




HISTORIC
FRANKLIN
TENNESSEE

ITEM #14
WRKS 09/11/2012

MEMORANDUM

September 4, 2012

TO: Board of Mayor and Alderman

FROM: Eric Stuckey, City Administrator 
Vernon Gerth, ACA-Community & Economic Development
Kathleen L. Sauseda, Interim Housing Development Coordinator

SUBJECT: Contract 2012-0137 – CDBG Emergency Repair Program (\$108,810)

Purpose

The purpose this memorandum is to provide information to the Board of Mayor and Aldermen (BOMA) in consideration of Contract 2012-0137 between Community Housing Partnership (CHP) and City of Franklin to continue program delivery assistance for the CDBG Emergency Repair Program.

Background

Since 2007, the United States Department of Housing and Urban Development (HUD) has designated the City of Franklin as an “entitlement city”. Entitlement city status allows the City to receive annual Community Development Block Grant (CDBG) funding to implement projects and activities that prevent/eliminate blight, meet urgent need, or principally benefit persons of low and moderate income. On average, HUD has allocated \$266,000 per year to Franklin for implementing approved housing development programs and activities. .

Community Housing Partnership has assisted the City of Franklin with the Emergency Repair Program for the past 5 years. Approval of this contract will allow CHP to continue their program assistance. In accordance with the City’s Consolidated Plan, \$108,810 has been allocated to the Emergency Repair Program for this program year.

Financial Impact

This contract is fully funded by HUD through the CDBG Program. Since inception the funds allocated for the Emergency Repair Program have assisted 51 homeowners and helped preserve over 6 million dollars of housing inventory in the City of Franklin (based on an average home price of \$125,000). The Emergency Repair Program assists low income elderly residents, who own and occupy their homes, assuring them of a decent, safe, and sanitary place to live.

Recommendation

The Housing Commission and staff recommend approval of contract 2012-0137 with CHP.

**CONTRACT FOR HOME REHABILITATION ASSISTANCE FOR LOW-MODERATE
INCOME RESIDENTS OF THE CITY OF FRANKLIN
(Contract Number: 2012-0137)**

This Contract, made and entered into this ___day of _____, 2012, by and between the City of Franklin, (hereinafter "The City") and Community Housing Partnership (hereinafter "THE ORGANIZATION") for the purpose of providing funding for a Home Rehabilitation Program pursuant to the Community Development Block Grant.

WITNESSETH:

WHEREAS, THE CITY has identified a need to conduct a Home Rehabilitation Program utilizing Community Development Block Grant funding; and

WHEREAS, THE ORGANIZATION is experienced in Home Rehabilitation projects and has met the certification requirements of providing Home Rehabilitation Assistance; and

WHEREAS, THE ORGANIZATION replied to a publicly advertised Request For Proposals and was selected to participate as a contractor in the City's Community Development Block Grant Program;

NOW, THEREFORE, in consideration of the mutual promises as contained herein, the parties hereto have agreed and hereby enter into this Contract according to the provisions as set forth herein.

SECTION 1 - SCOPE OF SERVICES

THE ORGANIZATION will carry out activities necessary to assist low to moderate income owner occupants of the City of Franklin, who are elderly and/or disabled with emergency-type home rehabilitation services. Items to be corrected must represent a health and safety hazard, with an emphasis on exterior repairs and major structural and mechanical deficiencies.

When applicable, the work will also include testing, remediating, and clearing structures for lead-based paint hazards. All structures constructed pre-1978 must be tested and cleared for lead-based paint hazards. In the presence of lead-based paint hazards, contractors/workers are required to be certified in and use safe-work practices. A United States Department of Housing and Urban Development (HUD)-required Environmental Review Report will be required.

Incorporated into this contract is Exhibit A, the proposal by THE ORGANIZATION, which is attached hereto and made a part hereof.

SECTION 2 - RESPONSIBILITIES OF PARTIES

- A. THE ORGANIZATION will perform the duties described above and in Exhibit A and take other actions necessary to accomplish the spirit of this agreement.

- B. THE ORGANIZATION will submit regular reports (not less often than quarterly) as directed by THE CITY detailing the progress of their project.
- C. At the request of THE CITY, THE ORGANIZATION will periodically send a representative to neighborhood or other public meetings to discuss and promote their project.
- D. THE CITY will provide funding for the program from the Community Development Block Grant program as set forth in Section 3 of this contract.

