list must be provided with the bid including roles and responsibilities and rationale for the need for travel. For those predetermined individuals, reimbursable expenses shall be limited to the following:

- a) Coach class air fare purchased at the lowest reasonably available rate and baggage fees, to include consultant deployment and demobilization travel;
- b) Meals limited to the maximum current GSA per diem rate (receipts not required but will be supplied if HUD or other funding agencies require same)
- c) Lodging limited to the maximum current GSA per diem rate to include GSA- or HUD approved lodging waivers; and
- d) Mileage for Contractor privately owned vehicles at the current New Jersey rate of 31 cents per mile.

All other travel costs will not be allowed. Travel expense and reimbursements will only be made up to the not to exceed limit submitted with the cost Quote. Travel costs are capped at the bid price. All other travel and reimbursements will be at the Contractor's expense.

### **3.5 DELIVERABLE MILESTONES AND PERFORMANCE GUARANTEES**

Contractor is to refer to Exhibit 5 "Performance Metrics and Guarantees."

Contractor must supply the State with weekly reports in a form and manner acceptable to the State Contract Manager to monitor and measure contract performance guarantees as per Exhibit 5.

The performance requirements set forth in Exhibit 5 are critical to the State's overall effort to ensure that all resources dedicated to the recovery from Super Storm Sandy are utilized in an efficient manner, and that all necessary precautions are taken to prevent, detect, and remediate waste, fraud, and abuse. To the extent that actions of the Contractor result in failure to meet these performance requirements, the State and public may suffer damages that could be difficult or impossible to quantify. Therefore, the State and the Contractor agree to the liquidated damage amounts specified in Exhibit 5, as a remedy for any failure by the Contractor to meet the performance requirements. This liquidated damages clause is not to be construed as a penalty.

## **4.0 REQUIRED COMPONENTS OF RFQ**

### **4.1 TECHNICAL QUOTE**

Quotes submitted in response to this RFQ shall respond to each of the following requests in the order indicated. It shall be clear and concise in response to the information and requirements described in the RFQ.

The Bidder shall describe its approach and plans for accomplishing the work outlined above in 3.0 RFQ Scope of Services. The Bidder must set forth its understanding of the requirements of this RFQ and its ability to successfully complete the contract. As part of the Technical Quote, the Bidder should describe its inspection cost and detail the anticipated labor hours to complete an Estimated Cost of Repair (including presumed environmental testing) on an average unit. In

addition, the Bidder should describe its inspection cost and detail the anticipated labor hours to complete a validation and verification of an average renovated unit that is already completed by the Landlord and the applicant is solely seeking reimbursement.

The format and sections of the Technical Quote shall conform to the tabbed structure outlined below. All tabs shall be labeled appropriately. Adherence to this format is necessary in order to permit the effective evaluation of Quotes.

Responses to the requirements of this RFQ in the formats requested are desirable with all questions answered in as much detail as practicable. Quotes shall be prepared simply and economically, providing a straightforward, concise description of the Bidder’s ability to meet the requirements of the RFQ. Each Bidder is solely responsible for the accuracy and completeness of its Quote.

The Technical Quote shall be in the following format:

<b>CONTENT CHECKLIST</b>	
	<b>Cover Page</b>
	<b>Quote Letter</b>
	<b>Table of Contents</b>
<b>TAB 1</b>	<b>Management Overview</b>
<b>TAB 2</b>	<b>Start-Up Team</b>
<b>TAB 3</b>	<b>Contract Management</b>
<b>TAB 4</b>	<b>Potential Challenges</b>
<b>TAB 5</b>	<b>Organizational Support and Experience</b>
<b>TAB 6</b>	<b>Resumes</b>
<b>TAB 7</b>	<b>Experience of Bidder on Contracts of Similar Size and Scope</b>
<b>TAB 8</b>	<b>Additional Experience of Bidder</b>
<b>TAB 9</b>	<b>Subcontractors</b>
<b>Attachment 1</b>	<b>Completed Reference Forms</b>

**4.1.1 Cover Page**

The following information shall be included under the title “Solicitation for Management of Landlord Rental Repair Program.”

- Name of the Bidder
- Firm address
- Firm telephone number
- Firm Federal tax identification number
- Name, title, address, telephone number, fax number, and email address of contact person authorized to contractually obligate the Bidder on behalf of the firm

**4.1.2 Quote Letter**

By signing the letter and/or Quote, the Bidder certifies that the signatory is authorized to bind the Bidder. The offer shall include:

- A brief statement of the firm’s understanding of the scope of the work to be performed;
- Confirmation that the firm has or will obtain the appropriate state business license(s);
- Confirmation that the firm has not had a record of substandard work within the past five years;
- Confirmation that the firm has not engaged in any unethical practices within the past five years;
- Confirmation that, if awarded the contract, the Bidder acknowledges its complete responsibility for the entire contract, including payment of any and all charges resulting from the contract;
- Any other information that the Bidder feels appropriate; and
- The signature of an individual who is authorized to make Quotes of this nature in the name of the firm submitting the offer.

### **4.1.3 Management Overview – Tab 1**

The Bidder shall set forth its overall technical approach and plans to meet the requirements of the RFQ in a narrative format. This narrative shall demonstrate to the State that the Bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the Contract. This narrative shall demonstrate to the State that the Bidder’s general approach and plans to undertake and complete the contract, including staffing plans, are appropriate to the tasks and subtasks involved.

Provide a table listing each position in the preliminary program organizational chart, including the following information about each position:

- Title of position of full time equivalent (“FTE”);
- Employer of position (Bidder firm or name of subcontractor);
- Number of FTEs filling position that are estimated to be on the staff of the Bidder;
- Number of FTEs filling position, to be provided by an identified subcontractor;
- Number of FTE positions estimated to be located in New Jersey; and
- Number of FTE positions estimated to be located outside of New Jersey.

Also provide ramp-up and scale-down projections for the duration of the Program. The Bidder shall identify the number of Applicants assigned to each Construction Manager to work in coordination with their SSHIP Case Worker

Mere reiterations of RFQ tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder's ability to complete the contract. The Bidder’s response to this section shall be designed to demonstrate to the State that the Bidder’s detailed plans and proposed approach to complete the Core Services are realistic, attainable and appropriate and that the Bidder’s quote will lead to successful contract completion.

### **4.1.4 Start-Up Team – Tab 2**

Contractor shall provide a chart or table describing all current and proposed staff members of the Bidder and staff members of proposed subcontractor firms who would be assigned

the Program following the award of the contract, their roles (in a word or a phrase), and the percentage of FTE work each staff member would commit for this engagement, and where the individuals will primarily be working, whether in New Jersey or another location. Include in this chart or table all contract management and human resources staff who will be dedicated to recruiting and hiring subcontractors and/or additional staff to be assigned to this work. Also include staff that will be dedicated to secure facility space from SSHIP or other locations, obtaining equipment, and implementing an information management system to conduct work. This system must interface or be compatible with the SSHIP HP-CMIS.

On the list described in the paragraph above, identify the members of your staff who would be assigned to act for your firm in key management and field positions providing the services required.

#### **4.1.5 Contract Management – Tab 3**

The Bidder shall describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion. The plan shall include the Bidder's approach to communication with the State Contract Manager including, but not limited to, status meetings, status reports in its Quote.

The Bidder will provide DCA with an outline of the business processes and procedures to be put in place to operate the program including all core services set forth in Section 3.1. The outline will include appropriate narratives, a management plan, written procedures, and work flow management diagrams for each service to be provided under the Request for Quote.

The Quote shall provide a proposed Program Schedule.

#### **4.1.6 Potential Challenges – Tab 4**

The Bidder shall set forth a summary of any and all challenges that the Bidder anticipates during the term of the contract. For each challenge identified, the Bidder shall provide its proposed solution.

#### **4.1.7 Organizational Support and Experience – Tab 5**

The Bidder shall include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names, telephone numbers, and email addresses evidencing the Bidder's qualifications and its ability to perform the services required by this RFQ.

The Bidder shall include a contract organization chart, with names showing management, supervisory and other key personnel (including subcontractor's management, supervisory or other key personnel) to be assigned to the contract. Bidder shall clearly indicate the specific staff members who shall be providing the direct services to the State. The chart shall include the labor category and title of each such individual.

#### **4.1.8 Resumes – Tab 6**

Detailed resumes shall be submitted for all management, supervisory and key personnel to be assigned to the Project. Resumes shall be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope as this one. Resumes shall include the following:

- Clearly identify the individual's previous experience in completing similar contracts;
- List beginning and ending dates for each similar contract;
- A description of the contract shall be given and shall demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFQ; and
- With respect to each similar contract, the Bidder shall include the name and address of each reference together with a person to contact for a reference check (include telephone number and e-mail address).

Bidder shall affirm that no key team member, subcontractors or its key members are list on any State or Federal suspension, debarment, or disqualification list.

#### **4.1.9 Experience on Contracts of Similar Size and Scope – Tab 7**

The Bidder shall provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder's ability to successfully complete the services required by this RFQ. Emphasis shall be placed on contracts that are similar in size and scope to the work required by this RFQ, including experience with state and local governments. A description of all such contracts shall be included and shall show how such contracts relate to the ability of the firm to complete the services required by this RFQ. For each such contract, the Bidder shall provide two names of individuals (include telephone numbers and e-mail addresses) for the other contract party. Beginning and ending dates shall also be given for each contract.

#### **4.1.10 Additional Experience of Bidder – Tab 8**

Bidder shall provide evidence of any of the following which would indicate their background in experience in these additional specialties:

- Significant proven experience and a history of successful professional engagements in disaster recovery, including housing policy and Program development.
- Thorough understanding of all other housing recovery Program requirements, including but not limited to other Federal and State Agency requirements (when and if applicable under the Program component).
- Thorough understanding of, and experience in, quantitative data analysis and its application to policy and Program planning.

- Thorough understanding of the environmental and historic issues and requirements relative to the housing recovery efforts as they impact Program selection and delivery.
- Significant experience designing housing recovery efforts related to natural disasters, including but not limited to HUD and CDBG-DR requirements, budgeting, DOB, and technical evaluation of both short and long-term priorities.
- Experience in planning, structuring, organizing and staffing housing recovery efforts in states in the aftermath of a catastrophic event. Bidder shall have a proven track record in assisting states in large-scale housing recovery efforts.
- Experience in working with HUD in the aftermath of major catastrophic events.
- Particular expertise in all CDBG-DR rules and regulations.
- Significant experience with data management related to hurricanes, tropical storms, or similar natural disasters and experience applying data structures and data analysis to critical decision-making regarding housing recovery policy and Programming.
- Experience in assessing and incorporating into its recovery planning process any mitigation efforts being undertaken in the aftermath of a statewide catastrophic event that has damaged or destroyed dwellings, businesses, critical infrastructure and key resources.

#### **4.1.11 Subcontracts – Tab 9**

The State shall have a single prime Contractor, and that prime Contractor shall be responsible for all deliverables specified in the RFQ and Quote. This general requirement notwithstanding, Bidders may enter into subcontractor arrangements, however, Bidders shall acknowledge in their Quotes total responsibility for the entire contract.

Bidders must submit a plan with this Quote to the State regarding HUD’s Section 3 Program. The plan must illustrate not only how the Bidder intends to comply with Section 3.

This general requirement notwithstanding, Bidders may enter into subcontractor arrangements. Bidders may submit a Quote in response to this RFQ which involves subcontract(s) with others, whether product manufacturers or service providers, on the condition that the Bidder acknowledges total responsibility, as the Bidder, for the entire Contract.

If a Bidder chooses to use subcontractors, the State urges the Bidder to use New Jersey subcontractors, including small and emerging businesses and/or small entrepreneurs, if practical.

If the Bidder intends to subcontract for portions of the products or services the Bidder shall identify any subcontractor relationships and the quote shall include specific designations of the tasks to be performed or deliverables to be produced by the subcontractor. Information required of the Bidder under the terms of this RFQ is also required for each subcontractor. The prime Contractor shall be the single point of contact for all subcontract work. Copies of any agreements planned to be executed between the Bidder and subcontractor(s) shall be included in the Quote.

Unless provided for in the contract with the State, the prime Contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.

#### **4.1.11.1 References – Attachment 1**

For each subcontractor, the Bidder should submit (3) three references supporting the capabilities of the subcontractor(s) as they relate to this RFQ.

#### **4.1.12 Disclosure**

**As part of the technical proposal, the Bidder must disclose any involvement in the following and provide a statement certifying that there will be no conflict of interest:**

1. Bidders shall disclose the nature of any current or past business relationship that they have with the contractor providing service on State Contract G-8034 Consulting: Disaster Recovery, G8037 Housing Strategy Advisor, or any other consultant providing consulting services on disaster recovery services.
2. The Contractor and its affiliates or subcontractors will be prohibited from participating in the LRRP program as homebuilders. Further, any firm in which the Contractor or its principals have interests will similarly be prohibited from participating in LRRP or RREM programs as homebuilders.

## **4.2 KNOWLEDGE TRANSFER**

Contractor's key staff resources must be ready to begin working in Trenton, New Jersey, within five (5) days after contract award (barring personal emergencies, which will be addressed on a case by case basis). For purposes of this requirement, please identify the key staff in your quote.

## **4.3 COST QUOTE**

As part of its Quote the Bidder is to set forth how its GSA hourly rates will be applied to the various services requested within this RFQ. The Bidder may offer hourly rates more competitive than its GSA pricing but may not increase said rates. The Bidder shall also include an estimate of the total cost for each of the tasks as requested within this RFQ:



The Bidder shall include an estimate of total costs for each phase of the project in addition to an estimate of the total cost of the project.

The Bidder shall provide their anticipated hours by labor category to complete the activities as described in the RFQ. In addition to the price quote based on the outlined tasks, the Bidder should provide all other GSA labor categories and hourly rates that may be utilized by the State in the future. Additional hourly rates will not be factored in cost reasonableness.

#### **4.3.1 COST QUOTE FORMAT**

Each section of the Cost Quote shall be described in further detail. All project assumptions should be placed in the Technical Quote. The following sections of the RFQ explain the content that is required in each of the sections of the Cost Quote:

##### **4.3.1.1 Cover Letter**

The title page shall be placed as the front cover and/or insert and include:

- Title of the RFQ
- RFQ due date
- Bidder's Name
- The inscription: "Cost Quote."

##### **4.3.1.2 Table of Contents**

Each Quote shall be submitted with a table of contents that clearly identifies and denotes the location of each section and sub-section of the Quote. Each page of the response shall be clearly and uniquely numbered. Additionally, the table of contents shall clearly identify and denote the location of all enclosures and attachments to the Quote.

##### **4.3.1.3 Tab 1 – Executive Summary**

Bidder shall provide an overview of the Cost Quote, which describes any pricing approaches, discounts, and reasons why Bidder's combined technical and cost approach should be of value to the State.

##### **4.3.1.4 Tab 2 – Administrative Requirements**

The Bidder shall sign and submit one (1) original and two (2) copies of the Certification Statement and all information required by the Certification as part of the Quote submission. The Bidder shall take note of any Potential Legal and Regulatory Requirements to be sure that all legal and regulatory implications associated with the Quote are considered.

##### **4.3.1.5 Tab 3 – Cost Schedules**

This section shall include the Cost Quote Template from Exhibit6.

Cost Quote is to be completed as follows:

- Bidder is to complete a separate Cost Quote for two (2) years.
- Bidder is to provide the hourly rate and number of hours for each staffing category (or GSA equivalent staffing category) listed on the price quote. (Include all additional price lists and job categories that may be utilized during this effort).
- Bidder is to provide a “not to exceed” travel cost in accordance with Section 3.4 of the RFQ. Further, Bidder is to provide a detail budget of the overall travel cost proposed with its quote.
- Bidder is to provide a direct cost each task listed on the price quote. Further, Bidder is to provide a detail budget of the overall direct cost proposed.

#### **4.3.1.6 Other Direct Costs**

ODCs may include: postage (includes US Mail, FedEx, UPS, and etc.) for purposes of mailings, notifications, etc.; personal computer workstations, laptop computers, computer peripherals (scanners, printers); security for on-site inspections on a pre-approved basis; advanced recording fees; cost of outreach and other public events; wire communication devices (cell phones, GPS, wireless cards, etc.) for purposes of remote communication for FTEs performing field based work; lease costs (according to the agreed-upon cost per square foot); notary service fees, and legal service fees related to Third Party Requests for Release of Information. Additional ODCs, if required, must be approved in advance of purchase by the SPM and the DCA Finance Manager.

Prior to the purchasing or leasing any ODCs, the Contractor shall provide a list of ODCs to the State Contracting Manager. The State Contracting Manager will review that list and will either (a) authorize the Contractor to purchase, obtain or lease the items or services and submit that expense for reimbursement (with proper documentation), or (b) deny the request.

**Contractor must follow procurement rules as detailed in HUD Regulations 24 CFR Part 85 of the Federal regulations as may have been modified by HUD Notice for CDBG-DR issued in the Federal Register on March 5, 2013.**

All of the equipment purchased by the Contractor under this program has to be returned to the State since it will be purchased with Federal funds. Examples would be computers, furniture and items such as cubicles etc. The Contractor shall work with the State to tag all property as required upfront and ensure proper disposition at contract termination.

## **5.0 CONTRACT TERM**

Any Contract resulting from this RFQ will be for a duration of up to two (2) years, with the option of up to three (3) one year extensions, by the mutual written consent of the Contractor and the State on the same terms, conditions, and pricing at the rates in effect in the last year of the contract, or rates more favorable to the State.

## **5.1 SECURITY AND CONFIDENTIALITY**

### **5.1.1 Data Confidentiality**

All financial, statistical, personnel, customer and/or technical data supplied by the State to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by the State that is deemed confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this Contract and may result in Contract termination and the Contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

The Contractor shall assume total financial liability incurred by the Contractor associated with any breach of confidentiality.

When requested, the Contractor and all project staff including its subcontractor(s) must complete and sign confidentiality and non-disclosure agreements provided by the State. The Contractor may be required to view yearly security awareness and confidentiality training modules provided by the State. Where required, it shall be the Contractor's responsibility to ensure that any new staff sign the confidentiality agreement and complete the security awareness and confidentiality training modules within one month of the employees' start date.

The State reserves the right to obtain, or require the Contractor to obtain, criminal history background checks from the New Jersey State Police for all Contractor and project staff (to protect the State of New Jersey from losses resulting from contractor employee theft, fraud or dishonesty). If the State exercises this right, the results of the background check(s) must be made available to the State for consideration before the employee is assigned to work on the State's project. Prospective employees with positive criminal backgrounds for cyber-crimes will not be approved to work on State Projects. Refer to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

### **5.1.2 Security Standards**

Network Security: The Contractor shall maintain the Contractor's network security to include, but not be limited to: network firewall provisioning, intrusion detection and prevention, vulnerability assessments and regular independent third party penetration testing. The Contractor shall maintain network security that conforms to one of the following:

- Current standards set forth and maintained by the National Institute of Standards and Technology (NIST), including those at: <http://web.nvd.nist.gov/view/ncp/repository>
- Industry standards such as ISO 27002, PCI Data Security Standard and ISF Standard of Good Practice, align with security best practices from SANS and CI Security.
- The Contractor, at a minimum, shall run network vulnerability assessment scans. Vulnerabilities shall be remediated prior to network implementation.
- All systems shall be subject to vulnerability assessment scans on a regular basis.

Data Security: For any connectivity services proposed, the Contractor at a minimum shall protect and maintain the security of data traveling its network in accordance with generally accepted industry practices.

