CHAPTER 10. CONSTRUCTION DOCUMENTS

Section 1. Introduction

10-1. APPLICABILITY. This chapter establishes the requirements for the PHA submission and Field Office review of project construction documents. These assignments apply to projects involving rehabilitation or new construction under either the conventional or turnkey method but do not apply to the acquisition method.

10-2. STANDARD PROCESSING TIME. The standard processing time (SPT) for PHA submission and a decision by the Field Office is one hundred and thirty-five (135) calendar days from the date of the Housing Director's design document approval letter or, if the Field Office approved "one step" processing, the SPT is one hundred and sixty-five (165) calendar days from the date of the Field Manager's PHA proposal approval letter. (See Chapter 3, Section 12 for statutory time-frame requirements).

a. PHA submission. The SPT for PHA submission of construction documents is ninety (90) calendar days from the date of the Housing Director's design document approval letter to receipt of the construction documents by the Field Office. If the "one step" approach was approved, the SPT for PHA submission of construction documents is one hundred and twenty (120) calendar days from the date of the Field Manager's PHA proposal approval letter to receipt of the construction documents by the Field Office. However, if the approved PHA project development schedule has a different date, the construction documents shall be submitted by the scheduled deadline date.

b. Field Office Preview. The SPT for Field Office review and decision on the construction documents is forty-five (45) calendar days from receipt of the construction documents by the PCR Unit to the date of the Housing Director's letter approving or disapproving the construction documents. Each Field Office reviewer is also given an SPT for review of the construction documents and is responsible for notifying the PCR Supervisor if any problems are noted during technical processing that would delay completion of the review by the established construction document review date.

10-3. CONSTRUCTION DOCUMENTS. The PHA shall submit construction documents for Field Office review and approval prior to inviting construction bids (conventional) or executing the contract of sale (turnkey) pursuant to Chapter 11. The construction documents shall be prepared and submitted following Field Office approval of the design documents, unless the PHA was authorized to use the "one step" processing procedures described in paragraph 9-4.
a. New Construction Projects. The PHA construction document submission for projects involving new construction consists of the following:

(1) working drawings and construction specifications;
(2) if applicable, documents for off-site work;
(3) project construction cost estimates;
(4) an architectural certification from the PHA architect or turnkey developer;
(5) turnkey contract documents or conventional bid documents; and
(6) PHA requisition for funds.

b. Rehabilitation Projects. The PHA construction document submission for projects involving rehabilitation is determined at the PHA proposal or design document approval stages following a joint (Area Office, PHA, and PHA architect or turnkey developer) inspection and Area Office approval of the rehabilitation work write-ups. Based on the Area Office determination, the PHA shall submit the documents listed in paragraph a except for the following modifications:

(1) when the interior of the structure is to be "gutted" and there are extensive structural modifications or additions to be made to the existing structure, complete drawings and details (similar to those for new construction) are required;

(2) for projects with minor changes in space arrangement or structural and mechanical systems, drawings showing only the existing conditions and construction specifications for the proposed work (as opposed to complete drawings) are required;

(3) if the rehabilitation can be adequately described in a construction specification format, no drawings are required; and

(4) if drawings are required, they must be adequate to clearly define the concept of the rehabilitation, demolition or removal, rehabilitation, and replacement.
c. Purpose. The construction documents, which become part of the construction contract or contract of sale, prescribe the construction details and specifications of all work to be done under the applicable contract. The construction documents are used by the Area Office to determine that the proposed project will be constructed or rehabilitated in accordance with HUD design and construction standards, including any requirements established by the Area Office at previous processing stages. The construction documents are also used to determine that the project construction cost estimates are within the cost limitations that can be approved by the Area Office.

10-4. AREA OFFICE REVIEW. The PHA construction documents will be reviewed by the Area Office and, upon completion of the review, the PHA will be notified of the Area Office decision. Specifically:

a. Approved. Approval will be given if the construction documents can be approved as submitted.

b. Approved with Conditions. Conditional approval will be given if only minor corrections to the construction documents are required prior to approval. In such instances, the PHA will be advised of any conditions that would have to be satisfied prior to PHA submission of the contract of sale documents (turnkey), or prior to advertising for bids (conventional).

c. Disapproved. Disapproval will be given if the construction documents would require significant corrections to comply with the public housing program requirements or modifications cannot be made without a major change to the original project concept in the approved PHA proposal. In such instances, the PHA will be advised of all reasons for disapproval and, if applicable, what action would be required before the construction documents would be reconsidered by the Area Office.

10-5 thru 10-10. RESERVED.
10-11. GENERAL. This section establishes the requirements for a construction document submission. The PHA is responsible for submitting the construction documents, including those prepared by the PHA architect or turnkey developer. The construction documents shall be based on the approved PHA proposal and shall comply with any conditions established at the PHA proposal stage, the site document stage, and, if applicable, the design document stage. The PHA architect or turnkey developer is responsible for ensuring that the construction documents comply with State and local laws, codes, ordinances and regulations.

10-12. WORKING DRAWINGS. The PHA shall submit three (3) sets of the working drawings and construction specifications that were prepared by the PHA architect (conventional) or the developer (turnkey) in accordance with the requirements of paragraph 10-13 through 10-24. The working drawings shall be accompanied by the following:

a. Project Identification. A cover sheet shall provide a summary description of the proposed project and shall include the following:

   (1) the project number;

   (2) the street address and community for which the project is proposed;

   (3) the name, address, and telephone number for the PHA Executive Director and the PHA architect or the turnkey developer;

   (4) the total number of units, including the number of units for each structure type and unit size (number of bedrooms);

   (5) the total number of buildings, including the number of buildings for each structure type and the number of stories for each building;

   (6) the number of units by household type and unit size for each building;

   (7) the number of parking spaces, including parking lots and pads, carports, and garages; and

   (8) the square feet to be provided for management, maintenance and community spaces, stated separately.
b. Index. The index shall identify each drawing or construction specification by name with the corresponding architectural sheet or page number.

