

# GENERAL AND SUPPLEMENTAL CONDITIONS

## 5929 AVENUE T – DON & JEANETTE HUWE

### SECTION I GENERAL CONDITIONS

- A. The CONTRACTOR must comply with all applicable State and Federal laws, including but not limited to laws concerned with labor, environment, equal employment opportunity, safety and minimum wages. The CONTRACTOR shall make itself familiar with and at all times shall observe and comply with all Federal, State and Local laws, ordinances and regulations which in any manner affect the conduct of the Work, and shall indemnify and hold harmless the HOMEOWNER and the CITY against any claim arising from violation of any such law, ordinance or regulation by itself or by its employees. When requested, competent evidence of compliance with applicable laws shall be furnished.
1. The CONTRACTOR shall cooperate with applicable CITY or other governmental officials at all times where their jurisdiction prevails. If such official or inspector deems special inspection necessary, the CONTRACTOR shall provide assistance and facilities that will expedite his inspection. The CONTRACTOR shall make application and pay all costs for any permits and all temporary services and utilities which are required for the execution and performance of the Contract. Costs of all permits, inspection fees, service, utility fees, taps, etc., shall be included as part of the total cost of the Work.
  2. Where a testing laboratory has established standards and issued labels for a particular group, class, or type of equipment, the label shall be required on all equipment in that category. CONTRACTOR shall meet the minimum requirements of the **2009 International Residential Code, with City Amendments**. When requested competent evidence of compliance with applicable codes shall be furnished.
  3. All Contract Documents shall be governed and interpreted in accordance with the laws of the State of Texas, and venue of any action hereunder shall lie in City of Galveston, Texas.
  4. In instances where there are differences between the requirements of the City of Galveston Grants & Housing Specification Manual and the Minimum Rehabilitation Housing Standards (Part VIII) in the same area of work, the more stringent of the two shall be utilized in the construction of the home.
- B. The CONTRACTOR shall maintain at the site one copy of all Specifications and one copy of all Work Write-Ups and/or approved Shop Drawings (if any) for construction, and shall at all times give the CITY or its representatives and agents access thereto. **Failure to maintain such documents at job site shall constitute cause for denial of a progress payment otherwise due.**
- C. The contract terms pertaining to Performance and Payment Bonds shall be as set forth in the Request for Proposal, and include the rights, duties and obligations set forth in the Contract Documents.

- D. The interrelation of Specifications, Work Write-Ups and the Performance Manual are as follows: The specifications contained in the Performance Manual determine the quality and conditions of the Work and the Projects, while the Work Write-Ups establish the quantities, dimensions and details required for each Project. Any requirement or detail included in any one of the Contract Documents shall be as if shown or mentioned in all Contract Documents. All quantities mentioned in the Work Write-Ups are only approximate. **The CONTRACTOR is responsible for field verifying dimensions, quantities and conditions prior to submission of bid, and is responsible for providing all labor and materials for successful completion of the Work at no additional charge.** Should there be a conflict between the Specifications, Work Write-Ups, the Performance Manual and/or other Contact Documents, the better quality or greater quantity of Work or materials shall be performed or furnished. In case of a discrepancy, the matter shall be promptly submitted to the CITY who shall make a determination in writing. Any adjustment by the CONTRACTOR without such a determination shall be at the CONTRACTOR's own risk and expense. CONTRACTOR's failure to consult with the CITY will not release it from compliance with the more stringent of the items involved in the discrepancy.
- E. The CITY has the authority to reject Work performed by the CONTRACTOR, which in the opinion of the CITY does not meet the requirements of the Contract and to order such Work removed and replaced.
- F. The CONTRACTOR shall not employ any subcontractor to which the CITY has made a reasonable objection to in writing. The CONTRACTOR will not be required to employ any subcontractor against which it has reasonable objection.
- G. The CONTRACTOR shall have every subcontractor agree to be bound in the same exact manner it is bound to the CITY to the extent of the portion of the Work covered under the subcontract, including without limitation with respect to the preparation and submittal of cost estimates and change order proposals in complete detail. The CONTRACTOR shall defend, indemnify, and hold harmless the CITY from and against any subcontractor's claim that may result from the failure of the CONTRACTOR so to bind every subcontractor to said terms.
- H. The CONTRACTOR shall provide sufficient, safe and proper facilities at all reasonable times for the observation and/or inspection of the Work by the authorized representatives of the CITY. The CITY at their discretion may make periodic visits to the site to familiarize themselves with the progress and quality of the Work and to determine if the Work is proceeding in accordance with the Contract Documents. Neither the periodic observations of the CITY, nor any inspections, tests or approvals shall relieve the CONTRACTOR from its obligations to perform the Work in accordance with the Contract Documents.
- I. The CONTRACTOR shall not cover up any work with finishing materials or other building components prior to an inspection of the Work by the CITY for approval of the installation. Should corrections of the Work be required for approval, cover up shall be delayed until another inspection can be made and approval is indicated. Verbal approval to proceed with subsequent operations shall be confirmed to the CONTRACTOR in writing by the inspecting party.
- J. The CONTRACTOR shall be made responsible for providing written notification of at least forty eight (48) hours to the CITY, of the anticipated need for cover up inspection. Should the CITY fail to make the necessary inspection within a forty eight (48) hour period, the CONTRACTOR may proceed with the cover up Work, unless the CITY makes a written arrangement with the CONTRACTOR for additional time in which to complete desired inspections.

- K. All work shall be performed by competent workman pursuant to cost estimates and/or bid documents under the supervision of the contractor or his agent. All sizes and grades of materials shall be new, of a generally acceptable standard and in first class condition. All finished work shall be clean and free from tool marks or other foreign blemishes. All measurements shall be verified at building site. All work shall be in conformity with manufacturer's printed directions. All fittings, off-sets, etc. required shall be furnished and installed without additional expense to HOMEOWNER. All work and supplies shall be protected from the weather during the course of construction. Under no circumstances whatsoever shall CONTRACTOR install any materials supplied by the HOMEOWNER.
  
- L. The CITY reserves the right to award other contracts in connection with other portions of the Work or other portion of the Program.
  
- M. Storage or sale of removed items or materials on-site is not permitted.
  
- N. Hazardous materials may be present in buildings and structures to be demolished. Reports on the presence of hazardous materials are included in the Bid Documents and/or on file for review and use. The Contractor must examine reports to become aware of locations where hazardous materials are present.
  - 1. Lead-based paint risk assessments have been conducted on those homes considered to be at risk for lead-based paint and the scopes produced in the Work Write-Ups will include the items identified. Both the risk assessments and Work Write-Ups are included in the Contract Documents.
    - a. In circumstances where lead-based paint was detected, a mitigation plan has been recommended and included in the Work Write Up.
    - b. The Contractor shall acknowledge that he is aware of and will maintain strict compliance with all regulations, codes, standards, and ordinances governing the performance of his work. Furthermore, the Contractor shall be responsible for any failure to comply with applicable documents.
    - c. Applicable documents include but are not limited to the following:
      - 1) OSHA Lead Regulations, Lead Exposure in Construction (CFR Title 29, Part 1926.62).
      - 2) OSHA 29 CFR 1910.1025, Lead, General Industry;
      - 3) OSHA 29 CFR 1910.1200, Hazard Communication;
      - 4) OSHA 29 CFR 1910.134, Respiratory Protection;
      - 5) OSHA 29 CFR 1910.145, Specifications for Accident Prevention Signs and Tags;
      - 6) OSHA 29 CFR 1926.59, Hazard Communication;
      - 7) National Ambient Air Quality Standard for Lead (CFR Title 40, Part 50, Appendix G).

- 8) U.S. Environmental Protection Agency, Hazardous Waste Regulations (CFR Title 40, Parts 260 - 268).
- 9) US HUD, Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing@, June 1995;
- 10) Lead-Based Paint Hazard Elimination; Interim Rule Title 24, Part 35, 905, 941, 965, and 968 of the Code of Federal Regulations;
- 11) Texas Environmental Lead Reduction Rules, May 10, 1998;
- 12) All local ordinances, regulations, or rules pertaining to lead, including its storage, transportation and disposal.
- 13) The particular Specifications are identified by appropriate prefix and number only, with the latest revision being applicable. Where conflict among requirements or with these specifications exists, the more strict or stringent requirement or interpretation shall apply. If materials, other than those identified in the reports referenced above, suspected of containing hazardous materials are encountered, do not disturb; immediately notify the CITY.

## SECTION II GENERAL CONSTRUCTION MATTERS

The Contractor is required to follow each of the following, if applicable:

1. If a Home Owner requires more time to vacate a property than allowed after the Notice to Proceed meeting and will create a delay in construction commencement, the Contractor is responsible to notify the City in writing. Request for extension in time for construction must be submitted within five (5) days of pre-construction walkthrough.
2. Lead Based Paint. Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sec.4831 (b)) and the procedures established hereunder by HUD.
3. Lead Based Paint Notification. Notification of each abatement project, as per Section 295.214 of the TELRR, is required to be made by the certified Lead Abatement Firm to the DSHS Environmental Health Notifications Group (EHNG) in Austin and to the appropriate DSHS Regional Office at least **seven (7) working days prior** to the abatement job. Furthermore, it is the responsibility of the certified Lead Abatement Firm to notify the DSHS Notifications Group and the appropriate DSHS Regional Office of any amendments, cancellations, or emergency notifications. Contractor is responsible for all fees associated with notification, regardless of whom the bill is addressed. Notification of lead paint abatement must be documented on The Lead Abatement Notification Form (#EF17-12576 Rev. 2/07), issued by the Texas Department of State Health Services (DSHS) and submitted along with a \$103.00 fee. The original copy of the completed Notification form (#EF17-12576 Rev. 2/07) should be-mailed or hand delivered to:

The Environmental Lead Notification Section (ELNS)  
P.O. Box 143538  
Austin, TX 78714-3538  
**AND**

Texas Department of State Health Services (DSHS) Regional Office  
Attn: Bill Reid  
5425 Polk Street, Suite J  
Houston, TX 77023  
1172324-3 Part II - 2  
713-767-3299 (*Facsimile*)

The notification fee is an eligible cost to the program, and should be included in the proposal. This cost may not be transferred to the homeowner. The US Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) also have regulations on lead paint abatement, LSHR and RPP respectively.

