MWSBE Technical Assistance
Training for Contractors
Presented By:
MWSBE Coordinators

City of Houston
Sylvester Turner, Mayor

Housing and Community Development Department
Tom McCasland, Director
DIVISION CONTACT INFORMATION

Deputy Director: Keith W. Bynam
Division Manager: Chrystal Boyce
Contact Number: 832.394.6130

Physical Address:
Housing & Community Development Dept.
2100 Travis, 9th Floor
Houston, TX 77002

http://www.houstontx.gov/housing/
Our Team Members

**Contract Administrator:** Aldwin Foster-Rettig
[aldwin.foster-rettig@houstontx.gov](mailto:aldwin.foster-rettig@houstontx.gov)
832.394.6202

**Contract Administrator:** Eva Alcala
[eva.alcala@houstontx.gov](mailto:eva.alcala@houstontx.gov)
832.394.6118

**MWSBE Coordinator:** Taylisha Clark
[taylisha.clark@houstontx.gov](mailto:taylisha.clark@houstontx.gov)
832.394.6326

**Community Involvement Coordinator:** Karen Franklin
[karen.franklin@houstontx.gov](mailto:karen.franklin@houstontx.gov)
832.394.6160

Professionals committed to providing resources that enable exceptional program compliance.
It is the policy of the City of Houston to strengthen Minority Women Owned Business Enterprises participation during all phases of contracts. The objective is to ensure local firms are afforded equal opportunities that promotes utilization and eliminates discrimination.

HCD contracts also must comply federal procurement regulations, that mandates contracts to include all necessary affirmative steps to ensure Minority Women Owned Small Business Enterprises are used to the maximum practicable extent.

As a result, HCD contracts must adhere to local and federal requirements as it relates to Minority Women Owned Business Enterprises.
Discussion Topics

- MWSBE Certification Benefits
- Commonly Used MWSBE Terms
- Goal Oriented Projects
- B2GNow Participation and Payment Tracker
- LCP Tracker Document Submission Portal
- Contract Agreements
- Compliance Forms Packet
- Deviation Request
- Contractor Performance
- Close-Out Evaluation
<table>
<thead>
<tr>
<th>Benefits of MWSBE Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantage in procurement selection process;</td>
</tr>
<tr>
<td>Receives regular alerts of networking and contracting opportunities;</td>
</tr>
<tr>
<td>Company profile is listed in the City’s MWDBE/SBE/PDBE online directory;</td>
</tr>
<tr>
<td>Opportunity to bid on goal oriented contracts.</td>
</tr>
<tr>
<td>Covered under City of Houston Chapter 15 Ordinance;</td>
</tr>
<tr>
<td>Adds Trust to services offered.</td>
</tr>
<tr>
<td>Other Texas certification agencies accept City of Houston M/WBE certifications.</td>
</tr>
</tbody>
</table>
Commonly Used MWSBE Terms
Commonly Used MWSBE Terms

**MWSBE**- Minority Women Owned Small Business Enterprise

**General Contractor or Prime Contractor**- is the main contractor responsible for the overall coordination of a project that includes communication of all involved parties concerning site activity, change orders, subcontractors participation etc.

**Goal Oriented Project**- A competitively bid project with a MWBE goal requirement.

**Subcontractor**- a contractor hired to perform portions of work on contract of a General Contractor.

**Supplier**- A company that supplies product.

**Lower Tier Sub**- A firm or individual that received work under another subcontractor that sublets a part of their contract.

**Good Faith Efforts**- are steps taken that demonstrate efforts to meet MWBE goal requirements.
Goal Oriented Projects
Goal Oriented Contracts

MWSBE compliance is expected on COH projects that meet contract thresholds which trigger MWBE goal requirements. Effective May 31, 2018 HCDD awarded projects will comply with City Wide Aspirational goal requirements.

