

CONTRACTOR HANDBOOK

OUR PROGRAM
ADDRESS
CITY, STATE, ZIP

ISSUED: _____, 2001

OUR PROGRAM
HOME IMPROVEMENT PROGRAM
CONTRACTOR'S HANDBOOK

FORWARD

Thank you for your interest in becoming one of our prequalified contractors. Our Program depends upon the skills and attitudes of our contractor partners for its continued success.

The purpose of this Document is to:

1. Describe the procedures to be used while working on properties financed by Our Program's Home Improvement Program.
2. Provide helpful information and familiarity with the forms which are used in the Program.

All holders of this Handbook are expected to familiarize themselves with the Guidelines and to follow the procedures, instructions and standards contained which will lead to high quality work and efficient operation.

When new procedures are developed and changes are made to current procedures, copies will be issued for inclusion in the Handbook to all contractors on our bidder's list.

If you have any questions concerning our procedures, please contact Our Program at 123-123-1234.

Chairman of Board
Our Program

OUR PROGRAM
STREET
CITY, STATE, ZIP
PHONE NUMBER

CONTRACTOR'S HANDBOOK

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**OUR PROGRAM
ORGANIZATIONAL CHART**

PHONE NUMBER

CHAIRPERSON _____

BOARD MEMBERS

EXECUTIVE DIRECTOR _____

REHAB MANAGER _____

REHAB SPECIALIST _____

LOAN PROCESSOR _____

ADMINISTRATIVE ASSISTANT _____

GENERAL INFORMATION & CONTRACTOR REQUIREMENTS

I. REQUIREMENTS TO ENTER CONTRACTOR REGISTRY

A. Basic Requirements

To be eligible for participation in Our Program’s Rehabilitation Programs, a General Contractor must:

- Submit a Contractor’s Profile Form which provides information regarding company structure, financial ability to undertake a project, name of insurance carrier(s) for General Liability, Auto and Workers Compensation coverages, names of principle suppliers/subcontractors, work specialties, and work references.
- Possess “tools of the trade” which include basic contracting tools, and vehicle for transporting materials, tools and accessing the property.
- Have an acceptable past performance record

B. Insurance Requirements

To participate in Our Program, General Contractors must provide a Certificate of Insurance from his/her insurance carrier, with an absolute minimum cancellation provision of ten days, certifying the insured is the General Contracting firm, which has insurance in force with at least the following types and amounts of coverage:

<u>Class of Coverage</u>	<u>Bodily Injury</u>	<u>Property Damage</u>
<u>General Liability</u>		
• Manufacturer’s & Contractors (Including coverage for SCU hazards)		
• Independent Contractors	\$300,000 ea. occurrence	\$100,000 ea. occurrence
• Products incl Completed Operations	300,00 aggregate	100,000 aggregate
• Hold Harmless (Contractual)		
• Auto - owned, hired or leased	300,000 ea. person 300,000 ea. occurrence	100,000 ea. occurrence
• Worker’s Compensation	As required by law	

The Certificate of Insurance must be presented to this office prior to any contract award.

C. Lead Hazard Reduction

All work performed on lead-containing surfaces must conform to lead-safe practices and be completed by workers who are either supervised by an EPA-certified abatement supervisor or be performed by workers trained in lead-safe work practices. If abatement options are specified in the work write-up, the contractor must hire an EPA-certified and state-licensed abatement contractor and submit proof of their current state license.

D. Contractor Selection Process

Bids on rehabilitation projects will be requested from contractors upon invitation from the owner. The Rehabilitation Specialist will prepare a computer generated work write-up, which will be provided to the Homeowner as part of a bid package.

The bid package will include a list of contractors who have expressed an interest in bidding such projects, have performed acceptable work for Our Program within the last year, and have a current certificate of insurance on file. It is the Homeowner's responsibility to contact contractors of their choice, either from the contractors list or from any other source, and to negotiate a bid for the work necessary to correct the items on the deficiency list.

