

**NAME OF HOUSING PROJECT**

**SAMPLE CONTRACT FOR REHABILITATION**

**OWNER:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**Phone:** \_\_\_\_\_

**CASE #** \_\_\_\_\_

**AMT. OF CDBG FUNDS:** \$ \_\_\_\_\_

**AMT. OF OTHER FUNDS:** \$ \_\_\_\_\_

**OTHER Source:** \_\_\_\_\_

**TOTAL CONTRACT AMT:** \$ \_\_\_\_\_

**DATE APPROVED:** \_\_\_\_\_

**CONTRACTOR:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**Phone:** \_\_\_\_\_

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, by and between: \_\_\_\_\_ hereinafter called the "Owner" and \_\_\_\_\_ hereinafter called the "Contractor." The Contractor and Owner for the consideration stated herein mutually agree as follows:

**ARTICLE 1. DEFINITIONS**

**Contractor** - person, proprietorship, partnership or corporation hired to perform rehabilitation work pursuant to the \_\_\_\_\_ Project .

**Owner** - the owner of a house and lot, which has been designated to be rehabilitated with Community Development Block Grant Program funds.

**Grantee** – The City/County of \_\_\_\_\_ who is the applicant that was awarded the Community Development Block Grant Program funds for which a portion will be used to perform rehabilitation work to the Owner house.

**Name of Grant Administrator/Agency** - acting for and on behalf of the Grantee as manager of the Community Development Block Grant Project.

**Contract Change Order** - An addendum to the contract, which increases or decreases the scope of the work to be performed and may lower or increase the contract price.

**ARTICLE 2. STATEMENT OF WORK**

The Contractor shall, upon receipt of a written "Notice to Proceed," furnish all supervision, technical personnel, labor, materials, tools, equipment and services and perform all work required for the rehabilitation of the above property. All work shall be in strict accordance with the Standard Specifications for Residential

Rehabilitation, Contract Documents, Local Existing Structures Code, Kentucky Building Code, National Electrical Code, Kentucky State Plumbing Code, including all Addenda hereto and Drawings (if any), as prepared by Name of Grant Administrator as agent for and on behalf of the Grantee.

**ARTICLE 3. LEAD-BASED PAINT**

If work involves disturbing or removing surfaces that may have been coated with lead-based paint, the contractor shall comply with the Code of Federal Regulations, Title 24, Part 35, concerning Lead-Based Paint.

All workers involved in lead hazard reduction activities must have received HUD-approved training in lead-safe work practices or be supervised by a state-certified abatement supervisor. Workers in jobs receiving more than \$25,000 in federal rehabilitation assistance that require abatement of lead-based paint must be certified abatement workers and be supervised by a state-certified abatement supervisor.

**ARTICLE 4. CONFLICT OF INTEREST CLAUSE**

No member of the governing body of the community and no other officer, employee, or agent of the community who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the Contractor shall take appropriate steps to assure compliance. No Contractor responsible for provision of goods and/or services under this Contract shall be forced or encouraged to forfeit any portion of the Contract amount in order to secure this Contract.

**ARTICLE 5. CONTRACT DOCUMENTS**

The executed Contract Documents shall consist of the following:

- |  |                                  |
|--|----------------------------------|
| A. This Contract   | E. Special Instructions (if any) |
| B. General Conditions/Specs                                | F. Drawings (if any)             |
| C. Work Write-up   | G. _____                         |
| D. <b><u>Addenda (if any) (See Attached Exhibit A)</u></b> | H. _____                         |

This Contract, together with other documents enumerated in this ARTICLE 5, which said other documents are as fully a part of this Contract as if hereto attached or herein repeated, forms the Contract between the parties hereto.

This Contract, together with other documents enumerated in this ARTICLE 5, comprises the entirety of the Contract between the parties. All prior negotiations, offers, statements, and conditions are merged herein and parties hereto so agree and so covenant.

**ARTICLE 6. NON-LIABILITY**

The parties of this Contract hereto agree to hold the Grantee or its designated representatives harmless for any damages concerning or arising out of the undertaking and execution of this Contract.

**ARTICLE 7. CONTRACTOR RESPONSIBILITIES**

- a. The Contractor shall commence work within **ten (10)** calendar days of receipt of written Notice to Proceed. The written Notice to Proceed will be issued by the Grantee on behalf of the Owner within 30 days of the signing of this contract. If the Notice to Proceed is not issued within 30 days, the contract will be terminated. Contractor shall satisfactorily **complete work within \_\_\_\_\_ (\_\_\_\_\_)** calendar days of the date of the written Notice to Proceed, **time being of the essence**. The Contractor shall make every effort to speed the work along by working outdoors on days

when outdoor working conditions are favorable and by working indoors on days when outdoor working conditions are unfavorable.