- Any Personally Identifiable Information must be protected. All data must be classified in accordance with the State's Asset Classification and Control policy, 08-04-NJOIT ([www.nj.gov/it/ps](http://www.nj.gov/it/ps)). Additionally, data must be disposed of in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT ([www.nj.gov/it/ps](http://www.nj.gov/it/ps)).
- Data usage, storage, and protection is subject to all applicable federal and state statutory and regulatory requirements, as amended from time to time, including, without limitation, those for Health Insurance Portability and Accountability Act of 1996 (HIPAA), Personally Identifiable Information (PII), Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075), New Jersey State tax confidentiality statute, N.J.S.A. 54:50-8, New Jersey Identity Theft Prevention Act, N.J.S.A. 56:11-44 et seq., the federal Drivers' Privacy Protection Act of 1994, Pub.L.103-322, and the confidentiality requirements of N.J.S.A. 39:2-3.4. Contractor shall also conform to Payment Card Industry (PCI) Data Security Standard.

Data Re-Use: All State-provided data shall be used expressly and solely for the purposes enumerated in the Contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of the Contractor. No State data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by the State Contract Manager.

Data Breach: Unauthorized Release Notification: The Contractor shall comply with all applicable State and Federal laws that require the notification of individuals in the event of

unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Contractor shall assume responsibility for informing the State Contract Manager and all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State of New Jersey, its officials, and employees from and against any claims, damages, or other harm related to such Notification Event.

End of Contract Data Handling: Upon termination of this Contract the Contractor shall erase, destroy, and render unreadable all Contractor copies of State data according to the standards enumerated in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT ([www.nj.gov/it/ps](http://www.nj.gov/it/ps)) and certify in writing that these actions have been complete within thirty (30) days of the termination of this Contract or within seven (7) days of the request of an agent of the State whichever shall come first.

### **5.1.3 Federal Tax Information Security**

The Contractor must comply with the tax information guidelines for federal, State, and local agencies found in IRS Publication 1075, as amended from time to time, including but not limited to the following:

## **TECHNOLOGY SERVICES**

### **I. PERFORMANCE**

In performance of this contract, the contractor shall comply with and assume responsibility for compliance by his or her employees with the following requirements:

1. All work will be done under the supervision of the contractor or the contractor's employees.
2. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
3. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
4. The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and the contractor will retain no output at the time the work is completed. If immediate purging of all data storage components is not possible,

the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

5. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
6. All computer systems receiving, processing, storing, or transmitting federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to federal tax information.
7. No work involving federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
8. The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
9. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

## **II. Criminal/Civil Sanctions:**

1. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
2. Each officer or employee of any person to who returns or return information is, or may be disclosed, shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
3. Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations

established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

4. Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and Exhibit 5, IRC Sec. 7213 Unauthorized Disclosure of Information). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor shall sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

### **III. Inspection:**

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

## **5.2 OWNERSHIP OF MATERIALS**

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon thirty (30) days' notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Contract, Contractor or subcontractor hereby assigns to the State all right, title and interest



in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Shall the Bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the quotation. Otherwise, the language in the first paragraph of this section prevails. If the Bidder identifies such intellectual property ("Background IP") in its quotation, then the Background IP owned by the Bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the Bidder. Upon contract award, the Bidder or Contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the Bidder/Contractor's Background IP delivered to the State for the purposes contemplated by the contract.

The State has the right to run the system and it will remain operational for a period of three (3) years after the program is closed down and the State will be provided with 20 licenses to allow the State to operate the system.

### **5.3 ADDITIONAL WORK AND/OR SPECIAL PROJECTS**

The Contractor shall not begin performing any additional work or special projects without first obtaining written approval from the State Contract Manager, DCA, and the Director.

In the event of additional work and/or special projects, the Contractor must present a written Quote to perform the additional work to the State Contract Manager. The Quote shall provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Contractor in its Quote.

The Contractor's written Quote must provide a detailed description of the work to be performed broken down by task and subtask. The Quote shall also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written Quote must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the Contractor in the Contractor's original quote submitted in response to this RFQ. Whenever possible, the price schedule shall be a firm, fixed price to perform the required work. The firm fixed price shall specifically reference and be tied directly to costs submitted by the Contractor in its original quote. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the Contractor's written Quote, the State Contract Manager shall forward same to the DCA and Director for written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to DCA must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget and NJOIT.

No additional work and/or special project may commence without the Director's written approval. In the event the Contractor proceeds with additional work and/or special projects without

the Director's written approval, it shall be at the Contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's prior written approval.

#### **5.4 INSURANCE - PROFESSIONAL LIABILITY INSURANCE**

Contractor shall procure and maintain for the duration of the contract insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, agents, representatives, employees or subcontractors. The costs of such insurance shall be included in the rates submitted in the Contractor's quote. The Contractor shall comply with Section 4.2 of the State of NJ Standard Terms and Conditions regarding insurance. In addition, Section 4.2 is modified with the addition of the following section regarding Professional Liability Insurance.

Professional Liability Insurance: The contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

#### **5.5 RETAINAGE**

The using agency shall retain 10% percentage of each invoice submitted. Following certification by the State Contract Manager that all services have been satisfactorily performed, the balance of the retainage shall be released to the Contractor at the end of the contract expiration Retainage is not in lieu of any damages incurred because of the Contractor's negligence in performance of the contract.

The State reserves the right to partially release or not release any Retainage held if the performance guarantees are not met in accordance with Exhibit 3 – "Performance Guarantees."

#### **5.6 AUDIT OF RECORDS**

Contractor shall grant to the Office of the New Jersey State Auditor, State of New Jersey Office of the State Comptroller, the Federal Government, and any other duly authorized agencies of the Federal Government or the State where appropriate the right to inspect and review all books and records directly pertaining to the Contract resulting from this RFQ for a period of five (5) years after final grant close-out by HUD or as required by applicable State and Federal law. Records, including direct read access to supporting systems and data, shall be made available during normal working hours for this purpose.

In the event that the U.S. Department of Housing and Urban Development, the HUD Inspector General, or any other Federal agency, or the State, issues findings or rulings that the amounts charged by the Contractor, or any portions thereof, were ineligible or were non-allowable under Federal or state Law or regulation, Contractor may appeal any such finding or ruling. If such

appeal is unsuccessful, the Contractor shall agree that the amounts paid to the Contractor shall be adjusted accordingly, and that the Contractor shall, within 30 days thereafter, issue a remittance to the State of any payments declared to be ineligible or non-allowable.

Contractor shall comply with Federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific Project activities.

#### **5.7 RECORD RETENTION**

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder as required by applicable Federal, State, HUD and CDBG regulations.

Note: The retention schedule for files associated with a HUD program is three (3) years after the State grant is closed by HUD. The federal citation is: 24 CFR 570.490(d).

#### **5.8 RECORD OWNERSHIP**

All records, reports, documents, or other material related to any Contract resulting from this RFQ and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of this Contract. In addition to final ownership status of records, the Contractor will be required as requested by the State to provide records, reports, documents, or other material related to the Program.

#### **5.9 SUBSTITUTION OF PERSONNEL**

Proposed key personnel assigned to the project that results from this RFQ shall not be replaced without the written consent of the State. In the event that any State or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to projects outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case may be, shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

#### **5.10 CONFIDENTIALITY OF STATE DATA AND INFORMATION**

All information relating to the State's operations which is designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which becomes available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. Contractor shall not be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this Contract, or is rightfully obtained from third parties.

### **5.11 WAIVER OF ADMINISTRATIVE INFORMALITIES**

The State reserves the right, at its sole discretion, to waive administrative informalities and irregularities contained in any Quote if deemed in the best interest of the State to do so.

### **5.12 CONTRACTOR REQUIREMENTS**

The State requires a single Contractor as the result of any Contract negotiation, and that Contractor is responsible for all deliverables referenced in the RFQ and Quote as well as the acts and liabilities created by personnel or subcontractors providing products or services as part of the Contractor's Quote. The selected Contractor is required to assume responsibility for all products and services offered in the Quote, whether or not provided by the Contractor. The State shall consider the selected Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract

### **5.13 ANNOUNCEMENTS AND PRESS RELEASES**

The Contractor shall not refer to the Contract or the Contractor's relationship with the State hereunder in commercial advertising or press releases without prior approval from the DPP. Under no circumstances shall advertising or other communications with the media be presented in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed by the State.

### **5.14 CONTRACT NEGOTIATIONS**

If for any reason the Bidder whose Quote is most advantageous to the State of New Jersey does not agree to a contract within 10 days of negotiation, that Quote may be rejected and the State may negotiate with the Bidder submitting the Quote deemed next most advantageous to the State.

### **5.15 CONTRACT AWARD AND EXECUTION**

An award will be made to the Bidder with the highest points, and whose Quote, conforming to the RFQ, is the most advantageous to the State, price and other factors considered. The State intends to award to a single Contractor.

The RFQ, including any addenda, Bidder Quote, Bidder presentations, Bidder capability evaluations, written responses to inquiries, the Best and Final Offer (BAFO) and other documentation from the selected Bidder, which describes the solution, commitment, capabilities, and intent of the Bidder, shall become part of any Contract awarded by the State.

In no event shall a Bidder submit its own standard Contract terms and conditions as a response to this RFQ. The proposed terms will be negotiated before a final Contract is entered. The inclusion of mandatory clauses is not negotiable.

### **5.16 CDBG BONDING ASSISTANCE**

CDBG funds may be used to provide support the bonding capacity of small contractors who would ordinarily not have the capacity to compete for construction contracts with certain bonding

requirements. The Contractor shall take this into account when establishing a pool of Homebuilders. The Contractor will develop a program to assist small contractors in bonding requirements in connection with the Small Rental Program. 24 CFR 570.202(b) does not expressly provide for use of CDBG funds to provide bonding support to small contractors; however, the use of CDBG funds in this regard is clearly supported by 24 CFR 570.202(b) and HUD agency directives.

## **6.0 DIRECTOR'S RIGHT OF FINAL QUOTATION ACCEPTANCE**

The Director reserves the right to reject any or all Quotations, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or contracts to the Bidder or Bidder's best meeting all specifications and conditions in accordance with N.J.S.A. 52:34-12. Tie Quotations will be awarded by the Director in accordance with N.J.A.C.17:12-2.10.

## **6.1 FACILITY REQUIREMENTS**

Facilities and office space used by the Contractor for meetings and interactions with Applicants will be provided by the SSHIP Contractor. The Contractor is responsible for providing adequate desks/cubicles, office chairs, office supplies, document destruction services, internet service, and data circuits for all staff at the location. Facilities and office space used by the Contractor or subcontractor(s) to conduct business will not be provided by SSHIP.

All devices and software will either be furnished by the Contractor, as an Other Direct Costs ("ODC") in compliance with all DCA standards and policies. This applies to personal computer workstations, laptop computers, network equipment, printers, copiers, multi-function devices, fax machines, and telephones.

## **7.0 FORM OF COMPENSATION AND PAYMENT**

Payments to the Contractor will be disbursed following approval by the State Contract Manager. The State reserves the right to negotiate with the Bidder, the final fee for services provided under each task order. A mutually agreed-upon schedule of payments by task order will be used as the basis for all payments.

## **8.0 SELECTION PROCESS**

All Quotes will be reviewed to determine responsiveness. Non-responsive Quotes will be rejected without evaluation. The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, will be used to evaluate Quotes received in response to this RFQ:

- Experience in successfully completing contracts of a similar size and scope to the work required by this RFQ; The qualifications and experience of the Bidder's management, supervisory or key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required; and

- The overall ability of the Bidder to undertake and successfully complete the contract in a cost efficient yet timely manner. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the Bidder to complete the contract, the availability and commitment to the contract of the Bidder's management, supervisory and other staff proposed and the Bidder's contract management plan, including the Bidder's contract organizational chart; and the Bidder's cost Quote.

## **8.1 EVALUATION PROCESS OVERVIEW**

The State shall conduct a comprehensive, fair, and impartial evaluation of all Quotes received. The State may reject any Quote that is incomplete or in which there are significant inconsistencies or inaccuracies.

The State will establish an evaluation team to review, evaluate, and verify information submitted by the Bidder. This section describes the evaluation methodology and criteria to be used to evaluate each quote submitted. It is the State's intent to select the Quote that is most advantageous to the State now and in the future.

The State reserves the right to seek clarification from Bidders where deemed appropriate to understand the intent of certain points in one or more Quotes. Any such clarification request and response will be provided in writing and maintained as part of the documentation for the respective Quote. Bidders must respond to requests for clarification within two (2) working days of request. Failure to do so may affect the Bidder's score or result in rejection of their Quote.

### **8.1.1 TECHNICAL EVALUATION CRITERIA**

The Bidders will receive a Technical Score based upon the evaluation and scoring of the following criteria:

- a. Personnel: The qualifications and experience of the Bidder's management overview to include but not limited to: Contract Management plan to meet scheduled milestones, supervisory and key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required.
- b. Experience of firm: The Bidder's documented experience in successfully completing contracts of a similar size and scope specifically related to HUD Disaster Recovery and strength of other related programs.
- c. Ability of firm to complete the Scope of Work based on its Technical Quote: The overall ability of the Bidder to undertake and successfully complete the technical requirements of the contract in a timely manner as outlined in Sections 3.0 through 3.1.11.
- d. Subcontractors: Subcontractor experience with the core services and how they relate to three references submitted.

All Bidders who receive a Technical Score within a stated technical competitive range may be asked to submit a Best and Final Offer pursuant to Section 8.5. However, Bidders are advised to submit their best technical and price quotes in response to this RFQ, because the State may, after evaluation, make a contract award based on the content of the initial submissions, without further negotiation with any Bidder

### **8.1.2 TECHNICAL SCORE and COST REASONABLENESS**

Each evaluated quote will receive a Technical Evaluation Score (sum of each voting member technical evaluation score divided by the number of voting members).

Quoted prices under Tab 1 of the price sheet will be tallied-up and reviewed for cost reasonableness. Tab 2, of the price sheet, will not be reviewed for cost reasonableness.

## **8.2 EVALUATION COMMITTEE**

The evaluation of Technical Portion of the Quotes will be accomplished by an Evaluation Committee, to be designated by the State, which will determine the Quote most advantageous to the State, taking into consideration cost reasonableness and the other evaluation factors set forth in the RFQ.

## **8.3 ORAL INTERVIEW**

The State may request an oral interview at its sole discretion for clarification from all Bidders deemed suitable for receiving an award. No additional points will be given for an oral interview. The State reserves the right to award the contract on the basis of the original offers.

## **8.4 AWARD SELECTION**

Only one contract will be awarded for this project. The Bidder that submitted the most advantageous quote to the State, pursuant to section 8.2 will be recommended for award.

## **8.5 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)**

Negotiations will only be conducted in those circumstances where they are deemed by the State to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, Bidders are advised to submit their best technical and price quotes in response to this RFQ, because the State may, after evaluation, make a contract award based on the content of these initial submissions, without further negotiation with any Bidder.

All contacts, records of initial evaluations, any correspondence with Bidders related to any request for clarification, negotiation or BAFO, any revised technical and/or price Quotes, and the Award Recommendation will remain confidential until a Notice of Intent to Award a contract is issued.

## **8.6 STATE CONTRACT MANAGER**

The State Contract Manager is the State employee responsible for the overall management and administration of the Contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the Contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and e-mail address.

### **8.6.1 State Contract Manager Responsibilities**

The State Contract Manager is the person that the Contractor will contact **after the Contract is executed** for answers to any questions and concerns about any aspect of the Contract. The State Contract Manager is responsible for coordinating the use of the Contract and resolving minor disputes between the Contractor and the State. The State Contract Manager shall be the central coordinator of the use of the Contract for the State. All persons and agencies that use the Contract must notify and coordinate the use of the contract with the State Contract Manager.

### **8.6.2 Coordination with the State Contract Manager**

Any contract user that is unable to resolve disputes with a Contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The Contractor shall contact the State Contract Manager or his/her designee if the Contractor cannot resolve a dispute with contract users.

## **9.0 CONFLICT OF INTEREST CLAUSE**

This contract may be reviewed by an auditor or integrity monitor pursuant to State regulations and as such the winning bidder cannot perform as integrity monitor or auditor for this contract.

## **10.0 PROGRAM EFFICIENCY ASSESSMENT**

The State Using Agencies shall be charged an assessment equal to one-quarter of one percent (0.25%) of the value of all transactions under this contract. This assessment is authorized by N.J.S.A 52:27B-56 and N.J.A.C. 17:12-1.5, to maintain the State's procurement system at a level to meet industry standards of efficiency.

## **11.0 ADDITIONAL REQUIREMENTS**

The documents listed below **must** be completed and submitted with the Bidder's quotation. They may be downloaded from the Division of Purchase and Property's website, which is located at <http://www.state.nj.us/treasury/purchase/forms.shtml>

- Ownership Disclosure Form

<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>



- Disclosure of Investigations and Other Actions Involving Bidder Form  
<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>
- Disclosure of Investment Activities in Iran  
<http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>
- Certification of MacBride Principles and Northern Ireland Act of 1989  
<http://www.state.nj.us/treasury/purchase/forms/MacBride.pdf>
- Subcontractor Utilization Form  
<http://www.state.nj.us/treasury/purchase/forms/SubContractingForms.pdf>
- New Jersey's Standard Terms and Conditions (must sign last page of the document)  
<http://www.state.nj.us/treasury/purchase/forms/pbst.pdf>
- Source Disclosure Certification Form  
<http://www.state.nj.us/treasury/purchase/forms/sdcertificationform.pdf>

The documents listed below **should** be completed and submitted with the Bidder's quotation.

