

E X A M P L E
TOWN OF MCGILICUDDY
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACT FOR REHABILITATION

STATE OF NORTH CAROLINA

COUNTY OF _____

_____, 20__

THIS AGREEMENT, made and entered into this _____ day of _____, 20__, by and between _____ (hereinafter referred to as "the Contractor") and _____ (hereinafter referred to as "the Owner"); with the Town of McGillicuddy (hereinafter referred to as "the Town") acting as an interested third party.

WITNESSETH:

THAT wherein the Contractor and the Owner by mutual agreement for the consideration hereinafter set forth, do hereby agree as follows:

1. **Scope of Work.** That the contractor shall furnish all labor, materials, equipment, supervision and services required to perform all the work described in the Work Write-up dated _____, 20__, and consisting of _____ pages.

THAT the parties agree that there shall be no change in the Contract or in the Work Write-up/Specifications unless reduced to writing as a Change Order and duly executed as an Addendum to this Contract by the parties hereto.

2. **Contract Documents.** THAT the Contract consists of the "General Conditions of Rehabilitation Contract," the "Non-Collusive Affidavit of Prime Bidder," the "Work Write-up" and attendant drawings, the "Notice to Proceed," and the "Rehabilitation Specifications" of the Town, which, together with this Agreement, form the entire contract between the parties hereto, and are hereby incorporated into this Agreement by reference.

3. **Contract Sum.** THAT for the services rendered under the terms and conditions of this Contract by the Contractor, the Owner or its representative shall pay the Contractor, subject to any additions and deductions, as provided in Article I of this Contract, the sum of _____ DOLLARS AND _____ CENTS (\$ _____) upon the completion of the work described in this Contract.

4. **Payment Schedule.** THAT the Contractor shall not be entitled to any progress (partial) payment on contracts of less than \$5,000.

THAT for contracts exceeding \$5,000 but less than \$12,000, the Contractor shall be entitled to one (1) progress payment after a minimum of fifty percent (50%) of the total contract work is completed.

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THAT for contracts exceeding \$12,000, but less than \$22,000, the Contractor shall be entitled to two (2) progress payments, the first after a minimum of forty percent (40%) of the total contract work is completed and the second after an additional forty percent (40%) of the work is done.

And, THAT for contracts of \$22,000 or more, the Contractor shall be entitled to three (3) progress payments, the first after thirty percent (30%) of the work, the second after an additional thirty percent (30%) and a third after an additional thirty percent (30%) of the total contract work is completed.

THAT said progress payments shall be based upon eighty percent (80%) of the contract price (from the Contractor's cost breakdown as approved by the Town) of the work completed on each line item which is one-hundred percent (100%) complete. The contractor shall furnish release of liens or claims for liens by subcontractors, laborers and material suppliers for completed work or installed materials before payment will be made.

THAT upon completion of all (100%) of the contracted work and the execution of the Town's "Certificate of Satisfaction," a final payment will be issued on the Owner's behalf. Prior to final payment the Contractor shall execute, and cause to be executed by all subcontractors, laborers and suppliers which contributed labor and/or materials furnished or used in the performance of the work covered by this Agreement, a "Release of Liens" on a form provided by the Town on behalf of the Owner.

5. **Time of Commencement and Completion of Work.** THAT the Contractor agrees to begin work under this contract within five calendar days of the day stipulated in the written "Notice of Proceed" which shall be issued by the Town on the Owner's behalf after all project funding has been encumbered and/or the pre-audit statement signed by the Finance Director of the Town.

THAT work shall be satisfactorily completed by the Contractor within _____ () working days of the stipulated date of commencement. Time is of the essence.

6. **Contract Time Extensions.** THAT it is expressly understood and agreed that the time for completion of the work described herein is a reasonable time, taking into consideration the prevailing climatic and economic conditions. Time extensions shall be granted to the Contractor only for the following reasons:
- A. Unforeseeable causes beyond the control and without fault or negligence of the Contractor, including but not limited to, acts of God, acts of the Owner or the Town, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and abnormal and unforeseeable weather;
 - B. Any delays of Subcontractors occasioned by any of the causes specified in paragraph A, above; and/or,
 - C. Delays caused by the addition of work to the contract through Change Orders.

THAT the Town shall determine a reasonable length for the contract extension time.

7. **Liquidated Damages.** THAT if the Contractor shall fail to complete the work within the contract time, or an extension of the time granted per Article IV, above, then the Contract price shall be reduced in the amount of \$50.00 per each working day from the stipulated completion date until the work shall be satisfactorily completed. In the event that such reductions in the Contract price should equal or exceed the encumbered balance, the Contractor shall be found in default and the Contract shall be terminated.

8. **Guarantee of Materials and Workmanship.** THAT all work performed under this agreement shall be done in a good and workmanlike manner, using quality materials.

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THAT the Contractor does hereby guarantee all materials and workmanship supplied under this contract to be of a quality meeting the standards current in the N.C. Uniform Residential Building Code and shall correct any defect or deficiency that may occur or become evident during the period of twelve (12) months from and after the date of execution of the Certificate of Final Inspection.