10-13. OFF-SITE WORK. The PHA shall submit a detailed description of any work that is not within the boundaries of the project site but is essential to the proposed project. The documentation (e.g., narrative, drawings, specifications) for any off-site work must show the approval of the responsible local agency.

a. Contract Work. Off-site work to be performed under the construction contract (conventional) or the contract of sale (turnkey) must be clearly described on the plot plan and in the construction specifications. In addition, if the off-site work is being performed by others, the relationship to the proposed project shall be noted on the working drawings, including local agency approval.

b. Work by Local Agency. If the off-sits work is being performed or funded by a local agency, the PHA shall obtain a written statement from each applicable agency indicating:

1. utility (i.e., water, sewerage, gas, electric, telephone) extensions and connections will be in place or under construction before construction is started on the public housing project;

2. other off-site work (e.g., streets, sidewalks) will be in place or under construction before construction is started on the public housing project; and

3. the current status of construction work in progress and the anticipated completion date of all project related off-site work.

10-14. SITE SURVEY. The PHA shall submit a current site survey prepared by a surveyor. Generally, this will be in the form of a dated certification from the surveyor who prepared the site survey (paragraph 6-25) at the PHA proposal stage that the survey was reviewed and it is still current. If changes are noted (e.g., utility or street extensions, unusual subsurface conditions), the surveyor shall be requested to prepare a revised site plat to reflect current conditions.

10-15. SITE PLANS. The PHA shall submit a separate plot plan,
grading plan, and landscaping plan.

a. Plot Plan. The plot plan shall be drawn to a scale of one inch to forty feet (1" = 40') or larger showing:

(1) the North point, property lines, and dimensions;
(2) an outline of adjacent structures and streets;
(3) an outline and dimensions of each structure proposed for the site, including designation of the applicable building and unit floor plans, and distance from other buildings or locating points;
(4) the location and dimensions of any rights-of-way or easements;
(5) the location and dimensions of parking areas, including the number of parking spaces and distance from buildings;
(6) the location and dimensions of other paved areas such as streets, walks, curbs, and drives, including the distance from buildings and identification of the areas to be dedicated for public use and maintenance;
(7) the location and dimensions of site related development, such as patios, steps, ramps, and recreation and sitting areas;
(8) the proposed layout and size of utilities (i.e., water, sewerage, gas, electric and telephone), including distance from buildings, distance to utility lead-ins, and depth from final grades; and
(9) the location and dimensions, if applicable, of lamp posts, lawn hydrants and sprinkler systems, fire hydrants, retaining walls, guard rails, and fences or other similar items.

b. Grading Plan. A separate grading plan shall be submitted only if the required information cannot be clearly shown on the plot plan. The grading plan shall also be drawn to a scale of one inch to forty feet (1" = 40') or larger showing:

(1) the North point, property lines and dimensions;
(2) contours indicating original (dotted line) and final
(solid line) grades;

(3) first floor building elevations and original and final grade elevations at all building corners;

(4) final grade elevations for all entrances, walks, streets or drives, curbs, parking areas, patios or terraces, walls, and steps;

(5) controlling grades and dimensions of all tile lines for terrain and roof drainage;

(6) swales, culverts, catch basins, drain inlets, gutters and curbs; and

(7) invert elevations of main sewers and direction of flow.

c. Landscaping Plan. The landscaping plan shall be drawn to a scale of one inch to twenty feet (1" = 20') showing:

(1) the North point, property lines and dimensions;

(2) an outline and dimensions of each structure proposed for the site;

(3) an outline of paved areas (e.g., streets, walks, parking areas, patios);

(4) the location of existing trees and shrubs, identifying those to be removed;

(5) the location of trees and shrubs to be planted, size (height and spread), in relation to the proposed construction;

(6) an outline of planting beds, including plant species and quantity of plants;

(7) an outline of lawn areas; and

(8) a list of plant materials, including the common plant name, and an identification number with cross reference to the landscaping plan.
a. Basement Details. The plan shall, if applicable, show:

(1) the name and dimensions of each basement area, such as laundry roams, tenant storage space, boiler rooms, craft rooms, equipment rooms, and unexcavated areas;

(2) the basic furniture and equipment layout for non-dwelling areas to demonstrate the adequacy of such spaces;

(3) the area to be used for dwelling units, including a designation of the applicable unit floor plan;

(4) the location of piers, columns, girders, walls and partitions, including dimensions; and

(5) the location and dimensions of doors, windows, halls, lights and switches, drains, and sump pumps.

b. Foundation Details. The plan shall, if applicable, show the location and dimensions of other structural work such as footings, pilings, caissons, or underpinnings.

10-17. BUILDING AND UNIT FLOOR PLANS. The PHA shall submit building floor plans and unit floor plans. The building and unit floor plans may be combined on a single set of drawings provided that they are drawn to a scale of one-quarter inch to one foot (1/4" = 1') and show all required information.

a. Building Floor Plans. Each building floor plan shall be drawn to a scale of one-eighth inch to one foot (1/8" = 1') showing:

(1) the designation of all buildings for which the plan is proposed, with a cross reference to the plot plan;

(2) the designation of all buildings and building floors for which the plan is proposed, with a cross reference to the applicable unit floor plans;

(3) the relationship of dwelling units to each other, including dimensions, partition arrangements and

fenestration of end units, corner units and units at off-sets, and other variations from the typical unit plans; and
(4) the relationship of rooms in adjacent dwelling units, including the material and thickness of separating walls.

b. Unit Floor Plans. Unit floor plans are required for each unit size (number of bedrooms) and major variation thereof and for each structure type. Each unit floor plan shall be drawn to a scale of one-quarter inch to one foot (1/4" = 1') showing:

(1) the designation of each building floor plan for which the unit floor plan is proposed;
(2) the dimensions of each room, closets, and halls;
(3) window locations and door swings, including dimensions and cross-reference to the finish schedule;
(4) stair locations, including dimensions, treads, landings, and handrails;
(5) plumbing fixtures such as sinks, bathtubs, and showers;
(6) kitchen cabinets and equipment;
(7) electrical fixtures such as lights, switches, exhaust fans, receptacles and special power outlets; and
(8) the location of structural, elements such as columns, lintels, joists, girders, and bearing walls, including dimensions, spacing, and direction.