4. EPA Renovation, Repair and Painting. Contractors participating in this Program will be required to comply with the EPA Renovation, Repair and Painting (RRP) requirements described in 40 CFR 745.80 Subpart E effective April 22, 2010 affecting work on houses constructed prior to 1978 and containing lead based paint.
5. EPA Lead Certification. This Program will require Contractors conducting renovation, repairs and painting to be EPA certified and employees trained in the use of lead-safe work practices. These

regulations will require resident notification, lead-safe working practices, cleanup procedures, documentation and record keeping.

6. The Contractor is required to provide a “modest” level of finishes for all items provided under this Contract as specified in the Performance Manual. The Contractor is also required to provide Proposal prices on the alternative finishes listed for those same items. The homeowner may select those alternative finishes if they can provide the amount of funding required from their own sources. The Contractor will be responsible for meeting with the homeowner and pricing out the alternative finishes based on the quantities in the selected home. A total revised price for the base work plus any alternatives must be prepared for acceptance by the homeowner and reviewed by the City. Contract documents for closing will be prepared based on the final price for all work to be completed.
7. Other improvements such as elevation, lifts, or ramps, to be included for the individual home must also be finalized at the homeowner meeting. The Contractor will be required to visit the individual site prior to the homeowner meeting. Contractor agrees to complete any/all appropriate improvements agreed upon at the meeting, for the prices included in the Proposal.
8. A lockbox will be mounted to the temporary utility pole. If no pole is required, the lockbox will be secured to a fixed and obvious location on the property. The front door knob or handle may be utilized after the front door is installed. Keys for the property will be stored here.
9. The Contractor has control of access to the site and will maintain insurance on a property until the homeowners have obtained the appropriate insurance for the property at the completion of construction. Homeowners cannot take possession of the home until they have obtained appropriate insurance. The City will be responsible for determining when the homeowner has the appropriate insurances and will notify the Contractor when it may cease providing insurance.
10. The Contractor must not start demolition of an existing home until he is fully prepared to start construction of the new home. The start of demolition will be noted as the start of Construction Contract Time for all Reconstruction projects.
11. The Contractor will be responsible for designing and constructing foundations on all new homes and elevations where required. Elevation requirements will be included in the assignment for each home requiring elevation. **The Contractor will provide a foundation drawing as a submittal prior to construction showing the foundation and elevated supporting structure as necessary stamped by a Registered Professional Engineer.** Any geotechnical information required by the engineer to design the foundation and required elevation will be provided by the Contractor. The price for the foundation of a home will be included in the total home construction price and will be full compensation for providing the complete design of the foundation including the stamped foundation design, collection of any information required to complete the foundation design and furnishing all labor, material and equipment to construct the complete foundation as designed. The scope of elevation extends to the underside of the floor system. Everything beneath the floor system is considered within the elevation scope. The price for elevation as bid will be full compensation for providing the complete design of the elevation including the stamped elevation design, collection of any information required to complete the elevation design and furnishing all labor, material and equipment to construct the complete elevation as designed. **Throughout construction, temporary construction stairs with handrails shall be provided at every home being elevated to meet OSHA standards.** Where a Registered Professional Engineer is required for design work, namely in elevated homes and for the design and assessment of TWIA

requirements, the contractor must hire a Registered Structural Engineer in the State of Texas and provide a current insurance certificate for each home with a minimum professional liability coverage of **\$1,000,000 per claim and \$2,000,000 aggregate**. An insurance certificate is required from each engineer performing a design function and presented no later than the date of the Notice to Proceed meeting. The insurance certificate shall be valid for a minimum of one year from issuance and have a 30 day cancellation notice. The City of Galveston and the homeowner shall be listed as additional insured.

12. Where variances are required that will result in an encroachment on an adjacent property, more stringent code requirements will apply in the construction of many components of the home. The Contractor is responsible for knowing and understanding these requirements and including all costs associated with code compliance in the proposal. No change orders will be allowed for any reason associated with a variance/code requirement. Where variances are made necessary by contractor design, any increase in materials or labor will be covered under base bid as well.
13. Base Flood Elevation Certificate. First floor elevation is required to be elevated to three (3) feet above Base Flood Elevation (“BFE”). The Contractor shall provide a registered surveyor on site to confirm actual site grade elevation and the three (3) feet above BFE. A registered surveyor shall provide a signed certification of the final finished floor elevation and BFE on the site. A minimum of (2) feet of free board is required to the underside of the floor system. The BFE is defined by FEMA as the base (1%-annual-chance) flood elevation in relation to the datum referenced in the Flood Insurance Study report.
14. The Contractor shall be responsible for preparing submittals and coordinating with local government organizations for obtaining all required permits for construction including all construction specialties. No additional schedule delays will be permitted due to any time delays in obtaining local permits. All costs required in obtaining local permits shall be included in the Proposal price and no additional cost will be considered.
15. All properties requiring a construction permit, and located in a local historical area, may be subject to approval by the Landmark Commission. These historic areas include locally recognized Historic Districts, as well as Neighborhood Conservation Districts. The scope of all such repairs or construction will be evaluated by the Historic Preservation Officer within the City of Galveston Planning Department to determine if review and oversight of proposed construction can be handled administratively within the Planning Department or if a full commission must be called. The Landmark Commission typically meets on the 1st and 3rd Monday of every month. The application deadline for a meeting is typically four weeks prior to that meeting. A Commission Meeting Schedule with submission deadlines can be located on City of Galveston Planning Division website.

**([http://www.cityofgalveston.org/city\\_services/planning\\_and\\_community\\_dev/plan\\_div.cfm](http://www.cityofgalveston.org/city_services/planning_and_community_dev/plan_div.cfm))**

Contractors having work on multiple such properties may coordinate with the city to have the properties reviewed together by a special meeting of the Landmark Commission. Contractors must attend any Landmark Commission meeting when a home under contract is subject to approval. Absences will be deemed a deliberate effort to delay a home’s progress and completion. When applying for construction permits on such properties, Contractors need to account for a minimum of four (4) weeks for the city to advertise and convene a meeting of the Landmark Commission. Applications for demolition and corresponding new construction shall be submitted at the same time, or will be considered incomplete. Incomplete applications for demolition and new

construction will not be considered and will further delay this review process. City of Galveston Forms and Application can be found in Planning Department at City Hall, as well as online at.

[http://www.cityofgalveston.org/online\\_services/forms/forms\\_online.cfm](http://www.cityofgalveston.org/online_services/forms/forms_online.cfm))

Photos of the existing home and detailed elevation drawings of renovations are required, in addition to materials usually provided for building permits. Contractors are encouraged to contact Galveston's Department of Planning and Community Development, Historic Preservation Officer Lori Schwarz or Asst. HPO Catherine Gorman at (409) 797-3660, with questions and concerns about this process. All correspondence by email with the Planning Department must first contain the Applicants damaged property address in the subject line. A Contractor must clearly identify to the Planning department, a single point person to communicate with the city on these matters.

16. If a home is located in a subdivision or residential district that has its own permitting and building requirements over and above the City's requirements, the Contractor is responsible for determining what those requirements are and designing and building a home to meet those requirements, filing for all permits required with the subdivision or district, and complying with all construction requirements mandated by that subdivision or district. An example of such a subdivision is Sea Isle within the City of Galveston. Some subdivisions or residential districts may have increased setback distances shorter working hours, etc., but in all instances must also comply with applicable local, State and Federal codes.
17. The Contractor shall be responsible for locating utilities to the housing unit, ascertaining the status of each utility, making arrangements to shut off utilities if necessary; making any necessary repairs and connections and assuring all utilities are operating when construction is complete. Contractor shall be responsible for all costs of utilities needed during construction. Contractor shall be permitted to use any on-site utilities. Contractor shall pay all costs, including fees, required to shutdown, repair and reconnect all utilities in accordance with code requirements. The contractor will be responsible for all utilities on the property until final inspection. The costs of temporary utilities required to perform the work shall be the responsibility of the Contractor. The Contractor shall arrange for electricity to be provided via a temporary power pole. Generators as a source of electricity will not be allowed. **Temporary restroom facilities shall be provided at each worksite.**
18. The Contractor is to leave the site in a level and raked condition suitable for planting lawn or other landscaping. All debris shall be removed daily, ruts and excess soil should be leveled off and the site left in a clean, orderly manner. Partial sod matching grasses for the locations will be provided in disturbed areas for erosion control on completed homes. Partial sod will include a two foot strip at the edges of the property in disturbed areas and lining swales collecting and discharging runoff from the property.
19. The Texas Department of Insurance (TDI) has established building codes and requirements necessary to ensure storm resistance and insurability of coastal properties in the Texas Windstorm Insurance Association (TWIA). Contractors should be prepared to correspond with TDI as necessary to ensure code compliance of building plans and drawings consistent with the insurability requirements of TWIA. In addition, the City of Galveston has adopted a more conservative performance windstorm speed requirement of 145 mph.
20. Determination of the color of materials used is a right reserved by homeowner unless otherwise specified in the Proposal. Unspecified colors shall be quoted as standard colors, NOT colors which

require up charges or special handling. Unspecified fabrics or vinyl should be construed as medium grade. If the Contractor fails to obtain color/material approvals prior to delivery of merchandise, the homeowner may refuse to accept the items and demand correct shipment without penalty, subject to other legal remedies.