- b. Subcontracting: The Contractor shall not be required to employ any subcontractor whom he/she has a reasonable objection to.

The Contractor agrees that he/she is completely responsible to the Owner for the acts or omissions of his subcontractors and of the persons either directly or indirectly employed by them, as he/she is for the acts and omissions of persons employed by him/her. **Nothing contained in the Contract documents shall create any contractual relation between any subcontractor and the Owner;** however, should the Owner or Grantee, as agent for the Owner, be required to expend funds to subcontractors or for another contract as necessary for completion of contract work, it is agreed by the Contractor that reimbursement will be made to the Owner or Grantee, and that any court costs or attorney fees expended to finalize contract requirements will be paid by the primary contractor.

- c. Equal Employment and Federal Labor Standards: The Owner will not discriminate against any employee or applicant for employment because of race, creed, color, age or national origin.

The Contractor shall abide by Federal, State, and Local regulations pertaining to Equal Employment as set forth in Executive Order 11246 and by the rules, regulations, and orders of the Secretary of Labor, the Secretary of Housing and Urban Development, and the State of Kentucky pursuant thereto. In addition, the Contractor certifies that he will abide by the terms and conditions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and all applicable non-discrimination rules for legislation for rehabilitation of a residential property.

- d. Assignment of Contract: The Contractor shall not assign the Contract without written consent of the Owner and approval of the Grantee.

- e. Permits, Fees, Engineering Studies and Registered Surveys: The Contractor shall obtain and pay for all necessary permits, inspection charges and licenses for the authorization and execution of the work and labor performed. The Owner shall furnish all engineering studies and registered surveys as required and specified.

- f. Compliance With Code: The Contractor shall perform all work under the Contract in a journeyman-like manner and in conformance with applicable codes, ordinances, regulations, and requirements whether or not covered by the specifications and drawings for the work as made part of the contract.

- g. Protection and Storage: The Contractor shall protect the premises and furnishings from damage. Drop cloths shall be used when required. Passages and hallways shall be kept clear of materials and equipment. The premises shall be protected from weather and natural elements.

- h. Clean Up and Clearance: The Contractor shall keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the Contractor, unless stated otherwise in the specifications. If lead-hazard abatement is involved clearance is required. Clearance may not be performed sooner than one hour after completion of the final cleanup. Clearance must be performed by a state certified Risk Assessor, Lead-Based Paint Inspector or Sampling Technician.

- I. Inspection by Contractors: The Contractor shall certify that he/she has visited the premises and familiarized himself/herself with all existing conditions so that the work is complete in every detail. Each Contractor shall inspect the work of others which affects his/her work and be sure that such work

is correct before proceeding with his/her own work.

- j. Insurance: The Contractor shall furnish and maintain, throughout the life of the Contract, Contractor's public liability insurance and property damage insurance. Public liability insurance shall be in an amount not less than \$000,000 for injuries including accidental death to any one person or one accident; property damage insurance shall be in an amount not less than \$000,000. The Contractor shall furnish the Grantee with satisfactory evidence of his/her compliance with all these provisions. Worker's Compensation and Unemployment Insurance shall be in conformity with the requirements of the State of Kentucky.
- k. Warranty: The Contractor shall guarantee the work performed for a period of one (1) year from date of final acceptance of all work required by this Contract. Upon written notice from the Owner to the Contractor and Grantee, the Contractor shall, within fourteen (14) calendar days, remedy any defects due to faulty material or workmanship at no charge to the Owner and remedy or pay for any damage to other work resulting therefrom. If, for any reason, the Contractor fails to remedy any defects for which he/she has been duly notified, the Owner may, at his/her option, employ another contractor to remedy the defect. The Contractor that is party to this Contract shall be held liable for any cost incurred by the Owner resulting from the employment of another contractor to remedy the defect. The contractor shall also be held liable for any court costs or attorney fees as necessary to fulfill the rehab contract requirements. Furthermore, the Contractor shall furnish the Owner, in care of the Grantee, all manufacturers, suppliers, and subcontractors written guarantees and warranties covering material and equipment furnished under this contract.
- l. Final Release: Prepare, execute and file with the Grantee a Final Invoice, Release of Liens and Warranty, and Waiver of Liens.
- m. Information Exchange: The Contractor shall agree to submit to the Owner or Grantee, upon request, any information concerning work performed or to be performed under this Contract.
- n. Default: The Contractor shall have the right, with approval of the Grantee, upon ten (10) days written notice to the Owner and Grantee, to declare the Owner in default based upon the following reasons:
  - (1) Owner fails to arrange satisfactory working conditions for the Contractor.
  - (2) Owner refuses to allow Contractor to use existing utilities as stated herein, in performance of the work.
  - (3) Owner prohibits the Contractor from performing work without justification.
- o. Debarment: Contractor certifies, by submission of its proposal and execution of this Contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- p. Contractor's Compliance: Contractor will comply with any and all applicable state, federal and local laws, ordinances, regulations and codes, including by not limited to, Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CAR, Part 5), the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CAR, Part 3), Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CAR Chapter