THAT any damage to the building, grounds or appurtenances that is the result of the construction work performed by the Contractor will also be corrected by the Contractor at no cost to the Owner or the Town. The Contractor shall furnish the Owner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment under this contract.

9. **Lead Based Paint.** The Contractor will: 1) use no lead-based paint in connection with this contract; 2) report any suspected existing lead-based paint to _____ (Recipient) _____; 3) handle any confirmed lead-based paint in accordance with HUD 24CFR35 and OSHA regulations.

10. **Protection of Persons and Property.** THAT the Contractor shall exercise proper precaution at all times for the protection of persons and property, on or off the site, which occur as a result of performance of the work.

THAT the Contractor shall keep the premises reasonably clean and orderly during the course of the construction and, if the house is occupied, the Contractor shall make every effort to minimize disruption of the occupants' daily routine.

THAT the Contractor shall remove debris as it is generated so as to reduce the risk of accidents, infestation and/or damage to plants/lawns. All debris shall be removed from the site prior to final payment. (Unless otherwise agreed, all material and equipment that have been removed and/or replaced as a part of the work herein described shall belong to and be the responsibility of the Contractor.)

THAT the Contractor shall take or have taken any and all necessary precautions to prevent undue exposure of workmen and/or occupants to occupational health hazards such as solvents, asbestos, dust, fumigants, etc. No lead-based paint shall be used by the contractor, and no existing lead-based paint shall be disturbed (through sanding or scraping or with heat guns or solvents, etc.) except in full compliance with OSHA regulations.

11. **Owner's Responsibilities.** THAT the Owner shall permit the Contractor to use, at no cost, existing utilities such as light, heat, power and water necessary to carry out and complete the work. If the subject building is vacant it shall be the Owner's responsibility (unless otherwise agreed) to provide electrical service for the Contractor's use prior to the stipulated date of commencement.

THAT the Owner shall cooperate with the Contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings, pictures, keepsakes, furniture, etc., as necessary.

THAT the Owner shall allow the Contractor to work at the site during the contract period between the hours of 8:00 a.m. and 6:00 p.m., Monday through Friday (excluding legal Holidays).

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THAT the Owner shall permit the Town, the U.S. Government or its designee, the North Carolina Housing Finance Agency, or other funding source assisting in the financing of the Contract to examine and inspect the rehabilitation work.

12. **Resolution of Disputes.** THAT in the event that there is any question or dispute with respect to the interpretation or the manner of implementation of this Contract or related documents or relating to the execution, progress and completion of, or payment for, the work, the Owner and the Contractor agree that the Town shall resolve any such dispute in accordance with the General Conditions hereto and such resolution shall be final and binding upon the parties. If formal resolution becomes necessary, the Town shall provide a written Finding to each party within ten (10) calendar days.

13. **Acceptance and Final Payment.** THAT upon receipt of notice that the work is ready for final inspection and acceptance, the Owner and the Town shall promptly make such inspection. When the work is found acceptable under the Contract and the Contract fully performed, the Owner shall sign a Certificate of Satisfaction, the Town shall execute a Certificate of Final Inspection, and payment to the Contractor shall be authorized in an amount sufficient to cover the balance of the Contract amount.

THAT prior to final payment, the Contractor shall submit written certification that all payrolls, materials and other indebtedness connected with the Contracted work have been paid and that the Contractor will hold the Owner harmless from all claims of liens for labor or materials furnished or used in the performance of the work, whether by the Contractor or by any Subcontractor.

14. **Insurance and Licensing.** THAT the Contractor shall furnish the Town evidence of comprehensive liability insurance protecting the "Owner for not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) and THREE HUNDRED THOUSAND DOLLARS (\$300,000) in the event of bodily injury, including death, and FIFTY THOUSAND DOLLARS (\$50,000) in the event of property damage arising out of the work performed under the Contract; and evidence of Workmen's Compensation on all employees of himself and any subcontractor.

THAT the Contractor shall obtain all permits and licenses necessary for the completion and execution of the work and labor performed. The Contractor shall perform all work in conformance with applicable local codes and requirements whether or not so indicated in the Work Write-up.

15. **Federal Statutes and Provisions.** THAT the Contractor agrees to comply and conform with the following provisions of the Town and the U.S. Department of Housing and Urban Development (HUD) which are published in the General Conditions to this Contract and made a part hereto by reference: 1) Conflict of Interest Provision; 2) Legal Remedies; 3) Termination Provision; 4) Nondiscrimination Clauses; 5) Executive Order 11246; 6) Copeland "Anti-Kickback" Act Provision; 7) Access to Records and Records Retainage Clause; and 8) Lead-Based Paint Clause.

16. **Non-Assignment of Contract.** THAT the Contractor shall not assign this Contract without the prior written consent of the Owner and the Town. The request for assignment must be addressed to the North Carolina Housing Finance Agency.

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IN WITNESS WHEREOF, by signature affixed below, said Contractor and Owner do hereby approve and accept all terms and conditions of this Contract as herein stated.

Owner(s)

Contractor

Signature

Signature

Signature

By

Title

Witness

Witness

TOWN OF MCGILLICUDDY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: _____

Title: _____