Per Chapter 15 Ordinance, goal oriented projects are subject on the following project types:
• Any contract, agreement or other undertaking anticipated for construction work in excess of $1,000,000; or
• The supply of goods or non-personal or non-professional services in excess of $100,000; and
• For which Competitive bids are required by law
• Regulated Contracts (Professional Services)
• Any contract that meets the following requirements:
  – Competitive bids are not required by law
City Wide Aspirational Goal(s)

- **Construction contracts** – related to construction projects. Citywide MWBE goal = 34% (MBE 23%, WBE 11%)
  - SBE substitution not to exceed 4%
  (Construction only)

- **Professional Services contracts**—require a professional license (e.g. Architect, Engineer, Attorney, Accountant, etc.). Citywide MWBE goal = 24%

- **Purchasing contracts**—provide the supply of goods and non-professional services. Citywide MWBE goal = 11%
Goal Achievement

After a Prime Contractor is awarded a project on a goal oriented project, compliance can only be achieved by (1) meeting goal requirements or (2) demonstrating acceptable Good Faith Efforts in attempt to meet the goal. For more information on acceptable Good Faith Efforts, visit: http://www.houstontx.gov/obo/docsandforms/goodfaithefforts.pdf

Only firms certified through the City of Houston, Office of Business participation can be credited towards participation goals. For more information regarding the City of Houston MWSBE certification process, visit: http://www.houstontx.gov/obo/certification_overview.html
Post Award Compliance Requirements
After a project awarded, a profile is set-up in B2Gnow for payment and participation tracking of certified and non-certified firms.

The assigned MWSBE Coordinator will be responsible for adding contractors to B2GNow.

The Prime Contractor is required to enter payments to subcontractors and suppliers within 5 days of payment receipt from the City.

Subcontractors, suppliers and professional service providers are required to confirm payments entered by the Prime.
Access to Contracts in B2Gnow

• First, login to B2G with your company credentials.

• Under Dashboard, click “Contract”.

• Next, a list of all active projects will be listed. To access a project, click “view”
Automated Compliance Audit Process

1. SAP populates payments made Prime Contractor
2. Prime is notified of payment via email
3. Prime enters payment data for subs
4. Subcontractor is notified via email
5. Subcontractor confirms or rejects payment
6. Compliance Audit Complete

If the Subcontractor rejects a payment, the subcontractor and prime are notified via email of the discrepancy.
The Prime can report individual payments or subcontractor payments all at once.

Audit Information

Enter the audit amount for the designated time period. You can attach files or add comments, if necessary.

Amount PAID For March 2009: $1,500.00

Payment Date: 3/25/2009

Prompt Payment?:
- Yes - the subcontractor was paid within 10 days of payment from New Mexico Department of Transportation.
- No - the subcontractor was not paid within 10 days of payment from New Mexico Department of Transportation.
- N/A - we cannot determine if the subcontractor was paid promptly.

Payment Detail:
(Optional) Enter details of PAID check numbers and amounts for March 2009. This optional detail will speed up the subcontractors confirmation of your payment information. This information will be displayed to Apache Construction Co.

Check #401: $1,500.00

Contract Audit: Vendor List Bulk Submit

Subcontractor Payment Information

<table>
<thead>
<tr>
<th>Subcontractor</th>
<th>Total Through December 2007</th>
<th>Contract Goal</th>
<th>Actual Percent Through December 2007</th>
<th>Payment for March 2009</th>
<th>Payment Date</th>
<th>Prompt Payment (within 10 days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMEC Earth &amp; Environmental Inc.</td>
<td>$9,203.00</td>
<td>0.07%</td>
<td>0.05%</td>
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<td></td>
<td>Yes</td>
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<tr>
<td>Apache Construction Co.</td>
<td>$75,999.26</td>
<td>1.261%</td>
<td>0.510%</td>
<td>$1,500</td>
<td>3/25/2009</td>
<td>Yes</td>
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<tr>
<td>Bogan Brothers Painting Co.</td>
<td>$110.00</td>
<td>0.178%</td>
<td>0.000%</td>
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<td></td>
<td>Yes</td>
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<tr>
<td>BSN-Santa Fe</td>
<td>$182,628.00</td>
<td>1.365%</td>
<td>1.164%</td>
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<td></td>
<td>Yes</td>
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<tr>
<td>Byerly &amp; Cosyleon, Inc.</td>
<td>$276,823.56</td>
<td>2.663%</td>
<td>1.764%</td>
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<td>Yes</td>
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<tr>
<td>Iron Tool Milling, LLC &amp; Rocky Mountain Refining</td>
<td>$48,009.65</td>
<td>0.331%</td>
<td>0.206%</td>
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<td></td>
<td>Yes</td>
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</table>
Subcontractor Payment Confirmation Process
Following a Pre-Construction and/or Kick Off Meeting, a Compliance Monitor will create the project profile and assign the Prime Contractor as the Prime Approver.

