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COMMUNITY SERVICES DEPARTMENT

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Enclave at Lake Pointe Project

Pre-Construction Meeting

Wednesday, August 6, 2020, 2:00 pm - 3:00 pm
Virtual Meeting Location: Zoom
Meeting Agenda

1. Welcome & Introductions

Harris County Community Services Department (HCCSD) Staff;
Magellan Development – Amay Inamdar; Royal American Construction - Beth Dehner; Element Architects (A&E team).

2. HCCSD Pre-Construction Letter

3. Pre-Construction Requirements

- a. **General Contractor** – Management Introductions (Royal American Construction, Inc.)
- b. Schedule of Values based on Construction Specifications Institute (CSI) format (32 divisions), labor and materials for each. Change Order required when SOV, if adjusted.
- c. Construction Schedule (Critical Path Method).
 - Project Signage
 - Project Sign(s), Harris County
 - Bronze Plaque

4. **Construction Policies** (Benita Mahanta – HCCSD, Robert Perry – Harris County Engineering Department), Davis-Bacon and Section 3 Compliance (Sara Ramirez and Wesley Walker – HCCSD)

5. **HCCSD Subrecipient Construction Policies & Guidelines** (NOTE: Section 3 pertains to the General Contractor's, subcontractors', and all lower-tier contractors' requirements.)⁶

- a. Prevailing Wages and Labor Standards
- b. Permissible Payroll Deductions
- c. Federal Labor Standards Provisions (Form HUD-4010)
- d. HUD Section 3

**Harris County Community Services Department
Reimbursement Request Packet — Construction & Soft Costs**

Below is the list of contents of a construction reimbursement package from the Subrecipient/Owner to Harris County Community Services Department (HCCSD) Disaster Recovery & Housing Development Division:

1. Cover Letter on company letterhead to HCCSD Interim Director or Executive Director that includes:
 - Pay estimate number
 - Amount
 - Cost Control Report
 - Pertinent supporting documentation

- Soft Costs application must be submitted under a separate letter.

2. AIA G702 — Application and Certificate for Payment (Notarized) (Approved by Owner, Architect, and Harris County Engineering Department)

3. AIA G703 — Work Completed or Updated Schedule of Values (SOV)

4. Construction: Supporting documentation from Contractor and all Subcontractors (G702-703, Invoices where appropriate)

5. Soft Costs: Supporting documentation from Subrecipient/Owner with backup documentation and invoices where appropriate that document the request

6. Copy of Check(s) — Evidence of Subrecipient/Owner payments to Contractor, or Soft Cost related company, Contractor

7. Partial Waiver and Partial Release of Lien of General Contractor and/or Subcontractor (Notarized)

8. Completed Texas General Land Office (GLO) workbook *(If GLO Funds)

9. Title Company current Downdate endorsement for "Total Completed and Stored To-Date Value"

10. Supporting Documentation Applicable to **Final Payment:**
 - Contractor's Guarantee
 - AIA G706 — Contractor's Affidavit of Payment of Debts and Claims
 - AIA G706A — Contractor's Affidavit of Release of Liens
 - Certificate of Completion Issued by General Contractor

Notes:

For Texas GLO-funded projects, Subrecipient should refer to the GLO Workbook - DRAW/DISBURSEMENT REQUEST CHECKLIST for all items necessary for Disbursement Requests, and for Final Release of Retainage.

Harris County encourages bank Direct Deposit transactions on reimbursements.

**CONSTRUCTION EXCERPTS: AGREEMENT BETWEEN HARRIS COUNTY AND CROSSROADS HOUSING
DEVELOPMENT CORPORATION AND ENCLAVE AT LAKE POINTE, LP FOR THE ENCLAVE AT LAKE
POINTE PROJECT**

II. SCOPE OF SERVICES

C. General Administration

6. Schedule of Values, Payments to Contractor and Change Orders

Schedule of Values — The Subrecipient shall furnish or cause to furnish the Grantee the SOV for review prior to the first partial payment.

Payments to Contractor — All pay requests and release of retainage shall be verified and signed by the Harris County Engineering Department.

Change Orders — The Subrecipient shall approve in writing and submit to the Grantee for review and approval any change orders to the original construction contract, which shall be appropriately reflected in the Schedule of Values and subsequent pay requests. The Grantee reserves the right to approve any change orders. **All change orders shall be verified and signed by the Harris County Public Infrastructure Department (PID, Harris County Engineering Department).**

7. Inspections

During construction of the Project, the Grantee or its designee, the Partnership, the GLO and HUD shall have the right to review all documents, maps, plats, records, photographs, reports or plans affecting said construction. The Partnership understands and agrees to inspections performed by the Grantee's representative, PID (Harris County Engineering Department). **PID shall have full and final authority in all construction disputes. The Subrecipient agrees to promptly make any corrections or modifications to the construction work as reasonably requested by the Grantee to cause the construction to comply with this Agreement and any applicable HUD requirements.**

IV. EXPENSES AND PAYMENT

F. Payment Procedures

2. Reimbursement

The Grantee shall reimburse the Partnership based upon information submitted by the Partnership and consistent with any approved budget and Grantee policy concerning payment. Reimbursement requests must include a cover letter with the Application and Certificate for Payment form G702 & G703 American Institute of Architects (AIA) and all supporting documentation of the construction draw submitted on or before the tenth (10th) working day of the month for costs inspected and approved by the Grantee. Prior to payment, the Grantee and the Harris County Auditor must approve all invoices. Incorrect reimbursement requests may be returned.

CHANGE ORDERS: COST ANALYSIS PERFORMED PRIOR TO EXECUTION AND REASONABLENESS DETERMINED (HEDK Architects shall prepare). Limitations apply, Profit negotiated separately. "Cost Plus a Percentage of Cost Contracting Prohibited by Federal Law," 2 CFR 200 Supercircular.

Guidance: Per federal code, Cost Analysis includes the review and evaluation of the separate cost elements, including labor, supplies, equipment, profit, overhead and general conditions. Cost analysis: 1) Obtain a detailed breakdown of the contractors' proposed cost; 2) Verify the accuracy of the cost and pricing information submitted; 3) Evaluate the reasonableness of proposed costs by ensuring they meet these three critical tests: a. Are the costs allowable? b. Are the costs necessary? c. Are the costs justifiable? 5) Compare costs with: a. Actual costs previously incurred by the same contractor for the same or similar work; b. Actual costs of previous of the same or similar work by other contractors; c. Previous cost estimates from the offeror or other offerors for same or similar items; d. Do the costs reflect the technical approach proposed and the work required? and e. Cost estimate from the engineer or staff.