

LA State is setting construction prices, what happens when market prices rise above Xactimate Economy prices?



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For any Scope of Work that has not been issued, OCD-DRU may reflect updated prices based on yearly review of Xactimate prices.

Item #1:

Contractor Comment:

Since the State is setting prices (Xactimate), how does the State intend to handle situations where market prices rise above Xactimate? Will the State raise rates to induce performance, or is the CM at risk for performing regardless of market conditions? If the CM is at risk, will the CM be allowed to keep any monies generated from under runs (subs who agree to perform below market rates)?

OCD-DRU Response:

For any Scope of Work that has not been issued, OCD-DRU may reflect updated prices based on yearly review of Xactimate prices.

Item #2:

Contractor Comment:

It is common after a disaster for prices of materials and labor to increase drastically due to demand. Even though Xactimate does typically account for increase in construction prices there is normally a lag before those prices are adjusted appropriately. Once the program starts will the SPM use the price list given at that time without adjustments later or will the price list adjust as area prices increase?

OCD-DRU Response:

The prices are/have been accounted for in Xactimate which is why OCD-DRU is using March 2017 and not August 2016. The prices will be monitored and possibly adjusted yearly for applicants with SOW not yet issued, if significant changes are noted.

Item #3:

Homeowner Email Question to info@restore-la.org

Subject: Homeowner Manual Update from version 3.1 new Xactimate prices

When is the new Homeowners Manual going to be published with the new Materials and Labor price list that updates the Xactimate May 2017 price list ? (LABRSX_MAY17RLA1)

I read that it's to be updated once each year.

Thank You

Reply From info@restore-la.org

Thanks for reaching out.

Per program policy on Sources of Cost Estimating Data, "The Program will use Xactimate pricing data as of May 2017 to estimate the cost of repairs."

More information on Xactimate pricing can be found on page 58 of the Restore Louisiana Homeowner Assistance manual (using page numbers in the bottom right corner), which you can access here:

[THE RESTORE LOUISIANA HOMEOWNER ASSISTANCE PROGRAM](#)

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If you have any outstanding, case-specific questions, feel free to reach back out to us and please provide the Account ID or last name and damaged address associated with your account so that we may review the details of your case.

Thank You,

Applicant Relations Team

Item #4

Contractor Comment:

Estimates shall be developed using the Xactimate software cost estimating tool, which will provide the maximum SOW calculation.

a. In other areas of this RFP, it states that Xactimate will be hosted by the State of LA. Is it the intention of the State to contract directly with Xactware to provide a hosted service rather than to require the Contractor to procure the necessary licenses and maintain service directly with Xactware?

OCD-DRU Response:

Contractor required to procure the software license / subscription.

Item #5

Contractor Comment:

The definition of "Solution 3" includes the following language: "The Contractor would be charged with verifying invoices, applying reasonable cost standards to the invoices and paying the homeowner the amounts due, less any duplicate benefits received by the homeowner." This language is repeated in Attachment I, Section I "Overview". In the draft policies and procedures included as Attachment VII, Section 9, subsections b "Award Structure" and c "Reimbursement", the method for calculating a reimbursement

award is "calculated based on the scope of completed repair work on a home prior to application to the program (reimbursement) ... less any duplication of benefit." and "Eligible expenses are calculated established from building industry software prices not actual expenses incurred by applicant." The policy suggests that reimbursement awards will be calculated based on valuation procedures using Xactimate estimates and standard approved pricing, whereas the RFP document alludes to receipt verification. Can you clarify whether an Xactimate valuation method or receipt verification method will be required?

OCD-DRU Response:

This will be done based on Xactimate estimates with a combination of some documentation requirement but not necessarily individual receipts.

Item #6

Contractor Comment:

Section 20 – Labor Standards state, "...the Davis-Bacon and Related Acts (29 CFR Parts 1, 3 and 5), the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.) 24 CFR 570.603, and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as apply to the performance of this contract."

Please confirm whether Davis Bacon Wage Determination is or is not required of the Contractor along with related Certified Payroll Reporting. If required, please provide Wage Determination Rate sheets for each applicable Parish and/or cities inclusive of this program. Also, if required, we request that the Xactimate pricing structure reflects these requirements.

OCD-DRU Response:

Davis Bacon is not applicable to any construction activities covered by this RFP.

Item #7

Contractor Comment:

There are several references to negotiation of program and contract terms upon selection and award of the Contractor. Is there a set duration for negotiations / clarifications?

Will final Xactimate selections and rates be determined and agreed to during this duration?

OCD-DRU Response:

There may be changes in Xactimate pricing throughout the term of the Program but it is anticipated to have a working first Xactimate policy ready at the time of program implementation.

Item #8

Contractors Comment:

Section Number: Attachment I, General Requirements for solutions 1, 2 and 3 Paragraph Number: Paragraph 1 Page Number: 41 of 184

Question:

a. Does the State expect the contractor to purchase a new license and instance of Xactimate or use the State's current license?

OCD-DRU Response:

OCD-DRU expects the contractor to purchase the most efficient and economical way to support Xactimate under this program. Cost approved by the state will be considered as ODCs

b. If the contractor purchases new licenses, will the cost be submitted as an ODC to include any purchased support from Xactimate?

OCD-DRU Response:

RFP Contractor should negotiate support in the license agreements. Cost approved by the state will be considered as ODCs

Item #9

Contractor Comment:

Section: Attachment II

Paragraph: Paragraph 1

Page Number: 68 of 184

Question: "the OCD-DRU shall pay the Contractor the approved pre-construction Xactimate SOW price." Is payment to be made including approved changes/over-runs, or only for the original Xactimate SOW?

OCD-DRU Response:

It will include approved change orders. Once the RFP Contractor has received approval, the RFP Contractor will be able to request funds.

Issue, no change since May 2017 to the Cost Estimating Software Xactimate.

Resources:

- *OCD-DRU RFP #107140-047 RESTORE LOUISIANA (ReLa) Program Written Inquiries (432978385.pdf)*

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