10-18. ROOF PLANS. The PHA shall submit a roof plan for each structure type.

a. Scale. The roof plan shall be drawn to a scale of one-eighth inch to one foot (1/8" = 1').

b. Illustration. The roof plan shall show:

(1) the building designation;
(2) the pitch and direction of slopes;

(3) the relationship and intersection of various roof lines;
(4) projections above the roof, such as parapets, chimneys
and vents; and

(5) the location and dimensions of gutters and downspouts.

10-19. BUILDING ELEVATIONS. The PHA shall submit general and detail building elevations.

a. General Elevations. General elevations shall be drawn to a scale of one-eighth inch to one foot (1/8" = 1') showing:

(1) the building designation;

(2) the exterior design of each building side;

(3) original and final grades at each building side;

(4) floor lines and elevations;

(5) roofs, parapets, cornices, vents, gutters and downspouts; and

(6) an outline of openings (some with doors and windows shown).

b. Detail Elevations. Detail elevations shall be drawn to a scale of one-quarter inch to one foot (1/4" = 1') showing:

(1) the building designation; and

(2) each type of facade detailing the exterior design, including materials, jointing, windows, doors, cornices, and parapets.

10-20. WALL SECTIONS. The PHA shall submit drawings of wall sections showing each type of exterior wall and bearing wall from footings to roof.

a. Outline Sections. Outline sections shall be drawn to a scale of one-quarter inch to one foot (1/4" = 1'). The drawings shall show a cross section of the building and floor levels.

b. Exterior Wall Sections. Exterior wall sections shall be drawn to a scale of three-eighths inch to one foot (3/8" = 1') showing construction details of:
(1) exterior walls, including dimensions at each floor;
(2) foundation walls and footings, including basements;
(3) window heads, sills, and heights;
(4) flashing, furring, waterproofing, insulation, and vapor barriers; and
(5) floor and wall anchorage and bearings.

c. Bearing Wall and Partition Sections. Bearing wall or partition sections shall be drawn to a scale of three-eighths inch to one foot (3/8" = 1') showing construction details of:

(1) bearing walls, including columns, girders, and footings;
(2) interior walls;
(3) floors, ceilings, and roofs, including room height, and attic space; and
(4) the size and spacing of joists, splices, girders, sub-flooring and finished floors.

10-21. DETAILS AND FINISH SCHEDULES. The PHA shall submit detail drawings and finish schedules.

a. Details. Detail sections shall be drawn to a scale of three-eighths inch to one foot (3/8" = 1'), if applicable, showing construction details of:

(1) front and rear entrances, including elevations;
(2) entrance lobbies, including special features;
(3) stairs and landings, including stringers, treads, risers, handrails, newels, and rise, run and headroom;
(4) kitchen and bathroom accessories, such as cabinets;
(5) platforms and areaways; and

(6) special interior and exterior details such as bay windows, dormers or built-in accessories.

b. Door Schedule. The door schedule shall show the size,
thickness, and design of each door with a cross reference to the applicable drawings. Fire doors and approved ratings shall be separately identified.

c. Window Schedule. The window schedule shall show the size, thickness, and design of each window with a cross reference to the applicable drawings.

d. Finishes. The finish schedule shall identify the material or type of floor, wall and ceiling finishes, including moulding or trim.

10-22. STRUCTURAL PLANS. The PHA shall submit plans which include complete structural information.

a. Title. The structural drawings shall be titled, dated, and signed by a registered architect or engineer.

b. Illustration. The structural plans shall show:

(1) general structural design notes such as live and dead loads, seismic zone, table of allowable stress and elasticity for all structural materials, limits of deflection-to-span ratio and other pertinent data;

(2) structural details as necessary to show connection of members, foundations, anchorage, and details of unusual or special structural features; and

(3) achievement of a level of safety against progressive collapse.

10-23. MECHANICAL PLANS. The PHA shall submit separate drawings for each mechanical system. Special mechanical systems such as solar heating and domestic hot water systems and vertical transportation systems shall be separately identified. Information provided in the construction specifications need not be duplicated on the mechanical drawings.

a. Heating System. The drawings for the heating system shall show:

(1) location and size of boilers and furnaces, including the make, model number or type, and net output;

(2) location and layout of supply and return ducts, including sizes, piping, risers, branches, and insulation;
(3) location, size and output of radiators, registers, grills and panels, valves, vents, traps, dampers and other accessories, including the make, model number or type;

(4) location and firing rate of all firing equipment and other system components such as controls, pumps, blowers, and filters, including the make, model number or type;

(5) location of domestic water heating and related system components such as layout and size of piping, control equipment and safety devices, including the make, model number or type; and

(6) system design data, such as outside design temperature, boiler operating temperature, pressure or temperature drops, pump or fan capacities, heat loss, system output, and heat load.

b. Plumbing System. The drawings for the plumbing system shall show:

(1) horizontal sewer and drain system, including soil, waste and vent stacks; branch wastes and vents; drains, cleanouts, traps, and sump pumps; connections to sewer; sizes of all lines and stacks; diagram of typical stack;

(2) cold water distribution system, size of mains and branches, location of hose bibs, valves and drains;

(3) hot water distribution system, including circulating lines and pumps, valves, size of mains and branches; and

(4) gas distribution system, including size of mains, branches, and meters.

c. Electrical System. The drawings for the electrical system shall show:

(1) service lines, primary and secondary distribution, service characteristics and wire sizes;

(2) location and mounting of meters and panels;

(3) interior distribution and wiring of typical dwelling

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units;

(4) lights, receptacles, switches, special purpose cutlets and connections to all equipment if not shown on other plans; and

(5) yard lighting and lighting of all public spaces within the project buildings and grounds.

d. Air Conditioning System. The drawings for the air conditioning system shall show:

(1) the location and cooling capacity of individual cooling units, cooling tower, or compressor, including the rake, model number, and rating;

(2) the location and layout of supply and return ducts, including sizes, piping, insulation, valves, vents, dampers, and controls;

(3) layout of electric wiring and location of motors, fans, pumps, switches, including load requirements; and

(4) system design data such as load requirements, CFM space requirements, blower ratings, inlet and outlet water temperature and water flow rate in GPM.