21. The apparent silence of specifications as to any detail, or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only material and workmanship of the finest quality are to be used. All interpretations of specifications shall be made on the basis of this statement. The items furnished under this contract shall be new, unused of the latest product in production to commercial trade and shall be of the highest quality as to materials used and workmanship. Manufacturer furnishing these items shall be experienced in design and construction of such items and shall be an established supplier of the item Proposal.

### **SECTION III CONTRACT TERMINATION**

- A. TERMINATION BY CONTRACTOR. If the Work is stopped for a period of ninety (90) days under an order of any court or public authority having jurisdiction, or as a result of an act of government, such as a declaration of a national emergency making materials unavailable, through no act or fault of the CONTRACTOR or a Subcontractor or their agents or employees or any other persons performing any of the Work under a contract with the CONTRACTOR, then the CONTRACTOR may, upon seven (7) additional days written notice to the CITY terminate the Contract and recover from the CITY payment for all Work completed and properly executed and for reasonable profit and overhead associated with such completed Work. If the cause of the Work stoppage is removed prior to the end of the seven (7) day notice period, the CONTRACTOR may not terminate the Contract.
- B. TERMINATION FOR CAUSE BY CITY. If the CITY determines that the CONTRACTOR is adjudged as bankrupt, or if it makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of its insolvency, or if it persistently or repeatedly refuses or fails, except in cases for which extension of time is provided, to supply enough skilled workmen or proper materials, pay its subcontractors or suppliers, or if it persistently performs substandard work, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise guilty of a substantial violation of a provision of the Contract Documents, or fails to so prosecute the Work as to insure its completion, within the time, or any extension of thereof, specified in the Contract, then the CITY may, without prejudice to any right or remedy and after giving the CONTRACTOR and its surety, if any, seven (7) days Certified Mail written notice at the last known business address, terminate the employment of the CONTRACTOR and take possession of the site and of all materials, and/or equipment on the job site which has been purchased and paid for by the CITY expressly for the purposes of construction of that Project. Should the surety, if any, fail to respond within seven (7) working days following such notice and pursue completion of the Work with diligence acceptable to the CITY, the CITY may arrange for completion of the Work and issue a change order deducting the cost thereof from the unpaid CONTRACTOR the sum remaining, in which event no further payment shall then be made by the CITY until all costs of completing the Work shall have been paid. If the unpaid balance of the Contract sum exceeds the costs of finishing the Work, such excess shall be paid to the CONTRACTOR or its surety as applicable. If such costs exceed the unpaid balance, the CONTRACTOR or its surety shall pay the difference to the CITY. If the CITY sues the CONTRACTOR or Surety on account of failure to pay such difference in cost upon demand, the CONTRACTOR and Surety will pay all costs in connection therewith, including reasonable attorney's fees. This obligation for payment shall survive the termination of the Contract. In addition, all other obligations of the CONTRACTOR, except further performance, shall survive the termination of the Contract. It is further expressly agreed by and understood by and between all parties to the Contract, that should the CONTRACTOR be terminated, no further funds shall be paid to said CONTRACTOR or his subcontractors unless and until the remaining unfinished Work has been completed by a substitute contractor, accepted by the CITY, and the substitute contractor has been paid in full. The payment of the balance remaining of the original contract amount shall constitute the full and complete discharge of any and all obligations owed said terminated CONTRACTOR regardless of the amount actually owed said CONTRACTOR. No claims filed by subcontractors of the CONTRACTOR shall be valid in excess of the amount authorized in the Contract. No subcontractor shall have any statutory or other lien or claim against the HOMEOWNER or the CITY for any amount in excess of the amount agreed to be paid in the Contract Documents for such Work.

- C. TERMINATION FOR CONVENIENCE BY CITY: Prior to or during the performance of the Work, the CITY reserves the right to terminate the Contract for unforeseen causes not limited to court orders, loss of funding, acts of the federal government to discontinue the Work, etc., that may occur. Upon such an occurrence, the following procedures will be adhered to:
1. The CITY will immediately notify the CONTRACTOR in writing, specifying the effective termination date of the Contract.
  2. After receipt of the notice of termination, the CONTRACTOR shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due at that point in the Contract:
    - (a) Stop all Work.
    - (b) Place no further subcontracts or orders for materials or services.
    - (c) Terminate all subcontracts.
    - (d) Cancel all material and equipment orders as applicable.
    - (e) Take action that is necessary to protect and preserve all property related to the Contract which is the possession of the CONTRACTOR.
  3. Within 30 days of the date of the Notice of Termination, the CONTRACTOR shall submit a final termination settlement proposal to the CITY based upon costs up to the date of termination, reasonable profit on Work done only, and reasonable demobilization costs. If the CONTRACTOR fails to submit the proposal within the time allowed, the CITY may determine the amount due to the CONTRACTOR because of the termination and shall pay the determined amount to the CONTRACTOR.
  4. WRITTEN NOTICE OF TERMINATION: Written notice of termination shall be considered to have been duly given if Notice is provided pursuant to the terms of the Request for Proposal.

## **SECTION IV CONTRACTOR RESPONSIBILITIES**

- A. The CONTRACTOR shall supervise and direct the Work using its best skill and attention to assure that each element of the Work conforms to the contract requirements. CONTRACTOR shall be solely responsible for all construction means, methods, techniques, safety, sequences and procedures, and for coordinating all portions of the Work under the Contract Documents.
- B. The CONTRACTOR shall provide, without extra charge, all incidental items required as a part of the Work, even though not particularly specified or indicated in the Contract Documents. If the CONTRACTOR has good reason for objecting to the use of a material, appliance, or method of construction as shown or specified in the Work Write-Ups, it shall register its objections with the CITY in writing. Otherwise, it shall proceed with the Work with the understanding that a satisfactory job is required.
- C. The CONTRACTOR shall hire a superintendent or representative to be present at the job site full time during the progress of the Work. The CONTRACTOR is responsible for providing the CITY with the phone number and e-mail address of a local representative who may be contacted at any time and will respond within a two-hour time frame. Further, in case of an emergency, this representative must be able to respond to the CITY's contact within thirty (30) minutes. All communication given to the representative shall be as binding as if given to the CONTRACTOR; any such communications that affects contract time, contract cost and contract interpretation must be confirmed in writing.
- D. The CONTRACTOR shall be fully responsible for acts and omissions of its employees and its subcontractors, their agents and employees. The CITY may, in writing, require the CONTRACTOR to remove from the Work any of its subcontractors or subcontractors' employees that the CITY finds to be careless, incompetent or otherwise objectionable.
- E. The CONTRACTOR is responsible for having visited the site and having ascertained pertinent local conditions such as location, accessibility, and general character of the site or building, the character and extent of existing work within and adjacent to the site, and any other work being performed thereon at the time of the submission of its proposal. Any failure to do so will not relieve it from the responsibility for successfully performing the Work without additional expense to the CITY or to HOMEOWNER.
- F. If, in the performance of the Work, subsurface, latent or concealed conditions at the site are found to be materially different from the information included in the bid documents, or if unknown conditions of an unusual nature are disclosed differing materially from the conditions usually inherent in the Work of the character shown and specified, the CITY shall be notified in writing of such conditions before they are disturbed. Upon noticing such conditions the CONTRACTOR will submit, and the CITY will reasonable consider, a Change Order.
- G. It shall be the duty and responsibility of the CONTRACTOR and all of its subcontractors to be familiar and comply with all requirements of Public Law 91-596, 29 U.S.C. Sec. 651 et seq., the Occupational Safety and Health Act of 1970, (OSHA) and all amendments thereto, and to enforce and comply with all of the provisions of this Act.

- H. In any emergency affecting the safety of persons or property, the CONTRACTOR shall act, at its discretion, to prevent threatened damage, injury or loss. Any additional compensation or extension of time claimed by the CONTRACTOR resulting from emergency Work shall be considered in accordance with Article VI for Contract Change Orders.
- I. All Work shall be executed in accordance with the Contract Documents, complete in all parts and in accordance with approved practices and customs, and of acceptable finish and workmanship. Unless otherwise specified, all materials and equipment incorporated in the Work under the Contract shall be new.
- J. If the Contract Documents, laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any Work to be inspected, tested or approved, the CONTRACTOR shall give the CITY timely notice of its readiness and of the date arranged so the CITY may observe such inspection, testing or approval. In addition, the CITY may require special inspection, testing or approval of material or Work for compliance with the requirements of the Contract Documents. Upon direction of the CITY, the CONTRACTOR shall promptly arrange for such special testing, inspection or approval procedure. Should the material or Work fail to comply with the requirements of the Contract Documents, the CONTRACTOR shall bear all costs of the testing, inspection or approval as well as the cost of replacement of unsatisfactory material or Work; otherwise, the CITY shall bear such costs and an appropriate change order shall be issued. The costs of routine testing shall be borne by the CONTRACTOR, and the CONTRACTOR shall be responsible for the cost of materials tested.