E. Contract Documents

1. Work Write-Up - This report was prepared by Our Program's Rehab Staff who inspected the property. It identifies mandatory work items that must be included in the General Contractor's proposal as well as other Homeowner requested improvements. The work is specified according to the priority schedule below:
 - a. Housing Quality Standards Violation
 - b. *Lead Hazard Reduction*
 - c. Energy Conservation/Cost Effective Energy Conservation Standards
 - d. Incipient Violations
 - e. General Property Improvements
2. Bid Proposal Form - Complete this form showing both the itemized and the total bid price for the work. The Rehab Specialist will review the Bid Proposals.
3. Program Rehab Standards - All work must conform to the program's minimum Property Rehabilitation Standards which are available from Our Program. The contractor's workmanship and performance are subject to evaluation and acceptance by both the Homeowner and Our

Program's Project Manager. Failure to maintain an acceptable performance level will result in disbarment from future rehabilitation work.

II. STANDARD PROCEDURES

A. Bidding

1. The General Contractor is ultimately responsible for the bid and its contents which encompasses the entire project. This includes site familiarity, inspection and review of the work write-up items, measurements and quantities as well as those items listed by any subcontractor within the bid document.
2. Return the completed proposal to the Homeowner (Program) prior to the deadline established.
3. The Homeowner then accepts and submits the proposal to the Rehabilitation Specialist for review and approval. Approval will be granted if all work items are included, the work proposed conforms to the program specifications, will properly address the deficiencies, and the cost is reasonable. The Rehabilitation Specialist may contact the General Contractor on behalf of the Homeowner to explain revisions to the proposal that should be worked out between the General Contractor and the Homeowner.
4. Should you need any assistance, please feel free to contact the Rehabilitation Specialist assigned to the project.

B. Rehabilitation Contract

Once the loan has been approved and closed, this office will prepare the Rehabilitation Contract. The contract is between the Homeowner and the General Contractor and will be executed in triplicate by both the Homeowner and the General Contractor at a pre-construction conference. This conference will permit the Homeowner, General Contractor and Rehabilitation Specialist to review the work write-up and contract documents. In addition to the Rehabilitation Contract, the following documents will be reviewed at the pre-construction conference.

C. Colors & Materials Selection

The Owner's Selection Checklist supplements the contract documents. The purpose of this form is to list specific materials, colors, brand names or model number of fixtures or other equipment as chosen by the Homeowner that was not specified when the bid proposal was submitted.

D. Relocation and Site Protection

All contracts that involve extensive interior lead hazard reduction will require relocation of the occupants and their belongings. Once the structure is turned over to the control of the contractor, the contractor shall remain fully responsible for all security on a 24 hour basis and is encouraged to supplement the existing security as is prudent and reasonable. While working vacant structures is more efficient, the relocation carries significant daily cost. The contractor must therefore use his utmost effort to complete the lead hazard reduction activities as indicated by a successful clearance examination within the allocated time period. The contractor shall be responsible for all direct additional relocation costs.

E. Order to Proceed

The Order to Proceed is issued by the Homeowner and authorizes the General Contractor to begin work. The form also indicates when work is to start and when it is to be completed. *An Order to Proceed shall only be issued in jobs requiring lead hazard reduction after all custom ordered materials for example, window, doors, replacement cabinetry, has been staged either at the contractor's place of business or at the job site. This allows the offsite relocation period to be minimized and the construction time period to be accelerated.*

F. Permits

The General Contractor is responsible for obtaining a) all required permits prior to starting construction and b) any required Building Department inspection sign-off's during the rehabilitation.

G. Required Progress Inspection

The Homeowner is expected to monitor the day-to-day progress of the job. However, the Rehabilitation Specialist will require notification for certain critical inspections. The required notifications will be outlined on the Required Progress Inspection. Failure to contact the Rehabilitation Specialist for such an inspection may result in the General Contractor being deleted from the Contractor Registry.