- Two-Year Chapter 51/EO 117 Vendor Certification and Disclosure of Political Contributions  
[http://www.state.nj.us/treasury/purchase/forms/eo134/c51\\_eo117\\_cd\\_02\\_10\\_09.pdf](http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_02_10_09.pdf)
- Affirmative Action Employee Information Report or, in the alternative, supply either a New Jersey Affirmative Action Certificate or appropriate evidence that the Bidder is operating under an existing federally approved or sanctioned affirmative action program (Letter of Federal Approval Program). [http://www.state.nj.us/treasury/purchase/forms/AA\\_%20Supplement.pdf](http://www.state.nj.us/treasury/purchase/forms/AA_%20Supplement.pdf)

**NOTE:** A copy of a valid New Jersey Business Registration must be submitted prior to contract award. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/>

<http://www.nj.gov/treasury/revenue/gettingregistered.shtml>

To obtain a copy of your New Jersey Business Registration you may do so by using the following website: [https://www1.state.nj.us/TYTR\\_BRC/jsp/BRCLoginJsp.jsp](https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp)

**A valid Insurance Certificate must be submitted prior to contract award.**

# New Jersey Landlord Rental Repair Program

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Draft Program Guidelines

Exhibit 1



## Contents

1.0	Program Overview .....	4
1.1	Program Design .....	4
1.1.2	Program Awards .....	4
1.1.3	Priorities for funding.....	5
1.1.4	Basic eligibility criteria .....	5
1.1.5	Criteria for selection .....	6
1.1.6	Landlord Responsibilities.....	6
1.1.7	Program Components.....	7
1.1.8	Reimbursement of Costs Incurred Prior to LRRP Application .....	7
1.1.9	Landlord-Led Construction Management .....	8
1.1.10	Assisted Construction Management .....	8
1.1.11	Form of Assistance for Affordable Rental Units .....	10
1.2	Project Eligibility .....	10
1.2.1	Owner Eligibility .....	10
1.2.1.1	Ownership Status.....	10
1.2.1.2	Owner Occupants .....	11
1.2.1.3	For-Profit Participation .....	11
1.2.1.4	Non-Profit Participation.....	11
1.2.2	Property Eligibility.....	12
1.2.2.1	Structure Types.....	12
1.2.2.2	Bankruptcy, Liens and Judgments .....	13
1.2.3	Vacancy Requirements .....	13
2.0	Initial Site Inspections and Environmental Reviews.....	14
2.1	Overview.....	14
2.2	Initial Site Inspection (Damage Assessments) .....	14
2.3	Eligible and Ineligible Items .....	15
2.4	Environmental Reviews .....	16
3.0	Pre-Construction Planning.....	17

3.1	Feasibility of Repairs.....	17
3.2	Development of Plans and Specifications .....	17
3.3	Escrowed and Supplemental Funds.....	18
3.4	Other Federal Requirements .....	18
3.5	Award Closing and Notice to Proceed .....	18
3.6	Temporary Relocation .....	19
4.0	Construction .....	19
4.1	Overview.....	19
4.1.1	Rehabilitation .....	19
4.1.2	Reconstruction.....	20
4.2	Rehabilitation and Lead Based Paint (LBR)* .....	20
4.3	Asbestos Assessment and Abatement .....	21
4.4	Progress Inspections and Draw Schedule.....	21
4.5	Final Inspections .....	21
4.6	Change Orders .....	21
5.0	Tenant Leasing and Project Close-Out.....	22
5.1	Rental Rates of Affordable Units .....	22
5.2	Tenant Selection.....	22
5.3	Tenant Race and Ethnicity Reporting .....	23
6.0	LRRP Application and Approval Process.....	23
7.0	Compliance and Monitoring .....	25
7.1	Overview.....	25
7.2	Rental Unit Vacancy and Occupancy Requirements .....	25
7.3	Continued Landlord Obligations.....	26
7.4	Property Compliance .....	26
7.5	The Affirmative Fair Housing Marketing Plan (AFHMP) .....	26
7.6	Uniform Relocation Act and Temporary Relocation.....	27
7.7	Stafford Act.....	28
7.8	HUD Section 3 Requirements .....	28
7.9	Section 504 of the Rehabilitation Act of 1973.....	28
7.10	Davis-Bacon and Related Acts (DBRA).....	29
7.11	Contract Work Hours and Safety Standards Act (CWHASSA).....	29

7.12 The Copeland (Anti-Kickback) Act ..... 29

7.13 Non-Compliance (Landlord and General Contractor)..... 30

8.0 LRRP Additional Program Management Requirements ..... 30

8.1 Appeals ..... 30

8.2 Fraud, Waste, and Abuse Prevention ..... 30

8.3 Conflict of Interest ..... 30

8.4 Files, Records, and Reports..... 32

8.4.1 Information Requests & Subpoenas..... 32

**ATTACHMENT A: LRRP Workflows**

**ATTACHMENT B: Affirmative Marketing Plan (TBD)**

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## 1.0 Program Overview

The New Jersey Fund for the Landlord Rental Repair Program (the “Program” or “LRRP”) is designed to restore small rental properties that were damaged by Superstorm Sandy and that are currently vacant. In addition to increasing the supply of affordable rental housing in areas that were damaged by the storm, the Program will also serve to help revitalize damaged neighborhoods by transforming blighted vacant residential buildings into newly renovated rental properties. The Program will help Landlords (“Landlords”) whose residential rental housing businesses were damaged by Superstorm Sandy to recover, enabling them to offer rental housing at affordable rates to low-to-moderate income households and contribute to the local economy through the purchase of goods and services necessary to operate their property.

The Program is administered by the New Jersey Department of Community Affairs (DCA), with coordination of other State agencies including the New Jersey Department of Environmental Protection (DEP). The New Jersey DCA has contracted with a consulting firm to provide application intake and processing services (the “Superstorm Sandy Housing Incentive Program Contractor, or SSHIP”). The DCA also administers the Rehabilitation, Reconstruction, Elevation, and Mitigation Program (RREM), a program providing assistance to homeowners to rehabilitate or reconstruct storm-damaged owner-occupied housing. \*Possible interaction between the RREM and LRRP are discussed in the document.

The funding for the program is provided by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant – Disaster Relief (CDBG-DR) Program. The Federal Emergency Management Agency (FEMA) provided important data about the storm damage in the communities where the Program will be implemented. New Jersey in its *CDBG-DR Superstorm Sandy Action Plan* described the designation of \$70,000,000 of the \$1.83 billion of CDBG-DR funds to be made available to fund the rehabilitation of storm damaged rental properties. At least 70% of the funds must be used to repair damaged rental properties located in the nine most affected counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union).

## 1.1 Program Design

### 1.1.2 Program Awards

The LRRP will provide grants to existing and new owners of rental properties with 1 to 25 units requiring rehabilitation. Properties that are more severely damaged and possibly in need of reconstruction will be considered on a limited basis. Awards will be equal to the lesser of \$50,000 per affordable rental housing unit, or 100% of the estimated cost to repair the property as determined by the LRRP less any **Duplication of Benefits (DOB)** as calculated in accordance with the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act).

The Stafford Act prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster and financial assistance under any other program or from insurance or any other source that has been provided to a LRRP property owner. Sources of duplication of benefits compensation include sources of funding assistance provided for structural damage and loss related to the disaster. Note: DOB reviews are calculated on the property, not just the Landlord.

The following sources are deducted from the award amount for the unit:

- USDA loans and/or SBA loans
- National Flood Insurance Program (NFIP) Insurance Payments
- Private insurance: All private insurance settlement amounts for loss to structures are considered in the award calculation. Private insurance payments for contents or other expenses are not considered

The following sources are NOT deducted from the award amount for the homeowner's unit:

- Funding received from Non-Profit Agencies, unless it was specified for home repairs and resulted in a duplication of benefits.
- Tax adjustments resulting from filings related to losses to the rental property are not considered duplication of benefits and do not affect awards if those funds were used to repair that unit.

***Award levels for owner occupied properties include up to \$150,000 in compensation for the owner-occupied portion of the property if the owner-occupant has been approved for RREM Program funds and up to \$50,000 for each affordable rental unit in the property. Properties must meet all eligibility criteria and priorities for funding specific to each program in order to receive funds from both programs.***

### **1.1.3 Priorities for funding**

Priorities for funding as described in the CDBG-DR Superstorm Sandy Action Plan will be provided by reserving funds for projects based on the following criteria:

1. Properties with seven or fewer units
2. Properties with mold remediation needs
3. Properties containing units that are or will be dedicated for special needs populations, regardless of unit count

Applications for assistance became available on July 24, 2013. For a period of 90 days, a minimum of sixty percent of the funds are set aside for landlords applying for properties that meet one of the three priorities listed above. Forty percent can be utilized on non-priority properties that sustained *Superstorm Sandy* damage.

### **1.1.4 Basic eligibility criteria**

Basic eligibility criteria as described in the CDBG-DR Superstorm Sandy Action Plan include:

1. Properties must have 25 units or less
2. Owner will have to certify that the property will be used for year-long rental housing and not as a second home or seasonal rental property.
3. Units must be rented to low and moderate income households after project completion
4. Rents may not exceed 30% of monthly income for a household earning 80% of the Area's Median Income (AMI)
5. Properties must have received damage from Superstorm Sandy and require rehabilitation or reconstruction

### 1.1.5 Criteria for selection

Criteria for selection of property as described in the CDBG-DR Superstorm Sandy Action Plan will include:

1. The damaged building or unit will be repaired to re-occupancy standards as permitted by the state and local codes.
2. 70% of the funds shall be spent in the nine most impacted counties.

### 1.1.6 Landlord Responsibilities

Participating Landlords will certify and agree to the following LRRP requirements in order to receive Program benefits:

- Property will be used for year-long rental housing and not as a second or seasonal rental property
- Units, after project completion, will be leased to a low/moderate income household within 60 days of the project close out
- Tenant income information must be provided to the Program for review and approval prior to executing the lease and/or move in date as outlined in the *LRRP Tenant Selection & Leasing Guidelines* on the DCA website. Landlord must utilize the model lease provided by DCA or have their own lease amended to include LRRP requirements.
- Rents may not exceed 30% of monthly income for a household earning 80% of the Area's Median income (AMI), as determined by the LRRP and published on the DCA website
- Compliance with Davis-Bacon and Related Acts (DBRA) requirements (if applicable)
- Compliance with 24 CFR 135, otherwise known as Section 3, of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u)
- Compliance with the State of New Jersey Maintenance of Hotels and Multiple Buildings Law
- Must be registered with the Bureau of Housing Inspection (required for owners of properties with 3+ units)
- Compliance with the New Jersey "implied warranty of habitability"
- Compliance with the LRRP Affirmative Fair Housing Marketing Plan (required for properties with 5+ units; properties with 1-4 units must comply with New Jersey State laws) (See **Attachment B**)
- Compliance with HUD's Lead Safe Housing Rule
- Compliance with the Uniform Relocation Act (URA) requirements for tenant notifications (including notifications to existing and new tenants residing in adjacent or nearby undamaged units that may be affected by project construction), temporary housing, and relocation assistance as determined by DCA
- The Landlord must agree to maintain casualty insurance and flood insurance, if property is located within a FEMA designated Special Flood Hazard area for the full term of the grant. The closing agent will collect proof of flood insurance if required.
- Insurance coverage will be required and in an amount determined as appropriate by the insurance agent for the full term of the grant.
- The Landlord must arrange reasonable and timely access to the property for Contractors providing rehabilitation and/or reconstruction services.
- The Landlord is responsible for the movement, storage, and security of all property and personal belongings.



- During rehabilitation/reconstruction, the Landlord must not interfere in repair areas and must make a reasonable effort to stay away from the construction zone in order increase safety.
- Landlord understands that unforeseen conditions may arise during construction and agrees to be responsible for change orders exceeding the amount of the LRRP award.
- All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction, or person qualified to make such a determination, must be removed from the property prior to the start of construction. Landlords must also remove dilapidated personal property.

### 1.1.7 Program Components

The following LRRP services will be considered for eligible Landlords based on the status of the repairs as of the LRRP application date, and the Landlord's capacity to develop and complete the construction work. The Program will be administered by the LRRP contractor based on the need of the Landlord and status of repairs under one of three program workflows: **1) Reimbursement of Costs Incurred Prior to the LRRP Application; 2) Landlord-Led Construction Management; 3) Assisted Construction Management.**

#### Program Components Workflows

Each of the **3 Program Workflows** is depicted in Attachment A and described as follows.

### 1.1.8 Reimbursement of Costs Incurred Prior to LRRP Application

SSHIP will collect information and documentation regarding the cost of repairs that were completed after the date of the storm and up to the date of the LRRP application and no later than October 29, 2013. SSHIP will inspect and verify costs incurred as reasonable and necessary, according to HUD direction. LRRP will follow guidance related to Reimbursement as noted in HUD Notice CPD-13-038, issued on July 30, 2013.

The eligibility factors include the following criteria:

- Repairs performed prior to the submittal of the LRRP application for assistance must be verified by a LRRP inspector and meet all eligible repair activities to establish both eligibility for and total amount of reimbursement
- Repairs performed after the application has been submitted will not be eligible for reimbursement.
- Property must receive environmental clearance from the New Jersey Department of Environmental Protection (DEP) to allow the reimbursable work to be eligible and to allow for construction work after award approval.
- All units to receive repair funds must be vacant.
- Repairs and associated costs must be validated on-site by the LRRP contractor in order for the Landlord to receive reimbursement.
- For landlord-performed repairs, Landlords can receive reimbursement for their material costs, but cannot receive reimbursement for their own labor or sweat equity (unless they

are a licensed contractor and meet all criteria for contractor qualification and approval at the time of the initial LRRP preliminary award letter).

- The maximum amount of reimbursement funds is \$50,000 per unit.
- If additional repairs are needed to bring the unit to applicable codes and standards and there are remaining funds in the \$50,000 cap, the Landlord may request construction assistance through the LRRP program.

If the amount of the reimbursement request exceeds \$50,000 and all repairs are not yet completed, the Owner will be required to complete the repairs at their expense.

### **1.1.9 Landlord-Led Construction Management**

Landlords may choose to complete the scope of work through to unit eligible occupancy standards by using an existing General Contractor of their choice. In this program workflow, the landlord will finance the completion of the construction work and will receive grant award upon completion of the work and commitment to occupancy with an eligible tenant. LRRP contractor will review that engaged contractors meet minimum qualifications:

- Possess the required registrations in the State of New Jersey for the work being done.
- Not debarred from conducting business.
- Maintain the insurance and bonding relevant to the job and as meets required state and local standards.

### **1.1.10 Assisted Construction Management**

#### **Use of RREM General Contractor Pre-Qualification Pool**

Landlords who opt for assistance with the contracting process by the LRRP contractor will be encouraged, and will have access, to utilize the pre-qualified General Contractor Pool used for the RREM Program. Landlords may also use an existing General Contractor of their choice.

General Contractors who are not already pre-qualified for the RREM Program's Pool of Qualified General Contractors must meet and adhere to the minimum qualifications listed below:

#### **Registration and License Requirements for a Landlord Selected Contractor**

- The Contractor must hold a current registration issued by the State of New Jersey. Contractor will be required to provide registrations provided by other jurisdictions in which they are assigned work, if applicable;
- Must demonstrate there is no debarment sanction on any individual, organization and/or its affiliates and not excluded from conducting business with any Federal Agency government-wide.

#### **Insurance and Performance Bonds**

Contractor(s) shall provide proof of the minimum insurance coverage amounts identified below. Proof of insurance shall be issued by a company that is licensed to do business in the State of New Jersey and that has a rating equal to or exceeding A-VII from A.M. Best.

1. A commercial general liability policy including products, completed operations, contractual liability, with no residential exemptions or exclusions, with a combined single limit of \$1 million per occurrence and \$2 million general aggregate, and \$2 million products/completed operations aggregate;
2. Contractor(s) must provide proof that they will be able to provide a hazard insurance policy on a builder's all risk or special causes of loss policy form with a broad form named insured and with loss payable endorsements acceptable to DCA insuring the Improvements (to the extent they are insurable) and all materials and supplies purchased with advances hereunder against all risks and losses, to include (i) flood and named windstorm coverage for Construction Contract Amount, and (ii) and an allowance for occupancy by Property ODR if Property ODR is remaining in the home during construction.

DCA may lower the insurance requirements on a case by case basis. Landlord must submit a written request with an explanation and providing support documentation as to why the minimum insurance limits should be lowered.

#### **Willingness to Adhere to Federal Requirements**

- Contractors will be required to accept the terms and conditions of the LRRP Construction grant Agreement and LRRP Guidelines and procedures to receive incremental construction draws;
- Funding is provided by HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents in the project area and contracts for work in connection with this project be awarded to business concerns that are located in or owned in substantial part by persons residing in the area of the program.
- Contractor(s) shall commit to make a demonstrated effort to provide subcontract opportunities to locally owned businesses, minority and women-owned businesses enterprises, and low-income residents in the program area
- Contractors working on properties containing 8 or more units must accept, understand, and perform work compliant with the requirements under the Davis Bacon and Related Acts (DBRA).

Other information and criteria may be requested and reviewed by DCA or its agents that is deemed necessary for the contractor participation in the LRRP Program. All General Contractors are subject to review by DCA and DCA reserves the right to reject any contractor who does not meet the minimum requirements including contractors that appear unrealistic in terms of technical commitment, technical competence, and that indicate a failure to comprehend the risk and complexity of the potential contract.

### 1.1.11 Form of Assistance for Affordable Rental Units

#### Grant Requirements

Assistance for the affordable rental housing units will be made in the form of a grant requiring Landlords to rent to income eligible tenants upon completion of the rehabilitation or reconstruction of the property. To be consistent throughout the Program, grants require commitment to adherence to the unit occupancy requirement (as noted on the executed lease by a program approved tenant). The grant is not considered closed until the occupancy requirement is achieved by the landlord.

## 1.2 Project Eligibility

### 1.2.1 Owner Eligibility

#### 1.2.1.1 Ownership Status

The owner of the property must either be the pre-storm owner, defined as the owner of record as of October 29, 2012, or, a new owner who demonstrates valid site control as determined by the SSHIP Contractor. Required documentation for valid site control is defined as a right to acquire or lease 100 percent of the fee title to the property through one of the following mechanisms:

- a written **purchase agreement** for an eligible property executed by all current owners to the applicant which authorizes a closing on or before the program Closing Event;
- a written **option to purchase** an eligible property executed by all the current owners to the applicant which may be exercised on or before the program Closing Event;
- a written **contract for deed or lease purchase agreement** for an eligible property which is executed by all the current owners to the applicant evidencing an immediate right to occupy and improve the property and a future right to acquire 100% of the fee title;
- a written **long term lease with a sufficient term remaining for participation in the program** from the date of the Closing Event for an eligible property which is executed by all the current owners to the applicant; and
- **any other written agreement approved by DCA** to sell an interest in an eligible property which is executed by all the current owners to the applicant evidencing a right to acquire the interest on or before the program Closing Event.

In addition to the above, the applicant must provide a copy of the written agreement signed by all parties which includes all pages and exhibits, includes a valid legal description of the property (including county and city), identifies the tax parcel number for the property, identifies the date of the closing of the sale or purchase (if applicable) and identifies the purchase price or rental amount (if applicable). If the current owner is an entity, the applicant must also provide

sufficient documentation evidencing the good standing and authorization of the entity to sell or lease the property as required by the program. Site control must be maintained throughout the processing of the application and the transfer of ownership must be finalized prior to the Award Closing.

### **1.2.1.2 Owner Occupants**

Owner-occupants may request assistance for vacant damaged rental units in 1-4 unit properties located in the nine most impacted counties under the RREM Program. Participation in the RREM Program for the owner-occupied unit is not required in order to receive LRRP funding. If the owner-occupied unit needs repair, the owner-occupant may provide funding through private resources (or RREM Program funds) for those repairs and utilize LRRP funds for repair of the damaged rental units.

To be eligible to apply for the LRRP funding for the rental units and also receive the funding award as an owner occupant allowable under the RREM Program the landlord or group of owners must meet the following criteria:

- At least one landlord(s) must have owned and occupied one unit of a property as their primary residence on or before October 29, 2012.
- The property must contain 2 or more units meeting all legal requirements for owner and tenant occupancy.
- At least one landlord(s) must re-occupy the subject property
- 
- 
- If an Owner Occupant has an affordable rental unit as part of their property application, the amount of the award for each affordable unit will be calculated in the same manner as for all other affordable units in the LRRP.
- The RREM award levels for owner occupied properties include up to \$150,000 in compensation for the owner-occupied portion of the property, and the LRRP will provide up to \$50,000 for each affordable rental unit in the property.
- Properties will need to be reviewed on a case-by-case basis to determine allocation of expenditures and rehabilitation or reconstruction of the entire structure.

### **1.2.1.3 For-Profit Participation**

- For-profit Landlords must agree to execute a one-year lease for the unit(s) to low-moderate income households at affordable rent levels established by DCA. Income collected by participating for-profit Landlords will not be considered CDBG Program Income.

### **1.2.1.4 Non-Profit Participation**

- Non-profit agencies qualifying as 501(c)(3) organizations may participate in the LRRP as an eligible Landlord.
- Funded non-profit organizations must provide verification of their non-profit status, and the most recently completed audit as required by OMB Circular A-133 "Audits of Institutions of States, Local Governments and Nonprofit Institutions".

