

# Contractor's Handbook

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## Foreword

Thank you for your interest in becoming one of our prequalified contractors. The successful operation and perceived value of this program reflects highly on the attitudes and skills of our partners and will always be a predominant factor for continued effectiveness.

The purpose of this document is to:

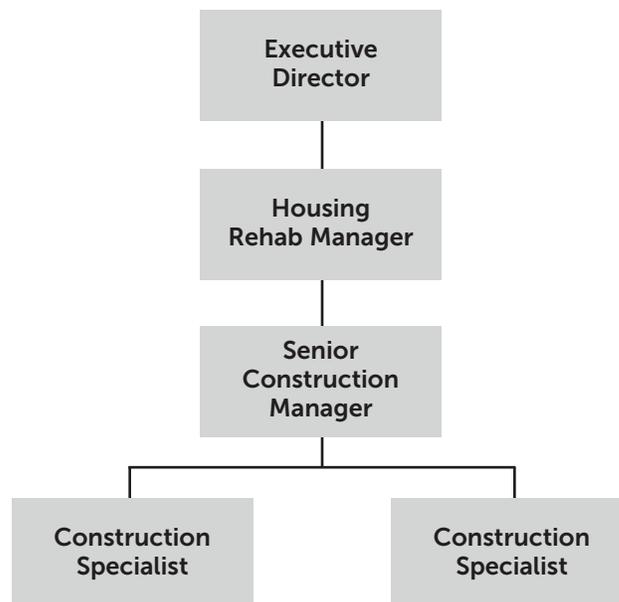
1. describe the procedures to be used while working on properties financed by our program
2. provide helpful information and familiarity with the forms used in the program

Recipients of this guidebook are expected to familiarize themselves with the criteria, procedures, and standards referenced herein. Becoming well versed on the information and documents within this guidebook, and gaining a true understanding (and appreciation) of how these materials are collectively used, will be of utmost value in facilitating a successful and valued program.

When new procedures are develop or changes are made to the current procedures, copies will be issued for inclusion in the handbook to all contractors on the bidder's list.

If you have any questions or concerns about our program, please contact:

## Organization Chart/Contact Information



## GENERAL INFORMATION AND CONTRACTOR REQUIREMENTS

### Requirements to Enter Contractor Registry

#### Basic Requirements

To be eligible for participation in our program, a general contractor must provide:

- Contractor's Profile Form, providing information on company structure and financial ability to undertake projects
- Valid Pennsylvania Contractor's License
- Lead Contractor Certificate
- Federal Tax ID Number
- Necessary "tools of the trade" to include; contractor tools and equipment, a vehicle for work/job transportation with capacity to haul tools, equipment and possibly some construction materials and basic small office equipment including cell phone
- Basic communication/contact information consisting of phone numbers, fax numbers, and email address
- Evidence of acceptable past performance record on housing rehabilitation projects (if feasible)

#### Insurance Requirements

To participate in the program, general contractors must provide a certificate of insurance from the insurance carrier, which certifies the insured is the general contracting firm, having an *absolute* policy minimum cancellation of ten (10) days, and having insurance in force with at least the following types and amounts of coverage:

| General Liability                 | Bodily Injury                                    | Property Damage          |
|-----------------------------------|--|--------------------------|
| Manufacturers and Contractors     | \$300,000 ea. occurrence                         | \$100,000 ea. occurrence |
| Independent Contractors           | \$300,000 ea. occurrence                         | \$100,000 ea. occurrence |
| Products, including Completed Ops | \$300,000 aggregate                              | \$100,000 aggregate      |
| Auto-owned, hired, or leased      | \$300,000 ea. person<br>\$300,000 ea. occurrence | \$100,000 ea. occurrence |
| Workers' Compensation             | As required                                      |                          |

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

## **Lead Hazard Reduction**

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

## **Contractor Selection Process**

Project bids may be requested from a list of contractors maintained by the grantee who have expressed interest in bidding on local rehabilitation/renovation projects. Any contractor who would like to be added to this list or continue as potential contractor must provide a valid and acceptable certificate of insurance, proof of PA home improvement contractor registration and any other documents deemed necessary. The contractor must maintain an acceptable level of performance to remain on the list as a potential bidder/contractor. It is the homeowner's responsibility to select contractors from this list, so the necessary bid documents can be forwarded to them by the grantee or designated agent.