H. Payment Procedures

When the General Contractor has progressed far enough on the job in accordance with the payout schedule in the Rehabilitation Contract, the Homeowner is to request a payment be made to the General Contractor. The Homeowner is to call the Rehabilitation Specialist to request a progress inspection. The Rehabilitation Specialist and the Homeowner must approve the request for payment and the Rehabilitation Administrator must authorize the payment.

All payments are serviced through a lending institution which has been selected to participate in Our Program. Our Program will provide you with the Authorization for Payment with all of the correct information and signatures that must be presented to the lender. The General Contractor will take the Authorization for Payment to the lender who will be responsible for issuing the check payable directly to the payee listed on the Authorization for Payment.

It is the policy of Our Program to make payments to General Contractors on Fridays. This policy enables the staff to prepare the necessary paperwork, order funds if necessary, schedule inspections, etc., prior to the time the General Contractor wishes to receive the payment. The General Contractor should ask the Homeowner to schedule an appointment with Our Program's Project Manager for an inspection and subsequent payment request on the Monday or Tuesday preceding the Friday he/she wishes to receive payment.

Under both the Federal HOME funded programs and the Rental Rehabilitation Program, funds are transferred from the federal treasury in Washington, DC after authorization is approved and funds are ordered. Please be advised that payments for projects funded from these sources can take up to 20 days.

Prior to any payment authorization, Our Program will collect lien waivers or paid receipts from the General Contractor and all subcontractors and/or suppliers furnishing material for the items on the job of which payment is requested. Our Program will not provide "advance" money or authorize payment for items which are not completed or properly installed with the exception of "rough-in" installations of plumbing, electrical or mechanical systems.

I. Clearance Examinations

In all jobs with a lead hazard reduction scope of work the contractor is responsible for cleaning the work sites to a level below the thresholds of 40 µg/sf on floors; 200 µg/sf on interior window sills and 400 µg/sf on exterior window wells or troughs. The contractor is responsible for all additional cleaning operations required to attain the mandated clearance thresholds as well as any additional cost assessed by the clearance technician for repeated dust and laboratory fees.

J. Warranty

The Warranty which provides an outline of the General Contractor's obligations under the twelve month warranty for both workmanship and materials completed under the contract.

III. CONTRACTING NORMS

A. Resolving Disputes

The construction contract is between the Homeowner and the General Contractor. Staff will clarify misunderstandings and negotiate disputes between the Homeowner and the General Contractor. If a problem cannot be resolved in the field, the contract requires mediation and then binding arbitration.

B. Disbarment

If the contractor fails to comply with the program requirements, or in the judgment of Our Program does not perform satisfactory work, he/she will be disqualified from the program and unable to secure a Rehabilitation Contract. The reasons for disqualification include, but are not limited to:

1. Failure to perform work in a workmanlike manner *or to use safe work practices during lead hazard reduction.*
2. Failure to complete a contract or failure to make every attempt to fulfill the contractual obligations.
3. Failure to adhere to an established time schedule for work completion.
4. Failure to honor a bid.
5. Failure to maintain a professional working relationship with the client and Our Program.
6. Failure to comply with all the requirements of the Rehabilitation Contract and related documents.
7. Discrimination against, or denial of employment to, any individual in the performance of any rehabilitation contract on the grounds of race, color, national origin, age, sex, handicap, belief or political affiliation, in violation of Title V and VII of the Civil Rights Act (42 USC 2000d) and the Age Discrimination in Employment Act (29 USC 794).
8. Collusion between the homeowner, contractor or other party involving kickback or any other mutual effort to fix a bid in violation of the Copeland Anti-Kickback Act (18 USC 874 as supplemented by 29 CFR, Part 3).

C. Equal Opportunities

The contractor shall take affirmative action to ensure that employees and applicants for employment are treated without regard to their race, color,

religion, sex, national origin, age, or disability. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor also agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or disability.