- Income collected by participating non-profit organizations will not be considered CDBG Program Income.
- Non-profit Owners must maintain affordable rent levels for five years.
- For non-profit owners, if a property sale occurs within 5 years of the award, the new owner is subject to DCA approval and must agree to assume all Program obligations and responsibility for the regulatory agreement. If a sale occurs within 5 years and the new owner does not agree to participate in the Program, the property is deemed in violation of the program regulatory agreements and any unforgiven balance must be paid in full to the DCA.

### 1.2.2 Property Eligibility

Upon verification of the Landlord's eligibility, the property must meet all of the following criteria in order to be eligible for funding from the New Jersey Landlord Rental Repair Program:

- Properties throughout the State damaged by Sandy are eligible. Note that 70% of the funds must be used for properties located in Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union Counties.
- Properties must have included between one and twenty-five rental dwelling units prior to October 29, 2012. A dwelling unit is defined as having complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- Single Room Occupancy (SRO) units are not eligible. SRO units are residential properties that include multiple single room dwelling units where each unit is for occupancy by a single individual.
- Properties containing mixed-uses: An eligible mixed-use property containing both commercial/office uses (groceries, corner stores, etc.) and residential uses (primary residences, rental units, etc.) prior to the storm. These rental properties will receive an award only for each affordable residential rental unit. Structures or spaces for commercial uses prior to the storms which will be converted to residential rental space are not eligible.
- When determining whether a commercial property is within the maximum allowable number of 25 units in order to be eligible for the Program, the unit or units identified for commercial use will not be considered in the 1- to 25-unit maximum unit count.
- Units used to house family members or others at no charge are eligible as long as the household meets the LMI requirements and lease terms.

#### 1.2.2.1 Structure Types

The following section defines eligible and ineligible types of dwelling units that could have been located on the property prior to the storms or will be used in the rehabilitation/reconstruction efforts.

- Modular Housing (also called Industrialized Housing) is an eligible structure type. Modular homes are residential structures that are designed for occupancy as a permanent residential structure when the module or modular component is transported to the permanent site and erected or installed on a permanent foundation system, and includes the structure's plumbing, heating, air conditioning, and electrical systems.

- Townhomes and condominiums that have shared systems (i.e., roofs, drainage systems, etc.) will be eligible structure types. Property owners and/or condominium associations may be required to confirm that no restrictive covenants are in place preventing repairs, reconstruction, and/or affordable rent rates from occurring on the property site
- Manufactured homes, RVs, and houseboats are **NOT** eligible structures. A manufactured home (also known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code). A Manufactured Home is a structure that is transportable in one or more sections. In the traveling mode, the home is eight body-feet or more in width and forty body-feet or more in length. It is at least 320 square feet, built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems.

#### **1.2.2.2 Bankruptcy, Liens and Judgments**

- Bankruptcy: Any property included in an open bankruptcy will not receive assistance from the Program, and will not be processed further by SSHIP once the bankruptcy is identified.
- Liens and Judgments: Outstanding liens (such as Federal, State or property tax liens, municipal assessment liens or subdivision assessment liens) and judgments which could result in foreclosure and the loss of the property prior to the completion of construction must be satisfied and cancelled of record in order to receive assistance from the Program.

#### **1.2.3 Vacancy Requirements**

- ***The Landlord shall immediately notify the Program during the application process as to the occupancy status of all units contained within the property, regardless of whether LRRP funds are being requested for repairs to that unit.***
- All units for which assistance is being requested must be vacant at the time the Program application is submitted. Landlords applying for funding may apply with partially occupied properties, though any unit being assisted must be vacant at time of application.
- The Landlord will be required to comply with all federal and state policies and procedures regarding the Uniform Relocation Act (URA). It should be noted that for recently vacated units, the provisions of the URA may be applicable. Landlords may be requested to provide rent rolls, leases, and eviction notices as needed to verify if the unit was vacant at time of storm or became vacant after the storm to determine URA requirements.
- The costs associated with URA compliance must be paid for by the Landlord.
- Notifications to existing tenants in non-assisted occupied units and occupants at the time of the storm may be required as part of the URA compliance.
- After submitting an application to the LRRP, the owner should not rent any units identified on the application as vacant until construction is complete and the Program verifies the income of potential tenants.

## **2.0 Initial Site Inspections and Environmental Reviews**

### **2.1 Overview**

The LRRP will comply with local, state, and federal requirements applicable to this program, including, but not limited to:

- HUD's Lead Safe Housing Rule
- National Environmental Policies Act (NEPA)
- Housing Quality Standards
- New Jersey Uniform Construction Code (UCC)
- International Residential Building Code (IRC)
- International Building Code (IBC)
- International Energy Code
- EPA's Energy Star Program (for Reconstruction)
- HUD Community Planning and Development Green Building Retrofit Checklist (for Reconstruction)
- Section 504 of the Rehabilitation Act of 1973
- The Architectural Barriers Act
- 24 CFR Part 570 and OMB Circulars for Necessary and Reasonable Requirements Cost Principles

### **2.2 Initial Site Inspection (Damage Assessments)**

- 2.2.1 The primary purpose of the Initial Site Inspection (ISI) is to observe and record the presence of Superstorm Sandy damage (internal and external), confirm existing site conditions, and collect information about the project site to be utilized in making property eligibility and reimbursement eligibility determinations. Data will be collected by LRRP contractor, as a qualified damage assessor and will be used to recommend if the proposed project will follow a rehabilitation or reconstruction pathway. The ISI will occur after SSHIP has reviewed the application and made a determination of ownership eligibility.
- 2.2.2 The Landlord will need to be present for these site visits. The LRRP inspector will note any obvious environmental concerns on the site or nearby that could affect the evaluation.
- 2.2.3 The LRRP will prepare an Estimated Cost to Repair (ECR) which will provide an estimate of the basic costs needed to repair or replace the home and incorporates costs necessary to ensure that the property meets the relevant codes and standards for occupancy and other requirements determined by DCA. The LRRP will also through the ISI determine the Work in Place (WIP) which determines and calculates a reasonable value for the work currently completed and observed in place. The WIP and ECR do not provide an evaluation that takes into account an exact replacement of the original damaged property. In contrast to insurance estimates that may be based on replacement costs, the WIP and ECR evaluation are based on state standards for basic livability standards developed for the program and on costs developed by the construction industry for New Jersey for those items. The method used to prepare the WIP and ECR will account for those scope items that can be counted, measured, or observed. No destructive testing will be performed. The landlord will submit actual receipts for completed work to the SSHIP contractor. This will be used in calculation of Duplication of Benefit (DOB) to determine eligible award amount for the landlord.



2.2.4 All property improvements must be for unmet housing needs resulting from Superstorm Sandy. Non-hurricane damage may only be addressed on structures that also have hurricane-related storm damage. LRRP will follow guidance related to Reimbursement as noted in HUD Notice CPD-13-038, issued on July 30, 2013 related to the needs for lead and asbestos reviews. For those not in reimbursement, structures built before 1978 must be inspected for lead based paint (LBP) hazards. All structures will be assessed for the presence of asbestos.

## 2.3 Eligible and Ineligible Items

2.3.1 Only items that are considered eligible for reimbursement from CDBG-DR funds will be included in the ECR. Items that are being repaired due to storm damage will be repaired in accordance with the applicable building code. The remainder of the unit will be inspected to ensure compliance with HUD's Housing Quality Standards.

2.3.2 In mixed-use properties (properties containing units/areas not used for residential uses, such as commercial areas), the ECR is based on the costs to repair the residential space in order to meet residential occupancy requirements, local rental licensing requirements, and the State Codes as necessary without concern for the cost to repair the commercial space or other undamaged residential units.

2.3.3 Repairs to common/commercial space to meet occupancy/rental housing standards are eligible expenses.

2.3.4 The Landlord is responsible for ensuring compliance and paying any relocation expenses encountered during the course of the project, in conformance with HUD URA requirements.

2.3.5 The ECR may include the following items or costs that could be incurred by a participating Landlord:

- Site Work (Utility lines, landscaping, etc.)
- Demolition
- Rehabilitation / Reconstruction costs
- Elevation Costs
- Lead/Asbestos Abatement
- Soft Costs:
  - Architectural/Engineering (Drawings, specifications, if applicable) (if these services are provided by the LRRP Contractor, the costs are not considered to be part of the \$50,000 maximum CDBG-DR award)
  - Financing costs (Construction interest, appraisal, origination fees)
  - Survey
  - Legal costs (Attorney Fees, Notary Fees, etc.)
  - Title Insurance
  - Building Permit
  - Other Soft Costs
  - Consultant Fee (if applicable)
- Contingency (to pay for unexpected costs – up to 10%)

- Other development costs

2.3.6 Generally, the LRRP does not allow the use of CDBG funds for the following items: (Note: The Landlord may use their personal funds for these items)

- Repair or replacement of detached structures such as sheds, garages, swimming pools, decks, docks, or boat ramps (garages may be included for projects where required by local codes)
- Replacement of special features, trims and designer features that exceed basic livability requirements and features of standard grade homes such as solar panels, sky lights, wainscoting and wood paneling, Jacuzzis, copper gutters and roofs (these items may be repaired if they present a health or safety hazard or replaced with the Program standard quality of material)
- Repair or replacement of fencing or security systems
- Replacement of clothes washer and/or dryer (allowed for rental units, but not owner-occupied units)
- Replacement of window air conditioners

## 2.4 Environmental Reviews

The New Jersey Department of Environmental Protection (DEP) has completed the Broad Environmental Review (Tier I) at the programmatic level for the nine most affected counties. Additional environmental assessments may need to be completed for projects located outside of the 9-county area. The preparation of the completed Tier I reviews included coordination with multiple federal, state, and local agencies. Additionally, all project sites must receive environmental clearance. Site-specific reviews (Tier II) will be conducted by DEP inspectors and will include the review of HUD-defined environmental review topics.

The environmental review is a separate and distinct review from any other review. Other previously performed (or provided by the Landlord) environmental reviews will not satisfy the Program's requirements. If a property does not receive environmental clearance, CDBG-DR funds may not be used for reimbursement of repairs completed by the Landlord or for any construction activities.

There are four steps to the environmental review process:

**Step 1 – Initial Review:** An environmental assessor will review the applicable property data, including date of construction, tax card information, site photographs, and relevant environmental data from coordinating agencies, and Geographic Information System (GIS) information. If the property meets the prescribed criteria and no environmental issues are identified, the environmental review will be concluded. However, if a potential environmental issue is identified, it will be investigated further.

**Step 2 – Issue Analysis:** If the Initial Review reveals a potential environmental issue, further analysis will be required. This analysis may require follow-up site visits or additional research. A DEP inspector will schedule required follow-up visits to perform the necessary analysis. Owners will be notified if they are required to be present for these follow-up visits.

**Step 3 – Issue Mitigation:** Any issue that cannot be cleared through Issue Analysis will need to be mitigated either before or during Program construction. The Program may pay for mitigation of issues identified during the environmental review if they are deemed eligible activities. Owners will receive all federally required notifications as well.

**Step 4 – Mitigation Monitoring and Clearance:** Depending on the mitigation required for an individual property, several tasks are possible: approval of mitigation plan, monitoring of mitigation tasks, mitigation progress inspections, and mitigation clearance.

### 3.0 Pre-Construction Planning

#### 3.1 Feasibility of Repairs

The completion of the ECR will result in a determination of eligibility for:

- **Rehabilitation** The ECR will identify quantities and scopes of work required to repair or replace storm-damaged items and to bring the remainder of the structure/site to compliance.
- **Reconstruction** for homes that have been destroyed, are structurally unsafe to enter, or that existing conditions are such that the building cannot be rehabilitated to LRRP standards ***Reconstruction projects will be reviewed on a case-by-case basis and are subject to the final review and approval of DCA.***

The feasibility determination will be presented to the Landlord as a Draft Scope of Work for review and approval. Upon approval, the project development will progress to a Final Scope of Work.

#### 3.2 Development of Plans and Specifications

Upon completion of construction, all LRRP Rehabilitation projects must meet applicable local, state and Federal building codes and requirements and statutes. The Reconstruction standard for the Program is the New Jersey Uniform Construction Code, 2009 Residential International Code, Energy Star, and HUD's CPD Green Building Standards Checklist. When applicable, the Program will comply with Chapter 23 of the State of New Jersey's Uniform Construction Code, Subchapter 6: Rehabilitation Subcode, and the HUD CPD Green Building Retrofit Checklist.

**3.2.1 Rehabilitation Projects:** Described below are the two options for scope development that apply to projects that qualify for Rehabilitation.

- The Landlord may provide a scope of work (containing quantities and quality of materials to be used) for the LRRP to review for compliance with the LRRP standards. Once approved by LRRP, the project may proceed to bidding. The scope of work will be used for bids from General Contractors in the RREM Qualified Contractor Pool or Landlord selected Homebuilder.
- The LRRP will develop a detailed scope of work that will be used to describe the repair and establish the quantities and quality of materials to be used. Each scope of work will include the scopes of work for all trades that may be required. The scope of work will be used as a cost

reasonableness comparison to SOW's received from General Contractors in the RREM Qualified Contractor Pool or Landlord selected Homebuilder.

A mandatory pre-construction meeting will be conducted to review the scope of work and answer any questions. All official responses to questions presented during the pre-construction meeting and those received in writing will be provided to the General Contractor in writing from the LRRP.

### **3.3 Escrowed and Supplemental Funds**

For Assisted Construction projects the Landlord must, if applicable, provide funding for work on their property in excess of the eligible CDBG-DR award. The funds will be placed in escrow with SSHIP at or before the time of closing, prior to construction. The LRRP contractor will provide an approved draw to SSHIP for the release of both private escrow funds and LRRP grant funds. The Program will work with lenders for Landlords borrowing funds to accomplish the project.

Supplemental funds provided by the Landlord must also be escrowed with SSHIP to pay for program approved upgrades prior to beginning the construction. These funds will be designated in a manner to be determined by SSHIP.

For the Landlord-Led Construction Management workflow, the Landlord's funds will not be required to be placed in escrow. It is understood that the Landlord has pre-engaged all construction funding to complete construction, therefore, the LRRP grant funds will be disbursed for eligible costs at the completion of the project in compliance with LRRP requirements.

### **3.4 Other Federal Requirements**

The cost of compliance with Section 504 Accessibility requirements, the Davis-Bacon and Related Acts (applicable for properties with 8 or more units), and other applicable state and federal requirements will be considered and included in the final determination of project costs.

### **3.5 Award Closing and Notice to Proceed**

Prior to the Award Closing, SSHIP will accept the application and confirm eligibility, including the following: applicant ownership of the property, an estimate of repairs already completed and receipts for reimbursement, an estimate of the repairs to be performed, duplication of benefits analysis, and completion of the site-specific environmental review. Upon finalization of the Scope of Work and confirmation that DCA is prepared to issue a Notice to Proceed, the Landlord will be requested to attend an Award Closing with the Program to execute documentation and submit additional documentation required prior to the commencement of construction.

At the closing, the Landlord will execute the following documents (when applicable):

- Landlord and General Contractor Attestation Document for Costs Incurred and Work Completed eligible for reimbursement.
- Landlord and General Contractor Agreement: This document evidences the Scope of Work, compensation and terms and conditions imposed upon the Landlord and General Contractor with regard to construction.
- Subrogation Agreement: Duplication of Benefits will be confirmed at the time of eligibility processing, and the Landlord's award will be based upon the information available as of the date of the Notice to Proceed. This document confirms the Landlord's obligation to remit any additional insurance proceeds or other benefits received after the date of the Closing Event to the Program.
- Appeal Procedure: The Landlord will be required to execute a notification of the appeal procedure provided by the LRRP Program. This process will be used to the extent there are any disputes between the Landlord, Contractor and the Program during the period of construction.
- Compliance Notification Checklist: This document provides a summary of the compliance obligations under the Program. This document must be executed by every Landlord to confirm their acceptance of the terms of compliance.

The Notice to Proceed is given after DCA approves the contract set-up, issues an activity number, the General Contractor obtains necessary permits, performance and payment bonds are received, and utilities are terminated (if applicable). The Notice to Proceed will be provided to the General Contractor in writing only. No work is to commence on the project until a written Notice to Proceed has been issued by the LRRP to the General Contractor.

### **3.6 Temporary Relocation**

Landlords will be responsible for ensuring compliance with the Uniform Relocation Act provisions for temporary relocation assistance for persons who are temporarily displaced because of the CDBG-DR-funded construction activities (i.e., asbestos abatement, temporary disconnection of utilities, etc). Eligible persons include those residing in units that were not storm-damaged or not proposed to receive LRRP funding awards. Landlords shall ensure that all URA notifications and procedures are followed and will work with SSHIP to provide required documentation.

## **4.0 Construction**

### **4.1 Overview**

#### **4.1.1 Rehabilitation**

Rehabilitation is defined as non-emergency/emergency repair or renovation of a limited specified area or portion of a housing structure. Rehabilitation shall also be defined as bringing rehabilitated portions of properties into compliance with local building codes (NJ UCC) and the entire structure into compliance with HUD's Housing Quality Standards (HQS) and DCA Reasonable Rehabilitation Standards.

- If the cost of the rehabilitation of the entire structure is more than 75 percent (including 10% for unforeseen conditions) of the pre-storm value of the structure, then the entire structure may be considered for Reconstruction.
- Rehabilitation shall be limited to “stick built” or modular structures that have been deemed feasible for rehabilitation.
- Any slab-on-grade home that will require elevation and that otherwise qualifies for a rehabilitation benefit under program caps will be recommended for Reconstruction. This proposal is based on the intricacies of elevating these structures, particularly the increased cost of elevation for slab structures, additional rehabilitation costs incurred as a direct result of raising the home, potential effects to the structural integrity of the structure and resulting remediation costs, and the additional costs of stairs, ramps, or lifts that will need to be added to allow the occupants to access the home.

#### 4.1.2 Reconstruction

Reconstruction shall be defined as the demolition, removal, and disposal of an existing housing unit and the replacement of that unit on the same lot with a unit that complies with the New Jersey UCC, Energy Star, and HUD’s CPD Green Building checklist, including universal design features, and other NJ LRRP requirements.

A rebuilt and elevated housing unit shall meet the Federal Emergency Management Agency (FEMA) flood zone requirements and additional state or local freeboard requirements.

#### 4.2 Rehabilitation and Lead Based Paint (LBP)\*

HUD’s Lead Safe Housing Rule (LSHR) will be applied for all housing considered for rehabilitation construction measures.

Licensed lead assessors will determine the proper level of LBP evaluation and any required LBP hazard reduction requirements. This determination will be made following the regulatory requirements found in Title 24 of the Code of Federal Regulations Part 35, Subpart J (Rehabilitation). Detailed information concerning the requirements for lead safe work practices in conjunction with paint stabilization, interim controls, or abatement, will be provided in the rehabilitation scope of work for each home. Documentation of the findings of the LBP risk assessment will also be provided to General Contractors.