10-24. CONSTRUCTION SPECIFICATIONS. The PHA shall submit three (3) sets of the construction specifications which define the scope of construction or rehabilitation and establish the quality of materials and workmanship. The construction specifications shall be consistent with the approved PHA proposal and, if applicable, approved design documents.

a. Format. The construction specifications, which may be written in "performance" or "prescriptive" language, shall include:

(1) a cover sheet which identifies the project number, the community, and the name, address and telephone number of the PHA Executive Director, PHA architect or turnkey developer;

(2) an index which identifies each division and section by title and page number, and for each trade a reference to the page number for the main features of the work of that trade;
(3) the sixteen (16) divisions in conformance with the Uniform System for Construction Specifications; and

(4) separate sections describing the work to be done by each of the applicable trades (including landscape work). This shall include descriptions of the "Scope of Work," "Workmanship," and "Materials" and the manufacturer, grade, or model designation of each item of equipment. The description shall also include any specific instructions for coordinating the work with other trades, as well as specific instructions and detailed descriptions of work not clearly evident from the drawings. Cash or lump sum provisions are not acceptable in the construction specifications, since this would limit the responsibility of the contractor to the amount allowed, rather than require completion of the item in question.

b. Content. The construction specifications shall set forth in detail and prescribe the work to be done, the materials, workmanship, finishes, and equipment required for the architectural, structural, mechanical, electrical and site work. In addition, the construction specifications shall:

(1) identify, if applicable two or three comparable products, since the use of comparables can substantially reduce the need for change orders. Building materials need not be specified by brand names and comparables when it is neither customary nor desirable to do so. When there are basic classifications and referenced test control data, materials so classified may be specified as meeting the industry accepted norm. For example, it is preferable to specify that asphalt for use in built-up roof coverings will comply with ASTM D-312 or FS SS-A-666 rather than to use the names of several manufacturers producing such materials.

(2) avoid use of the words "or equal" and general references to the MPS, materials bulletins and releases.

10-25. CERTIFICATIONS. The PHA shall submit a copy of the PHA architect's or turnkey developer's certification which indicates that the following requirements have been met:

a. HUD Standards. The project design, working drawings and construction specifications comply with all HUD design and
construction standards, including the MPS, the public housing program standards, environmental requirements, and requirements for accessibility and usability by the physically handicapped.

b. Building Codes. The project design, working drawings and construction specifications comply with all applicable Federal, State and local laws, codes and ordinances, including any waivers granted by the appropriate local agency.

c. Local Approval. All required approvals and agreements have been obtained from Federal (except HUD), State and local agencies having jurisdiction over the project. This includes, if applicable, agreements from local agencies that are providing funds, equipment and services in support of the public housing project such as:

(1) preventive health care facilities;

(2) central kitchen and dining facilities;

(3) child care facilities;

(4) commercial facilities;

(5) housekeeping services in congregate care facilities; and

(6) other social service programs.

10-26. WAGE REQUIREMENTS. Public housing construction contracts must provide for the payment of prevailing wages as determined by the Department of Labor pursuant to the Davis-Bacon Act. Since the Department of Labor wage determinations may be effective for only 120 calendar days from the date of issuance, the PHA architect or the turnkey developer shall identify the anticipated date for execution of the construction contract (conventional) or the contract of sale (turnkey). This date is critical for determining when the Area Office will request a wage determination from the Department of Labor in order that they are effective on the date of contract execution. In the meantime, informal advice may be obtained from the Cost Chief for purposes of developing project cost estimates.

10-27. PROJECT CONSTRUCTION COST ESTIMATE. The PHA shall submit the project cost estimate prepared by the PHA architect or turnkey developer in accordance with the following:

a. Form FHA 2328. The cost estimates for projects being
developed under the conventional or turnkey methods shall be submitted on the Contractor's and/or mortgagor's Cost Breakdown (Form FHA 2328). This is necessary for the Area Office determination of the project replacement cost.

b. Form HUD 52396. For conventional projects, the PHA architect shall complete the Analysis of Proposed Main Construction Contract (Form HUD 52396) by transferring the applicable cost estimates from the Form FHA 2328 to Column 2 of the Form HUD 52396. If the PHA is required to award separate contracts for general construction and mechanical trades, a separate Form HUD 52396 shall be prepared for the work under each prime trade contract as well as a summary Form HUD 52396 for all construction work.

c. Content. The cost estimate shall be projected to the anticipated contract execution date identified in the PHA project development schedule. Generally, the contract execution date for conventional projects should not exceed five (5) months and for turnkey projects should not exceed three (3) months from submission of the construction documents.

10-28. TURNKEY CONTRACT DOCUMENTS. The PHA, in preparation for the contract of sale conference, shall submit the following information for projects being developed under the turnkey method:

a. Developer's Financing. A statement from the developer's lending institution indicating that the developer will be able to obtain construction financing for the proposed project, as well as the anticipated interest rate.

b. Contract of Sale. The PHA shall prepare the proposed Contract of Sale (Form HUD 53015) and shall identify any proposed modifications to the Form HUD 53015.

c. Development Cost Budget. The PHA shall prepare the proposed Development Cost Budget (Form HUD 52484) for the contract of sale stage in accordance with Chapter 3, Section 14. The Form HUD 52484 shall be based on the turnkey developer's construction document price and shall include all applicable PHA costs.

d. PHA Insurance. The PHA shall prepare a statement indicating that it has or will obtain any required insurance pursuant to Chapter 3, Section 3.

10-29. CONVENTIONAL BID DOCUMENTS. The PHA shall submit the bid
documents identified in this paragraph for projects being developed under the conventional method. The PHA and the PHA architect shall ensure that these documents comply with State and local laws, codes, and regulations governing the public solicitation of bids. Any modifications required to comply with local bidding requirements shall be discussed with the Area Counsel to ensure that such changes are not in conflict with Federal laws or regulations.

a. Invitation for Bids. The invitation for bids shall be prepared in the form prescribed by the Area Office for public advertising and solicitation of bids.

b. Instructions to Bidders. The Instructions to Bidders (Form HUD 5369) shall be used to inform interested contractors of the general bidding requirements, responsibilities of each party, and the factors to be considered in determining the successful bidder.

c. Construction Contract. The construction contract shall be prepared in the form prescribed by the Area Office and shall include the General Conditions (Form HUD 5370). In preparing the construction contract, consideration shall be given to the following:

   (1) Changes: Any changes in the General Conditions shall be made by appropriate amendment written into the Special Conditions. Since some provisions of the General Conditions reflect Federal statutes, Executive Orders or established HUD policy and must be incorporated verbatim and without qualifications, proposed modifications should be discussed with the Area Counsel before they are drafted. The PHA is responsible for recognizing a need for modification of the printed General Conditions and also for conforming the contract documents with State and local laws, codes, ordinances and regulations.

   (2) Separate Construction Contracts: Main construction work shall be performed under a single construction contract unless otherwise approved by the Area Office. If the PHA proposes to obtain separate bids for portions of the work, the request for Area Office approval should be accompanied by evidence that the proposed method is required by State law or that it is in the best interest of the development of the project. Under the laws of some States, public
works contracts must be made separately for general construction, mechanical, and other specific trades. The PHA shall determine whether local requirements of this type are applicable to its contracts and shall inform the Area Office of the basis of this determination. Where separate bidding is used, it is most important that the scope of work under each contract be clearly defined without gaps or overlapping of work specified in related contracts.

(3) Project Completion Time: A realistic construction period should be determined for the contract. Such things as type of construction, project size and location, season and prospective weather conditions, availability of skilled labor and materials should be considered.

(4) Liquidated Damages: A liquidated damages rate should be established which will reasonably approximate the loss which might be sustained by the PHA through failure of the contractor to complete the project on time. This includes loss of rental income, increased administrative costs, interest and carrying charges, and other expenses related to the period of delay in delivery of the project. An unreasonably high rate of liquidated damages may discourage bidders, may result in higher bids, and may be construed as a penalty. An unreasonably low rate may encourage late completions.

(5) Wage Requirements: The Davis-Bacon wage rates determined by the Department of Labor and provided by the Area Office must be incorporated in the Special Conditions without modification. To avoid delay in preparation of the contract package, it is desirable to incorporate the wage rates by addendum. All documentation should be prepared so as to permit inclusion of the wage rates as soon as they are received.

(6) Equipment: Equipment such as ranges, water heaters and refrigerators may be acquired through the HUD Consolidated Supply Program, through separate contracts, or included in the main construction contract. Use of either of the first two methods is recommended. If dwelling equipment is not to be included in the main construction contract, the contract must include proper provision for
reception of the items and appropriate coordination clauses. If the equipment is purchased by methods other than the Consolidated Supply Program, the PHA should ensure that price and warranty are equivalent to that available through the Consolidated Supply Program.

(7) Demolition: Whenever feasible, demolition work should be included in the main construction contract. If this is not done, the standard bidding documents may be used with minor modifications for demolition work. Since there may be salvage value, the form of bid should allow for the possibility of a sum being deducted (equal to the salvage value) from the amount to be paid to the contractor.

10-30. PHA REQUISITION. Upon approval of the construction documents, the PHA may incur additional financial obligations. If funds will be required, a Requisition for Funds (Form HUD 5402), a Request for Approval of Advances for Non-Permanently Financed Projects (Form HUD 5216), and a detailed justification should be submitted as part of the construction documents. The amount requisitioned should be sufficient to meet anticipated obligations within the first 90 days after approval.

10-31 through 10-40. RESERVED.

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Section 3. Processing Control and Reports Unit Review

10-41. STANDARD PROCESSING TIME. The standard processing time (SPT) for the PCR Unit is three (3) calendar days from receipt of the construction documents by the PCR Unit to initiation of the Area Office staff reviews.

10-42. CONSTRUCTION DOCUMENT FILE. The original of all PHA construction documents (except rolled plans and specifications) and reviews shall be maintained by the PCR Unit in a project construction document file. The file shall include a copy of the PCR Supervisor's memorandum establishing the construction document receipt date, the construction document review date, and the names of the Divisions or Branches requested to review the construction documents. In addition, all completed review checklists and, if applicable, any accompanying memoranda shall be date stamped and retained in the project construction document file. The official file copy of rolled plans and specifications shall be retained by the AE Branch.

10-43. CONSTRUCTION DOCUMENT DISTRIBUTION. The construction documents
will normally be reviewed only by the Area Counsel and Branches within the Housing Division. The MHR, following initial screening, will advise the PCR Supervisor if any other reviews are required. The PCR Unit shall make copies of the construction documents, or parts thereof, for each reviewing Branch. The PCR Supervisor, within one (1) working day, shall send a form memorandum transmitting the construction documents and the applicable review checklist to each reviewer indicating:

a. Construction Document Receipt Date. The date the construction documents were received by the PCR Unit.

b. Construction Document Review Date. The date the review checklists, comments and recommendations are due in the PCR Unit from each Branch Chief.

c. Staff Recommendations. If applicable, the Branch Chief's recommendations shall be accompanied by a memorandum which:

(1) if conditional approval is recommended, identifies all conditions that must be satisfied prior to the invitation for bids (conventional) or the contract of sale conference (turnkey); or

(2) if disapproval is recommended, identifies all reasons for disapproval and, if applicable, the action required before the construction documents would be reconsidered by the Branch.

d. Development Cost Budget. Each applicable Division Director or Branch Chief shall review the proposed Development Cost Budget (Form HUD 52484) in accordance with Chapter 3, Section 14. Each Branch Chief's recommendations concerning the Form HUD 52484 shall be sent directly to the Mortgage Credit Chief with a copy to the PCR Unit.

10-44. CONSTRUCTION DOCUMENT PROCESSING AND TRACKING. The PCR Unit shall monitor Area Office processing actions to determine that the reviews will be completed by the established construction document review date.

a. Periodic Status. The PCR Supervisor shall contact each Branch Chief periodically to ensure that their review recommendations will be submitted by the construction document review date. The PCR Supervisor shall immediately notify the MHR of any missing information noted by the reviewers and any problems observed that would delay
completion of the Area Office review.

b. Final Recommendations. The PCR Supervisor shall forward the completed review checklists, comments and recommendations to the MHR immediately upon receipt. The PCR Supervisor shall also advise the MHR of any reviewers that have not submitted their recommendations by the established construction document review date so that follow-up action may be initiated.

10-45 thru 10-50. RESERVED.

Section 4. Legal Division Review

10-51. STANDARD PROCESSING TIME. The standard processing time (SPT) for the Legal Division review of the construction documents is ten (10) calendar days from the construction document receipt date to submission of the Area Counsel's recommendations and completed review checklist to the PCR Supervisor.

10-52. CONVENTIONAL BID DOCUMENTS. The Area Counsel shall review the contract and bid documents submitted for projects being developed under the conventional method. The Area Counsel shall ensure that all statutory and legal requirements have been met and that the documents are acceptable for the PHA to invite construction bids.

10-53. TURNKEY CONTRACT OF SALE. The Area Counsel shall review the proposed contract of sale submitted for projects being developed under the turnkey method. The Area Counsel shall ensure that all statutory and legal requirements have been met and that the contract of sale is acceptable for execution by the PHA and the turnkey developer.

10-54. CERTIFICATIONS. The Area Counsel shall review the PHA architect's or turnkey developer's certification that the project complies with all HUD standards, building laws and that all local approvals have been obtained, to determine whether it is acceptable.

10-55 thru 10-60. RESERVED.
Section 5. Multifamily Housing Programs Branch Review

10-61. STANDARD PROCESSING TIME. The standard processing time (SPT) for the MHP Branch review of the construction documents is forty (40) calendar days from the construction document receipt date to preparation of a construction document approval (or disapproval) letter for the Housing Director's signature.

10-62. CONSTRUCTION DOCUMENT REVIEW. The MHR shall review the PHA submission within three (3) calendar days.

a. Initial Screening. The construction documents shall be reviewed to determine whether all documentation required by Section 2 has been submitted by the PHA and whether the construction documents are generally consistent with the public housing program requirements, including any conditions or requirements established in the PHA proposal, site acquisition and design document approval letters.

b. Additional Reviewers. The MHR, based on the initial screening and advice from Housing Division Branch reviewers, shall advise the PCR Supervisor if any reviews outside of the Housing Division (e.g., Environmental Clearance Officer) are required.

c. Stop Technical Processing. The MHR shall advise the PCR Supervisor to notify all reviewers to stop technical processing if any significant omissions, problems or variations are detected during initial screening and shall prepare a letter advising the PHA of changes required prior to reconsideration by the Area Office.

10-63. WAGE REQUIREMENTS. The Area Office is responsible for furnishing Department of Labor wage determinations to the PHA. Since these determinations may expire or be modified, the following responsibilities and timing are crucial to successful project development.

a. Responsibilities. The Labor Relations Staff is responsible for requesting a schedule of Davis-Bacon wage rates from the Department of Labor (see Labor Standards, All Programs, HUD Handbook 1340.3A). The MHR is responsible for advising the Labor Relations Staff to submit the Area Office request to the Department of Labor in time to support the PHA project development schedule.
b. Timing. Unless the PHA has requested an alternative time frame, the MHR's advice to the Labor Relations Staff shall be based on:

(1) Turnkey: Turnkey projects should proceed quickly to final negotiation and contract of sale after approval of the construction documents. The MHR should request wage rates on an expedited basis upon receipt of the construction documents.

(2) Conventional: Conventional projects will take considerably longer to begin construction than turnkey projects due to bidding and contract award requirements. Wage rates should be requested in time so that they may be included in the PHA's invitation for bids.

(3) Status of Documents. The MHR should consult reviewers very early in the construction document review period to assess the extent of required modifications. If many changes will be required, the MHR should delay advising the Labor Relations Staff until most of the problems are resolved.

10-64. EVALUATION OF REVIEW COMMENTS. The MHR shall evaluate the recommendations and findings submitted by all reviewers to determine that there are no recommendations for disapproval or conflicting comments. The MHR shall, to the extent possible, reconcile any differences and shall prepare a summary of the review comments. This summary shall include a discussion of any recommended conditions for approval, reasons for disapproval, and recommendations of action to be taken to resolve any negative findings. Upon completion of this evaluation, the MHR shall prepare a letter for the Housing Director's signature notifying the PHA of construction document approval (paragraph 10-132a) or disapproval (paragraph 10-132b).

10-65 thru 10-70. RESERVED.

10-71. STANDARD PROCESSING TIME. The AHM Branch will review the project at this stage only if no separate design document submission was made. The standard processing time (SPT)
for the AHM Branch review of the construction documents is

ten (10) calendar days from the construction document
receipt date to submission of the AHM Chief's recommendations
are completed review checklist to the PCR Supervisor and
the AE Chief.

10-72. WORKING DRAWINGS. The AHM Branch shall review the building
floor plans, mechanical drawings and, if applicable, the
basement plans. The AHM Chief, based on this review, shall
determine whether the location, layout, and amount of
maintenance, management, and community space is adequate
and is consistent with the PHA proposal, including any
changes identified in the Area Manager's PHA proposal approval
letter.

10-73. PROJECT CHANGES. If applicable, the AHM Branch shall review
any proposed changes in the utility combination, and any proposed
changes in materials or equipment, to determine that they will
not reduce efficiency and economy in PHA maintenance and
operation over the life of the project.

10-74 thru 10-80. RESERVED.

Section 7. Architectural and Engineering Branch Review

10-81. STANDARD PROCESSING TIME. The standard processing time (SPT)
for the AE Branch review of the construction documents is
twenty (20) calendar days from the construction document
receipt date to submission of the AE Chief's recommendations
and completed review checklist to the PCR Supervisor
and the Cost Chief. The timely completion of this review
is critical to permit consideration of the AE Branch
recommendations and findings by the Cost Chief.

10-82. WORKING DRAWINGS. The design representative shall review
the working drawing to determine that they are suitable
for processing to the contract of sale (turnkey) or
invitation for bids (conventional) and subsequent project
construction or rehabilitation. In making this determination,
the design representative shall ascertain that the
working drawings are complete, that all conditions and
mandatory requirements established at prior processing
stages have been included and that the project will be
developed in compliance with HUD design and construction
requirements.

10-83. CONSTRUCTION SPECIFICATIONS. The design representative shall
review the construction specifications to ensure that they
provide for all construction work, materials and equipment identified on the working drawings. For projects involving rehabilitation, the design representative shall ascertain that the specified work, materials and equipment are suitable for rehabilitating each dwelling unit and all non-dwelling spaces. In determining the adequacy of materials and equipment, consideration shall be given to the purchase price, installation cost, and maintenance cost upon completion of the project.

10-84. CONVENTIONAL BID DOCUMENTS. The design representative shall review the bid documents submitted for conventional projects to determine that they comply with the public housing program requirements and clearly identify all work to be done.

10-85. FORM FHA 2264. The design representative shall review the Rental Housing Project Income Analysis and Appraisal (Form FHA 2264) prepared at the design document stage to determine that the information identified in Sections A and B is still valid for the proposed project. The design representative shall prepare a new Form FHA 2264 (incorporating any approved changes) for use by the Cost Branch in updating the construction cost estimates.

10-86. PHA ARCHITECT'S CONTRACT. The design representative shall review the work completed by the PHA architect to determine that it complies with the PHA architect's contract. If all work has been satisfactorily completed to this point, the AE Chief's recommendation shall indicate that the PHA is authorized to pay its architect the fee specified in the PHA architect's contract for the completed work.

10-87 thru 10-100. RESERVED.

10-101. STANDARD PROCESSING TIME. The standard processing time (SPT) for the Cost Branch review of the construction documents...
is twenty-five (25) calendar days from the construction
document receipt date to submission of the Cost Chief's
recommendations and completed review checklist to the PCR
Supervisor and the Valuation Chief. The timely completion
of this review is critical to permit consideration of the
AE Branch and Cost Branch recommendations and findings by
the Valuation Chief.

10-102. DWELLING CONSTRUCTION AND EQUIPMENT COST. For projects
involving new construction, the Cost Branch shall review
the estimates for dwelling construction and equipment to
ensure that they do not exceed the adjusted base project
prototype cost. This is determined as follows:

a. Base Project Prototype Cost. The Cost Branch shall use
the base project prototype cost developed when the Area
Office request for proposals was prepared unless
revisions were made pursuant to paragraph 7-83.

b. Prototype Cost Adjustment Factor. The Cost Branch,
using a commercial construction cost index (e.g.,
Boeckh or Marshall Swift), shall determine the
actual changes in construction costs between the month
of publication of the unit prototype cost (used to
develop the base project prototype cost) and the scheduled
month for execution of the construction contract or
contract of sale. The base project prototype cost shall
be multiplied by the prototype cost adjustment factor to
determine the maximum amount that may be approved for
dwelling construction and equipment at the contract award
stage.

c. Cost Limitation. Projects exceeding the adjusted base
project prototype cost shall not be approved. However,
if one of the conditions identified in paragraph 7-83c
exists, consideration may be given to approving such
projects provided that the cost is less than 110 percent
of the adjusted base project prototype cost.

10-103. PROJECT CONSTRUCTION COSTS (IMPROVEMENTS). For projects
involving new construction or rehabilitation, the Cost Branch
shall prepare an independent construction cost estimate for
comparison with the Contractor and/or Mortgagor's Cost Breakdown
(Form FHA 2328) as follows:

Work Sheet (Form FHA 2325) and a Project cost Estimate
(Form FHA 2326) shall be prepared using the procedure
identified in Cost Estimation for Project Mortgage Insurance (HB 4450.1) and in the Multifamily Underwriting Reports and Forms Catalog (HB 4480.1). The cost estimates shall be projected to the contract execution date identified in the PHA submission.

b. Form FHA 2264. The cost information developed on Forms FHA 2325 and 2326 shall be transferred to Section G of the revised Rental Housing Project Income Analysis and Appraisal (Form FHA 2264) which was originated by the AE Branch.

10-104. TURNKEY DEVELOPER'S PRICE. The Cost Branch shall prepare an analysis of the turnkey developer's price for use by the Valuation Chief.

a. Developer Delays. If applicable, the Cost Branch shall determine the extent (number of months) of any delays that were caused by the turnkey developer.

b. Adjusted Developer's Price. The Cost Branch shall prepare an independent update of the developer's turnkey proposal price as follows:

(1) determine the actual change in construction cost between the deadline date specified in the RFP for the applicable turnkey proposal and the construction document receipt date;

(2) multiply the average monthly change by the number of months from the construction document receipt date to the anticipated date of execution of the contract of sale;

(3) if applicable, multiply the monthly change in construction costs by the number of months resulting from developer caused delays; and

(4) multiply the developer's turnkey proposal price by the cost adjustment factor (excluding developer caused delays) for each item of the developer's price except site (property) and interest during construction.

10-105. TOTAL DEVELOPMENT COST. For projects involving rehabilitation, the Cost Branch shall review the TDC previously provided to the Valuation Branch. If applicable, a revised estimate shall be
Section 9. Valuation Branch Review

10-111. STANDARD PROCESSING TIME. The standard processing time (SPT) for the Valuation Branch review of the construction documents is thirty (30) calendar days from the construction document receipt date to submission of the Valuation Chief's recommendations and completed review checklist to the PCR Supervisor and the Mortgage Credit Chief.

10-112. PROJECT REPLACEMENT COST. The Valuation Branch shall complete Section G (lines 51 thru 74, excluding lines 56 thru 59 which apply to mortgage insurance programs) of the revised Rental Housing Project Income Analysis and Appraisal (Form FHA 2264) transmitted by the Cost Branch and shall determine if the project construction costs are reasonable. The cost estimates shall be projected to the contract execution date identified in the PHA submission.

a. Conventional Projects. The lower of the following is the maximum project cost amount that can be approved:

(1) the PHA architect's cost estimates; or

(2) the project replacement cost identified on Form FHA 2264.

b. Turnkey Projects. The lower of the following is the maximum project cost amount that can be approved:

(1) the revised developer's price submitted by the turnkey developer with the construction documents;

(2) the developer's turnkey proposal price as updated by the Cost Branch (paragraph 10-104); or

(3) the project replacement cost identified on Form FHA 2264.

c. Cost Revisions. If the Area Office cost limitation is the lower amount, the Valuation Chief shall promptly notify the designated MHR to schedule a meeting with the PHA and the PHA architect or turnkey developer. The purpose of this meeting is to discuss cost differences in detail to
ensure that there is no misunderstanding of the work identified in the construction documents on which the cost estimates are based. If applicable, a revised Form FHA 2264 shall be prepared based on agreements reached at the meeting.

10-113. TOTAL DEVELOPMENT COST. The Valuation Branch shall review the TDC (including relocation costs) for a project involving rehabilitation to determine that it does not exceed ninety (90) percent of the Cost Branch estimate for a comparable newly constructed project (paragraph 10-105).

10-114 thru 10-120. RESERVED.

10-121. STANDARD PROCESSING TIME. The standard processing time (SPT) for the Mortgage Credit Branch review of the construction documents is thirty-five (35) calendar days from the construction document receipt date to submission of the Mortgage Credit Chief’s recommendations and completed review checklist to the PCR Supervisor.

10-122. TURNKEY DEVELOPER CAPABILITY. The Mortgage Credit Branch shall review the submission of evidence that the turnkey developer will be able to finance the completion of the improvements to ensure that it is acceptable.

10-123. DEVELOPMENT COST BUDGET. The Mortgage Credit Branch shall review the Development Cost Budget (Form HUD 52484) in accordance with Chapter 3, Section 14. The financial analyst shall determine whether any differences in the various accounts between the design document budget and the construction document budget are reasonable. If there is a major difference for any account, the PHA justification shall be reviewed and, if necessary, discussed with the reviewing Division or Branch responsible for the cost item in question. Upon completion of the Area Office review, the Mortgage Credit Chief shall conform the Form HUD 52484 to reflect the Area Office staff
recommendations.

10-124. PHA REQUISITION FOR FUNDS. The Mortgage Credit Branch shall review any PHA submission of Forms HUD 5216 and HUD 5402 and related documentation pursuant to Chapter 7, Section 11. In consultation with other reviewers, as necessary, the Mortgage Credit Branch shall ensure that the amounts requested are properly justified by the PHA and are reasonable for the ninety (90) day period. Following approval, the requisition documents shall be distributed pursuant to paragraph 7-115.

10-125 thru 10-130. RESERVED.

Section 11. Construction Document Approval

10-131. STANDARD PROCESSING TIME. The standard processing time (SPT) for the Housing Director's approval of the construction documents is forty-five (45) calendar days from the construction document receipt date to dispatch of the Housing Director's letter to the PHA.

10-132. PHA NOTIFICATION. The MHR, upon completing an evaluation of the Area Office review recommendations, shall prepare a letter for the Housing Director's signature notifying the PHA of the Area Office decision:

a. Construction Document Approval Letter. A construction document approval letter shall state:

(1) for all development methods,

(a) the project number, the number of units, the housing type and household type and the development method;

(b) the estimated date by which the Davis-Bacon wage rates requested from the Department of Labor will be available; and

(c) any conditions that must be satisfied and approved by the Area Office prior to the invitation for bids (conventional) or execution of the contract of sale (turnkey);

(2) for conventional projects if no conditions or modifications are required,

(a) authorize the PHA to publish the invitation
for bids upon receipt of the Davis-Bacon wage rates; and

(b) authorize the PHA to pay the PHA architect for completed work;

(3) for turnkey projects if no conditions or modifications are required,

(a) notify the PHA to arrange a date with the turnkey developer, that is within three (3) weeks of the date of the Housing Director's

letter, for a contract of sale conference to be held in the Area Office; and

(b) transmit a copy of the proposed contract of sale and the Development Cost Budget (Form HUD 52484), with an explanation of any changes made by the Area Office.

b. Construction Document Disapproval Letter. A construction document disapproval letter shall:

(1) identify the project number, the number of units, housing type, household type, and development method;

(2) state the reasons for disapproval and list required changes;

(3) advise the PHA that revised construction documents will be considered if resubmitted within thirty (30) calendar days of the Housing Director's letter;

(4) advise the PHA to submit, within thirty (30) calendar days of the Housing Director's letter, a Development Cost Budget (Form HUD 52484) identifying the actual costs incurred for the project as of the date of the Housing Director's letter; and

(5) notify the PHA that the project will be terminated if revised construction documents are not received by the deadline date, and that in the event of such termination the funds (excluding actual costs identified by the PHA before the thirty (30) day deadline date) are withdrawn.
10-133. PROJECT TERMINATION. The PCR Unit, upon receipt of the PHA Development Cost Budget (Form HUD 52484) or thirty (30) days from the date of the Housing Director's letter, shall notify the MHR. The MHR, in conjunction with the Mortgage Credit Chief, shall review the Form HUD 52484 and request the PCR Supervisor to prepare a Project Accounting Data (Form HUD 52540) indicating that the project is being terminated and prepare a letter to the PHA for the Area Manager's signature indicating that the funds have been withdrawn and that an amended ACC is being prepared to reflect actual costs incurred by the PHA. Upon receipt of the Area Manager's letter and RAD confirmation, the PCR Supervisor shall dispatch the letter and notify the MHP Chief so that processing may be started for pipeline applications.