The contractor shall comply with the provisions of Federal Executive Order 11246 of 1965 as amended by Federal Executive Order 11375 of 1967 and the Equal Employment Opportunity Act of 1972. The contractor may be requested to furnish information and reports requested by The Program or the U.S. Department of Housing and Urban Development to ascertain compliance with such rules, regulations or requests, or with this non-discrimination clause.

D. Conflict of Interest

In order to avoid personal conflict of interest in awarding contracts or making purchases of property or service under this program:

1. No contract or procurement will be made with any organization in which any person in an administrative capacity may benefit unless specifically authorized by the Board of Directors in conformity with applicable federal, state and local laws.
2. No contract or procurement will be made to any organization in which an immediate family member of a person in an administrative capacity with Our Program may benefit unless authorized in writing to do so by the Board of Directors.
3. No employee or board official shall solicit or accept gratuities, favors or anything of monetary value from contractors, providers or potential sub-contractors.

E. Office Visits

Office hours are generally 8:00 a.m. to 5:00 p.m. Monday through Friday.

BIDDERS LIST STANDARDS

INACTIVE BIDDERS LIST

A contractor shall be placed on the Inactive Bidders List as a result of the following:

1. Failure to comply with insurance requirements.
2. Failure to complete awarded jobs within the agreed to time span as stated in the contract.
3. Failure to make satisfactory progress towards completion of any contract in construction.
4. If the contractor fails to respond to three (3) consecutive Invitations to Bid by either not bidding or not notifying Our Program why he cannot bid.
5. By mutual agreement reached between the contractor and Our Program.

REMOVAL FROM BIDDERS LIST

1. If the contractor is on the Inactive Bidders list for a period in excess of 180 days.
2. If the contractor fails to complete in a workmanlike manner any specified work under any contract or, if the contractor violates any term or condition established by any Bureau of Code Enforcement and Rehabilitation policy or if the contractor breaches any of the terms or conditions of the Owner/Contractor Contract.
3. If the firm fails to conduct itself in an ethical, polite manner in their dealings with property owners, Our Program personnel or other contractors.

CONTRACTOR DISBARMENT POLICIES

Policy:

Our Program Guidelines require that we finance work only with contractors who are qualified and reputable.

Purpose:

To establish rules for disbarment or sanctions against corporations, partnerships or other entities who do not fulfill their responsibilities to the homeowners or Our Program.

Authorized Sanctions:

The following is a list of sanctions that may be imposed based on reasonable cause.

1. Temporary denial - denial of participation or conditions for participation in specific program.
2. Suspension - immediate exclusion from participation based on adequate evidence of wrongdoing.
3. Debarment - exclusion from participation in programs for a period of time commensurate with the seriousness of the infraction.
4. Voluntary exclusion - voluntary exclusion by agreement with Our Program.

Typical Causes for Action:

Unapproved material substitution, unreasonable unexplained delays, unprofessional conduct on the part of the contractor or his employees.

Shoddy work, unsatisfied complaints, failure to follow program procedures, lack of liability insurance and acts or activities deemed unethical or unprofessional.

Discrimination, racial or sexist statements, offering bribes or kickbacks, drugs or alcohol use on job site.

CONTRACTOR'S ACCEPTANCE

The undersigned contracting firm agrees in consideration for being placed upon the "Contractor's Registry," the firm will comply with the following conditions on all rehabilitation work performed on properties financed by Our Program:

1. To use only contract forms previously approved by Our Program.
2. If work performed by the contractor is found to be unsatisfactory by Our Program, or if contract relations between the contractor, homeowner and other parties are found to be unsatisfactory, Our Program may remove the firm's name from the "Contractor's Registry."
3. All work shall be performed in accordance with the Rehabilitation Standards of date, subject to such inspections as deemed necessary by Our Program.
4. Required insurance will be maintained.
5. Workmen's Compensation will be provided.
6. That the contractor will abide by Equal Opportunity provisions of the Civil Rights Act.

Firm Name

Authorized Signature

Title

Date