**Table 4-1: LBP Mitigation Requirements Based on Construction Cost**

Level of Assistance	Hazard Reduction Requirements	Post-Rehabilitation Clearance Examination Requirements
Less than or equal to \$5,000	Safe work practices during rehabilitation in conjunction with paint stabilization	Yes
More than \$5,000 up to \$25,000	Interim controls	Yes
More than \$25,000	Abatement and/or Interim controls	Yes

*\*Note: HUD's LSHR requires the use of properly trained individuals to perform hazard reduction activities. ALL individuals who disturb painted surfaces above HUD's de minimis levels must be formally trained in "Lead-safe Work Practices." A list of acceptable training courses can be found by accessing the following HUD website: <http://www.hud.gov/offices/lead/training/hudtraining.pdf>.*

LBP – Lead-based paint

LSHR – Lead Safe Housing Rule

### **4.3 Asbestos Assessment and Abatement**

All units participating in LRRP will be assessed for the presence of asbestos containing materials (ACMs). Any identified ACM will be properly removed and placed in a sanitary landfill suitable for such disposals in accordance with state and federal requirements. LRRP will follow guidance related to Reimbursement as noted in HUD Notice CPD-13-038, issued on July 30, 2013 related to the needs for lead and asbestos reviews.

### **4.4 Progress Inspections and Draw Schedule**

For Assisted Construction Management projects, the LRRP Contractor will establish draw schedules. The draw schedule may include up to two draws depending on the complexity of the project. Once a draw is approved by the LRRP Contractor the New Jersey DCA will approve and process the payment

### **4.5 Final Inspections**

For Landlord-Led Construction Management and Assisted Construction Management, once all construction has been completed, the Landlord will request a final site visit to guarantee that all work outlined in the contract has been satisfactorily completed according to the appropriate state and local codes and standards and . Documentation that these inspections have been performed and passed must be provided to the LRRP contractor along with the Certificate of Occupancy (or other local form indicating that the unit is ready for occupancy). A final inspection form will be completed and signed by the Landlord, General Contractor, and LRRP inspector and placed into the project file.

General Contractors must provide all warranties to the Landlord prior to the LRRP inspector signing a final inspection form. Photographs will be taken for documentation purposes.

### **4.6 Change Orders**

For Assisted Construction Management projects, it may occur that additional work is necessary to make repairs or to correct unforeseen dangerous conditions. In those cases, LRRP contractor will be responsible for review documented Change Order requests identifying what type of work is needed, the cost of such work, and the time necessary for such work to be completed. Unless it is determined an immediate health and safety danger exists, NO WORK SHALL BE AUTHORIZED until agreed upon in writing by the Landlord, General Contractor, and the LRRP Contractor. All Change Orders will be reviewed for cost reasonableness by the LRRP Contractor and submitted to DCA for approval.

All Change Order requests that result in proposed amounts in excess of the maximum LRRP grant available will be the responsibility of the Landlord. The Landlord will be required to deposit any additional funding in escrow as required to complete the repairs.

## 5.0 Tenant Leasing and Project Close-Out

### 5.1 Rental Rates of Affordable Units

All rental units that receive assistance from Program must be rented to a low- to moderate- income households. Rents will be calculated according to rent levels considered affordable based on 80% of the Area Median Income (AMI) as calculated for each county and as adjusted annually by HUD. The current Rent Schedule for the nine most impacted counties is demonstrated below in Table 5.1. For 2013-2014, the Rent Schedule is as follows:

**Figure 5.1**

**2013-2014 Rent Schedule  
Department of Community Affairs  
Sandy Recovery Division**

COUNTY	Zero (0) Bedroom	One (1) Bedroom	Two (2) Bedroom	Three (3) Bedroom	Four (4) Bedroom	Five (5) Bedroom	Six (6) Bedroom
Atlantic	\$960	\$1,028	\$1,234	\$1,425	\$1,590	\$1,755	\$1,801
Bergen	\$1,274	\$1,365	\$1,368	\$1,891	\$2,110	\$2,328	\$2,400
Cape May	\$1,046	\$1,120	\$1,344	\$1,552	\$1,732	\$1,911	\$1,970
Essex	\$1,248	\$1,337	\$1,604	\$1,854	\$2,068	\$2,282	\$2,354
Hudson	\$1,080	\$1,157	\$1,388	\$1,604	\$1,790	\$1,975	\$2,035
Middlesex	\$1,456	\$1,560	\$1,872	\$2,162	\$2,412	\$2,661	\$2,744
Monmouth	\$1,286	\$1,378	\$1,654	\$1,910	\$2,130	\$2,351	\$2,424
Ocean	\$1,286	\$1,378	\$1,654	\$1,910	\$2,130	\$2,351	\$2,424
Union	\$1,248	\$1,337	\$1,604	\$1,854	\$2,068	\$2,282	\$2,354

**NOTE: Rents are 30% of income for households at 80% AMI**

The Landlord shall provide required documentation to the Program in order to document income eligibility for all new tenants prior to allowing the tenants to move into the property.

### 5.2 Tenant Selection

- Landlords will screen and select their own tenants. Tenant selection must comply with the NJDCA Affirmative Marketing Plan and the requirements of the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, familial status, and disability. For properties with 5 or more units, the Affirmative Marketing requirements at 24CFR 200, 24CFR 620, and 24CFR 625 shall apply. Note: Information



regarding Fair Housing compliance will be provided to all Landlords.

- *LRRP Tenant Selection & Leasing Guidelines* will be made available to all Landlords to provide sample forms and detailed instructions for meeting LRRP requirements.
- Tenants shall provide written documentation of their household income to the Landlord prior to initial occupancy in accordance with HUD’s Part 5 definition of annual income. The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. The receipt of assistance through HUD’s Housing Choice Voucher Program may be used to verify LMI status, defined as households earning less than 80% of the AMI for the county of residence, adjusted for household size. The Landlord will provide Part 5 verification of tenant income, supporting documentation, and approval prior to initial occupancy. Except for applications submitted by non-profit owners, there is no further compliance and monitoring of tenant incomes.
- The Landlord will certify that building health and safety standards are met at initial occupancy and maintained annually thereafter.
- Verification of special needs shall be provided for tenant occupants for properties prioritized for special need funding.

### 5.3 Tenant Race and Ethnicity Reporting

In accordance with the U.S. Department of Housing and Urban Development’s criteria for race and ethnicity reporting, the LRRP will provide a Tenant Race and Ethnicity Reporting form to all active Landlords. The Landlords will be required to provide the form to all existing and new tenants for the assisted rental units throughout the term of the loan.

Tenant Race and Ethnicity forms shall be returned by the owner to the LRRP and shall be placed in the file of the applicant. Any Tenant Race and Ethnicity forms that are not returned to the Program, are returned with no selected race and/or ethnicity, and/or, are returned with a checkbox for the “I choose not to provide this information” will be documented as a no response to the Race and Ethnicity categories.

### 6.0 LRRP Application, Project Award Approval and Disbursement Process

The steps identified below demonstrate the process flow from time of application to project close-out. This process will be more fully defined in a LRRP Program Manual to assist in defining and understanding the Program workflows.

Stages	Assigned	Anticipated Duration	Action
<b>Stage 1:</b> <i>Intake/Application Acceptance</i>	SSHIP	7 days	<ul style="list-style-type: none"> <li>• Applicant completes and submits a standardized application form</li> <li>• SSHIP sends a Program Acceptance Letter or requests additional information</li> </ul>

<b>Stage 2: Prioritize/Verify Eligibility</b>	SSHIP	7-30+ days	<ul style="list-style-type: none"> <li>• Application reviewed for eligibility criteria in Action Plan and LRRP Guidelines</li> <li>• Intake Meeting to gather eligibility documents</li> <li>• Evaluate for URA requirements</li> <li>• Determine LRRP eligibility</li> <li>• Conduct preliminary DOB analysis</li> </ul>
<p><b>The duration of Stage 2 will be affected by the following:</b></p> <ul style="list-style-type: none"> <li>• Ability of Landlord to provide verification of eligibility components in a timely manner</li> <li>• Need for URA notices</li> </ul>			
<b>Stage 3: Initial Site Inspection/ Environmental Review</b>	LRRP Contractor	30-60 days	<ul style="list-style-type: none"> <li>• Conduct Initial Site Inspection to record damages and develop an Work in Process (WIP) and Estimated Cost to Repair (ECR)</li> <li>• Program Component selected (Reimbursement or Construction Management)</li> <li>• Feasibility Analysis (repair/recon) is completed</li> <li>• Create Draft Scope of Work</li> <li>• Environmental review clearance (Tier II) received from DEP</li> <li>• Final Scope of Work developed</li> </ul>
<p><b>The duration of Stage 3 will be affected by the following:</b></p> <ul style="list-style-type: none"> <li>• The number of units in a property – larger properties will require longer period for ECR assessments</li> <li>• Units with 5 or more units will require longer period to receive environmental clearances</li> </ul>			
<b>Stage 4: Final Benefit Determination</b>	SSHIP DCA	30-60 days	<ul style="list-style-type: none"> <li>• SSHIP completes DOB analysis</li> <li>• SSHIP obtains Applicant agreement and confirms Applicant funding for gap/upgrades</li> <li>• SSHIP submits preliminary Project Financial Summary Report to DCA</li> </ul>
<p><b>The duration of Stage 4 will be affected by the following:</b></p> <ul style="list-style-type: none"> <li>• Responsiveness of Landlord to agree to LRRP terms and conditions</li> <li>• Ability of Landlord to obtain additional funding for gaps</li> </ul>			
<b>Stage 5: Management Review and Commitment</b>	SSHIP	15 days	<ul style="list-style-type: none"> <li>• DCA reviews Project Financial Summary</li> <li>• SSHIP sends LRRP Award Commitment Letter to Applicant</li> <li>• Applicant executes Award Commitment</li> </ul>
<b>Stage 6: Closing</b>	SSHIP	10 days	<ul style="list-style-type: none"> <li>• SSHIP re-verifies lack of property liens</li> <li>• SSHIP conducts Closing and executes the Landlord Participation Agreement and the Construction Contract</li> </ul>
<b>Stage 7: Construction and Disbursement</b>	LRRP Contractor DCA Applicant General Contractors	90-120 days	<ul style="list-style-type: none"> <li>• LRRP Contractor conducts Pre-Construction Meeting</li> <li>• LRRP Contractor issues Notice to Proceed to General Contractor</li> <li>• GCs begin construction</li> <li>• LRRP Contractor conducts Progress/Final Inspections/Reviews Draw Requests</li> <li>• LRRP Contractor verify Certificate of Occupancy (or related document) is obtained</li> </ul>
<p><b>The duration of Stage 7 will be affected by the following:</b></p>			

<ul style="list-style-type: none"> <li>Larger properties or properties with asbestos abatements may require extended construction times</li> </ul>			
<b>Stage 8:</b> <i>Initial Occupancy Stage</i>	Landlord SSHIP	1 Year  5 years  (Non-profits)	<ul style="list-style-type: none"> <li>Landlord advertises vacancies and leases repaired units to low-income tenants. Non-profit owners are monitored for 5-year compliance</li> </ul>
<b>Stage 9:</b> <i>DRGR Project Close-out</i>	SSHIP DCA	15 days	<ul style="list-style-type: none"> <li>DCA completes DRGR project close-out upon verification of LMI tenant occupancy</li> </ul>

**7.0 Compliance and Monitoring**

**7.1 Overview**

The Landlord Rental Repair Program (LRRP) is intended to assist in the restoration of 1 to 25 unit rental properties to address area rental housing needs and also to provide additional housing availability to low to moderate income people in the areas of New Jersey most heavily damaged by Superstorm Sandy. Financial assistance provided by LRRP is awarded by the Department of Community Affairs (DCA) through the U.S. Department of Housing and Urban Development (HUD) funded Community Development Block Grant Disaster Recovery (CDBG-DR) program.

Landlords participating in the LRRP are responsible for adhering to Program requirements as stated in the contract agreements and LRRP Landlord closing documents, as well as any applicable local, state, and federal requirements. Following construction completion and final funds disbursements to the General Contractor, the Landlords must comply for the duration of the governance period (1 year for for-profit Landlords and 5 years for properties owned by Non-profit organizations).

Compliance and Monitoring (C&M) shall monitor pre-closed, closed, and upon request by DCA, grants for continued adherence to program requirements. Monitoring activities will be conducted via the system of record, reviews of routine and ad-hoc requested reports, surveys, as well as by physical on-site inspections. Compliance & Monitoring will report compliance findings to LRRP.

**7.2 Rental Unit Vacancy and Occupancy Requirements**

7.2.1 To qualify for LRRP funding, the damaged unit(s) must be vacant at time of the application. Landlord shall also certify as to the status of all tenants that may have occupied the property since October 29, 2012. The Landlord will be requested to certify as to the occupancy of all units located in a property. The unit(s) for which funding has been requested and repairs are still required must have been continuously vacant since the storm. All damaged units must remain vacant until there is an approved Certificate of Occupancy, or equivalent

7.2.2 Upon completion of the LRRP repairs, all new tenants must be submitted to LRRP for income certification at initial occupancy, as stated in the closing documents. To verify income of prospective tenants and to communicate denial or approvals prior to the final execution of a new lease for all

program eligible units, the LRRP will use HUD's Part 5 definition of annual income referenced at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/training/web/calculator/definitions/part5](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/training/web/calculator/definitions/part5)

7.2.3 Stafford Act Section 414 provides that persons displaced because of natural disasters shall not be denied eligibility under the Uniform Relocation Act as a result of not being able to meet the occupancy requirements (because of the major disaster) set forth by the URA. This includes the first right of refusal to return to the damaged rental unit(s).

### **7.3 Continued Landlord Obligations**

Landlords are responsible for maintaining compliance on closed and fully funded files throughout the governance period.

Areas include:

- Landlords of properties with five or more units will be required to develop and maintain an Affirmative Marketing Plan
- Landlords will be required to adhere to Section 504 and Fair Housing Act requirements preventing discrimination to prospective tenants due to a disability
- Landlords must provide rents in accordance to the approved annual rates posted on the [ReNew Jersey Stronger website](#).
- Landlords must rent to income eligible tenant upon initial lease up period for for-profits and for 5 years for Non-profit organizations. Following construction close-out, tenants will be required to provide documentation of their household income to the Landlord who shall provide to the Program prior to initial occupancy. If an income eligible tenant's income increases once the lease has been signed and the tenant has been approved, there is no required change in rent or tenant eligibility. The Landlord should provide documentation to the Program in order to approve income eligibility for all new tenants prior to allowing the tenants to move into the property.
- Landlord is subject to compliance and monitoring by DCA or its agent for the term of the contract, agreement, notes, and/or where applicable.

### **7.4 Property Compliance**

The Landlord will certify that building health and safety standards are met at initial occupancy and maintained annually thereafter.

### **7.5 The Affirmative Fair Housing Marketing Plan (AFHMP)**

Affirmative marketing is part of a larger affordable housing policy overseen by the U.S. Department of Housing and Urban Development. This policy requires rules to be established for marketing practices that specifically target tenants who may be able to take advantage of affordable housing options within the given jurisdiction. The requirements of affirmative marketing apply to any housing with at least five

(5) assisted units or properties with government restrictions on monthly rent or mortgage payments. The AFHMP is a marketing strategy specifically designed to attract renters and buyers of all majority and minority groups, regardless of sex, handicap and familial status to assisted rental units and sales of dwellings that are being marketed. The AFHMP is developed to appeal to persons who traditionally may not seek housing opportunities in neighborhood areas historically of a racial or ethnic concentration different than their own and to assure that individuals of similar income have equivalent housing options.

All Landlords participating in the LRRP will be required to provide an Affirmative Marketing Plan acceptable to the Program prior to receiving any Program benefit. Details of the AFHMP, landlord requirements prior to receiving LRRP funds, and program procedures for ensuring compliance can be referenced within the Compliance & Monitoring Section of the [LRRP Program Manual](#).

## 7.6 Uniform Relocation Act and Temporary Relocation

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provide important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. This law was enacted by Congress to ensure that people whose real property is acquired, or move as a direct result of projects receiving Federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.

Each Landlord must provide information on occupants of their property on their application either at the time of the Storm or intervening residents of the units. Properties which have been occupied since October 29, 2012 by any person besides an owner(s) of the property are required to provide a General Information Notice (GIN) to each head of household. The Notice details preliminary information pertaining to the Landlord's application for assistance, the potential for either temporary or permanent displacement, and contact information for the LRRP. Each Landlord is responsible to provide documentation to the Program that the tenant received the General Information Notice.

***Eligibility for the LRRP is limited to damaged units that are vacant at time of application. However, the Uniform Relocation Act may apply to residents of nearby or adjacent undamaged units who may be affected by construction activities and all URA rules and regulations must be followed.***

The Uniform Relocation Act (URA) requirements are applicable for all LRRP funded projects. If there are currently tenants living in any affordable or market rate units where repairs are complete, the Landlord may still participate in the Program under the following circumstances:

- Landlords must provide tenants occupying units for which funding has not been requested with General Instruction Notices (GIN) providing information about the program with notice of possible relocation requirements in order to complete property repairs; and
- For new tenants, applicants are required to provide *Move-in Notices (MIN)* dated on or before the same date as the lease for any un-damaged market rate units in the same property. Relocation of owner-occupants is voluntary and not subject to URA requirements.

The landlord will be responsible for any temporary relocation costs in accordance with the DCA Temporary Relocation Policy.

## 7.7 Stafford Act

Funding awards are subject to compliance with the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act). The Stafford Act prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster and financial assistance under any other program or from insurance or any other source that has been provided.

### 7.7.1 Stafford Act – Section 414

Landlord must comply with the provisions of Section 414 of the Stafford Act in regards to offering the tenant who occupied the unit(s) on October 29, 2012, the right to return to the repaired unit.

## 7.8 HUD Section 3 Requirements

General Contractors participating in the LRRP with construction contracts exceeding \$100,000 must be in compliance with 24 CFR 135, otherwise known as Section 3. The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, be directed to low- and very low- income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

The LRRP Contractor will be responsible for monitoring compliance with Section 3 provisions, as applicable. General Contractors working on properties where Section 3 provisions are applicable will be responsible for submitting monthly reports to the LRRP Contractor to demonstrate compliance with Section 3 provisions. The Section 3 Requirements are specified by DCA in its HUD Section 3 plan.

Detailed standards and procedures have been established and are provided in the Compliance procedures in the [LRRP Program Manual](#) to ensure Section 3 Objectives are met.

## 7.9 Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability in any program or activity that receives financial assistance from any federal agency, including the U.S. Department of Housing and Urban Development (HUD). HUD's regulations for Section 504 that apply to federally assisted programs may be found in the Code of Federal Regulations at 24 CFR Part 8 and 9.

In addition to General Contractor compliance, Landlords receiving federal funds for housing repairs are obligated to Section 504 and related laws like the [Fair Housing Act \(FHAct\)](#), 42 U.S.C. 3601-19), which makes it unlawful for a housing provider to refuse to rent to a person simply because of a disability.

All General Contractor and Landlord requirements under Section 504 and the Fair Housing Act as it relates to total number of units, reconstruction and various levels of rehabilitation can be found in more

detail in the [LRRP Program Manual](#) under the Compliance & Monitoring Procedures. Landlords will be required to include all applicable accessibility requirements within their final scope of work which may be reviewed and approved by the designated LRRP Construction Managers.

### **7.10 Davis-Bacon and Related Acts (DBRA)**

The Housing and Community Development Act of 1974, as amended (HCDA); Section 110 of the Davis Bacon Act requires all General Contractors and subcontractors performing on federal contracts (and General Contractors or subcontractors performing on federally assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area.

Apprentices and trainees may be employed at less than predetermined rates. Apprentices must be employed pursuant to an apprenticeship program registered with the Department of Labor or with a state apprenticeship agency recognized by the Department. Trainees must be employed pursuant to a training program certified by the Department.