When directed by the CITY material compliance with the specifications shall be made by one of the following:

- 1. Manufacturer's certificate of compliance
  - 2. Mill certificate
  - 3. Testing Laboratory certification
- K. The CITY shall interpret the Contract requirements and shall be the final judge of the acceptability of the Work under the Contract Documents. If any materials furnished under this Contract are condemned by the CITY, the CONTRACTOR shall, after having received notice from the CITY to that effect, proceed to remove from the grounds or buildings all condemned materials, whether worked or not worked, and to take down all portions of the Work which the CITY shall by written notice condemn as unsound or improper or as in any way failing to conform to the Specifications and/or Work Write-Ups, and shall make good all Work damaged or destroyed thereby.
    - 1. The CONTRACTOR shall, without charge, replace any material or correct any workmanship found by the CITY not to conform to the contract requirements, unless in the public interest of the CITY and the HOMEOWNER consents in writing to accept such material or workmanship with an appropriate adjustment in the contract price. The CONTRACTOR shall promptly correct all Work rejected by the CITY as defective or as failing to conform to the Contract Documents whether observed before or after the date of Substantial Completion or final inspection and acceptance and whether or not fabricated, installed or completed. The CONTRACTOR shall bear all costs of correcting such rejected Work.

2. If the CONTRACTOR does not promptly replace rejected material or correct rejected workmanship, the CITY may, 1) contract or otherwise replace such material or correct such workmanship and charge the cost thereof to CONTRACTOR, or 2) terminate the CONTRACTOR's employment.
  3. If any portion of the Work is concealed by subsequent work contrary to the instructions of the CITY or to the requirements specifically expressed in the Contract Documents, it must be uncovered for observation and recovered at the CONTRACTOR's expense.
  4. If any other portion of the Work has been covered which the CITY has not specifically requested to observe prior to being covered, either may request to see such Work and it shall be uncovered by the CONTRACTOR. If such Work is found not to be in accordance with the Contract Documents, the CONTRACTOR shall pay such costs.
- L. The CONTRACTOR shall be responsible for any additional costs or delays resulting from having furnished materials, equipment or fixture other than those specified, and shall reimburse the CITY for any increased design or administrative costs resulting from such substitutions.
- M. The CONTRACTOR shall be responsible for keeping the project free of garbage, trash; vermin and rodent infestation as a result of garbage or construction refuse at site. CONTRACTOR shall clear the site of trash daily and the interior of the building at least weekly. When rapid accumulation occurs, more frequent removals shall be required. CONTRACTOR shall remove highly combustible trash such as paper and cardboard daily. Removed debris shall be legally disposed of, and locations for disposal shall be of the CONTRACTOR's choice, within the above restriction. No debris or material may be buried or burned at the site. CONTRACTOR shall take all necessary precautions to prevent accidental burning of materials by avoiding large accumulations of combustible material. The Work shall be turned over to the HOMEOWNER in immaculate condition. Cleaning includes removal of smudges, marks, stains, fingerprints, soil, dirt, paint spots, dust, lint, discolorations and other foreign materials.
- N. Except as otherwise specified, the CONTRACTOR warrants and guarantees all Work against defects in materials, equipment or Workmanship or one (1) year from the date of substantial completion of the entire project or designated portions thereof. However, some portions of the Work may have longer warranty periods and the circumstances and period will be listed. General Contractors are held directly responsible for all work done by sub-contractors. Prior to final payment, Contractors shall provide a written guarantee directly to the HOMEOWNER warranting all work included in the contract for a period of ONE (1) year after final completion and acceptance of his work; manufacturers' warranties shall also be provided to HOMEOWNER by CONTRACTOR.
- O. Upon receipt of written notice from the CITY or HOMEOWNER of the discovery of any defects, the CONTRACTOR shall remedy the defects and replace any property damaged there from occurring within the warranty and guarantee period. If the CONTRACTOR, after notice, fails to proceed promptly and remedy such defects within **30 days** or within any other period of time which has been agreed to in writing, or to comply with the terms of the warranty and guarantees, the CITY and or the HOMEOWNER may have the defects corrected and the CONTRACTOR (and its Surety) shall be liable for all expenses incurred.
- P. The CONTRACTOR will operate and maintain operations areas and associated storage areas at the site of the Work in accordance with the following:

1. All of CONTRACTOR's operations, including storage of materials and employee parking upon the site of Work, shall be confined or as designated by the CITY.
  2. The CONTRACTOR will use only established roadways or construct and use such temporary roadways as may be authorized by the CITY. Load limits of vehicles shall not exceed the limits prescribed by appropriate regulations or law. The CONTRACTOR will provide protection to road surfaces, curbs, sidewalks, trees, shrubbery, sprinkler systems, drainage structures, and other like existing improvements to prevent damages, and any damage thereto shall be required by and at the expense of the CONTRACTOR.
- Q. The CITY may restrict the CONTRACTOR's entry to the site to specifically assigned entrances and routes.
- R. Prior to the CONTRACTOR's requested date for a final inspection, the CONTRACTOR shall remove any and all remaining equipment for the site and shall leave the premises in a clean, neat and workmanlike condition satisfactory to the HOMEOWNER and the CITY.

## **SECTION V INSPECTION & PAYMENT PROCESS**

- A. The CONTRACTOR shall be responsible for coordinating all inspections required by the Contract Documents, including inspections by the local regulatory agencies and the CITY and/or HOMEOWNER. The CONTRACTOR shall also notify the CITY when the program inspections are to take place. There will be no additional cost for delays in work or time extensions granted for obtaining any required inspections.
- B. The CONTRACTOR shall promptly pay each subcontractor and supplier, upon receipt of payment from the CITY, out of the amount paid to the CONTRACTOR, on account of such subcontractor or supplier's Work, the amount to which said subcontractor or supplier is entitled, reflecting the percentage actually retained, if any, from payments to the CONTRACTOR on account of such subcontractor or supplier's Work.
- C. When the Project is ready for a Progress Inspection or Pay Point Inspection, the CONTRACTOR shall notify the CITY in writing that the Work will be ready for inspection on a definite date. Upon verification by the CITY that the Work is found acceptable under the Contract Documents and the Work is fully performed as to the inspected Project, the CITY will authorize payment to the CONTRACTOR pursuant to the Contract Documents.
- D. Final payment on a Project shall constitute a waiver of all claims by the CITY and the HOMEOWNER by reason of defects in materials and workmanship, except those arising from: (1) faulty or defective Work appearing after Substantial Completion; (2) failure of the Work to comply with the requirements of the Contract Documents; or (3) terms of any special warranties required by the Contract Documents. Acceptance of final payment on a Project shall constitute a waiver of all claims by the CONTRACTOR.
- E. Final payment on a Project shall not be due and will not be made until after the Final Inspection is completed and if applicable a Certificate of Completion is issued to the CITY. Neither the final payment nor the remaining retained percentage shall become due until the CONTRACTOR submits to the CITY for transmittal to the HOMEOWNER (1) executed releases of liens or claims for liens by the CONTRACTOR, subcontractor or laborers; (2) an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the HOMEOWNER or its property might in any way be responsible, have been paid or otherwise satisfied; (3) consent of Surety, if any, to the final payment or satisfaction of all such obligations arising out of the Contract and (4) all close-out documents as required by the CITY. If any Subcontractor refuses to furnish a release or waiver required by the CITY, the CONTRACTOR may furnish a bond satisfactory to the CITY to indemnify the CITY and HOMEOWNER against any such claim.
- F. Final payment shall include the remaining 10% of the Contract Price plus Retainage withheld on partial payments. It is expressly agreed and understood that the Final Payment of the Contract Price on a Project shall be retained for a period not less than sixty (60) days following acceptance and completion of all work.
- G. In instance where the approval of HOMEOWNER is required for payment, it is expressly agreed by CONTRACTOR that the CITY shall accept the signature of the HOMEOWNER as identified on the Homeowner/Contractor Agreement as the only signature(s) required on behalf of the property owners for the approval of Work done to the date of such payment. Upon death or incapacity of the

above designated party, the CITY may accept the signature of any remaining property owners for approval and acceptance of payment to the CONTRACTOR.

- H. The CITY may withhold or, on account of subsequently discovered evidence, nullify that part of any Certificate of Completion to such extent as may be necessary to protect and compensate the CITY or HOMEOWNER from loss on account of:
1. Defective Work not remedied.
  2. Damage to Work of another contractor.
  3. Failure to maintain scheduled progress.
  4. Receipt of written notice or of reasonable evidence by the CITY of unpaid bills.
  5. Persistent failure to carry out the Work in accordance with the Contract Documents.
  6. Reasonable evidence that the Work will not be completed within the Contract Time.
  7. Reasonable evidence that the Work cannot be completed for the remainder of the Contract Sum.
  8. Assessment of fines for violations of Prevailing Wage Rate laws.
- I. All material and Work covered by partial payments made on a Project shall thereupon become the sole property of the HOMEOWNER, but this provision shall not be construed as relieving the CONTRACTOR from the sole responsibility for the care and protection of materials and Work upon which payments have been made or the restoration of any damaged Work, or as a waiver of the right of the CITY to require the fulfillment of all of the terms of the Contract.
- J. Progress payments made to the CONTRACTOR shall not exceed 90% of the total value of the total Work due under the Contract. Payments to the CONTRACTOR shall not be construed to release the CONTRACTOR (or its surety) from any obligations.

