

Written Questions Response

- 1) First I saw that the documents say the county reserves the right to request a bond. We will have to know up front if a bond will be required. The fees will become part of the project cost and will increase the bid amount. The same can be said for the section that states the county reserves the right to require background checks at the contractors expense. This will also have to be known at this point in the bid process as it will also increase project costs.

Response 1: Payment and performance bonds are standard practice for government-funded construction projects. Based on a Contractor's qualifications and the firm's completion history, payment and performance bonds might be required to protect the County's financial interest. We have strict deadlines for these projects, and timely completion is essential. The decision to request bonds remains at the sole discretion of the County, and it will be determined after bids are received prior to Contract Award. The County fully anticipates a 2-5% increase in cost if County determines that bonds are required. Since the increase is anticipated across all bids, it shall not affect the bids nor the County's decision in determining the lowest and most responsible bidder. Background checks will be required if County determines that it needs to conduct said background checks to protect its interests and those of its citizens. While the Housing Rehabilitation Specialist does not anticipate a need for background checks, the only most certain way for a contractor to avoid needing background checks is to obey all laws including employment laws, codes, ordinances, and building regulations. This requirement and the right to enforce background checks will not be removed from the IFB in protection of County interests and Federal audit.

- 2) There is language that implies the contractor will be responsible for repairing or replacing the well and septic on these two projects. We will need to know up front if these will have to be rebuilt or repaired so we can bid accordingly. In actuality, we can't really price repairing without detailed plans on what is to be repaired and how.

Response 2: Contractors should anticipate needing to repair or replace the septic systems on these projects. Contractors are encouraged to call Graham County Health Department AND to visit the sites to make informed decisions on whether the septic systems shall be replaced, repaired, or used as is. For liability purposes, the County and the Housing Rehabilitation Specialist cannot and will not instruct a licensed general contractor in its means and methods of creating a new home that meets all building codes and receives a Certificate of Compliance upon final inspection. Contractor is responsible for proper wastewater processing.

Contractor should anticipate needing to repair or replace the well-water systems on these projects. Contractors are encouraged to visit the sites and to speak with the Homeowners to determine in their professional opinion what is required to

complete the task of constructing a new home and receiving a Certificate of Compliance upon final inspection.

The County will issue an Alternate Bid with this Addendum for the construction of a 2-bedroom home at 297 Cottontail Lane. 2 bedrooms will be created by removing the closet from Bedroom 3 on existing plan.

- 3) The invitation also states that we are to show evidence of trying to hire HUB subcontractors. Exactly what evidence do you require that we submit.

Response 3: Contractor should demonstrate good faith efforts by submitting one of the following documents during construction closeout:

- (1) A statement or letter that states Contractor is a HUB Contractor.**
- (2) A statement or letter that lists the HUB subcontractors or suppliers the Contractor used and/or attempted to hire for any trade. Estimated contract amounts for each HUB subcontractor or supplier hired or attempted to hire must be included in the letter.**
 - (a) HUB subcontractors can be found on the North Carolina Electronic Vendor Portal website at <http://www.evp.nc.gov>. Click on Search Vendors. Utilizing Advanced Search will enable Contractor to search for only Certified HUB contractors, and utilizing other advanced search features will enable Contractor to narrow down results by County and by Trade.**
- (3) A statement or letter that describes the Contractor's pre-bid good faith efforts to achieve HUB participation prior to bid and explain how those efforts were not successful in achieving participation.**

- 4) I see we are to send pictures and documentation of schedule and progress to a housing rehabilitation specialist on a weekly basis. Is this not the responsibility of the housing specialist themselves to visit the project? Are we talking about an email, or official form of some kind. Who is the "housing rehabilitation specialist".

Response 4: Travis Old with Currituck Homes, Inc., is the Housing Rehabilitation Specialist for Graham County. The Housing Rehabilitation Specialist will visit projects per contract agreement with Graham County, however those visits should be for the purposes of confirmation and assurance instead of discovery and enforcement.

Contractor shall provide a weekly update to Housing Rehabilitation Specialist on the status of each awarded project to ensure County, Funding Agencies, and Homeowners are aware of Contractor's progress.

During that update, Contractor should advise Housing Rehabilitation Specialist on the status of construction and any forecasted completions or delays to completion. The updates may be completed via phone, text

message, email, or a combination thereof. It is a serious update, but it should not take more than 3-5 minutes per week. It can take longer if Contractor requires it to be, but it should be a seamless exchange of pertinent information.

- 5) I'm assuming we will not be under a deadline, and just curious as to policy for delays in the project. Some aspects and materials are seeing some delays for completion in the post covid atmosphere.

Response 5: Construction must be completed no later than June 15, 2023. The County is aware that labor shortages are a strong headwind for any construction business in the greater Graham County area, therefore, Contractor is not required to bid on all projects. If Contractor is only able to complete one project before June 15, 2023, then Contractor is advised to bid accordingly.

- 6) It says we are to meet the housing specialist on site at invoicing intervals 4 times. Does that mean we meet them at 4 different draw times, or we can only have 4 draws? On that subject is there going to be an issue for getting payment for material that has been ordered and paid for and may or may not be on site and possibly not installed at the time of the inspection. I would like to know the number of draws we can take and how often they can be made. Also what is a close idea on the turnaround time for invoicing vs receiving payment.

Response 6: Traditionally, there are four draws against the Contract.

The County is aware of several options for payment, and the County is prepared to work with the lowest and most responsible bidder in a couple different ways to ensure timely construction. However, materials that have not arrived on-site and that are not protected from theft by an active Builder's Risk policy cannot be paid for by the County.

This program technically is a reimbursement program. The chosen licensed General Contractor is contracted to build a single-family home, and the chosen licensed General Contractor is reimbursed and compensated for its services. The County is unable to provide construction loan style funding, however the County can provide progress payments based on completed work. Progress is determined by evidence of completion.

If progress payments are agreed upon after award of Contract between the lowest and most responsible bidder and County, then the Contractor will waive its right to quarterly payments. The Contractor will receive quarterly draws or progress payments.

The County can comfortably commit to a two-week turnaround time on payments. For example, if the Contractor submits an invoice on the 1st Friday, then the Contractor shall expect payment on or by the 3rd Friday.

Without evidence of completion, payments will not be released. Contractor is advised to submit evidence of completion with invoicing. Evidence of completion includes simple, unedited, clear photos of completed work. If the work cannot be witnessed as completed, then payment will not be released. Photos will be kept on file for audit purposes.

- 7) Under the "Warranty Phase" can you please explain the "contractor to provide a third party administered six year or better structural home warranty." and what the requirements are.

Response 7: These requirements are generally met by working with a home warranty provider company such as RWC Home Warranties, Quality Builders Warranty, Landmark Home Warranty, or similar provider. However, the Contractor may work with any home warranty company that provides a third-party administered six-year or better structural home warranty. Some Contractors may choose to offer a 2-10 home warranty. Since that warranty policy is greater than six years, it meets the requirements.

- 8) On to the plans for now, I'm having a little bit of a hard time making out the written specifications on the drawings. We have specs that say foundation and have a foundation and slab plan. Is it possible I could get a detailed list of the required finish items as listed on the drawings outside of what's on the list on the invitation to bid. It appears that the plans are generic in regards to the listed items in the invitation to bid. Just for example it says brick steps to match skirts. Do you want brick on the block foundation and install concrete and brick veneer steps to match? Appliance specs were pretty minimal as well, do we have any other info on that. On the trusses it says raised bar top. I'm not sure exactly what that is referring to, do you mean energy overhang or just standard trusses? Contractors always have different names for things and I want to be sure I'm quoting the correct item. I see that the plans call for 2x8 floor joists with two rows of support columns in the foundation. Wouldn't it be better to use 2x10 and one row of support columns? If we wanted to use conventional framing in lue of trusses, would that be a problem?

Response 8: The County anticipates crawlspace foundations; however, the County will rely upon the professional knowledge of the chosen licensed General Contractor. There will be no additional funding afforded to the awarded Contractor for the discovery of any materials that a reasonable and responsible bidder would have discovered upon visiting the site to investigate build-ability of the location. If the Contractor bids the project, thinking that the Contractor can build on a slab foundation, then after beginning construction, Contactor discovers that Contractor cannot build a

slab foundation, the Contractor will be liable for all expenses incurred to construct a crawlspace foundation.

Contractor should construct brick steps from grade to height of finished floor. Contractor should construct a brick skirt on the exterior of slab or foundation block walls. Brick skirt to match brick steps.

Building code compliant rafters may be used in lieu of trusses.

Building code compliant floor joist spans and materials may be used in lieu of 2x8s @ 16" o/c.

Building code compliant piers or additional trenches and block work may be used in lieu of proposed foundation construction plan to fit Contractor's preferred floor system. Any alterations to floor construction must comply with North Carolina Residential Building Code Section R502.3. Any alterations to footings must comply with applicable codes found in North Carolina Residential Building Code Section R401-R409.

Raised bar top trusses are sometime referred to as raised heel trusses. A chief purpose of the raised heel is to leave room for insulation above the exterior wall top plate.

Finishes should meet HUD-standard. HUD-standard calls for materials to be of such kind and quality to ensure that the dwelling provide acceptable durability, economy of maintenance and adequate resistance to weather, moisture, corrosion, and fire.

Additional information on HUD's Minimum Property Standards for Housing can be found here:

https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/4910.1

In short, build a home that you want to live in and that is based on the plan or building-code compliant alterations thereof.

- 9) One last thing for now: Material suppliers are only giving us 24hr guarantee on pricing, We will need some language or contingency to cover this issue as well as unforeseen circumstances, such as footing soil/rock issues etc.

Response 9: Contractors are advised to account for material price instability in their bid. Admittedly, that fluctuation might work in favor of the Contractor, or it might not. This is a fixed-price contract. The Contractor should account

for price fluctuations and plan accordingly. Contractor is advised to consider the quarterly draw schedule and how Contractor may maximize the use of funds to limit risk and exposure to price fluctuations.

By signing below, Contractor agrees that this addendum has been received, read, and understood:

Authorized Signature

Date