Davis Bacon will apply to all LRRP properties with 8 or more units. LRRP Contractor overseeing any properties with 8 units or more will be required to review and confirm compliance with requirements and maintain records demonstrating General Contractors and subcontractors are informed and provided technical assistance regarding labor standards.

Additionally, each LRRP Contractor team will monitor General Contractor/subcontractor compliance by conducting onsite interviews, addressing and requiring resolution of labor standards discrepancies, checking payrolls/related records, targeting interviews to substantiate suspected violations, and preparing/submitting enforcement reports.

Projects containing eight (8) or more units that are completed or in progress at the time of application are ineligible for Reimbursement unless the Landlord can document compliance with the Davis-Bacon Prevailing Wage Requirements at the time the work was performed. Retroactive measures intended to achieve compliance will not be permitted.

### **7.11 Contract Work Hours and Safety Standards Act (CWHASSA)**

General Contractors and subcontractors on prime contracts in excess of \$100,000 are also required, pursuant to the Contract Work Hours and Safety Standards Act (CWHSSA), to pay employees one and one-half times their basic rates of pay for all hours over 40 worked on covered contract work in a workweek.

Covered General Contractors and subcontractors are also required to pay employees weekly and to submit weekly certified payroll records to the contracting agency.

### **7.12 The Copeland (Anti-Kickback) Act**

The Copeland (Anti-Kickback) Act will apply to contracts of \$2000.00 or more with an investment of federal funds. This act makes it a criminal offense to induce an employee to “kick-back” to the employer

compensation to which they are entitled to. The Compliance team will require submission and approval of weekly certified payroll documents.

### **7.13 Non-Compliance (Landlord and General Contractor)**

Landlords who fail to comply with the Landlord Rental Repair Program Regulatory Agreements, or fail to respond to a LRRP compliance request within 30 days shall be deemed non-compliant and may be referred to the Department of Community Affairs (DCA) for further action. Efforts will be made by the Compliance and Monitoring team to assist the Landlord in becoming compliant. Recovery actions may include an opportunity of an additional year of affordability in exchange for becoming compliant, loan repayment, recovery of property, or other legal action.

General Contractors who do not comply with the Landlord Rental Repair Program requirements, or fail to respond to compliance requests, may be deemed non-compliant and referred to the Department of Community Affairs (DCA) for further action.

## **8.0 LRRP Additional Program Management Requirements**

### **8.1 Appeals**

DCA and LRRP Contractor will support and follow the approved DCA Sandy Program Appeals Policy.

### **8.2 Fraud, Waste, and Abuse Prevention**

The Landlord Rental Repair Program (LRRP) Fraud Prevention will maintain and perform procedures for receiving, investigating and reporting cases of Fraud, Waste & Abuse to ensure compliance with all applicable Federal, State and Local laws and regulations. All LRRP affiliated Program Managers, Contractors, and individuals must be dedicated to preventing and deterring criminal conduct by any party, including, but not limited to Applicants, internal LRRP personnel, and other parties associated with the program with a primary responsibility to prevent, detect and respond to allegations of fraud and misconduct.

All employees, General Contractors, and subcontractors of the Landlord Rental Repair Program are responsible for becoming familiar with, and following the applicable laws, regulations, policies and procedures, as well as LRRP Standards of Ethical Conduct and Conflict of Interest Agreement that apply to their job(s) and level of responsibilities.

Program personnel and the public may raise concerns by contacting the New Jersey State Comptroller hotline at 1-855-OSC-TIPS (1-855-672-8477) or by e-mail at [comptrollertips@osc.state.nj.us](mailto:comptrollertips@osc.state.nj.us). The Hotline and email address serves as a confidential and anonymous reporting mechanism to receive, retain, and respond to complaints, concerns, or reports of possible violations.

### **8.3 Conflict of Interest**

In accordance with federal requirements, the LRRP will adhere to the following conflict of interest provisions established for the CDBG Program. For the LRRP, the following areas have been identified as potential areas of conflict:



- Rental Program Staff/Landlord or Staff/General Contractor relationships
- Landlord/General Contractor relationships
- Evaluation and approval process

**(a) Applicability. (1)** In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR [85.36](#) and CFR 84.42, respectively, shall apply.

**(2)** In all cases not governed by 24 CFR [85.36](#) and [84.42](#), the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § [570.202](#); or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § [570.203](#), [570.204](#), [570.455](#), or [570.703\(i\)](#) ).

**(b) Conflicts prohibited.** The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

**(c) Persons covered.** The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

**(d) Exceptions.** Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

**(1) Threshold requirements.** HUD will consider an exception only after the recipient has provided the following documentation:

- (i)** A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (ii)** An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

**(2) Factors to be considered for exceptions.** In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

- (i)** Whether the exception would provide a significant cost benefit or an essential degree of expertise to the

program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations

## **8.4 Files, Records, and Reports**

The State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State's administration of the CDBG-DR funds under 24 CFR 570.493. The content of records maintained by the State shall be sufficient to enable HUD to make compliance determinations, including for fair housing and equal opportunity purposes, and data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the Program. The records shall also permit audit in accordance with 24 CFR Part 85.

Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG-DR funds and necessary to facilitate such reviews and audits.

The State shall provide citizens with reasonable access to records regarding the past use of CDBG-DR funds consistent with State or local requirements concerning the privacy of personal records.

Records of the State, including supporting documentation, shall be retained for the greater of five years from closeout of the grant to the state, or the period required by other applicable laws and regulations.

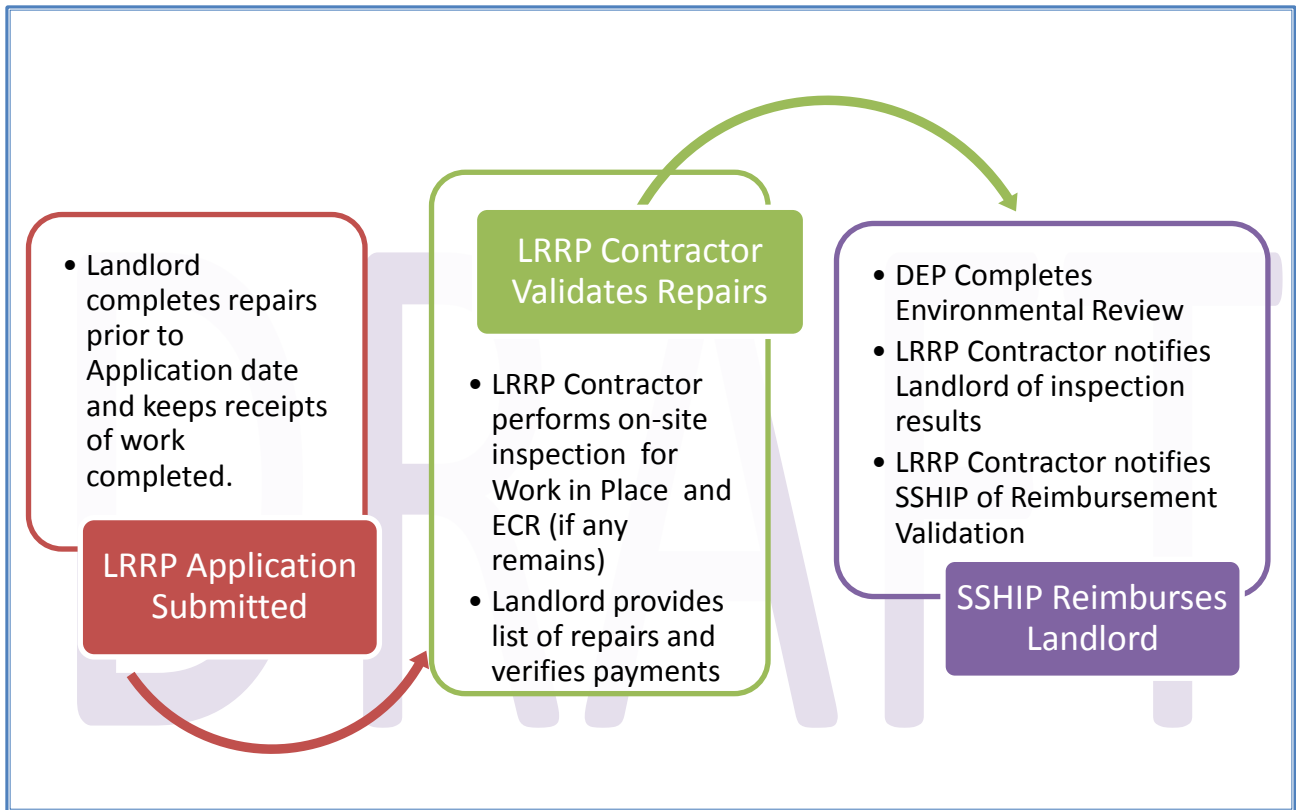
### **8.4.1 Information Requests & Subpoenas**

The procedures implemented for responding to records requests ensure that confidential information will not be released to anyone without a legal requirement to do so and may require written approval by the Department of Community Affairs. The specific steps to request information are included in the *Information Request Procedures* section of the LRRP Program Manual.

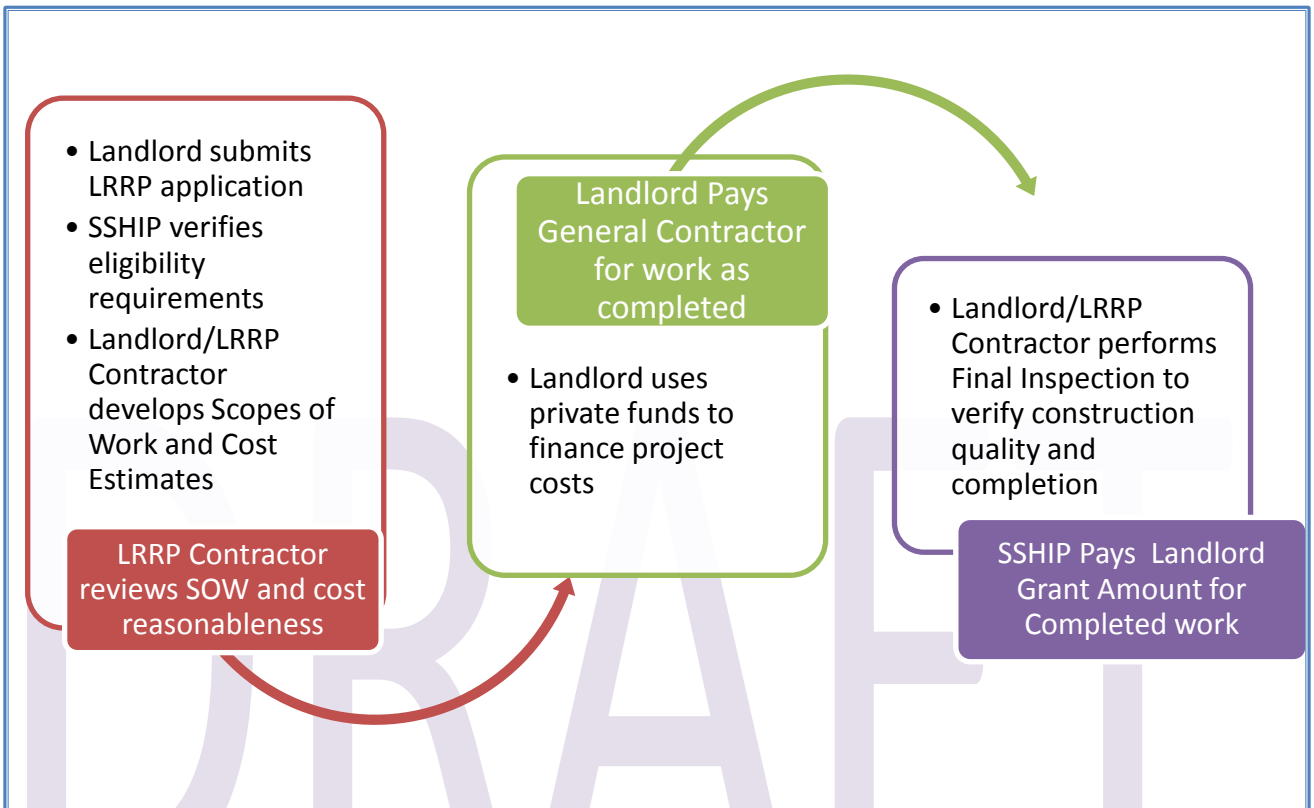
# ATTACHMENT A

## LRRP Program Workflow Components

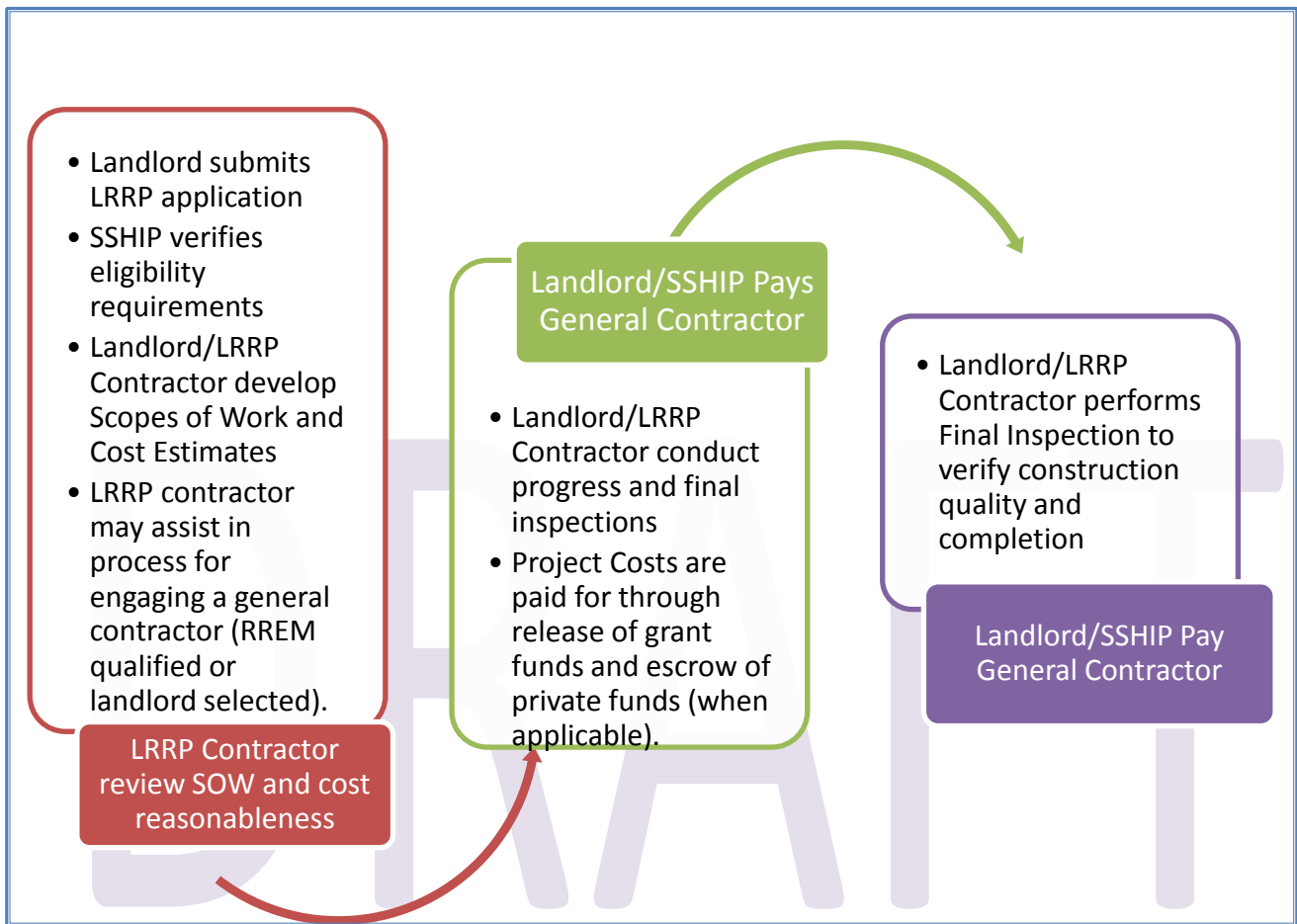
### 1) Reimbursement of Costs Incurred Prior to Application



## 2) Landlord-Led Construction Management Services



### 3) Assisted Construction Management Services



# **ATTACHMENT B**

**New Jersey Department of Community Affairs**

**CDBG-DR Superstorm Sandy**

**Landlord Rental Repair Program (LRRP)**

**Affirmative Marketing Plan**

***(TDB)***

**DRAFT**

Exhibit 2

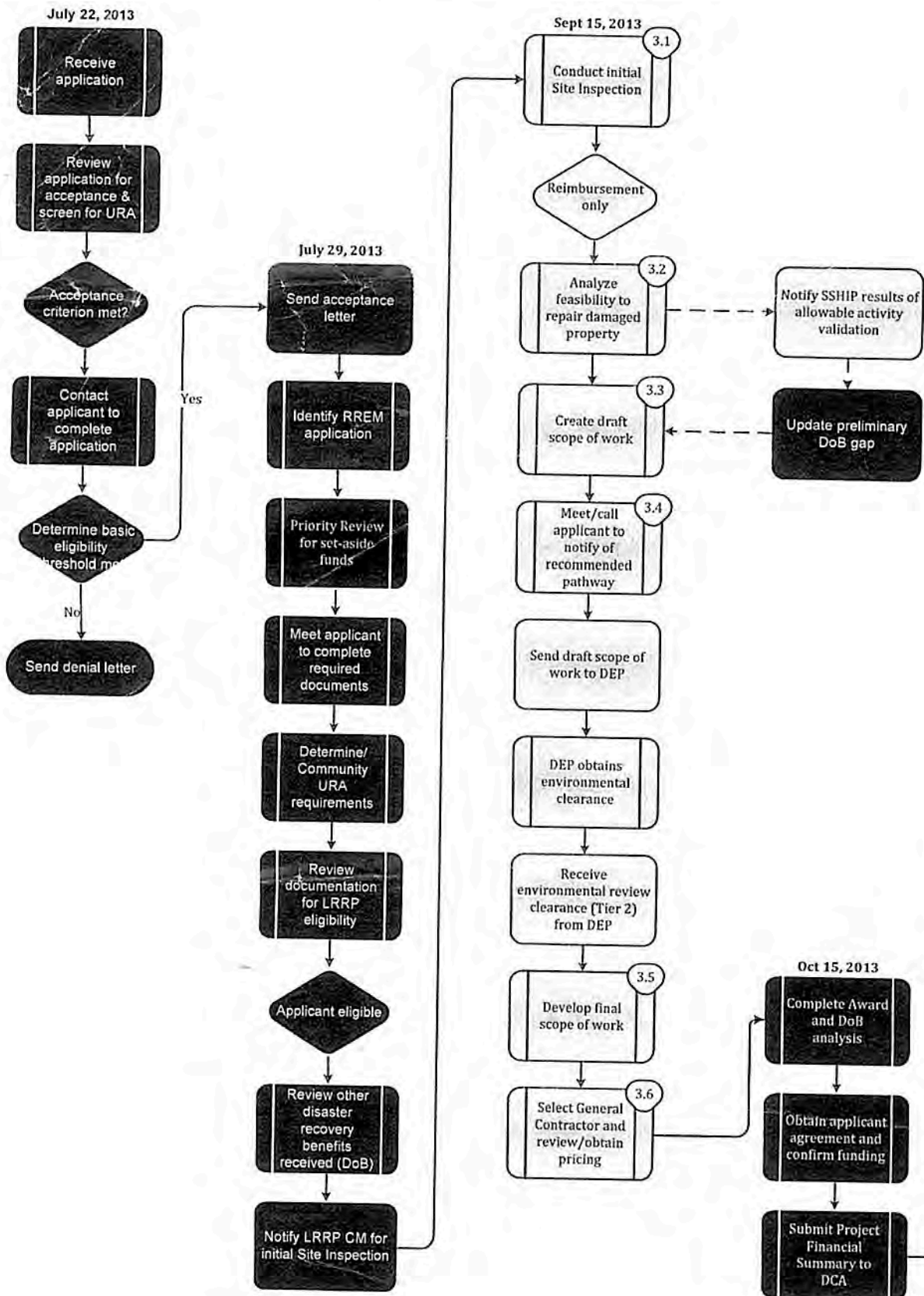
Landlord Rental Repair Program (LRRP) Workflow Map by Application Stage