## SECTION VI CONTRACTOR COMPLETION TIME

- A. The Contract Time will begin on the date designated in the Notice to Proceed issued by the CITY for each Project. The CONTRACTOR is required to complete the Work in the time that is stated in the Contract Documents, or any mutually approved written extensions thereof, in which case the time for completion of the Work will be extended by an equivalent amount of time.
- B. Construction Schedules **MUST** be submitted at the Notice to Proceed Meeting. This schedule shall indicate the dates for the starting and completion of the various classifications of construction and it will be used as an instrument by the CITY to measure and monitor progress for the duration of the project.
- C. The CONTRACTOR may be granted an extension of time because of changes ordered in the Contract or because of strikes, lockout, fire, unusual delay in transportation, unavoidable casualties, inclement weather in excess of normal weather conditions, or any cause beyond the CONTRACTOR's control, provided that such an extension of time is justifiable and that such cause of delay prevented the execution of major critical items of Work as a result of which the final completion of the contract was delayed. The CITY will extend the time subject to the following provisions:
  - 1. Requests for extensions of time must be made in writing within **three (3)** calendar days after the occurrence of the delay or hindrance to the Work. All time extension claims shall be supported by sufficient written evidence to justify the claim. In the case of a continuing cause of delay, only one claim is necessary. Claims for extensions of time shall be stated in numbers of whole or half calendar days. The CITY shall ascertain the facts and the extent of the delay and extend time for completing the Work when in the CITY's judgment the findings justify such an extension of contract time. The findings of the CITY's are final and conclusive on both parties.
  - 2. The CONTRACTOR shall have no claim for monetary compensation or damages for delay or hindrances to the Work from any cause including without limitation any act or omission of the HOMEOWNER or the CITY. The CONTRACTOR's only claim for any such delay or hindrance shall be for an extension of time.
  - 3. No extension of time shall release the CONTRACTOR (or the Surety furnishing a performance or payment bond) from any obligations under the contract or such a bond. Those obligations shall remain in full force until the discharge of the Contract.
- D. The CONTRACTOR will be held to account for the Work being completed in the time that is stated in the Contract Documents, or any extension thereof.
  - 1. If, in the judgment of the CITY the Work is behind schedule and the rate of placement Work is inadequate to regain scheduled progress so as to insure timely completion of the entire Work or a separable portion thereof, the CONTRACTOR, when so informed by the CITY, shall immediately take action to increase the rate of Work placement. This increase shall be accomplished by any one or a combination of the following or other suitable measures:
    - a. An increase in working forces.

- b. An increase in equipment or tools.
  - c. An increase in hours of Work or number of shifts.
  - d. Expedite delivery of materials.
2. The CONTRACTOR shall, within **three (3)** calendar days after being so informed, notify the CITY of the specific measures taken and/or planned to increase the rate of progress together with an estimate as to when scheduled progress will be regained. Should the plan of action be deemed inadequate by the CITY, the CONTRACTOR will take additional steps or make adjustments as necessary to the plan of action until it meets with the CITY's approval. The increased rate of Work will continue until scheduled progress is regained. Scheduled progress will be established from the latest revised progress schedule for the job. Timely completion will be understood to be the contract completion date as revised by all time extensions granted at the time acceleration is undertaken. The CONTRACTOR shall not be entitled to additional compensation for the additional effort it applies to the Work under the terms of this subparagraph.
- E. If the CONTRACTOR fails in the full performance of the entire Work or in the performance of Work on a Project within the specified time limit, CONTRACTOR shall pay the CITY **\$200.00 per day of delay** on the Project and/or the Work until the Work is completed, and such funds shall be credited against any money owed to the CONTRACTOR by the CITY on the Project under which the infraction occurred. Said sum shall represent damages which may have been sustained due to CONTRACTOR's default. However, the CONTRACTOR shall not be charged with liquidated damages for any delays due to (i) acts of the government restricting labor, equipment, or materials by reason of national emergency; (ii) causes beyond the control and without the fault or negligence of the CONTRACTOR including but not restricted to the following: Acts of God; fires, floods, epidemics, quarantine restrictions; strikes; freight embargoes; and adverse weather conditions affecting the Work to be performed. The cause and extent of delays shall be evaluated and if delays are found to be properly excusable, an extension of time for project completion will be adjusted to commensurate with the period of the excusable delays. It is the responsibility of the CONTRACTOR to notify the CITY of any such delays within **three (3)** calendar days.
- F. The City of Galveston defines the start of construction as the contractor's mobilization at the job site. This on-site presence starts the sixty (60) days until completion for Rehabilitation projects and ninety (90) days until completion for Reconstruction projects. The time specified for completion in the Contract Documents shall cover utility connections, final cleanup of the premises and completion of punch list deficiencies.

## REQUIRED GENERAL SPECIFICATIONS

The City of Galveston Grants & Housing Department provides these general requirements and specifications to assist the contractor in the bidding and construction process. These general specifications are in no way intended to be a substitute for the approved designed blue prints.

- Contractor must complete and submit Lead Based Paint Compliance form.
- Contractor must complete and submit Bid Estimate Major Categories form.
- Contractor must complete and submit Payment Process Draw form.
- Contractor must complete and submit Section 3 requirements forms.
- Contractor will provide written approval from the homeowner on all painting, flooring, cabinet and appliance selections. Cut sheets must be provided for all new construction projects. This **MUST** be provided to Grants & Housing before start of construction.
- Contractor **MUST** submit a project construction schedule to Grants & Housing prior to the start of construction. This schedule will be used to measure and monitor progress throughout the project.
- Contractor **MUST** submit a contact list of key office personnel and on site construction superintendents to Grants & Housing before the start of construction.
- Contractor **MUST** commission a licensed HVAC technician in order to procure, and then submit to Grants and Housing, the heating and cooling load calculations for each room, as well as the duct and register dimensions, layout of ductwork & unit(s) and recommended size of unit(s).
- Foundation repair/leveling shall include all costs associated with the removal & replacement of water/insect damaged components, engineering and design of foundation system and any modifications needed to comply with current industry standards, regulations and building codes.
- The elevation of an existing structure should include all costs associated with the elevation of this structure. This includes the design and engineering, column/pier system specifications, drawings and permitting. The contractor's bid must include the following:
  - 1) Demolition of the existing foundation
  - 2) Extension of all utilities (electrical , water, sanitary sewer and natural gas)
  - 3) Construction of a platform for the HVAC condenser capable of securing a 400lb load
  - 4) Installation of an insulated subfloor system, (Including R-30 Batt insulation, ½" plywood, primer and two coats paint)
  - 5) Construction of two (2) 4' wide entry stairs for front and rear entry with treated lumber, risers, treads, handrails, hangers and fasteners
  - 6) Installation of lattice (if elevation is less than 4 feet) or installation of board & batten skirting system with flood vents (if elevation is greater than 4 feet). Lattice or board & batten skirting system must consist of treated framing, fasteners, primer and two coats paint.

7) Clearing and grade leveling. Dirt should be level to drain (fill as needed) and no more than 4" spacing to bottom of lattice framing and 0" spacing to bottom of board and batten skirting.

- The contractor shall provide a registered surveyor on site to confirm actual site grade elevation and the first floor elevation is required to be three (3) feet above Base Flood Elevation (BFE). A registered surveyor shall provide a signed certification of the final finished floor elevation and BFE on the site. A minimum of two (2) feet of free board is required to the underside of the floor system. The BFE is defined by FEMA as the base (1%-annual-chance) flood elevation in relation to the datum referenced in the Flood Insurance Study report.
- All electrical panels, HVAC outside condensing units and motors for septic systems must be located a minimum of three (3) feet above the base flood elevation.
- Utility Meters: Contractor must verify with utility company appropriate connections.
- The Contractor will be responsible for obtaining the final survey, elevation certificate and the certificate of occupancy.
- Upon completion of construction, all homes must be fully insurable. Copies of all applicable WPI-8's **MUST** be submitted to the CITY prior to receiving final Retainage.

## **CONTRACTOR PERFORMANCE STANDARDS**

The following items, occurring on a minimum of two (2) occasions, will result in immediate cancellation of the rehabilitation Contract and the removal of the Contractor from all City of Galveston Grants and Housing Department Programs. Contractors will be notified of their proposed dismissal and will be given an opportunity to comment on or appeal the action. All appeals must be made in writing to the Grants and Housing Department at least ten (10) days from the date of the notification letter.

- Failure to use properly licensed plumbing, electrical, HVAC and pest control contractors
- Failure to respond to the Grants & Housing Department's requests and directives
- Failure to complete project in contracted time frame
- Failure to obtain Homeowner signatures on pay requests
- Un-safe work practices
- Performing unapproved, extra work
- Failure to obtain and maintain insurance requirements before and during the project
- Installing "used" or "secondhand" materials without prior written approval from the Grants and Housing Department
- Inadequate control and/or management of project and subcontractors
- Failure to allow Homeowner the choice of finishes, fixtures, appliances, etc. within specification limits.
- Failure to obtain building permits (where required) prior to the start of work
- Failure to post permits according to the City of Galveston rules
- Failure to pay subcontractors/material suppliers in a timely manner
- Sloppy or substandard work
- Failure to correct defective/unacceptable work in a timely manner
- Alcohol or drug use on the work site
- Failing to adhere to acceptable industry standards & practices
- Failure to abide by Windstorm construction inspections and regulations according to the Texas Department of Insurance
- Failure to abide by Lead Based Paint safe work practices and Hazard Reduction Activities
- Failing to respond to warranty work, and failure to perform valid warranty claims

Fines will be assessed when the project completion date is not met for any reason and the contractor will be assessed a fine of \$200.00 per day until the project is signed off by all parties with all paperwork turned in. This also includes all final inspections for the Electrical, HVAC, Plumbing and, engineers' certificate for foundation and roof, as well as all punch lists from the Housing Rehabilitation Specialist and the Director of Grants and Housing Department.

Acknowledged and accepted by,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

# LEAD BASED PAINT COMPLIANCE

Federally funded rehabilitation assistance of pre-1978 units up to \$5,000 per unit requires that program participants repair paint that has been disturbed. If the assistance is greater than \$5,000 per unit, the entire property is evaluated by a risk assessment. If the assistance is greater than \$5,000 and not more than \$25,000 per unit, all lead hazards are addressed by interim controls using lead safe work practices. Above this amount, abatement (permanent elimination) of all lead hazards identified by the risk assessment is required. Lead hazard reduction must be performed in a manner consistent with the findings in the risk, assessment report. On projects exceeding the \$25,000 per unit threshold, HUD does not require that all lead-based paint and lead-based paint hazards must be removed from the property. At this level of assistance, the regulation requires only that all, identified lead hazards must be abated on the property.