The Prime Contractor will be responsible for assigning each subcontractor and supplier to the project in LCP Tracker.

The Prime will also have the capability to review each document submitted by contractors for approval.

The information required to set up a contractor assignment would be found on the Compliance Forms Packet Cover Sheet.

Each contractor must be assigned to a project in order to submit required compliance documents.
Prime Contractor Steps to Assign a Contractor to Project

Step 1
• Log in at https://prod.lcptracker.net/WebForms/Login.aspx

Step 2
• Select “Set Up” from the toolbar tab. Then, click Add/Edit Contractors.

Step 3
• To add a “New” contractor, enter the contractor information and click save. If the contractor already has an account, and you experience difficulty locating the contractor profile, add the contractor and enter the “Contractor ID” as shown on the contractor cover sheet.

Step 4
• Go to “Set Up” and click “Contractor Assignment”

Step 5
• Click “Add New Assignment”, select project and contractor adding.

Step 6
• Select project, enter field info and press save.
Contractor Set Up is a two-step process:

**Step 1: Contractor Setup > Add/Edit Contractor**
Steps to Upload Documents

Step 1
Have document available on your computer. The document can be almost any type that can be viewed by internet browser: txt, pdf, xls, doc, tif, etc.

Step 2
Go to Set Up and select Add/Edit Document

Step 3
Enter Required Fields

Step 4
Upload Document under appropriate file name.
<table>
<thead>
<tr>
<th>Document Name</th>
<th>Req'd</th>
<th>Expire Freq (Month)</th>
<th>Access</th>
<th>Document Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship Document(s)</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Upload the Apprenticeship Information Sheet along with the REQUIRED supporting documents listed on the sheet and use the description box to detail what is being uploaded.</td>
</tr>
<tr>
<td>Compliance Packet</td>
<td>N</td>
<td>0</td>
<td>U&amp;W</td>
<td>DISCONTINUED. If the project is almost closed for compliance, please continue the use of this document name or use the new Compliance Forms Packet. Both serve the same purpose.</td>
</tr>
<tr>
<td>DBRA Document(s)</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Use this document type to upload DBRA documents that are not listed.</td>
</tr>
<tr>
<td>Employee Verification of Multiple Job Classifications</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Follow the instructions found on the form.</td>
</tr>
<tr>
<td>Fringe Benefit Package</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>On your company letterhead, provide an itemized fringe benefit package per employee, per item broken down on a per hourly basis. The letter must be signed.</td>
</tr>
<tr>
<td>HCDD Section 3 DBRA, MWSSE Compliance Packet</td>
<td>N</td>
<td>0</td>
<td>U&amp;W</td>
<td>DISCONTINUED. If the project is almost closed for compliance, please continue the use of this document name or use the new Compliance Forms Packet. Both serve the same purpose.</td>
</tr>
<tr>
<td>MWSSE Utilization Plan/Schedule</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>MWSSE Utilization Plan should be submitted monthly and/or when a change occurs to contract amounts or contractor utilization. MWSSE Utilization Schedule should be submitted at beginning of project and/or when a change occurs.</td>
</tr>
<tr>
<td>Payroll Deduction Authorization</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Refer to instructions on the form.</td>
</tr>
<tr>
<td>Proof of Payment</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Upload 1 document once a month that consists of weekly payroll checks, payroll check stubs, canceled payroll checks, or cash receipts for a given month. Example: 1 uploaded document consists of all weekly cash receipts for the month of March 2016.</td>
</tr>
<tr>
<td>Section 3 Document(s)</td>
<td>Y</td>
<td>0</td>
<td>V</td>
<td>Contractor Compliance Certification, 1st Source Hiring Agreement, Permanent Employee List, Workforce Analysis, Initial Monthly Internal Capacity, Monthly Activity Report, New Hire Form, CGGCA, E-Bid Announcement, &amp; Bid Tabulation.</td>
</tr>
<tr>
<td>Section 3 Utilization Plan</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Section 3 Utilization Plan should be submitted monthly and/or when a change occurs to contract amounts or contractor utilization.</td>
</tr>
<tr>
<td>Shared Compliance Forms</td>
<td>Y</td>
<td>0</td>
<td>V</td>
<td>Shared Compliance Forms consists of: Compliance Cover Sheet, Request for Contractor/Subcontractor Clearance, Start of Work Notice, Termination of Work Notice, Certificate of Appointing Officer, &amp; SAAA Results.</td>
</tr>
<tr>
<td>Subcontractor Agreement</td>
<td>Y</td>
<td>0</td>
<td>V</td>
<td>A copy of the fully executed subcontractor agreement. The purpose to verify, the compliance packet or the HUC-1010 was included in the agreement, along with the applicable CDD(s).</td>
</tr>
<tr>
<td>Tenant File - Relocation</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Use this to upload all relocation documents.</td>
</tr>
<tr>
<td>Timesheet</td>
<td>N</td>
<td>0</td>
<td>V</td>
<td>Upload 1 document once a month that consists of weekly timesheets (7-day workweek to account for all hours worked at all projects) for a given month. Example: 1 uploaded document should consists of weekly timesheets for the month of March 2016.</td>
</tr>
</tbody>
</table>
Upload Documents

Contractor
D. Guad Inc.

Project Name
-- All Projects --

Sub To | Contract ID
-- All Assignments --

Document Type *
-- Select Document Type --

Document Date *

Expiration Date *

Description

Select employee the document relates to if appropriate *

Week and date the document relates to if appropriate *

Comments

Select the file to upload *
Browse...

E-Signature Password *

Cancel  Save

Help
Compliance Forms Packet
Contractor Clearance & SAM Verification

The Prime Contractor must submit a Contractor Clearance form for every contractor and supplier intended to perform on a project.

To verify eligibility of a contractor to work on a federally funded project, a search must be conducted on the following credentials: 1) Company Name, (2) Principal Owner(s) and (3) the Employer Identification Number through www.sam.gov/SAM.

Search results and the Request for Clearance form must be uploaded in LCP Tracker for all contractors and suppliers.

No contract should be executed with a Prime Contractor, Subcontractor or Supplier until their eligibility has been verified.
Request for Prime Contractor/Subcontractor Clearance

No contract can be executed with a Prime Contractor, Subcontractor or Supplier until their eligibility has been verified by HCDD.

<table>
<thead>
<tr>
<th>Date</th>
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<table>
<thead>
<tr>
<th>Project Name</th>
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</table>

<table>
<thead>
<tr>
<th>Project Address</th>
</tr>
</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>Prime Contractor/Sub/Supplier</th>
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</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>EIN or SS Number</th>
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<table>
<thead>
<tr>
<th>Address/Zip Code</th>
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<table>
<thead>
<tr>
<th>Phone Number</th>
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- Sole Proprietorship
- Corporation
- Partnership
- Other

Check the applicable entity

List Principal(s) below:

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

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________________________________________

________________________________________

________________________________________

________________________________________

________________________________________

Instructions:

The Prime Contractor must submit this form within 5 business days of executing a Subcontractor and/or Supplier agreement with bid proposals for approval by HCDD.

To ensure eligibility, a search must be conducted of the (1) Company Name, (2) Principal Owner(s) and (3) the Employer Identification Number (EIN) through www.sam.gov/SAM.

The Prime Contractor verifies the eligibility of all Subcontractors and Suppliers. Search results and the Request for Clearance form MUST be uploaded in LCF Tracker for each Subcontractor and Supplier.

*REQUIRED BY ALL SECTIONS
Contract Agreements

A contract agreement and/or purchase order should be executed with every subcontractor, supplier and professional service provider participating on a project.

Mediation Arbitration language must be included in all contracts with MWSBE firms.
Contract Agreements

A contract agreement and/or purchase order must include the following:

✓ Scope of Work
✓ Contract Amount
✓ Signatures & Dates for Prime & Subcontractor
✓ Address(es) of home(s) – Single Family
✓ Mediation Arbitration Language – if firm is certified
CITY OF HOUSTON CERTIFIED MWSBE SUBCONTRACTING AGREEMENT TERMS

Contractor shall ensure that all subcontracting agreements with MWSBE Subcontractors and suppliers are clearly labeled “THIS CONTRACT IS SUBJECT TO MEDIATION” contain the following terms:

1. __________(MWSBE Subcontractor/Supplier) shall not delegate or subcontract more than 50% of the work under this subcontracting agreement to any other Subcontractor or supplier without the express written consent of the City of Houston’s Office of Business Opportunity.

2. __________(MWSBE Subcontractor/Supplier) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the Subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontracting agreement. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action or the applicable statute of limitations.

3. Within five (5) business days of execution of this subcontracting agreement, Contractor (prime contractor) and Subcontractor shall designate in writing to the Office of Business Opportunity an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

These provisions apply to goal-oriented and regulated contracts as defined in City Code of Ordinances, Chapter 15, Article 5.
Cover Sheet

This form must be completed and submitted within 5 business days upon execution of a contract agreement and/or purchase order by all contractors and suppliers.

The Prime Contractor is responsible for collecting this form to complete contractor setup and access to LCP Tracker.

*HUD’s ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish.
# Compliance Cover Sheet

Return with Compliance Documents *(Complete all fields)*

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>I/We have a written contract or purchase order with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Prime Contractor/Sub/Supplier:</td>
<td></td>
</tr>
<tr>
<td>Services to be provided:</td>
<td>NAICS code [Hint: To look up a code, please visit <a href="http://www.census.gov/eos/www/naics/">http://www.census.gov/eos/www/naics/</a>]</td>
</tr>
<tr>
<td>Company Address:</td>
<td>Pre-existing LCP Tracker User ID:</td>
</tr>
<tr>
<td>EIN or SS Number:</td>
<td>DUNS Number:</td>
</tr>
<tr>
<td>Contract Amount:</td>
<td></td>
</tr>
<tr>
<td>Compliance Contact Person/Title:</td>
<td>Email:</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>Fax Number:</td>
</tr>
<tr>
<td>*Owner's Ethnicity/Racial Background:</td>
<td>Gender:</td>
</tr>
</tbody>
</table>

| MBE | WBE | SBE | Section 3 |

**Instructions:**

- This form must be completed by all Prime contractors, Subcontractors, and Suppliers upon execution of a contract agreement, purchase order and/or invoice.
- *For contracts applicable to Section 3, Suppliers that do not perform labor should NOT complete this form.*
- The Prime Contractor is responsible for collecting this form from Subcontractors and Suppliers to complete setup and access to LCP Tracker.
- *HUD’s ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish.*

*REQUIRED BY ALL SECTIONS*
Utilization Plan

**MWBE Participation Plan** - A Prime Contractor is responsible for submitting an “MWBE Participation Plan” that demonstrates certified firms that will be utilized to meet MWBE goal requirements. This form must be submitted upon procurement of a Prime Contractor.

**Initial Utilization Plan** - A Prime Contractor is responsible for submitting an "Initial Utilization Plan" prior to the start of work including the Owner/Developer and suppliers.

**Monthly Utilization Plan** - Should be submitted once every month or when a change occurs to contractors participation or contract amounts. Supplier & Professional Service Providers are not required to submit a monthly utilization plan.

**Utilization Schedule** - A projection of monies to be allocated to certified firms for each month of the project.

This form is used as an internal control to ensure all contractors including lower tier contractors are reported.
MWSBE Utilization Plan

A Prime Contractor **must** submit an **initial** Utilization Plan when selected and then **once every month and/or when there are changes to utilization and/or contract amounts**. All Subcontractors, Suppliers and Owner/Developers are also required to submit a Utilization Plan **once every month and/or when there are changes to utilization and/or contract amounts**. This form **MUST** be completed by **ALL** Subcontractors and Suppliers working on MWSBE projects at all tier levels.

Reminder: **THIS FORM MUST BE DATED BETWEEN THE 1ST AND 5TH OF EACH MONTH**.

<table>
<thead>
<tr>
<th>1A. DDMM/YYYY</th>
<th>1B. Project Name</th>
<th>1C. Contract Number</th>
<th>1D. Contractor Amount</th>
<th>1E. Prime/Sub Contractor Name</th>
<th>1F. Compliance Contact Name</th>
<th>1G. Compliance Contact Telephone Number</th>
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**NAICS Code (6 digits)** | **Subcontractor/Supplier** | **MWSBE (select drop down: Yes or No)** | **Section 1 Certified (Circle the correct choice)** | **Ethnicity (Refer options below)** | **Description of Service** | **EIN or SS#** | **Contract Amount** | **% of Contract** | **Hard Cost, Soft Cost or Supplier (select the correct choice)** | **Address & Phone Number & Email** |
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*HUD’s ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish.*

***Note: Actual dollar amounts are assumed if the date is in the past, otherwise numbers reflect projected dollar amounts***
Start of Work Notice

This form must be completed by the Prime Contractor, Subcontractors and professional service providers as notice of commencement of work.
Termination of Work Notice

This form must be completed by the Prime Contractor/Subcontractors and professional service providers as notice that work has been completed.
Single Family Prime Contractor Requirements

• Must submit an executed contract agreement, Contract Cover Sheet, Utilization Plan (UP), Start of Work Notice and Termination of Work Notice for every project address;

• Prime Contractor is required to submit a monthly UP on every project by the 5th of every month or as changes occur in subcontractors and/or contract amounts;

• A Request for Contractor/Subcontractor Clearance form and SAM verification is required for each subcontractor, supplier, & professional service provider ONCE throughout program.