1. Intake/Application Acceptance

2. Prioritize/Verify eligibility

3. Initial Site Inspection/  
Environmental Review

4. Final Benefit Determination

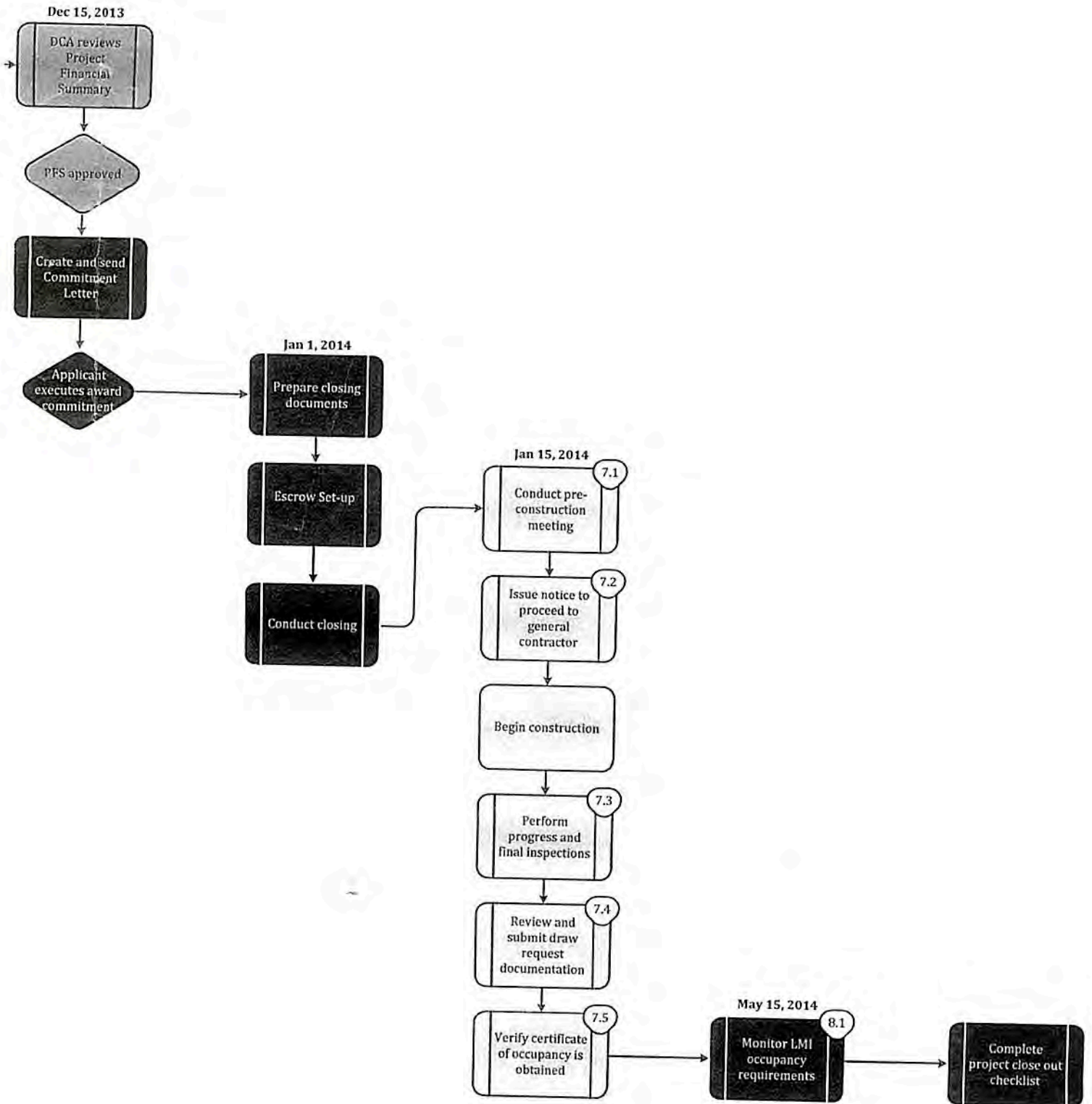


5. Management Review/  
Commitment Letter

6. Closing

7. Construction/Disbursement

8. Initial Occupancy







## Exhibit 3

### U.S. Department of Housing and Urban Development Community Planning and Development

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**Special Attention of:**

All Regional Administrators  
All CPD Division Directors  
All CDBG-DR Grantees receiving  
funds pursuant to P.L. 113-2

**Notice:** CPD-13-038

**Issued:** July 30, 2013

**Expires:** This Notice is effective  
until amended, superseded, or  
rescinded.

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**SUBJECT:** Guidance for Charging Pre-Award Costs of Homeowners, Businesses, and Other  
Qualifying Entities to CDBG Disaster Recovery Grants

#### INTRODUCTION

This Notice establishes requirements, procedures, and deadlines to be followed for Community Development Block Grant (CDBG) disaster recovery grants awarded under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, enacted January 29, 2013) (the Act)

Policy questions related to this Guidance should be directed to the Disaster Recovery and Special Issues Division, Office of Block Grant Assistance, Department of Housing and Urban Development, telephone number (202) 708 3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at (800) 877 8339 (this number is toll-free). In the alternative, questions may be submitted electronically to [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov).

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## TABLE OF CONTENTS

- I. Purpose and Scope
  - A. Background and Authority
  - B. Generally Applicable Terms
- II. Timing and Necessary Expenses
- III. Federal Cross-Cutting Requirements Guidance
  - A. Environment
  - B. Davis-Bacon
  - C. Civil Rights Related Requirements
  - D. Lead-Based Paint
  - E. Uniform Relocation Act and Section 104(d)
- IV. Appendix A: Applying the Environmental Review Framework
  - A. Applying NEPA
  - B. Related laws and authorities (24 CFR 58.5 and 58.6)
  - C. Site Specific Requirements

### **I. PURPOSE AND SCOPE**

This document provides procedures and deadlines to be followed when providing Community Development Block Grant Disaster Recovery (CDBG-DR) funds to homeowners, businesses, and other qualifying entities for eligible costs they have incurred in response to a Presidentially-declared disaster. This guidance applies only to CDBG-DR funds provided under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, enacted January 29, 2013). Grantees with questions about reimbursement of pre-application costs under any other CDBG-DR appropriation should consult their CPD representatives.

#### **A. Background and Authority**

OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, is codified at 2 CFR part 225. Per 2 CFR part 225 Appendix B, Paragraph 31, pre-award costs are defined as “those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance.” The regulation permits pre-award costs only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

Consistent with this regulation, the *Federal Register* Notice published March 5, 2013 (78 FR 14329) (March 5 Notice) addressed the terms under which HUD permits grantees to charge pre-award costs of grantees and subrecipients to the grants awarded under the Act. Generally, the March 5 Notice applies the provisions of 24 CFR 570.489(b) and 570.200(h) to permit grantees to reimburse themselves for otherwise allowable costs incurred by grantees, recipients, subgrantees, or subrecipients (including public housing authorities) on or after the incident date of the covered disaster, with the expectation that grantees would include all pre-agreement activities in their Action Plans. The terms of

the March 5 Notice recognize that the entities carrying out CDBG-DR assistance programs have experience with federal cross-cutting requirements and may anticipate receiving CDBG-DR assistance. Accordingly, these entities must comply with the cross-cutting requirements and other terms of the March 5 Notice, including the requirement to complete environmental review (including Section 106 historic preservation compliance) before committing funds or beginning recovery activities (e.g., rehabilitation of a government building). The terms of the March 5 Notice, as supplemented by additional notices published by HUD in the *Federal Register* on March 5, April 19 (78 FR 23578) and May 29, 2013 (78 FR 32262), apply to grants made pursuant to the Act.

The March 5 Notice did not address pre-award and pre-application costs of beneficiaries of CDBG-DR grant funds. This CPD Notice sets forth the terms under which HUD is granting such permission, consistent with 2 CFR part 225.

## **B. Generally Applicable Terms**

Subject to the terms of this CPD Notice, HUD will permit grantees to charge to grants the pre-award and pre-application costs of homeowners, businesses, and other qualifying entities for eligible costs they have incurred in response to a Presidentially-declared disaster. For purposes of this CPD Notice, pre-application costs are costs incurred by an applicant to CDBG-DR funded programs prior to the time of application to a grantee or subrecipient, which may be after the grantee signs its CDBG-DR grant agreement. In addition to the terms described in the remainder of this Notice, grantees may only charge costs to the grant that meet the following general requirements:

- Grantees may only charge the costs for rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings owned by private individuals and entities incurred before the owner applies to a CDBG-DR grantee, recipient, or subrecipient for CDBG-DR assistance;
- For rehabilitation and reconstruction costs, grantees may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area;
- As required by 2 CFR part 225, Appendix A, costs must be adequately documented;
- Grantees electing to provide assistance pursuant to this CPD Notice must review their Action Plans (particularly the definition of substantial amendment) to determine whether providing such assistance will change the eligible beneficiaries or otherwise require an Action Plan amendment; and
- Grantees must complete a duplication of benefits check before providing assistance pursuant to this CPD Notice.

## **II. TIMING AND NECESSARY EXPENSES**

The Act provided funds for eligible CDBG activities that are “necessary expenses” of relief and recovery from Hurricane Sandy and other major disasters in calendar years 2011, 2012, and 2013. Grantees are required to ensure that all costs charged to grants made pursuant to the Act are necessary expenses related to recovery.

Response and recovery begins on the date of a disaster, before CDBG-DR assistance becomes available. This Guidance addresses the availability of necessary recovery assistance for private owners who used their own limited resources for short-term recovery-related costs after a disaster with no assurance of receiving CDBG-DR assistance. The terms of this CPD Notice are designed to ensure that short-term outlays do not impede long-term recovery. However, the terms are time limited to ensure that CDBG-DR funds are expended only for necessary expenses of recovery.

Grantees may charge to CDBG-DR grants the eligible pre-award and pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, only if the person or private entity incurred the expenses within one year after the date of the disaster and before the date on which the person or entity applies for CDBG-DR assistance.

For example, a person who incurred eligible expenses for rehabilitation in the wake of Hurricane Sandy, which made landfall on October 29, 2012, may be eligible to receive CDBG-DR assistance for costs incurred (i.e., documented rehabilitation costs) up until October 29, 2013. However, if that person or private entity applied to a grantee's CDBG-DR program on July 4, 2013, then only expenses incurred before July 4, 2013, would be eligible for reimbursement.

The "necessary expense" requirement is augmented by the necessary and reasonable cost principles applicable to state, local, and Indian tribal governments (described at 2 CFR part 225). Appendix A(C)(1) in 2 CFR part 225 states, "To be allowable under Federal awards, costs must ... be necessary and reasonable for proper and efficient performance and administration of Federal awards." Additional discussion of necessary and reasonable requirements are available at 2 CFR part 225, Appendix A(C)(1). To ensure compliance with these requirements, grantees that elect to provide CDBG-DR assistance to eligible homeowners, businesses, and other qualifying entities in accordance with this CPD Notice must incorporate into their policies and procedures the basis for determining that assistance under the terms of this Notice is necessary and reasonable.

### **III. FEDERAL CROSS-CUTTING REQUIREMENTS GUIDANCE**

This section summarizes how each of the cross-cutting requirements applies to the CDBG-DR activities described in this Guidance.

#### **A. Environment**

HUD is advising responsible entities (REs) that paying for incurred costs for limited classes of activities can occur in Presidentially-declared areas in receipt of CDBG-DR assistance under Pub. L. 113-2. In light of the circumstances of the local, state, and regional recovery efforts, and because of the high national priority as articulated by the President, members of Congress, Governors of the States, and the public, HUD has developed a framework permitting the limited bypassing of Federal program requirements for conducting environmental reviews in order to accelerate the process of

rebuilding in these areas without further delay. This framework opens grant eligibility to certain rehabilitation and reconstruction activities that were initiated without obtaining prior environmental approval, or certification in the case of structures damaged by the disasters.

Please note that the HUD environmental review process is most effectively implemented when it is performed early in the development process and integrated into program design. Under CDBG-DR authorizing legislation and HUD's environmental regulations in 24 CFR part 58, CDBG-DR recipients ("responsible entities" or "REs") assume the responsibility for completing environmental reviews under Federal laws and authorities. Notwithstanding this guidance, the responsible entity assumes all legal liability for the application, compliance, and enforcement of these requirements.

This policy is applicable when the responsible entity (a state, or unit of general local government that receives CDBG-DR funding directly from HUD or a state) is conducting an environmental review. It does not apply where a responsible entity is adopting a review conducted by another federal agency. Furthermore, this policy is limited to a narrow group of recovery activities funded by the Act and covered by the terms of this Notice, and is not to be used as precedent for other HUD activities. These activities may be eligible to receive CDBG-DR reimbursement for the expenditure of non-HUD funds on a project prior to an environmental review being performed, subject to meeting several Federal requirements. For detailed guidance, please see Appendix A, *Applying the Environmental Review Framework*.

Finally, please note that pre-award costs are allowable when CDBG-DR assistance is provided for the rehabilitation, demolition, or reconstruction of government buildings, public facilities, and infrastructure. However, in such instances, the environmental review must occur before the underlying activity (e.g., rehabilitation of a government building) begins.

## **B. Davis-Bacon**

Under section 110(a) of the Housing and Community Development Act of 1974, the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*) applies to construction work over \$2,000, "financed in whole or in part" with CDBG assistance. Each CDBG-DR appropriation law has applied the Davis Bacon Act to the CDBG-DR funds. The Act requires that workers receive no less than the prevailing wages being paid for similar work in the same area. The Davis-Bacon Act does not apply to the rehabilitation, reconstruction, and demolition of single family owner-occupied housing comprised of fewer than eight units, multifamily housing comprised of fewer than eight units, and commercial buildings.

In addition, for the activities addressed by this Notice (i.e., rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings owned by private individuals and entities) the Davis-Bacon wage rates will not apply when the construction work:

- Is performed or contracted for by someone other than the grantee,
- Is fully complete before the owner applies for CDBG-DR assistance, and
- Was not financed with the expectation of CDBG-DR assistance.

If construction work is ongoing when an application is submitted, then an intent to finance (all, or a part of) the project using CDBG-DR is presumed, which triggers the applicability of Davis-Bacon wage rates. However, if there is no evidence of an intent to apply for the CDBG-DR assistance prior to the start of the construction (and the signing of an agreement with a contractor(s), if applicable), then HUD may request that the Department of Labor (DOL) allow prospective, rather than retroactive, application of the Davis-Bacon wage rates.

For activities that must comply with Davis-Bacon, the grantee must:

- Review payroll reports;
- Conduct interviews of both the prime contractor and subcontractors; and
- Resolve any discrepancies. Where underpayments of wages have occurred, the employer will be required to pay wage restitution to the affected employees. The employer is required to report the restitution paid on a correction certified payroll. A signed Statement of Compliance must be attached to the corrected payroll form and each employee who has received restitution should sign the corrected payroll as evidence of their receipt of the payments.<sup>1</sup>

For a period of five years following the provision of CDBG-DR assistance, the grantee (or subgrantee) must maintain documentation to demonstrate compliance with the labor standards requirements including, but not limited to:

- Bid and contract documents with the labor standards clause and wage decision;
- Payroll forms from the contractor and subcontractors, including signed statements of compliance;
- Documentation of on-site job interviews and review of the corresponding payroll to detect any discrepancies;
- Documentation of investigations and resolutions to issues that may have arisen (e.g., payments to workers for underpayments of wages or overtime); and
- Enforcement reports.

Grantees (states and units of general local government) must report to DOL on all covered contracts awarded and on all enforcement actions taken each six months. HUD collects the reports from its client agencies and compiles a comprehensive report to DOL

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<sup>1</sup> Sometimes, wage restitution cannot be paid to an affected employee because, for example, the employee has moved and can't be located. In these cases, at the end of the project the prime contractor will be required to place in a deposit or escrow account an amount equal to the total amount of restitution that could not be paid because the employee(s) could not be located. The UGLG should continue to attempt to locate the unfound workers for three years after the completion of the project. After three years, any amount remaining in the account for unfound workers should be forwarded to HUD.

covering all of the Davis-Bacon construction activity.

### **C. Civil Rights Requirements**

All program related civil rights requirements will apply.

### **D. Lead-Based Paint**

HUD's Lead Safe Housing Rule (24 CFR part 35, subparts B-R) applies to all pre-1978 housing units assisted with CDBG funds, including single and multi-family units, whether publicly or privately owned. The purpose of the rule and accompanying regulations is to identify and address lead-based paint hazards before children are exposed to lead. Assistance provided for an applicant's incurred rehabilitation costs may be exempt from the Lead Safe Housing Rule if the unit falls within a regulatory exemption set forth at 24 CFR 35.115. A housing unit is likely to fall within an exemption if:

- The housing unit was constructed on or after January 1, 1978;
- The CDBG-DR applicant undertook CDBG-eligible activities that qualify as emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. This exemption applies only "to repairs necessary to respond to the emergency" as provided in 24 CFR 35.115(a)(9);
- The rehabilitation did not disturb any painted surface;
- The property meets the definition of "housing for the elderly," or the residential property is designated "exclusively for persons with disabilities"; but only if no child less than six years of age resides or is "expected to reside" in the dwelling unit (see definitions at 24 CFR 35.110);
- An inspection performed according to HUD standards found the property contained no lead-based paint; or
- According to documented methodologies, lead-based paint has been identified and removed, and the property has achieved clearance.

Many owners that apply for CDBG-DR assistance for rehabilitation costs they have incurred may be able to qualify their property under the first or second exemption in the list above. Applicants may certify to the applicability of each of the first three exemptions in the list above (those covering post-1977 housing, emergency actions, and non-disturbance of painted surfaces). To ensure the accuracy of the certifications, the grantee should randomly perform on-site reviews of a portion of the assisted properties. If necessary (e.g., if none of the first three exemptions apply), the grantee may need to inspect the property according to HUD standards, and ensure any lead-based paint has been removed and the property has achieved clearance.

Note that commercial buildings are not subject to the Lead Safe Housing Rule, except for residential portions and common areas servicing the residential portions of mixed use

pre-1978 buildings.

## **E. Uniform Relocation Act and Section 104(d)**

### *Uniform Relocation Act*

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. 4601-4655, establishes uniform relocation assistance requirements with respect to the displacement of persons from real property occurring as a direct result of acquisition, rehabilitation or demolition of real property for a program or project with federal financial assistance. When federal financial assistance (including CDBG-DR funds) is used for any activity or in any phase of a project, planned or intended, and the activities are determined to be interdependent, the URA applies. Interdependence is best determined by whether or not one activity would be carried out if not for another. In such case, the URA may apply even though the displacing activity itself is not paid with Federal funds.