Program guidelines mandate the following:

- 1) Trained (or certified) workers using lead safe work practices must perform all construction work (above minimal amounts of paint disturbance) where lead-based paint is known or presumed present. A certified abatement supervisor must supervise abatement workers; unless the workers are themselves certified supervisors. In addition the firm employing the abatement workers and supervisors must itself be certified.
- 2) Work practices on known or presumed LBP, such as dry sanding or dry scraping unless required for electrical safety, or machine sanding, grinding, abrasive blasting or sandblasting without a high-efficiency particulate air (HEPA) local exhaust control is strictly prohibited.
- 3) Occupant protection requires restricting occupants' access to the worksite and requires temporary relocation to a unit free of lead hazards except for the following cases: 1) treatment will not disturb LBP; 2) only the exterior of the dwelling is treated, and windows, doors, ventilation, intakes and other openings are sealed during work; 3) treatment of the interior will be completed within one 8- hour work period; 4) treatment of the interior will be completed within 5 calendar days, the work site is adequately contained, and occupants have safe access to kitchen, bathroom and sleeping areas; 5) unit is secured, occupants' belongings are protected from contamination, and warning signs are posted. **Piling belongings in the center of the room and covering with plastic sheeting is not allowable.**
- 4) Signs must be posted to warn workers of lead hazards in accordance with the OSHA lead in construction standards.
- 5) A clearance report after paint stabilization must be completed before occupancy and a copy of this clearance report **MUST** be submitted to the CITY prior to receiving final Retainage.

As an officer and/or representatives of \_\_\_\_\_, I the undersigned have read and fully acknowledge and agree to abide by Lead Based Paint Compliance, and become a party to the full implementation of this program.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

## BID ESTIMATE - MAJOR CATEGORIES

**Don & Jeanette Huwe**  
**5929 Avenue T**

Site Work (Demo & Haul)	\$ _____
Landscaping/ Fencing:	\$ _____
Roof:	\$ _____
Exterior Siding:	\$ _____
Exterior Painting:	\$ _____
Plumbing (Including Fixtures):	\$ _____
Electrical: (Including Fixtures & HVAC System):	\$ _____
Drywall (Including Texture & Painting):	\$ _____
Windows, Doors, Cabinets, and Trim Out:	\$ _____
Flooring (Carpet, Vinyl, Hardwood, and Tile):	\$ _____
Sidewalk/Driveway:	\$ _____
Total for Project:	\$ _____

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

## **Payment Process for Draws**

The City will deduct a 10% retainer fee from the total Contract amount (**Bid price from each project**) that will be held for thirty days (30).

**1<sup>st</sup> Draw** will consist of completion of:

Site Work (Demo & Haul), Foundation, Framing (with dry-in), and Roof (with singles):

\$ \_\_\_\_\_

**2<sup>nd</sup> Draw** will consist of completion of Exterior Siding, Exterior Painting, Rough-In Plumbing, Rough-In Electrical, & Rough-In HVAC System, Drywall, Texture, Interior Painting and Exterior Doors, Windows:

\$ \_\_\_\_\_

Final Payment will consist of Flooring (Carpet, Vinyl, and Tile) and all Interior Doors, Cabinets, and Trim Out, Appliances (refrigerators with Icemaker, dishwasher, stove, disposals), Final for Plumbing, Electrical, HVAC, Engineer's Certificate (WPI-8) Entire Structure, Foundation and Roofing address on house, mail box, fencing, new grass, sidewalks, curbs, driveway and Punch list items. And all paper work (Employment Report, Release of Liens, and Final Completion Certificates) Certificate of occupancy:

\$ \_\_\_\_\_

10% Retainer will be with held for thirty (30) days upon completion of job, from the total contract amount.

\$ \_\_\_\_\_

**Draw Request:** All work must be completed before the Draw Request is submitted to the Grants and Housing Department. The request must be signed by the contractor and the homeowner prior to submittal, and an invoice must also be submitted with the request.

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

## **SECTION 3 REQUIREMENTS**

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to “ensure that employment and other economic opportunities generated by certain HUD financial funding shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government funding for housing, and to Business Concerns which provide economic opportunities to low- and very low-income persons.” The 1992 Act sets forth:

- The types of HUD financial funding, activities, and recipients subject to the requirements of Section 3;
- The specific individuals and Business Concerns who are the intended beneficiaries of the economic opportunities generated from HUD-assisted activities; and
- The order of priority in which these individuals and Business Concerns should be recruited and solicited for the employment and other economic opportunities generated from HUD-assisted activities.

Contractors or subcontractors that receive contracts in excess of **\$100,000** for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as direct recipients. If the recipient agency receives Section 3 covered funding and invests these funds into covered projects/activities, but no individual contract exceeds \$100,000, responsibility for complying with Section 3 only applies to the recipient.

### **REPORTING**

Prime Contractors are responsible for reporting any Section 3 residents hired by subcontractors

All Prime Contractors that are awarded Section 3 covered contracts are required to submit to the City of Galveston’s Grants & Housing Department a Section 3 Summary Report on a monthly basis and a copy of all executed contracts between Prime Contractors. Contractors are also required to provide a payroll copy of all Section 3 Residents that are hired by the Prime Contractor.

## **SECTION 3 CONTRACTS**

All CDBG bid proposals and contracts shall include the following Section 3 language:

- a. The parties to this contract will comply with provisions of said Section 3 and the regulation issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR and all applicable rules and orders of the Department issued there under prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- b. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of this commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment of training.
- c. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for, or recipient of federal financial assistance, take appropriate action pursuant to the subcontractor upon a finding that the subcontractor is in violation of regulations issued by Secretary of Housing and Urban Development, 24 CFR 135. The contractor will not subcontract with violation of regulation under 24 CFR 135, and will not let any subcontract unless the requirements of these regulations.
- d. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department, issued there under prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicants recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

As an officer and/or representatives of \_\_\_\_\_, I the undersigned have read and fully acknowledge and agree to abide by the guidelines of the Section 3 Plan, and become a party to the full implementation of this program.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

**CONTRACTOR OR SUBCONTRACTOR'S SECTION 3 PLAN, IF REQUIRED**

(Required if bid exceeds \$100,000)

**Section 3 Plan**

\_\_\_\_\_ agrees to implement the following specific affirmative action steps directed at increasing the utilization of lower income residents and businesses within the City of Galveston.

- A. To ascertain from the locality's Disaster Recovery CDBG program official the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.
- B. To attempt to recruit from within the City the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U. S .Employment Service.
- C. To maintain a list of all lower income residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exists.
- D. \*To insert this Section 3 Plan in all bid documents, and to require all bidders on subcontracts to submit a Section 3 Plan including utilization goals and the specific steps planned to accomplish these goals.
- E: \*To ensure that subcontracts, which are typically let on a negotiated rather than a bid basis, in areas other than Section 3 covered project areas, are also let on a negotiated basis whenever feasible, if let in a Section 3 covered project area.
- F. To formally contact unions, subcontractors, and trade associations to secure their cooperation for this program.
- G. To ensure that all appropriate project area business concerns are notified of pending sub contractual opportunities.
- H. To maintain records, including copies of correspondence, memoranda, etc. which document that all of the above affirmative action steps have been taken. \*Loans, grants, contracts, and subsidies for less than \$100,000 will be exempt.
- I. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 Plan.
- J. To list on **Table A** information related to subcontracts to be awarded. **(Provided upon bid award)**
- K. To list on **Table B** all projected workforce needs for all phases of this project by occupation, trade, skill level, and number of positions. **(Provided upon bid award)**

As officers and representatives of \_\_\_\_\_, we the undersigned have read and fully agree to this Section 3 Plan, and become a party to the full implementation of this program.

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH BID**

# **City of Galveston**

## **Grants and Housing Department**

### **Additional Instructions to Bidder**

1. **Incorporation of Bid Proposal:**

All requirements contained within the City's attached Invitation to Bid announcement are fully incorporated herein.

2. **Housing Rehabilitation Program:**

The City of Galveston Housing Rehabilitation Program is administered by the Grants & Housing Department through funding from the U.S. Department of Housing and Urban Development (HUD). The Housing Rehabilitation Program provides assistance to low-moderate-income families in need of repairs to their houses in order to bring these structures up to the City of Galveston's Minimum Property Standards. The Grants and Housing Department, in conjunction with the Homeowner, will issue the chosen contractor a written "Notice to Proceed" at the pre-construction conference.

3. **Bidding Procedure:**

Bids received must be for the execution of the entire work as called for on the Bid Form and Work Write-Up provided. Each item (construction trade) is to be bid as a separate item and the Housing Rehabilitation Manager/Housing Rehabilitation Specialist or designee reserves the right to delete any item before or after submission of bids. The total bid is to be included on the Bid Form.

For all Lead Based Paint remediation, the Contractor must have a Certified Lead Abatement Supervisor and/ or Lead Abatement Workers to bid on this project. The Contractor's method of Lead Based Paint remediation must comply with all state and federal regulations. The Contractor must submit with their bid all certification and/ or certificates of all Lead Abatement Supervisors and Lead Abatement Workers along with their picture identification cards issued by a HUD Approved Training Provider.

Bids shall be signed by the Contractor and mailed or hand-delivered to the City's Purchasing Supervisor who solicited the bid prior to the deadline established. Bids will not be accepted in the Grants and Housing Department or any other City departments.