• If a contractor has not previously worked under this program and/or has not been verified through SAM.gov, verification records will be required to ensure the contractor is eligible to perform on federally funded projects.
Single Family
Subcontractor Requirements

Subcontractor Requirements (Per Home Address)

• Subcontract Agreements will be required for every subcontractor on every address. A Master Contract Agreement and/or Purchase Orders are acceptable;

• Subcontractors will submit a Contract Cover Sheet, Utilization Plan (UP), Start of Work Notice and Termination of Work Notice for every address;

• Suppliers & Professional Service Providers are required to submit a Compliance Cover Sheet and a Purchase Order or Contract Agreement;
Deviation Request
Deviation Request Requirements

To deviate from the initial MWBE Participation Plan, the request must be submitted in writing to the MWSBE assigned compliance monitor.

A Deviation Request is only required to add or remove a certified MWSBE firm that was initially listed to meet goal requirements.

The request should include Who, What, When and Why a deviation request is necessary.

To remove a firm, the certified firm intended to replace the MWSBE participation credit must be provided.
ONGOING MONITORING
Ongoing Monitoring

Random site visits will be conducted to monitor project activities and contractors participation.

Compliance documents will be compared with information gathered from interviewing employees and site action.

Documents submitted for reporting and monitoring purposes by all contractors will be reviewed for accuracy and compliance with requirements.

The Prime Contractor will be notified of any items identified as non-compliant with a timeframe for correction by the 5th of every month.
A CUF Audit is conducted to determine if MWSBE firms participation credits are being applied according to their actual performance on the project.

An audit will be conducted on each certified firm to ensure contractors are performing in the NAICS code of their certification, using their own forces.
Contractor Performance
Compliance Red Flags

- Prime Contractor fails to meet MWBE goal requirements and does not demonstrate acceptable Good Faith Efforts.
- Prime Contractor fails to submit required compliance documents.
- Prime Contractor fails to review for accuracy and submit.
- Prime fails to review and/or submit accurate compliance documents for subcontractors and suppliers.
- Prime Contractor fails to submit compliance documents for active contractors.
- Compliance Monitor conducts site visit and observes contractors performing that are not including on a Utilization Plan and/or have not submitted required compliance documents.
- Documents not uploaded under document types in LCP Tracker.
- Contractors are not entering or confirming payments in B2GNow.
- Contractors don’t submit timely corrective actions.
**Substantial Non-Compliance**

- **Payment Withholding**
  - If contractors fail to comply with program requirements, the Compliance Monitor may recommend withholding of payment draws.

- **Termination of Contract**
  - If Contractor(s) fails to comply with the terms of the contract documents, HCDD may temporarily suspend/terminate the contract at any time.

- **Suspension, Debarment, Suspension or Limited Denial of Participation**
  - Upon termination, HCDD may also include Contractor(s) on Nationwide Debarred and Suspended List of Contractors.
Pending Close Project Activities
Pending Close Project

• When site activities are completed under contract terms, contractors should submit a Termination of Work Notice.
• The final payment in B2GNow should also be marked “final”.
• Retainage payments must be entered in B2G by contractors with the total amount of retainage being held.
• A project CANNOT be closed with any “Outstanding” compliance audits. Outstanding audits are a result of unconfirmed payments, unreported payments and payment discrepancies.
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Project Closeout & Evaluation
A Closeout evaluation consists of evaluating the Prime Contractor MWBE goal and compliance with program requirements.

Subcontractors performance may impact evaluation ratings of the Prime Contractor.
Resource Links

• 24 CFR 85.36 Federal Procurement

• Chapter 15 Article V of the City of Houston Code of Ordinances
  • https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH15CO_ARTVMIWOSMBUEN

• http://www.houstontx.gov/obo/docsandforms/goodfaithefforts.pdf
QUESTIONS