When an owner of real property rehabilitates or demolishes that property and thereby causes a person to be displaced, whether the URA applies to the displacement depends upon whether the owner's rehabilitation or demolition is undertaken after Federal financial assistance for the project is *received or anticipated*. (NOTE: Reconstruction is not a URA-triggering activity itself, but if it includes acquisition, rehabilitation or demolition, the URA may apply).

Displacement resulting from an owner's rehabilitation or demolition before an owner's submission of an application for CDBG-DR assistance is generally not considered to be undertaken for a program or project with federal financial assistance because the federal funds are not yet anticipated, meaning that the URA will not apply. On the other hand, displacement resulting from an owner's rehabilitation or demolition on or after the date of the owner's application submission (if subsequently approved) is generally considered to be subject to the URA because the federal financial assistance is anticipated at that point.

Please note, for the URA to apply, the displacement must be attributable to one of the three activities: acquisition, rehabilitation, or demolition. Section 414 of the Stafford Act relieves a person displaced from a residential unit from the requirement of actual occupancy to receive a replacement housing payment under the URA if the person has been unable to occupy the unit because of the disaster. Practically speaking, this means that an owner that will displace a tenant because of a URA-triggering activity after Federal financial assistance is received or anticipated must consider whether the tenant would still have occupied the property until the time of displacement but for the disaster. Additional URA resources and guidance, including contact information for HUD's Regional Relocation Specialists, are available on HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>.



### *Section 104(d)*

Section 104(d) of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. 5304(d), provides an alternative set of relocation assistance requirements for the benefit of lower-income persons that are displaced from real property as a direct result of demolition or conversion of a lower-income dwelling unit in connection with a CDBG-assisted activity. Additionally, Section 104(d) requires that all occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than as lower-income dwelling units in connection with a CDBG-assisted activity must be replaced with comparable lower-income dwelling units.

In its March 5, 2013 *Federal Register* Notice, HUD waived the relocation provisions of section 104(d) with respect to CDBG-DR funds covered by this guidance. Homeowners, therefore, do not need to be concerned with section 104(d) relocation requirements when the only source of Federal funds used to undertake rehabilitation, reconstruction, or demolition activities is CDBG-DR reimbursement funds discussed in this guidance.

Additionally, in the same March 5 notice, HUD waived the one-for-one replacement requirement with respect to lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. Consequently, disaster-damaged housing that meets the definition of “not suitable for rehabilitation,” which the March 5 notice requires the grantee to define in its Action Plan, may be demolished or converted in connection with a CDBG-assisted activity without a replacement requirement. Grantees are responsible for ensuring that they are in compliance with this modified one-for-one replacement requirement. Unlike the URA, Section 104(d) only applies to lower-income dwelling units, defined as a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent for existing housing. In the case of an owner-occupied unit, the unit will be considered a lower-income dwelling unit if the unit would rent at or below FMR based on an appraisal or other appropriate rental market analysis of the rent that could be charged for the unit on the private market).

Grantees with questions about section 104(d) one-for-one replacement compliance are encouraged to contact HUD’s Regional Relocation Specialists, whose contact information is available on HUD’s Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>.

## **IV. APPENDIX A: Applying the Environmental Review Framework**

Before any person or entity can be provided CDBG-DR assistance for costs they have incurred, an environmental review must be completed. The environmental review for an action that has already occurred is more limited because the physical action has already taken place. For projects that the responsible entity (RE) has determined are exempt or categorically excluded and not subject to the related laws pursuant to §§58.34 and 58.35(b), the RE entity may provide CDBG-DR assistance to the entity undertaking the project after ensuring compliance with 24 CFR 58.6. HUD offers the following guidance to REs on the components of an environmental review when providing CDBG-DR assistance for costs incurred for the rehabilitation,

demolition, or reconstruction of single family, multifamily, or commercial properties.

HUD encourages REs to conduct a tiered programmatic environmental review that describes the scope of activities being funded and analyzes the impacts of funding the activities that have already occurred. The tiered programmatic environmental review will need to address the National Environmental Policy Act (NEPA) and all of the related laws and authorities at 24 CFR 58.5 and 58.6.

#### **A. Applying NEPA**

The RE may use a categorical exclusion, if appropriate, or conduct an environmental assessment (EA). If an EA is required, REs are encouraged to review and use guidance issued by CEQ to conduct a concise and focused EA. See [http://ceq.hss.doe.gov/ceq\\_regulations/Emergencies\\_and\\_NEPA\\_Memorandum\\_12May2010.pdf](http://ceq.hss.doe.gov/ceq_regulations/Emergencies_and_NEPA_Memorandum_12May2010.pdf)

#### **B. Related laws and authorities (24 CFR 58.5 and 58.6)**

The RE must independently determine how and if compliance with the laws and authorities is achieved. The RE retains legal liability for the application, compliance, and enforcement of the environmental laws and authorities.

HUD advises REs that the following laws and authorities may be fully considered in the first tier (broad tier) of the tiered programmatic environmental review and do not require site specific review:

- Executive Order 11990- Wetland Protection;
- Section 7 of the Endangered Species Act;
- Sole Source Aquifers;
- Wild and Scenic Rivers;
- General conformity determinations under the Clean Air Act (CAA);
- Farmland Protection Policy Act;
- Executive Order 12898- Environmental Justice; and
- HUD's regulations and standards on Noise and Acceptable Separation Distances from explosives.

HUD offers more specific guidance on how the above laws and authorities can be considered in the tier one of the tiered programmatic environmental review. The responsible entity is the federal decision-maker and is responsible for making compliance determinations, but HUD offers the following rationales for making these determinations. Certain applicable requirements are also noted.

1. Eight step decision-making process for floodplain management: If the rehabilitation, reconstruction, modernization or improvement of a structure does not have an exception under 24 CFR 55.12 (e.g. minor rehabilitation or improvements of single family homes under 55.12(b)(2)), then an 8-step review

process is required under 24 CFR part 55. The 8-step process must be performed at tier one of a tiered environmental review. All additional 24 CFR part 55 requirements, such as the floodway and Coastal High Hazard Area restrictions at 24 CFR 55.1(c), also apply. Site specific reviews will be required to ensure compliance with HUD program requirements.

2. Eight step decision-making process for wetland protection: The RE should discuss how the impacts on wetlands will be minimal because the scope of activities is limited to the pre-storm building footprint.
3. Endangered Species: Section 7 Endangered Species Act consultation is not required when CDBG-DR assistance is provided for costs incurred, because physical activities were undertaken before the RE could review projects with the potential to affect biological resources. However, applicants may not receive assistance if a Section 10 permit under ESA was required and not obtained prior to the physical action.
4. Sole Source Aquifers: The total impervious area of a parcel will not be increased significantly, which is considered to be 30% for Safe Drinking Water Act purposes in Region II. This authority will not be triggered since these activities will not increase the preexisting footprint of structures, sidewalk, driveway, parking lot, or other developed area. The responsible entity must comply with all laws, regulations, and industry standards.
5. Wild and Scenic Rivers: The Wild and Scenic Rivers Act does not apply since new construction activities and the acquisition or development of undeveloped lands are not eligible for CDBG-DR assistance and are not covered by this Guidance.
6. Air quality: Any nonattainment area plans should have applied at the time of construction and compliance should be documented. The proposed action must not result in any new violations of Federal or State ambient air quality standards. The RE must supply a finding that the rehabilitation or construction activities are in compliance with Clean Air Act requirements.
7. Farmlands Protection: Since these activities should not occur outside of the existing structure's footprint, this authority should not apply.
8. Executive Order 12898- Environmental Justice: These projects will not raise environmental justice issues and have no potential for new or continued disproportionately high and adverse human health and environmental effects on minority or low-income populations. The site will be reviewed for the presence of toxics as described below to ensure that contamination does not exceed state standards. The grantee must consider mitigation or avoidance of adverse impacts from the project to the extent practicable.

9. Noise: HUD's noise policy at 24 CFR part 51 subpart B is not applicable to assistance that has the effect of restoring facilities substantially as they existed prior to the disaster. (See 51.101(a)(3)).
10. Acceptable Separation Distance: HUD's acceptable separation distance at 24 CFR part 51 subpart C is not applicable if the project is not adding density. If density is increased, 24 CFR part 51 subpart C applies. (See subpart C's definition of "HUD assisted project" at 24 CFR 51.201).

### **C. Site Specific Requirements**

1. E.O. 11988- Floodplain Management and Elevation Requirements: All additional 24 CFR part 55 requirements, such as the floodway and Coastal High Hazard Area restrictions at 24 CFR 55.1(c), also apply. Site specific reviews will be required to ensure compliance with HUD program requirements.

All substantial improvements and reconstruction activities in the 100-year floodplain or Coastal High Hazard Area on the latest FEMA map must also comply with the elevation requirements described at "II. Applicable Rules, Statutes, Waivers, and Alternative Requirements, 1. Action Plan for Disaster Recovery criterion for approval—Elevation Requirements" in the *Federal Register* Notice published April 19, 2013, available at: <http://www.gpo.gov/fdsys/pkg/FR-2013-04-19/pdf/2013-09228.pdf>.

2. Mandatory Purchase of Flood Insurance: CDBG-DR assistance provided for a structure located in the 100-year floodplain or Coastal High Hazard Area (as determined using the Flood Insurance Rate Map adopted in the community's flood ordinance) must require flood insurance to be obtained in the amount of the total project cost. The development or project cost is the total cost for rehabilitating, demolishing, and/or reconstructing the building following the disaster. The project cost includes both the Federally-assisted and the non-Federally assisted portion of the cost, including any machinery, equipment, fixtures, and furnishings. If the Federal assistance includes any portion of the cost of any machinery, equipment, fixtures, or furnishings, the total cost of that item must also be covered by flood insurance.

HUD recommends, but does not require, that grantees design programs that require flood insurance for properties and contents outside of these Special Flood Hazard Areas (SFHA). Floods and storm surge occur outside of SFHAs, so requiring insurance will protect both the homeowner and the public investment should a future event occur.

3. Historic Preservation: To qualify for CDBG-DR assistance, a disaster recovery-related project must comply with Section 106 of the National Historic Preservation Act (NHPA). Generally, that means that the work did not adversely affect historic buildings, historic districts, or archeological sites. State

Programmatic Agreements outline the process for after the fact review and list activities that are so unlikely to have adverse effects that they are exempt from Section 106 review (e.g. rehabilitation of buildings less than 45 years old, in-kind roof repair, replacement of electrical and heating systems, etc.). For other activities, the responsible entity's qualified historic preservation professional will review and approve projects, or make a determination of adverse effect and try to resolve it through consultation with the State Historic Preservation Officer (SHPO) and/or development of proposed mitigation. The resolution of adverse effects must be acceptable to the SHPO in order to qualify a project for CDBG-DR assistance. Under Section 110(k) of the NHPA, applicants may not qualify for CDBG-DR assistance if they undertook prior work with the intent to avoid Section 106 review and it resulted in adverse effects. In the CDBG-DR program, owners of single family, multifamily and small mixed use properties are presumed to be in compliance with Section 110(k).

4. Toxic Sites: A statement must be made that the site (i) is not listed on an EPA Superfund National Priorities or CERCLA List, or equivalent State list; (ii) is not located within 3,000 feet of a toxic or solid waste landfill site; (iii) does not have an underground storage tank (which is not a residential fuel tank); and (iv) is not known or suspected to be contaminated by toxic chemicals or radioactive materials.

All multifamily properties, nonresidential properties, and properties that cannot make the above statement must also have a Phase I Environmental Site Assessment (ESA) or equivalent that shows the site has no potential Recognized Environmental Conditions (REC). If a potential REC appears in the Phase I, a Phase II ESA must be performed. If the Phase II ESA shows a REC, then the project must have a No Further Action letter from the state environmental agency indicating that the contamination will not affect the health and safety of the occupants or conflict with the intended utilization of the property.

5. Coastal Zone Management: All Federal activities which directly affect a coastal zone must be consistent with the approved State Coastal Zone Management Plans. The responsible entity must provide a consistency determination to the relevant State agency as early as possible, but no later than 90 days before final approval of the CDBG-DR assistance.
6. Runway Clear Zones: No construction or rehabilitation activities can be provided CDBG-DR assistance in runway clear zones.
7. Coastal Barrier Resources: No construction or rehabilitation activities can be provided CDBG-DR assistance in Coastal Barrier Resource Act units.



**EXHIBIT 4**

**LRRP MIS SYSTEM**

**REQUIREMENTS SPECIFICATION**

**A. Organization**

This section is organized as follows:

**Subsection B** Introduction: Identifies the purpose, scope, document format, and applicable standards for this specification

**Subsection C** Work Requirements

**Subsection D** Design Requirements

**Subsection E** Database Capacity

**Subsection F** Use of the State's Communication Network

**Subsection G** System Reliability Requirements

**B. Introduction**

This System Requirements Specification Section defines the State's requirements for the technical specifications for a system for the State of New Jersey Department of Community Affairs Landlord Rental Repair Program (LRRP).

**1. Scope**

The requirements identified in this section apply to primary functions, major supporting functions, processes and operations.

**2. Applicable References**

The following sources were used to compile the requirements contained in this specification

*Insert any NJOIT and DCA IT relevant policies and other standards (e.g., ISO, etc.)*

- Draw Request Form (NJ Form 11)
- eGrants®/HP-CMIS Data specification
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**C. Work Requirements**

[Mandatory] Bidder shall furnish all equipment, software, material, services, and maintain a system in accordance with the requirements of the RFP.

## **D. Design Requirements**

### **1. General Design Requirements**

- a. The proposed system should be hosted by the vendor in a secure cloud based hosting facility
- b. The system must be operational by September 15, 2013.
- c. Wherever possible, Commercial-Off-The-Shelf (COTS) products should be incorporated into the design of the system.
- d. The proposed system must enable workflow management of construction and compliance activities to rehabilitate or reconstruct multi-tenant residential structures. System users will include:
  - i. Construction management staff from one (1) or more entities
  - ii. Compliance and Monitoring staff from one (1) or more State entities. Compliance & Monitoring staff include program/project managers, financial staff, audit and compliance monitors
- e. [Mandatory] The Application ID from the eGrants<sup>®</sup>/HP-CMIS system must be tracked and searchable for every equivalent record in the proposed system.
- f. [Mandatory] The proposed system must exchange information electronically with several state and state contracted entities and their systems.
  - i. Superstorm Sandy Housing Intake Program (SSHIP) – eGrantsPlus<sup>®</sup> grants management application, also known as HP-CMIS, used for creation and recordation of program applications.
  - ii. New Jersey Department of Environmental Protection (DEP) case management and permitting systems
  - iii. DCA's Sandy Integrated Recovery Operations and Management System (SIROMS)
- g. The proposed system must have a web-based or web-enabled graphical user interface (GUI) to allow users to connect via the Internet. Bidder's should describe their proposed design for access and authorization.
- h. [Mandatory] The proposed system must be able to store and present scanned (or photographed) paper based documentation, as well as electronic original attachments.
- i. [Mandatory] The proposed system must be able to update transaction online via the user interface.
- j. [Mandatory] The proposed system must contain a simple and advanced search to present a list of matched results for applications and/or projects based on the data fields for the record. This must include a search by the eGrants<sup>®</sup>/HP-CMIS system Application ID.
- k. [Mandatory] The proposed system must perform data validation checks at the character, field, and transaction levels.



- l. [Mandatory] The proposed system must provide the ability to trace all transactions from the point of inception, through intermediate processing stages, to final disposition. In addition, the processing history of all transactions must be tracked.
- m. [Mandatory] The proposed system must provide file backup and recovery capabilities to restore damaged files.
- n. [Mandatory] The proposed system must maintain transaction logs to assist in recovery of data files.
- o. [Mandatory] The proposed system must ensure that all data elements of each applicant and project record are properly linked. The Bidder's Proposal must include a description of the method to be used to ensure data synchronization. There is a one-to-one (1-1) relationship between an application and a project. An applicant may have multiple active and approved applications within the system.
- p. [Mandatory (all paragraphs)] Data Collection Requirements:
  - i. Applicant Record – extract from SSHIP Data Specification which may include additional documentation provided by an applicant or third parties, such as existing contract documents, title reports, etc. Data types can include CHAR, VARCHAR2, NUMBER, TEXT, Binary Large Object (BLOB) and Character Large Object (CLOB).
  - ii. Property Record Data – a data record which will be compiled from multiple systems including HP-CMIS and may be appended in the proposed system. The property record will include Property Identification Number (PIN), tax record information, Geo-Spatial Information System (GIS) data, including latitude and longitude.
  - iii. Environmental Review and Clearance Data – data about the scope and status of any environmental reviews requested from, and conducted by, the New Jersey Department of Environmental Protection.
  - iv. Financial Management Data – data about the funds obligated and drawn down for rehabilitation or reconstruction work required to repair or replace storm-damaged items and to bring the remainder of the structure/site to compliance with HUD's Housing Quality Standards (HQS). Financial data shall be tracked at a level of granularity sufficient to produce a high-level cost estimate for obvious repairs. The Estimated Cost of Repairs (ECR) will identify quantities and scopes of work. Supplemental funding for project work may be in the form of escrow or supplemental funds. Discrete financial data will include, but is not limited to: (i) itemized repairs; (ii) total project costs, (iii) amount of the eligible Program award, and (iv) amount of Landlord supplemental funds required to complete the Scope of Work.
- q. Reporting
  - i. For the purposes of expediting reporting, the proposed system design should allow the capability of executing parameter driven searches.
  - ii. [Mandatory] The proposed system must make available all data to State employees in the form of export files and/or to State data warehouses for use in State-defined reports. Details of the data tracked and the associated design of the reports will be defined and approved by the State.

**E. Database Capacity**

The proposed system must be designed to accommodate twice the following database record capacity:

Year 1	2,000
Year 2	4,000
Year 3	6,000
Year 4	8,000
Year 5	10,000

**F. System Reliability**

**1. Availability**

The system should strive for 99.99% uptime, with the exception of scheduled maintenance windows agreed to by the State. Any scheduled downtime will require at least 2 week’s notice.

**G. Use of the State’s Communication Network**

The proposed system shall be configured to exchange data with systems maintained by State entities or entities contracting to the State connected by TCP/IP networks.

**Exhibit 5 Performance Metrics and Guarantees (RFQ#816290S)**  
**Superstorm Sandy Housing Incentive Programs**  
**Program: Landlord Rental Repair Program**

Primary location of related tasks	Scope Requirement	Performance Requirement	Time frame	Performance Guarantee
3.1.3	Application review, Processing and Reimbursement Validation	Contractor will complete 90% of Damage Assessment Scopes of Work defined as: complete the proposed Scope of Work including assessment of the Estimated Cost to Repair, assessment of lead based paint hazards, and assessment for asbestos, and validation of reimbursable activities within 30 days from referral of applicant from sship.	Ongoing; performance measured each month	5% of retainage calculated monthly
3.1.4	Construction Management	Contractor will manage the construction completion of 75% of properties within the construction time table as defined In each Homebuilder's construction contract with a starting point of Notice to Proceed	Ongoing; performance measured each month	5% of retainage calculated monthly
3.1.5	Quality Assurance/Quality Control	Ensure that any program audits and reviews result in no material findings	Ongoing monitoring	Remaining retainage held up to the cost of the material finding
3.1.7	Compliance and Monitoring	Ensure that any program audits and reviews result in no material findings	Ongoing monitoring	Remaining retainage held up to the cost of the material finding