## **Contract Documents**

1. **Work Write-Up:** This report will be prepared by the program's rehabilitation specialist, who performed the inspection. It identifies mandatory work items, which are included in the general contractor's proposal and other homeowner-requested improvements. The work is specified to the priority schedule below:
  - a. compliance with the International Residential Code (the most recently adopted edition)
  - b. energy conservation
  - c. general property improvements
2. **Bid Proposal Form:** Complete this form showing both the itemized and the total bid price for the work. The rehabilitation specialist will review the bid proposals.
3. **Program Rehabilitation Standards:** All work must conform to the PA UCC and any locally adopted codes in effect and our program rehabilitation standards. The contractor's workmanship and performance are subject to evaluation and acceptance by both the homeowner and construction specialist. Failure to maintain an acceptable performance level will result in debarment from future construction work.

## **Standard Procedures**

### **Bidding**

1. The general contractor is ultimately responsible for the bid and its content, which encompasses the entire project. Pre-bid site visits are required. This includes site familiarity, inspections, and review of the work write-up items, verification of measurements, and quantities, and further review of those items listed by a subcontractor within the bid document.
2. Return completed proposal to the program's rehabilitation specialist prior to the deadline established.
3. The homeowner reviews the proposal with the rehabilitation specialist for approval. Approval will be granted if all work items are included and the work proposed conforms to the program specifications and will properly address the deficiencies, and the cost is reasonable. The rehabilitation specialist may contact the general contractor on behalf of the homeowner to explain revisions to the proposal that should be worked out between the general contractor and the homeowner.
4. Should you need any assistance, please feel free to contact the rehabilitation specialist assigned to the project.

## **Construction Contract**

When the loan is approved, the construction contract will be prepared. The contract is between the homeowner and the general contractor and will be executed in triplicate by both the homeowner and the general contractor at the pre-construction conference. The conference will permit the homeowner, general contractor, and rehabilitation specialist to review the work write-up and contract documents.

In addition to the construction contract, the following documents will be reviewed at the pre-construction conference:

### **Colors and Materials Selection**

The homeowner's selection checklist supplements the contract documents. The purpose of the form is to list specific materials (colors, brand names, model numbers of fixtures, etc.) as chosen by the homeowner. The selection must be specified and forwarded to the rehabilitation specialist before the notice to proceed is issued.

### **Relocation and Site Protection**

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

### **Notice to Proceed**

The Notice to Proceed is issued by the homeowner (through the rehabilitation specialist) to authorize the general contractor to begin work. The form also indicates when work is to start and when it is to be completed. The Notice to Proceed shall only be issued in jobs requiring lead hazard reduction after all custom-ordered materials (e.g. windows, doors, replacement cabinetry) has been staged either at the contractor's place of business or the job site. This allows the offsite relocation period to be minimized and the construction time period to be accelerated.

### **Permits**

The general contractor is responsible for obtaining all required permits prior to starting construction and all required building department inspection signoffs during the rehabilitation.

### **Required Progress Inspections**

The homeowner is responsible for monitoring the day-to-day progress of the job. The rehabilitation specialist will require notification for foundation, roofing, and pre-close inspections. The additional notifications will be outlined on the required progress inspections. Failure to contact the rehabilitation specialist for such an inspection may result in the general contractor being debarred from the contractor registry.

### **Payment Procedures**

All jobs require a minimum of four (4) inspections and/or requests for payment of which may include the final inspection for completion and release of payment. When the general contractor has progressed far enough on the job, in accordance with the payout schedule in the construction contract, the homeowner is to request payment be made to the general contractor. The rehab specialist and homeowner must review and approve all requests for payment prior to release and payment of any funds.

Prior to **any** payment authorization, lien waivers or paid receipts will be collected from the general contractor and all subcontractors and/or suppliers furnishing material for the items on the job of which payment is requested. No "advance" money or authorized payment can be made for items which are not completed or properly installed (with the exception of "rough-in" installations of plumbing, electrical, or mechanical systems).

### **Clearance Examinations**

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

### **Warranty**

The warranty provides an outline of the general contractor's obligation (under a one-year warranty period) for both workmanship and materials completed under the contract.

## **Contracting Norms**

### **Resolving Disputes**

The construction contract is between the homeowner and the general contractor. The staff will clarify misunderstandings and negotiate disputes between the homeowner and the general contractor. If a problem cannot be resolved in the field, the contract requires mediation and then binding arbitration.