Each bidder shall thoroughly examine and familiarize himself or herself with any drawings, the Work Write-Up, specifications, all contract documents (including this document), existing conditions, difficulties, and restrictions involved with doing the work. The Contractor will not be relieved of his or her obligation because of his or her failure to do the above when contracted to do the work. Each bidder shall, upon discovery of any apparent error or omission in the bidding

documents, notify the Housing Rehabilitation Manager/Housing Rehabilitation Specialist of such. Notifications of error must be made prior to submitting a bid.

The Contractor is responsible for verifying all quantities and dimensions as listed in the work write-up. All efforts have been made to provide information but errors may occur. Failure to verify the dimensions or quantities will not relieve contractor of final responsibilities.

Contractors must be equipped to build multiple housing units in different areas within the City concurrently.

Bid(s) may be awarded wholly or solely based on the discretion of the Grants & Housing Department. Contractors that are awarded projects must be able to complete the housing unit within the specified time frame established by the construction contract.

At the department's discretion, the following stipulations may be taken into Consideration when awarding this bid:

- Number of active projects with Grants & Housing
- Current performance on active projects with Grants & Housing

Contractor must submit references from previous projects, and a list of sub-contractors with a copy of their insurance policies.

Contractor must have at least five (5) years experience in new residential construction.

Contractor must have experience working with local, state, or federal funded housing programs.

By submitting a proposal, the Contractor further asserts that he/she has read and understands the City of Galveston Grants and Housing Department's Work Write-up and General Specifications Manual and additionally that he/she has visited the project site and familiarized himself/herself with job-specific conditions under which the work shall be performed.

#### 4. **Bid Rejection:**

The City of Galveston reserves the right to reject any and all bids, or any line item contained in the Work Write-Up. All bids are reviewed and qualified by the City of Galveston Grants and Housing Department. Qualified bids are those bids no more than fifteen percent (15%) higher or fifteen percent (15%) lower than the Grants and Housing Department's initial estimate of repairs. Any bid outside of the 15% range may be rejected. The Contractor may be requested to clarify his/her bid. The lowest most responsive and responsible bidder within the 15% will be awarded the contract upon City Council's approval. In certain instances if a bid is outside the 15% window the feasibility of the lower bid will be considered at the Grants & Housing Departments discretion. Additional assurances may be required up to and including payment and/or performance bonds.

5. **Scope of Work:**

The work to be done under the contract documents shall consist of the following:

- a. All labor and materials to perform the necessary work detailed in the Work Write-Up.
- b. Perform all Lead-Based Paint Hazard Reduction Activities as required in the specifications and as required by law.
- c. Removal of all construction debris from the project site and adjacent properties affected by work upon completion to the satisfaction of the City.
- d. Adherence to all municipal, state, and federal laws, codes, and ordinances including but not limited to local building codes, permits, Windstorm compliance, and Lead Based Paint Hazard Reduction Regulations.
- e. The completion of all work in a timely and professional manner.

6. **Materials and Workmanship:**

The intent of these contract documents is to ensure that only materials and workmanship of the best quality and grade will be furnished. The fact that the specifications may fail to be sufficiently complete in some detail will not relieve the Contractor of full responsibility for providing materials of high quality and for protecting the materials adequately until incorporated into the project. The presence or absence of a representative of the City at the construction site will not relieve the Contractor of full responsibility for complying with this provision. The specifications for materials and methods set forth in the contract documents provide minimum standards of quality, which the City believes necessary to procure a satisfactory project.

7. **Labor and Materials:**

The Contractor shall furnish all materials, labor, equipment, etc., which are necessary in the execution of the Contract at his or her expense. The materials used and installed must be new and of good quality, and the labor shall be performed by skilled and competent craftsmen. Salvaged "seconds" or "overstocked" materials are not to be used on any City rehabilitation project without prior written approval from the Grants & Housing Department. The Contractor shall not use any of the Homeowner's equipment or tools.

8. **Installation:**

All work and materials must be applied or installed in accordance with the applicable manufacturer's latest instructions and specifications. Any variations to the instructions or specifications must be called to the Housing Rehabilitation Manager/Housing Rehabilitation Specialist's attention prior to application or installation. The Housing Rehabilitation Manager/Housing Rehabilitation Specialist or designee must approve or disapprove such variation in writing.

The homeowner will choose paint and finish colors, carpet, vinyl, shingle color, light fixtures, and Formica during the Pre-construction Conference. During that time the homeowner and the contractor will sign the Homeowner Item Selection Form. The Contractor is responsible for ensuring that the items that the homeowner selected are the ones installed.

9. **Substitutions and Amendments:**

It is not the desire of the Grants & Housing Department to exclude any products or materials of equal or greater merit to those specified herein. Trade names used are designed to establish quality desired. Before any substitutions or amendments are made, the written consent of the Housing Rehabilitation Manager/Housing Rehabilitation Specialists must be obtained.

10. **Lead Based Paint Hazard Reduction:**

Each contractor shall be responsible for adherence to, and use of, the proper “safe work practice” requirement criteria (interim controls or abatement) depending upon its specific “Lead Based Paint Hazard Reduction” designation. Failure to adhere to the “lead based paint” rules will result in a fine up to \$500.00 and/or termination from the City of Galveston Housing Rehabilitation Program. All contractors must provide proof of qualifications to inspect, assess, repair, stabilize, abate, or clear potential lead based paint hazards.

11. **Clean Premises:**

Each Contractor shall endeavor to keep the project area and adjacent properties clean and orderly during the course of the work. Contractor is to maintain the job site in an orderly, safe, and workmanlike manner. All old materials and equipment that have been removed and replaced as a part of the approved work shall belong to the Contractor, unless otherwise stipulated. The Homeowner is required to notify contractors prior to the job starting should they want to keep any materials that are to be removed or replaced. At the end of the contract, all rubbish, refuse, and unused materials shall be removed from the project area and adjacent properties. The Homeowner shall cooperate by maintaining an orderly, clean, and sanitary home. Trash resulting from the project shall be taken to a state-approved landfill. Trash shall not be left on Homeowner’s property, or any adjacent properties, once the project is complete. Note: Any potential safety hazard, such as materials with nails protruding or broken glass, which are left or found on the property during the course of the contract, shall be a fineable offense of \$100.00 per occurrence. The fine shall be deducted from contract final payment.

12. **Working Conditions:**

For houses to be rehabilitated that are furnished and occupied by the Homeowner, the Contractors and Subcontractors shall make allowances in their bids for whatever inconvenience is incurred; i.e., working around furniture, adjusting working hours to accommodate Homeowner’s daily routines, etc. Should the Contractor have difficulty implementing the work, when requested by the Contractor, the Housing Rehabilitation Manager/Housing Rehabilitation Specialist will provide assistance. The Contractor shall protect all Homeowner belongings, carpet, furniture, etc. that will remain in the work area. Passageways and hallways shall be kept clear of debris, lumber,

or equipment. Bulk materials may not be stored inside the house. On most projects, unless otherwise specified, the Homeowner shall remove most movables (except furniture), etc., if required. The Contractor is to replace/reinstall items that were originally removed by the Contractor under their contract upon completion of job. Smoking, drinking or eating shall not occur in the residence.

13. **Temporary Sanitary Facilities:**

Contractor shall provide sanitary facilities for the use of his or her workers throughout the duration of the job. Portable toilets are mandatory on the jobsite.

14. **Utilities:**

Contractors will be provided the services of water, gas and electricity at no charge to the homeowner, with the exception of houses that presently have no utilities. Contractors, contractor's employees, and subcontractors shall not make any phone calls from the Homeowner's telephone. It is the responsibility of the Contractor to provide adequate notice to the Homeowner to reconnect utilities whenever applicable for Progress Inspections, Punch List preparation and completion and Final Inspections.

15. **Safety:**

The Contractor shall exercise proper precaution at all times for the protection of persons and property, both on and off the site, from hazards which occur as a result of his/her prosecution of the work. The safety provisions of applicable laws and building construction codes shall be observed and the Contractor shall take or cause to be taken such additional safety and health measures as the Grants and Housing Department may determine to be reasonably necessary.

16. **Insurance Requirements:**

All Contractors performing work in the Grants and Housing Department's Rehabilitation Program must provide proof of adequate liability insurance on an occurrence basis with the City as an additional named insured and motor vehicle insurance, and Workers' compensation coverage prior to the start of work. The cost to purchase policies may be included in your total bid(s). Any policy or policies of insurance purchased by the Contractor to satisfy his/her responsibilities under this Contract shall include contractual liability coverage, completed operations, and broad form property damage, and shall be in the following type and minimum amounts:

	<u>Per Person</u>	<u>Per Accident</u>
1. Comprehensive General Liability (a) Bodily Injury (b) Property Damage	\$300,000.00	All inclusive (Personal Injury Products Each Occurrence)
2. Motor Vehicle Liability & Property Damage Insurance: (a) Bodily Injury (b) Property Damage	\$300,000.00	Combined Single Limits
3. Workers' Compensation Insurance		Statutory Limits is required.

***Insurance coverage shall be on an "occurrence basis"***

**17. Permits and Inspections:**

Any and all permits or licenses necessary for the construction or alterations to the structure must be obtained and paid for by the Contractor before starting work. The Building Permit is to be in the name of the Contractor performing the work. Contractors and Subcontractors are responsible for obtaining any progress or final inspections from the local building inspection officials. Failure to call for required inspections or proceeding without inspection on a minimum of two (2) occasions will result in immediate dismissal from Housing Rehabilitation Program. A copy of all permits shall be publicly displayed at the job site for all interested parties concerned. Permits shall be visible from the street. Fines of \$500.00 and/or suspension from the rehabilitation program will be imposed due to failure to post your permits on the job site and/or submit them to the Grants & Housing Department before any work commences on the property.