SECTION 3 – COMPENSATION

For the services outlined above and contained in Exhibit A, THE ORGANIZATION will receive for actual program delivery costs incurred per home, from the Community Development Block Grant program an amount up to and not to exceed fifteen percent (15%) of the total programs costs (inclusive of lead-based paint testing, clearance and/or mitigation expenses) for each home. The combined total of programs delivery and program costs shall not exceed **One-Hundred Eight Thousand Eight Hundred Ten and No/100 Dollars (\$108,810.00)**

SECTION 4 - TIME OF PERFORMANCE

- A. Services shall continue into the sixth program year funding (Fiscal Program Year 2012-2013) upon full expenditure of previous year program funding.
- B. The CITY has the option to renew this contract under the same terms and conditions for an additional 12 months based on the availability of CDBG Program Year 7 (7/1/2013 – 6/30/2014) funds allocated to the Emergency Home Rehabilitation Program, provided both parties agree in writing.
- C. Services shall begin no later than thirty (30) days following execution of this agreement.
- D. This Agreement may be terminated upon thirty (30) days written notice by either party.

SECTION 5 - PAYMENT TERMS AND CONDITIONS

- A. THE CITY shall reimburse THE ORGANIZATION for services rendered based on submittal of valid invoices for project costs with a description and documentation of work performed. The CITY has the option of inspecting the completed work prior to making any payments.
- B. Invoices may be submitted upon completion of the First Phase and Second Phase of each housing project as detailed in Attachment A.

C. Final payment will be subject to receipt of a final report that is satisfactory to THE CITY.

SECTIONS 6 - NOTICES

All notices under this Agreement shall be in writing and sent by certified mail to the address listed below for each party.

**Vernon J. Gerth
City of Franklin
City Hall
109 3rd Avenue South
Franklin, TN 37064**

SECTION 7 - STANDARD TERMS AND CONDITIONS

1. COMPLIANCE WITH FEDERAL LAWS/REGULATIONS

THE ORGANIZATION shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.

2. ANTIDISCRIMINATION/AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY

No person on the grounds of handicap, age, race, color, religion, sex, national origin, disability, or marital/familial status or any other classification protected by Federal and/or State of Tennessee constitutional and/or statutory law shall be excluded from participation in, or be denied benefits or, or be otherwise subjected to discrimination in the performance of this Contract.

3. AUDIT REQUIREMENTS

A. This Contract, as well as any sub-agreement made with other participating agencies, is subject to all of the administrative requirements in OMB Circulars A-110 and A-122.

B. THE CITY hereby notifies THE ORGANIZATION that a single audit is required for non-profit agencies receiving \$300,000 or more in federal funds in any single fiscal year. This requirement is in accordance with OMB Circulars A-110 and A-133. If required, a copy of the single audit report will be kept on file and made available to THE CITY staff during sub-recipient monitoring visits and appropriate officials as requested.

4. CONFLICT OF INTEREST

THE ORGANIZATION agrees to abide by the following requirements with respect to conflicts of interest, and covenants that it presently has no interest, direct or indirect, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. THE ORGANIZATION further covenants that in the performance of this Agreement no person having such an interest, direct or indirect, shall be employed or retained by THE ORGANIZATION hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of THE ORGANIZATION or of any designated public agencies or sub-recipients that are receiving funds under this program.

5. PROCUREMENT STANDARDS AND METHODS

THE ORGANIZATION shall comply with THE CITY's current policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds herein.

THE ORGANIZATION shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards.

7. VENUE

In the event of a dispute or litigation arising out of said Contract, it is understood and agreed and that this Contract was executed and performed in Williamson County, Tennessee, and as such, it is agreed by both parties that venue of said litigation, including an action for Declaratory Judgment, will be in Williamson County, Tennessee.

8. ASSIGNMENT

Neither THE CITY nor THE ORGANIZATION may assign its rights or delegate its responsibilities under this contract.

9. ENTIRE CONTRACT AND MODIFICATION

The Contract between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of the entire Contract. The terms and conditions of this Contract may not be changed except by an amendment expressly referencing this Contract by section number and signed by an authorized representative of each party.

If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.

10. SEVERABILITY

If any provision of this Contract is held invalid, the remainder of the Contract shall not be affected thereby and all other parts of this Contract shall nevertheless be in full force and effect.