60), the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CAR Part 5), Executive Orders 11625, 12432 and 12138 (Minority/Women's Business Enterprises) as supplemented in 24 CAR 85.36(e), the Lead Based Paint Poisoning Prevention Act (24 CAR part 35), and rules regarding conflict of interest as provided in 24 CAR 85.36 and OMB Circular 110.

#### **ARTICLE 8. OWNER'S RESPONSIBILITIES**

- a. Unless otherwise stated herein, it shall be assumed that the premises will be occupied during rehabilitation work.
- b. The Owner shall cooperate with the Contractor to facilitate the performance of the work, including but not limited to the removal of and replacement of rugs, coverings, dishes, furniture, etc., as necessary.
- c. The Owner shall permit the Contractor to use, at no cost, existing utilities, such as lights, power, phone (local calls only), water and heat (except in the case of room additions or in such cases where the family vacates the house during the rehab work, the Contractor shall be responsible for heat), necessary in carrying out and completing the work.
- d. The Owner shall grant, at no cost, any right-of-way and/or easements necessary to facilitate rehabilitation activities.
- e. The Owner shall have the right to terminate this Contract based upon the following conditions:
  - (1) Contractor fails to furnish materials or execute work in accordance with the provisions of this contract.
  - (2) Contractor fails to proceed within the work time limit specified, or fails to complete the work within the time limit specified in this Contract;
  - (3) Contractor fails to maintain insurance in the amounts stipulated above.
  - (4) Any other provisions of this Contract are otherwise violated by the Contractor;
  - (5) Upon any of the conditions set forth in subsection (1) (2) and (3) above, the Owner shall have the right to give notice, in writing, to the Contractor that the Contractor shall be declared in default in ten (10) calendar days if the violation does not stop or if satisfactory arrangements have not been made for correction of the violation. If the violation does not stop or satisfactory arrangements to correct the violation have not been made by the Contractor after ten (10) days of the issuance of the written notice, the Contractor shall be declared in default and the Contractor's right to proceed pursuant to this Contract shall be terminated. In the event the Contractor is thus declared to be in default, the Owner, with approval of the Grantee, shall proceed to have the work completed, and shall apply to the cost of having the work completed, any money due the Contractor under this Contract, and the Contractor shall be responsible for any damages resulting to the Owner by reason of said default.
- f. The Owner shall "promptly" notify the Contractor of any defects pursuant to the guarantee stated in Article 6, sub-section n of this Contract.

#### **ARTICLE 9. INSPECTION**

Both the Owner and Contractor shall permit the Grantee, or its designated representative, to examine the rehabilitation work. All work done and all materials furnished will be subject to Grantee approval. **If any work should be covered up without the approval or consent of the Grantee, it must, if required by the Grantee, be uncovered for examination at the Contractor's expense.**

Re-examination of questioned work may be ordered upon request of the Owner and, if so ordered, the work must be uncovered by the Contractor. If such work is found to be in accordance with the Contract documents, the Owner shall pay the cost of re-examination and replacement. If such work is found to be not in accordance with the contract documents, the Contractor shall correct such work and pay such costs.

The final inspection of the work shall not relieve the Contractor of any of his/her obligations to fulfill his/her contract as prescribed, and defective work shall be made good and unsuitable materials shall be replaced even though such defective work and/or materials have been previously overlooked and accepted on estimates for payment.