**18. Applicable Laws and Codes:**

All materials and equipment herein specified shall be installed in conformance with the latest existing laws, ordinances, and codes, latest edition, as adopted by the local governing body. These include, but are not limited to, the building codes and requirements of the City of Galveston, the State of Texas, and where applicable, all Federal building codes, and the International Residential Code (IRC) International Building Codes, (IBC) In addition, the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings may apply if the structure to be rehabilitated is found to be eligible for the National Register of Historic Places. Contractors are notified of the historic eligibility where necessary.

**19. Windstorm Compliance:**

In addition to the codes and building requirements stated above, all Contractors performing work for Galveston's Grants and Housing Department must comply with all Windstorm regulations and inspections as required by the Texas Department of Insurance for the City of Galveston. It is the Contractor's responsibility to take the necessary action to comply with The TDI Windstorm Code, Chapter 2210 of the Texas Insurance Code.

20. **Contractor Representative/Contractors Damage:**

The Contractor shall designate in writing, a representative who is physically on the property and who can within 24 hours contact him/her if deemed necessary. There will be a \$50.00 fine for not having a responsible representative on the project property at all times. The fine shall be deducted from the final contract payment.

The Contractor shall be responsible for repairs of damage done to the project property and any damage done to adjacent properties that were caused by the Contractor or Subcontractor.

21. **Time and Order of Completion:**

The project work covered by the contract documents shall be fully completed within the time specified in the Contract. Contract times are as follows:

- 60 Days: For all rehabilitation projects.
- 90 Days: For reconstruction projects.

Upon the receipt of permits and a signed Noticed to Proceed, the contractor will submit a project schedule for the project no later than two (2) days after the Notice to Proceed was signed. The Contractor will be permitted to proceed with the work in the order of the contractor's own choosing; however, the City reserves the right to require the Contractor to submit a progress schedule of the work performed. In the event the City requires a progress schedule to be submitted and it is determined by the City that the progress of the work is not in accordance with the progress schedule so submitted, the City may direct the Contractor to take such action as the City deems necessary to insure completion of the project within the time specified. The Contractor shall be responsible for all costs and expenses associated with such required action.

22. **Additional Work for Homeowner:**

The rehabilitation Contract consists of work only on the Work Write-Up, plus any approved Change Order requests. Any additional work done (arranged between the Contractor and Homeowner) that is NOT specifically covered in the Work Write - Up without prior approval from our office becomes the sole financial responsibility of the Homeowner. If additional work is required, our office must be contacted immediately. We do not have a problem adding or making changes to the rehabilitation contract if the funding is available and the request is justifiable. If a Homeowner is willing to pay a contractor to do additional work that will not be covered by the rehabilitation contract, the work must be done after all work is complete on the rehabilitation contract and the thirty (30) day Retainage period has expired.

23. **Change Order Request:**

No modifications or additions to the Work Write-Up shall be made except by a written instrument, usually in the form of a Change Order, which is signed by the Contractor, Homeowner, and

approved by the City. Additions to the contract may include but are not limited to Change Orders, time extensions, and/or Proceed Orders.

The following procedure for Change Orders will be strictly adhered to:

When the contractor identifies any work that will require a Change Order, he/she will immediately notify the Rehabilitation Specialist, Manager, or Director.

If the change is thought to be valid by the Housing staff, where applicable, the appropriate city inspector will be notified to review the condition or system.

If mutually agreed by all parties, a Change Order form will be issued and signed by the Contractor, Homeowner, Grants & Housing Department and the City Manager or designee.

Under no circumstances will the City pay for any modifications or additions to the Work Write-Up unless an approved Change Order is on file. The Change Order must be approved by the City in writing, prior to the start of any change in the scope of work.

24. **Extras:**

The Contractor shall not enter into separate agreements (“side deals”) with the Homeowner and/or Homeowner’s Agents for additional work or materials until the current Housing Rehabilitation Contract is completed. The Contractors and Subcontractors shall not offer suggestions to Homeowners regarding changes in Specifications. Such suggestion should be directed to the Housing Rehabilitation Manager/Housing Rehabilitation Specialist as a Change Order Request.

The Grants & Housing Department cannot reimburse a Contractor, nor be responsible, for the work that is not in the Contract or an approved Change Order form. The Contractor must notify the Grants and Housing Department before any such work begins.

The Contract consists of work only on the Contract, Work Write-Up, any supporting project specifications, plus any approved Change Order requests. Contractors will not do any additional work that is NOT specifically covered in the Work Write-Up without prior approval from the Housing Office. DO NOT, under any circumstances, enter into “side contracts” or “side deals” or do any “extras” with the Homeowner. Entering into “side contracts” or “side deals” will result in termination of the Contract prior to completion of work with no further participation in the program. Any extra work performed on the property that is not in the Work Write-up may result in a fine up to \$150.00 for each occurrence.

25. **Alternatives and Proposed Changes:**

The Housing Rehabilitation Manager/Housing Rehabilitation Specialist or designee will consider all value-engineering alternatives in the specifications, provided they accompany the bid and are individually priced. The Contractor shall not discuss proposed changes with the Homeowner unless in the presence of the Housing Rehabilitation Manager/Housing Rehabilitation Specialist. All sections of the general specifications (this document), whether specifically cited on the bid sheet or not, shall apply to all work performed.

26. **Disputes:**

Initial disputes, including problems over the terms of the Contract, workmanship, contract amount, and bid specifications shall be resolved between the Contractor and the Homeowner. (However, the Homeowner and Contractor as stated in Section 25 of this document may NOT settle disputes through “side deals”). Disputes that cannot be resolved in this manner will be referred to the Housing Rehabilitation Specialist, and to the Director of Grants & Housing. Final resolution can go to the City Manager.

27. **Dispute Resolution:**

The Contractor’s work will be monitored by the Homeowner, Grants & Housing Department, and where applicable, by the City Building Code Inspectors. If the Homeowner considers any work done by the Contractor to be unsatisfactory or incomplete the Homeowner will advise the Contractor of the discrepancy and ask that it be corrected. In the event a dispute exists between the Homeowner and the Contractor with the respect to the rehabilitation work, the Grants and Housing Department shall take appropriate action in accordance with the provisions of the construction Contract to assure that all parties to the contract are satisfied prior to disbursement of any payments.

28. **Affidavits of Bills Paid:**

The City of Galveston reserves the right, prior to final acceptance of this project, to require the Contractor to execute an affidavit that all bills for labor, materials, and incidentals incurred during the rehabilitation project have been paid in full and that there are no claims pending, of which the Contractor has been notified.

29. **Payment Process:**

For substantial or significant rehabilitation loan projects, one interim payment will be made when the project is 30% complete, for 30% of the Contract price. Another interim payment will be made when the job is 60% complete, for another 30% of the Contract price. Prior to issuance of the Third payment (for 30% of the Contract price) and at the end of the project, punch lists will be prepared by the Housing Rehabilitation Specialist, Housing Rehabilitation Manager and the Director of the Grants & Housing Department. The punch list items must be complete prior to the release of the Third Payment. Release of the Third Payment indicates that the project is 100% complete. The Final (Retainage) Payment (10% of the total Contract amount) is held for thirty (30) days following the release of the Third Payment. It is to the Contractor’s benefit to finish the project in a timely manner in order that the funds can be released.

For minor rehabilitation grant projects, the Contractor will be paid in one lump sum for the total Contract amount within thirty (30) calendar days of project completion.

30. **Liquidated Damages:**

Liquidated damages will be assessed on a daily basis beginning the day following the completion date as stated in the Contract, including the most recent Change Order Form completion date, where applicable. Liquidated damages will be assessed at an amount of \$200.00 per day. Liquidated damages will be deducted from the second pay request if the final pay request is not enough to cover the penalty. Exceptions to this rule shall be in cases of inability to perform the work due to inclement weather, a backorder of specified materials (written proof of backorder must be supplied), or some other unforeseen circumstance (approved by the Grants & Housing Department).

31. **Reinspection Fee:**

All Pay Point and Final Inspections will be scheduled by the Contractor. If the Contractor fails to complete all items on the punch list or the item is not corrected properly a \$100.00 re-inspection fee shall be required for each inspection needed thereafter. The fee shall be deducted from the contract's final payment.

32. **Warranties/Workmanship:**

The Contractor shall warrant his/her work against faulty materials or workmanship for a period of one (1) YEAR from the project completion date at no cost to the Homeowner or City. The one-year period shall begin on the date of the final acceptance for the completed job, approved by the Housing Rehabilitation Manager/Housing Rehabilitation Specialist or designee and the Homeowner. The Contractor shall convey all manufacturers' warranties to the City and Homeowner. The warranty will be voided in the event that:

- a. The Homeowner chooses to perform work during the contract period, or
- b. The Homeowner attempts to repair the warranty claim on his/her own.

The Contractor will be notified by the Homeowner in the event a warranty claim arises within the given contract year. If the Contractor refuses to respond to the Homeowner's request, the Homeowner shall notify the Grants and Housing Department. The City will take the necessary action to determine whether the complaint is valid. If the complaint is valid, the Contractor will be notified of the complaint along with a deadline for responding.

The Contractor is to use skilled, trained, competent craftsman who are thoroughly trained and experienced in the necessary crafts and who are completely familiar with the specified requirements and the method needed for proper performance of the work for each project section. All contractors and/or subcontractors used on the project must be licensed when required. The Housing Office reserves the right to cause personnel to be removed from the job who are not performing their services in a workmanlike manner. Work shall be done in accordance with the Standards of Workmanship for the crafts involved and in accordance with the manufacturer's recommendation.

33. **Contractor Verifications:**

Any Contractor whose name appears on the most current HUD Debarred Contractors List will not be eligible to participate in this program. References will be checked and claims of substandard workmanship will be cause to declare a Contractor ineligible.