11. TIME OF THE ESSENCE

The parties agree that TIME IS OF THE ESSENCE with respect to the parties' performance of all provisions of the Agreement.

12. NO TAXES, NO INTEREST PAYMENTS

As a tax-exempt entity, THE CITY shall not be responsible for sales or use taxes incurred for products or services. THE CITY shall supply THE ORGANIZATION with its Sales and Use Tax Exemption Certificate upon THE ORGANIZATION's request. THE ORGANIZATION shall bear the burden of providing its suppliers with a copy of THE CITY's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. THE CITY does not agree to pay any interest for late payments, having agreed to pay in a timely manner.

13. WAIVER

Neither party's failure or delay to exercise any of its rights or powers under the Contract will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.

14. BREACH

Upon deliberate breach of the Contract by either party, the non-breaching party shall be entitled to terminate the Contract without notice, with all of the remedies it would have in the event of termination, and may also have such other remedies as it may be entitled to in law or in equity.

| Approved by the Franklin Board of Mayor and Aldermen on _____, 2012.

WITNESS our hands on the dates as entered.

THE CITY OF FRANKLIN

By: _____
Dr. Ken Moore, Mayor

Date: _____

Attest:

Eric S. Stuckey, City Administrator

Date: _____

Approved as to Form:

Kristen L. Corn, Staff Attorney

COMMUNITY HOUSING PARTNERSHIP

By: Stephen Murray
Its: Executive Director

Date: _____

Exhibit A

The proposed Scope of Services and Costs are enclosed on the following pages and are incorporated by reference into the agreement.

**Community Housing Partnership of Williamson County (CHP)
Proposed Scope of Services**

CHP has split the scope of services into two categories as the actual contracts are to be split. First is the actual construction for each project that as per the Request for Proposals as outlined by the City of Franklin, is to be paid under a direct contract between the City of Franklin and the contractor. Second is the supervision of the program and construction directly by CHP with some assistance by City of Franklin staff. This follows the format that was use successfully in the first year contract that CHP had with the City of Franklin.

Section 1; Construction:

Construction services will be performed by licensed, bonded and insured State of Tennessee contractors performing emergency-type health and safety hazard home rehabilitation services per a work write up specifying the necessary services (defined under 2nd section) and under a direct contract with the City of Franklin as specified under the Requests for Proposals document. No contract shall exceed \$15,000 in repair work or be less then \$2,000 in repair work. All construction activity shall require all necessary permits and insurance by the contractor. The contractor shall provide progress schedules to the City of Franklin and CHP on a monthly basis. All items listed in paragraphs 9.0 and 10.0 in the Request for Proposals by the City of Franklin shall be incorporated in any agreement by the contractor and the City of Franklin.

CHP is proposing that a minimum of 8 homes or a maximum of 12 homes in the City limits of Franklin rehabilitated under this program.

Section 2; Program implementation and supervision:

CHP proposes to serve as the program administrator for the program, providing the following services:

1. Marketing the program through outreach to the neighborhood associations, direct press releases and advertising through all local media outlets, direct outreach to all social service agencies who might have clients within these neighborhoods, direct contact with the residents of these neighborhoods through flyers or other means and direct contact with the two other not for profits operating in Franklin neighborhoods (Hard Bargain Mount Hope Redevelopment Inc. and United Community Resource Foundation).
2. Performing Intake functions and record keeping of all applicants for the funding. This includes the initial application documents certifying (but not limited to) income verification (insuring income compliance per the CDBG guidelines), Ownership status (verification of warranty deed showing owner occupied), and Property status (verification that owner is living in house).
3. Inspecting the property jointly with the homeowner and City of Franklin staff. Composing with the City of Franklin staff and the homeowner a comprehensive Work Write Up. This includes all necessary inspections and certifications including (but not limited to):

- A. Lead Based Paint inspections by certified inspector
- B. Flood Plain certification with appropriate map and panel
- C. National Park Service Standards of Rehabilitation (Historic) submittals to the appropriate agent whether it be a State Historic Preservation Officer (SHPO) at the City of Franklin or directly to the Tennessee Historic Commission.
- D. Thermal/ Explosive/Toxic/Radioactive verifications with the Fire Marshall of the City of Franklin
- E. Noise verifications through the City of Franklin Building and Neighborhood Services Department

4. **Facilitating the contract to the City of Franklin by bidding out the contract to the appropriate**

Contractors, conducting the public bid opening with City of Franklin staff, consolidating the bids to present to City of Franklin staff and presenting the bids to the City of Franklin for final contract decisions. Once the City of Franklin has gone through their final decisions on the winning contractors and provided contracts CHP can facilitate the signing of those contracts if necessary. At the point of Notice to Proceed CHP will conduct the following:

- A. Provide the homeowner the necessary guidance in preparing for the construction
- B. Provide the contractor the necessary communications to begin the work
- C. Do initial inspections that all permits have been obtained
- D. Provide scheduled inspections to insure that the work is being conducted correctly and within time constraints
- E. Provide inspections on draw requests to insure that the contractor is only drawing what they have in the job. Evaluate and authorize payments with City of Franklin staff
- F. Provide final inspections and certify completion of the project with City of Franklin staff

5. **Record keeping** will be maintained by CHP with a complete project book for each individual project and all records regarding the intake, facilitation, inspections, contracts and draw requests that will be provided to the City of Franklin as requested. All record keeping will be maintained to insure that CDBG compliance is maintained by both CHP and the City of Franklin.

6. **Complaints and Grievances** will be addressed by CHP with representation of the City of Franklin where applicable. CHP will maintain an individual file regarding any complaint and grievances by either the homeowner, contractor or interested party. CHP will act as the negotiator to address any issues arising and if CHP can resolve the problem we will do so. However if the problem cannot be resolved we would suggest that the City of Franklin have other resources, such as arbitration possibilities.

CHP has all the internal systems available to begin this program immediately as we will follow the successfully format from the first three years. Inspection systems exist within programs to do all initial inspections and staff is available and certified in all compliance and inspection areas. Indeed this program is very similar to programs performed by CHP

staff for United Way, Williamson County, and Tennessee Housing Development Agencies emergency grant program. Additionally, CHP has conducted the first three years of the CDBG programs for the City of Franklin and an individual grant in the past.

CHP will close out each project after final reporting and record keeping to the City of Franklin and will keep all records available for 10 years after the completion of each project. Additionally, CHP will be available and help the City of Franklin on all compliance reporting regarding this CDBG program to the US Department of Housing Urban Development.

Community Housing Partnership of Williamson County (CHP)

Costs

Given the Scope of Work defined in earlier text CHP has identified the costs directly to CHP to administer this program for the City of Franklin. These costs are broken down in two facets. First is the actual construction cost for each project that as per the Request for Proposals as outlined by the City of Franklin, is to be paid under a direct contract between the City of Franklin and the contractor. As these funds do not pass through CHP they are separated. A contract between CHP should not reflect these funds even though this submittal includes them in the program as was specified by the City of Franklin. Second is the supervision cost associated with the program which will come directly to CHP.

Section 1, Construction:

CHP is proposing to do a minimum of 8 and a maximum of 12 home rehabilitations at an average of \$9,000 to \$13,500 per house for a total construction cost of \$75,200.

Section 2, Program implementation and supervision:

CHP is proposing to do the implementation and the supervision of each project at a cost of \$1,500 per project for a total maximum of \$18,000. Individual category costs are broken down as follows:

<u>Marketing</u>	<u>Included with the complaints and grievances</u>	
<u>Intake/Certifications</u>	<u>\$300 per house</u>	<u>\$3,600 Total</u>
<u>Inspecting/Work Write Ups</u>	<u>\$300 per house</u>	<u>\$3,600 Total</u>
<u>Facilitating contract</u>	<u>\$100 per house</u>	<u>\$1,200 Total</u>
<u>Lead Based Paint Inspection</u>	<u>\$500 per house</u>	<u>\$6,000 Total</u>
<u>Record Keeping</u>	<u>\$200 per house</u>	<u>\$2,400 Total</u>
<u>Complaints & Grievances</u>	<u>\$100 per house</u>	<u>\$1,200 Total</u>
<u>Total Section 2</u>	<u>\$1,500 per house</u>	<u>\$18,000 Total</u>
<u>Maximum</u>		

TOTAL PROGRAM PROPOSAL

<u>Section 1:</u>	<u>Avg. \$9,000 to \$13,500 per house</u>	<u>\$108,000 Total</u>
<u>Section 2:</u>	<u>\$1,500 per house</u>	<u>\$18,000 Total</u>
<u>Total</u>		<u>\$126,000 Total</u>