#### **ARTICLE 10. CONTRACT CHANGE**

Modifications, changes, additions or deletions may be made to this Contract by written instrument signed by the Contractor and the Owner with prior approval of the Grantee for the following reasons:

- a. In the event it is discovered during construction that all code violations will not be adequately corrected with work described in the standard specifications, a "Contract Change Order" shall be initiated and made effective.
- b. In the event that one or more Contract Change Orders initiated to meet standards have made it prohibitive to complete the work with available funds, a Contract Change Order shall be initiated to delete any work not required to meet code.

#### **ARTICLE 11. METHOD OF PAYMENT**

- a. Contracts not exceeding **\$0,000** shall be due and payable within thirty (30) calendar days following completion of all terms of this Contract and final acceptance of same by the Owner and Grantee.
- b. Contracts over **\$0,000**:
  - (1) Partial payment of **0%** of the contract amount may be requested by the contractor after the HOUSE HAS BEEN "BLACKED-IN" OR "SECURED" (INCLUDING ROOF, DOORS WITH LOCKS AND WINDOWS).
  - (2) Partial payment of **0%** of the remaining funds may be requested by the contractor after **0%** of the work has been completed and acceptance of same by the Owner, Inspector and Grantee.
  - (3) Final payment of the remaining **0%** shall be due and payable within thirty (30) calendar days following completion of all terms of this contract and final acceptance of same by the Owner, Inspector, and Grantee.

#### **ARTICLE 12. CONTRACT EXTENSION AND PENALTY CLAUSE**

If the Contractor is unable to complete any portion of the work, in the time stated herein, due to inclement weather, an extension of up to thirty (30) calendar days may be granted. Contract extensions shall be granted,

only on a day-by-day basis, with approval of the Grantee. Contract extensions will be granted only in the following manner: The Contractor shall contact the Grantee on the day he/she intends to claim as an extension day. Approval for an extension will be granted only when there is absolutely no work that can be done on that day due to inclement weather. (If there is interior work to be done, no extension will be given.)

### **ARTICLE 13. DISPUTE RESOLUTION**

The Grantee has established Rehabilitation Guidelines for this project that include Grievance Procedures. A copy of the Grievance Procedures has been provided to you. Those procedures will be followed to resolve disputes of any kind.

### **ARTICLE 14. PAYMENT**

Upon approval of a Federal Grant and/or Loan to the Owner, the Grantee shall utilize the project account for payment of the contractor in performing the rehabilitation as specified in this Contract. The Owner, by signing this Contract, agrees to the endorsement of his/her rehabilitation check for payment of the work from the project account to be disbursed by the Grantee in accordance with the terms and conditions of these contract documents. The Grantee will act as the designee of the Owner in authorizing disbursement of such funds to the Contractor in the manner set forth in this Contract.

The Owner authorizes the Grantee to drawdown the amount of the contract plus any change orders which may be required, and approved by the Grantee) for payment to the Contractor for the aforementioned work.

### **ARTICLE 15. CONTRACT AMOUNT**

For the consideration named herein, the undersigned Contractor agrees to furnish all work and material and complete the work as shown on these contract documents for the **lump-sum of \$\_\_\_\_\_ (\_\_\_\_\_ dollars)**. The Owner agrees to pay the Contractor from his/her own funds, the sum of \$\_\_\_\_\_ **and for any work in addition to that specified on the work write-up.**

### **ARTICLE 16. OWNER'S RESPONSIBILITY FOR MAINTENANCE**

Owner will be required to maintain the rehabilitated structure and property on which it is located for the five (5) year term of the financial assistance. Maintenance will be examined in relation to the rehabilitation work performed as per the work write-up and the applicable minimum property standards. The designated Enforcement Officer will perform periodic inspections, inform the property owner of any items that have deteriorated, and request corrective actions. The Grantee reserves the right to take any appropriate action necessary to insure that the rehabilitated property is maintained. This action may, as a last resort, include early payback of financial assistance. If the property is not maintained, the Grantee's designated Enforcement Officer will write a letter to the Owner, giving the Owner thirty (30) days to perform said maintenance or to remove debris or junk from the property. If the Owner does not correct said items within thirty (30) days, the Grantee may undertake correction of said items, or hire someone to correct said items, with the cost of doing so placed as a tax lien on the property. The Owner may appeal this action to the Governing Body.

THIS AGREEMENT/CONTRACT ENTERED INTO AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

\_\_\_\_\_  
CONTRACTOR

\_\_\_\_\_  
HOMEOWNER

\_\_\_\_\_  
HOMEOWNER

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
NOTARY PUBLIC, STATE AT LARGE, KY

My Commission Expires: \_\_\_\_\_.