### **Authorized Sanctions**

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

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

### **Disqualification**

If the contractor fails to comply with the program requirements, or in the judgment of the program staff does not perform satisfactory work, the contractor will be disqualified from the program and unable to secure a rehabilitation contract. The reasons for disqualification include, but are not limited to:

1. failure to perform work in a workmanlike manner or to use safe work practices during lead hazard reduction
2. failure to complete a contract or failure to fulfill the contractual obligations
3. repeated failure to adhere to an established time schedule for work completion
4. failure to honor a bid
5. failure to maintain a professional working relationship with the client and program staff
6. failure to comply with all the requirements of the construction contract and related documents
7. discrimination against, or denial of employment to any individual in the performance of any construction contract on the grounds of race, color, national origin, age, sex, handicap, belief, or political affiliation, in violation of the Title V and VII of the Civil Rights Act (42 USC 2000d) and the Age Discrimination in Employment Act (29 USC §621)
8. collusion between the homeowner, contractor, or other party involving kickback or other mutual efforts to fix a bid in violation of the Copeland Anti-Kickback Act (18 USC 847, as supplemented by 29 CFR, Part 3)

## **Equal Opportunity**

The contractor shall take affirmative action to ensure employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, age, or disability. Such action shall include but is not limited to the following: employment, promotion, demotion, or transfer; recruitment or recruiting advertisement; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth provisions of this non-discrimination clause.

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

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

## **Conflict of Interest**

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

1. No contract or procurement will be made with any organization, in which any person in an administrative capacity may benefit unless authorized by the Pennsylvania Department of Community and Economic Development, in conformity with applicable federal, state, and local laws.
2. No contract or procurement will be made to any organization, in which an immediate family member of a person in an administrative capacity with program may benefit unless authorized by the Pennsylvania Department of Community and Economic Development.
3. No employee or board shall solicit or accept gratuities, favors, or anything of monetary value from contractors, providers, or potential subcontractors.

## **Officer Visits**

During regular business hours as established by the administering agency/grantee.

## **Bidders List Standards**

### **Inactive Bidders List**

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

1. failure to maintain insurance coverage
2. failure to complete awarded jobs within the agreed time span as stated in the contract
3. failure to make satisfactory progress towards completion of any contract in construction
4. if the contractor fails to respond to three (3) consecutive Invitations to Bid by either not bidding or providing an explanation to program staff for why they cannot bid
5. by mutual agreement between the contractor and program staff

### Removal from Bidders List

1. if the contractor is on the Inactive Bidders list for a period in excess of one-hundred and eighty (180) days
2. if the contractor fails to complete, in a workmanlike manner, any specified work under any contract
3. if the contractor violates any terms or conditions established by the program staff
4. if the contractor violates any terms or conditions of the owner/contractor contract
5. if the firm fails to conduct itself in an ethical, polite manner in their dealings with homeowners, program staff, or other contractors

### Contractor Debarment Policy

#### Policy

The program guidelines require financing contractors who are responsible and responsive.

#### Purpose

To establish debarment procedures for corporations, partnerships, or other entities, which do not fulfill their responsibilities to the homeowners or the housing rehabilitation program.

#### Typical Causes for Action

- unapproved substitution of materials, unreasonable and unexplained delays, or professional conduct on the part of the contractor or the employees
- shoddy work, unsatisfied complaints, failure to follow program procedures, lack of liability insurance, and acts deemed unethical or unprofessional
- discrimination, racial, or sexist sentiments, offering bribes or kickbacks, drugs or alcohol use on the job site

#### CONTRACTOR'S ACKNOWLEDGEMENT

The undersigned contracting firm agrees to be considered for placement on the housing rehabilitation program's contractor registry. The firm will comply with the following conditions on all rehabilitation work performed on properties financed by the program:

1. To use applicable contract forms and documents as approved by the rehab inspector or program staff and made available for use and reference.
2. If work performed by the contractor is found to be unsatisfactory by rehab specialist or program staff or evidenced in contract relations between the contractor, homeowner, and other parties are found to be unsatisfactory, program staff may remove the contracting firm's name from the contractor registry.
3. All work shall be performed in accordance with the program's housing rehabilitation standards, dated \_\_\_\_/\_\_\_\_/\_\_\_\_\_, and shall be subject to regularly scheduled inspections or at intervals deemed appropriate by rehab specialist or program staff.
4. Insurance Policy Coverage
5. Workers' Compensation Compliance
6. PA Home Improvement Contractor Registration
7. The contractor will abide by the Equal Opportunity provisions of the Civil Rights Act.

\_\_\_\_\_  
Construction Company/Contractor (please print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Representative:

\_\_\_\_\_  
Title: