



INVESTING IN COMMUNITIES

NOTICE OF REGULAR MEETING
**Sacramento Housing and Redevelopment
Commission**

Wednesday, August 2, 2017 – 6:00 pm
801 12th Street, 2nd Floor Commission Room, Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

APPROVAL OF MINUTES - July 19, 2017

PUBLIC HEARINGS

1. Approval of the Rio Linda Superblock Remediation Project

DISCUSSION/BUSINESS ITEMS

2. Authorization to Lease Commercial Space at the Sacramento Housing and Redevelopment Agency (SHRA) 801 12th Street Building - city report
3. Authorization to Lease Commercial Space at the Sacramento Housing and Redevelopment Agency (SHRA) 801 12th Street Building - county report
4. Award Of Project Based Vouchers To House Homeless Families And Individuals - County report
5. Award Of Project Based Vouchers To House Homeless Families And Individuals - City report
6. Twin Rivers Relocation Plan

PRESENTATIONS

6. Comprehensive Annual Financial Report (CAFR) for the Sacramento Housing and Redevelopment Agency

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Meetings of July 19, 2017

Meeting noticed on July 14, 2017

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Cathy Creswell

MEMBERS PRESENT: Alcalay, Creswell, Griffin, Macedo, Morgan, Raab, Simas, Staajabu

MEMBERS ABSENT: Johnson, Painter (one vacancy)

STAFF PRESENT: La Shelle Dozier, David Levin, Christine Weichert, James Shields, Tyrone Williams, Angela Jones, Sarah Thomas, Susan Veazey, Geoff Ross, Stephanie Green, Celia Yniguez, Mark Hamilton, Greg Potts, La Tanna Jones, Bern Wikhammer

APPROVAL OF AGENDA - The agenda approved as submitted.

CITIZENS COMMENTS – NONE

APPROVAL OF MINUTES - June 7, 2017 and June 21, 2017 – minutes were approved unanimously as submitted.

PUBLIC HEARINGS

1. Adoption Of Environmental Findings And Action Plan Amendment For The Twin Rivers Choice Neighborhoods Initiative (CNI) Implementation Grant; Approval Of Twin Rivers Transit Oriented Development And Light Rail Station Project And Related Funding; Approval Of Twin Rivers Relocation Plan And Authorization To Relocate Public Housing Residents; Approval Of Application For Public Housing Vouchers; Authorization To Demolish Twin Rivers Public Housing Units; Approval Of Funding Allocation For Relocation And Demolition; Authorization To Submit Applications For Infrastructure Financing And Related Grants; Authorization To Execute Lease With Urban Strategies; And Authorization For The Housing Authority To Implement Or Delegate Activities To Other Entities As Applicable – City report

2. Adoption Of Environmental Findings And Action Plan Amendment For The

Twin Rivers Choice Neighborhoods Initiative (CNI) Implementation Grant; Approval Of Twin Rivers Transit Oriented Development And Light Rail Station Project And Related Funding; Approval Of Twin Rivers Relocation Plan And Authorization To Relocate Public Housing Residents; Approval Of Application For Public Housing Vouchers; Authorization To Demolish Twin Rivers Public Housing Units; Approval Of Funding Allocation For Relocation And Demolition; Authorization To Submit Applications For Infrastructure Financing And Related Grants; Authorization To Execute Lease With Urban Strategies; And Authorization For The Housing Authority To Implement Or Delegate Activities To Other Entities As Applicable – County report

Geoff Ross presented the two items together.

DeCoe Gilmore and Howard Jones provided comment in support of the items.

Chair Creswell motioned to approve the environmental findings and other recommendations in the report and return at the next meeting with the Relocation Plan for approval. Commissioner Alcalay seconded the motion. A vote was not taken on this motion.

After additional discussion, Chair Creswell motioned to approve the staff recommendation in the report with the exception of the Relocation Plan which will be brought to a future meeting for review. Commissioner Macedo seconded the motion. The votes were as follows:

AYES: Alcalay, Creswell Griffin , Macedo, Morgan, Raab, Simas Staajabu

NOES: None

ABSENT: Johnson, Painter

ABSTAIN: None

Commissioner Morgan motioned to approve the Relocation Plan. Commissioner Griffin seconded the motion. The votes were as follows:

AYES: Griffin, Morgan, Staajabu

NOES: Alcalay, Creswell, Macedo, Raab, Simas

ABSENT: Johnson, Painter

ABSTAIN: None

DISCUSSION/BUSINESS ITEMS

3. Authorization to Accept Bringing Families Home (BFH) Funds and Amend Agency Budget

Geoff Ross presented the item.

On a motion by Commissioner Alcalay, seconded by Commissioner Morgan, the Commission considered the staff recommended approval of the item listed above. The votes were as follows:

AYES: Alcalay, Creswell, Griffin, Macedo, Morgan, Raab, Simas, Staajabu

NOES: None

ABSENT: Johnson, Painter

ABSTAIN: None

RECUSE: None

PRESENTATIONS

4. Affirmatively Furthering Fair Housing Update

Celia Yniguez presented the item.

EXECUTIVE DIRECTOR REPORT

La Shelle Dozier reviewed the following:

- Report back on Electric Car Share Program
- Next meeting is August 2nd
- Staff is proposing to host two hour training on August 30th from 5-7pm which will fulfill your required Ethics training obligation for the next two years. Vickie will contact you to confirm your attendance. If we do not have enough interest in the live training, you will need to complete the online FPPC training no later than September 30th
- Events calendar – Sacramento Promise Zone and Samuel Merritt University Community Nurse Corp Research Presentation and Celebration Friday August 4th 1:30

COMMISSION CHAIR REPORT

None

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Macedo requested that the Commission be notified of upcoming meetings and public notices especially related to large projects and community outreach efforts.

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 7:55 pm.

Clerk

Item # 1 will be delivered and posted on Monday July 31st.



July 27, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization To Lease Commercial Space At The Sacramento Housing And
Redevelopment Agency 801 12th Street Building

SUMMARY

The attached report is submitted to you for review prior to submission to the City of
Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY
AND REDEVELOPMENT AGENCY
SUCCESSOR AGENCY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Consent

August 22, 2017

Chair and Members of the Housing Authority Board

Chair and Members of the Redevelopment Agency Successor Agency Board

Title: Authorization to Lease Commercial Space at the Sacramento Housing and Redevelopment Agency (SHRA) 801 12th Street Building

Location/Council District: 801 12th Street/ Council District 4

Recommendation: Pass: **a) a Housing Authority Resolution** 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to sublease commercial office space located at the SHRA 801 12th Street administrative office to commercial tenants on commercially reasonable terms not to exceed 10 years, approved as to form by SHRA Legal Counsel; 2) authorizing SHRA's Executive Director to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants; 3) authorizing SHRA to enter into a sublease and promissory note with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years, and which will include the construction of tenant improvements (T.I.'s) on the north side of the 5th Floor of 801 12th Street totaling 2,000 rentable square feet, and 4) authorizing SHRA to amend its budget to allow for up to \$180,000 for the construction of T.I.'s for STA. STA shall be responsible for \$120,000 of the T.I.'s, as well as \$15,792 of additional office improvements, for a total of \$135,792. **b) a Redevelopment Agency Successor Agency Resolution** 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to sublease commercial office space located at the SHRA 801 12th Street administrative office to commercial tenants on commercially reasonable terms not to exceed 10 years, approved as to form by SHRA Legal Counsel; 2) authorizing SHRA's Executive Director to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants; 3) authorizing SHRA to enter into a sublease and promissory note with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years, and which will include the construction of tenant improvements (T.I.'s) on the north side of the 5th Floor of 801 12th Street totaling 2,000 rentable square feet, and 4) authorizing SHRA to amend its budget to allow for up to \$180,000 for the construction of T.I.'s for STA. STA shall be responsible for \$120,000 of the T.I.'s, as well as \$15,792 of additional office improvements, for a total of \$135,792. Staff is concurrently seeking the authority of the Housing Authority of the County of Sacramento and the Successor Agency of the

Redevelopment Agency of the County of Sacramento as constituent members of the joint powers agency (JPA).

Contact: Michael Taylor, Program Manager, SHRA, 916-449-6285, James Shields, Director of Administration, SHRA, 916-440-1308

Presenters: not applicable

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: SHRA is a joint powers authority created to provide Housing and Community Development staffing services for the City and County of Sacramento. SHRA's current constituent entities include: the Housing Authority of the City of Sacramento, the City of Sacramento, the Housing Authority of the County of Sacramento, and the County of Sacramento. In 2008, SHRA and its constituent entities, which at that time included the Redevelopment Agency of the City of Sacramento, purchased 801 12th Street to serve as the administrative offices for SHRA. Staff relocated from five different office locations to 801 12th Street in January, 2010.

With the elimination of Redevelopment and the resultant layoffs, approximately 2,000 rentable square feet of commercial space on the 5th floor of 801 12th Street was made available. Staff began to market the space to organizations that were complementary to SHRA to generate rent revenue for building operations. The financing for the 801 12th Street building is tax exempt financing and occupancy and use is restricted to public entities for their essential government purposes. Since that time, several potential tenants have approached SHRA with interest in this space, but no offers were received. In March of 2017, the Sacramento Transportation Authority (STA) expressed interest in leasing the space. STA's current lease at their existing office expires in September and they will be forced to relocate. The space on the 5th floor of 801 12th Street is the correct size for STA's staff of four, and the parties have come to a preliminary agreement on the design of desired tenant improvements. Proposed improvements include the construction of new private offices that will replace the existing systems furniture (cubicles) currently in the space.

In order to move the project forward, an architect was hired to prepare construction documents for the tenant improvements. SHRA then publicly bid these tenant improvements to qualified General Contractors for the purposes of establishing an actual cost to be included in a lease with STA. Costs that have been mutually agreed to be borne by the tenant amount to \$135,792, which will be amortized into the lease by way of a promissory note, to be paid down in installments over the term of the lease beginning in year four of the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remaining \$25,000 of tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. SHRA shall also pay the architect's fees and permit fees.

Staff is requesting authority for SHRA, by action of its Executive Director, to enter into a lease and promissory note with STA at the terms mutually agreed upon as outlined in

Exhibit A, and contract with a qualified General Contractor to construct the tenant improvements to conform to the needs of STA as outlined in the Construction Contract (Exhibit B). It is anticipated that the tenant improvements will be completed by December of 2017. Staff has agreed to temporarily make cubicle space available for STA to conduct their operations until such time as the new offices on the fifth floor are ready for occupancy. Approval from the Redevelopment Agency Successor Agency (RASA) is required because the Redevelopment Agency of the City of Sacramento was a party to the original purchase.

Policy Considerations: No new policies are being recommended in this report. SHRA shall be responsible for procuring the contractor according to adopted procurement policy.

Economic Impacts: not applicable

Environmental Considerations: California Environmental Quality Act (CEQA): The proposed action consists of a sublease of existing commercial space and tenant improvements with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

Sustainability Considerations: N/A

Commission Action: At its meeting on August 2, 2017, the Sacramento Housing and Redevelopment Commission approved staff recommendation, subject to each constituent member of SHRA consent and approval. The votes were as follows:

AYES

NOES

ABSENT

Rationale for Recommendation: SHRA and its constituent entities, the Housing Authority of the City of Sacramento, the City of Sacramento, the Housing Authority of the County of Sacramento and the County of Sacramento, own the SHRA administrative office. Thus, SHRA is seeking each constituent member of the JPA to authorize and consent to staff's recommendation.

Financial Considerations: Staff is recommending an amendment to the SHRA budget to allocate \$180,000 to be used for the proposed tenant improvements. STA shall be responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remaining \$25,000 of tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. The lease agreement specifies a rental rate estimated at \$1.50 per rentable square foot per month, with

annual increases of \$0.05 per square foot. As a result, if the currently available 2,000 square feet of commercial space is leased, it will generate \$405,000 in rent revenue over the next ten years to cover expenses related to the ownership of 801 12th Street.

LBE - M/WBE and Section 3 Considerations: The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements. LBE considerations are not applicable to this report.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 01 Description/Analysis and Background
- 02 Housing Authority Resolution
- 03 RASA Resolution
- 04 Exhibit A - Lease/Promissory Note
- 05 Exhibit B – Construction Contract

RESOLUTION NO. 2017 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION AND CONSENT TO SUBLEASE COMMERCIAL SPACE IN THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY ADMINISTRATIVE OFFICES LOCATED AT 801 12TH STREET

BACKGROUND

- A. Sacramento Housing and Redevelopment Agency (SHRA) and each of its constituent entities, and the successor agencies to the former redevelopment agencies, own the commercial property located at 801 12th Street. This location serves as the main administrative offices for SHRA.
- B. SHRA has experienced and continues to experience a reduction in available funds for conducting business. To generate rent revenue for 801 12th Street, SHRA intends to lease space.
- C. As the financing used for the 801 12th Street building was tax exempt financing, occupancy and use is restricted to public entities for their essential government purposes. Therefore the proposed tenant, Sacramento Transportation Authority, is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.
- D. The proposed action consists of a sublease of existing commercial space and tenant improvements with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All the facts presented having been fully considered, the declarations and environmental findings stated above, are found to be true and correct.

Section 2. SHRA, by action of its Executive Director, is authorized to sub-sublease (lease) office space at the SHRA administrative office building located at 801 12th Street to commercial tenant(s) on commercially reasonable terms not to exceed 10 years and execute all related documents.

Section 3. SHRA, by action of its Executive Director, is authorized to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants.

Section 4. SHRA, by action of its Executive Director, is authorized to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years. Any extensions to this term will be brought before the governing boards for approval. STA will occupy the north side of the 5th Floor of 801 12th Street, totaling 2,000 rentable square feet.

Section 5. SHRA is authorized to amend their budget to allow for up to \$180,000 for the construction of tenant improvements for STA. The Base Construction Contract amounts to \$145,000, with a contingency of up to \$35,000 for potential change orders. STA is responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of tenant improvements payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remainder of the tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. SHRA shall procure the contractor and managing the construction of the tenant improvements, which are described in drawings prepared by an architect selected from SHRA's list of qualified architects. SHRA shall also pay the architect's fees and permit fees.

Section 6. SHRA, by action of its Executive Director, is authorized to amend the budget to reflect the activities approved in this resolution.

Table of Contents:

Exhibit A: - Lease Agreement and Promissory Note

Exhibit B – Construction Contract for Tenant Improvements

RESOLUTION NO. 2017 -

**Adopted by the Redevelopment Agency Successor Agency of the
City of Sacramento**

On date of

AUTHORIZATION AND CONSENT TO SUB-SUBLEASE COMMERCIAL SPACE IN THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY ADMINISTRATIVE OFFICES LOCATED AT 801 12TH STREET

BACKGROUND

- A. Sacramento Housing and Redevelopment Agency (SHRA) and each of its constituent entities, and the successor agencies to the former redevelopment agencies, own the commercial property located at 801 12th Street. This location serves as the main administrative offices for SHRA.
- B. SHRA has experienced and continues to experience a reduction in available funds for conducting business. To generate rent revenue for 801 12th Street, SHRA intends to lease (sub-sublease) space.
- C. The financing for the 801 12th Street is tax exempt financing, occupancy and use is restricted to public entities for their essential government purposes. Therefore the proposed tenant, Sacramento Transportation Authority, is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.
- D. The proposed action consists of a sublease of existing commercial space and tenant improvements with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301. This is not a federal action and, therefore, no review is required under the National Environmental Policy Act.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All the facts presented having been fully considered, the declarations and environmental findings stated above, are found to be true and correct.

Section 2. SHRA, by action of its Executive Director, is authorized to sub-sublease (lease) office space at the SHRA administrative office building located at 801 12th Street to commercial tenant(s) on commercially reasonable terms not to exceed 10 years and execute all related documents.

Section 3. SHRA, by action of its Executive Director, is authorized to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants.

Section 4. SHRA, by action of its Executive Director, is authorized to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years. Any extensions to this term will be brought before the governing boards for approval. STA will occupy the north side of the 5th Floor of 801 12th Street, totaling 2,000 rentable square feet.

Section 5. SHRA is authorized to amend their budget to allow for up to \$180,000 for the construction of tenant improvements for STA. The Base Construction Contract amounts to \$145,000, with a contingency of up to \$35,000 for potential change orders. STA is responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the total of tenant improvement payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remainder of the tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. SHRA shall procure the contractor and managing the construction of the tenant improvements, which are described in drawings prepared by an architect selected from SHRA's list of qualified architects. SHRA shall also pay the architect's fees and permit fees.

Section 6. SHRA, by action of its Executive Director, is authorized to amend its budget to reflect the activities approved in this resolution.

Table of Contents:

Exhibit A: - Lease Agreement and Promissory Note

Exhibit B – Construction Contract for Tenant Improvements

EXHIBIT A
SUB-SUBLEASE AGREEMENT
Sacramento Transportation Authority
801 12th Street, Sacramento, CA

THIS SUB-SUBLEASE (for convenience the "Lease"), dated _____, 2017 is between the **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**, a public body, corporate and politic (for convenience the "LESSOR"), and the **SACRAMENTO TRANSPORTATION AUTHORITY**, an independent local government (for convenience the "LESSEE").

IT IS AGREED:

1. USE:

A. LESSEE's purpose for occupying the Premises is for their primary office location, where they will conduct their daily business operations. Location shall be a portion of the Fifth Floor of the office building located at 801 12th Street, Sacramento, CA (Premises).

B. The Premises shall be used by LESSEE only for its essential government purposes related to the use stated above and for the public benefit, and for no other uses without LESSOR'S written consent. LESSEE is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.

2. HOURS OF OPERATION:

A. LESSEE shall be free to determine their own business hours, and shall be provided with access to their offices 24 hours a day, 7 days a week, with exceptions as stated below:

- In the event the building must undergo maintenance services or other activities that require the evacuation of the building's occupants.

3. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for Ten (10) Years, commencing on _____, in the following location: approximately 1,750 square feet (usable), or 2,000 square feet (rentable) located on the north side of the Fifth Floor of the office building at 801 12th Street, Sacramento California, ("Premises"). A diagram of the Premises is attached, and incorporated herein by reference.

B. At the expiration of the Lease Term, or any earlier termination of this Lease, LESSEE shall surrender possession of the Premises and deliver the Premises to LESSOR in good and tenantable condition in accordance with this Lease.

C. Should this Lease expire without extension, LESSEE shall be entitled to hold over for up to sixty (60) days upon the same terms and conditions as in this Lease, except any agreed upon options to renew

4. **RENTAL RATE:**

A. The monthly rental rate for the first year of the lease term is \$3,000 (\$1.50 per square foot x 2,000 rentable square feet). Installment payments by LESSEE to LESSOR shall commence in Year 4 for the construction of the tenant improvements (T.I.'s), which shall be completed by LESSOR prior to occupancy by LESSEE (see Section 5 below for more information on these improvements). Payments shall be due on the first of each calendar month. Rent includes electrical service, water, sewer, janitorial and garbage pickup. Beginning in Year 2, Rent shall include an additional \$0.05/s.f. increase (\$100/month). Such increase shall be accrued each consecutive year and added to the prior year's rate. Following is the Rental Schedule for the term of this Lease:

Base Rent

Year 1: \$3,000/mo. rent (first 3 months of Year 1 rent-free)
Year 2: \$3,100/mo. rent
Year 3: \$3,200/mo. rent
Year 4: \$3,300/mo. rent
Year 5: \$3,400/mo. rent
Year 6: \$3,500/mo. rent
Year 7: \$3,600/mo. rent
Year 8: \$3,700/mo. rent
Year 9: \$3,800/mo. rent
Year 10: \$3,900/mo. rent

Tenant Improvements: Are added to the base rent each month

Year 1: \$0.00/mo. T.I.'s
Year 2: \$0.00/mo. T.I.'s
Year 3: \$0.00/mo. T.I.'s
Year 4: \$1,188/mo. T.I.'s
Year 5: \$1,363/mo. T.I.'s
Year 6: \$1,569/mo. T.I.'s
Year 7: \$1,810/mo. T.I.'s
Year 8: \$2,094/mo. T.I.'s
Year 9: \$2,428/mo. T.I.'s
Year 10: \$2,820/mo. T.I.'s

B. Payments by LESSEE to LESSOR for reimbursement of the Tenant Improvements shall include principal and interest, and shall be made in installments concurrently with rent payments beginning in Year 4 as shown in a Promissory Note, which is attached hereto and incorporated into this Lease. Payments shall be made thereafter until repaid. LESSEE's duty to pay the Promissory Note is independent of LESSEE's duty to pay Base Rent, and LESSEE

waives all defenses to payment of the Promissory Note that may arise as a consequence of or in connection with the Lease or the default of any party thereunder.

C. Rent shall be due and payable in advance no later than the fifth day of each calendar month.

D. The first three months' rent shall be waived by LESSOR, so that the first payment shall be due on the first day of the fourth month after commencement date of this Lease.

5. ALTERATIONS, IMPROVEMENTS AND CONSTRUCTION COSTS:

A. Premises are being delivered to LESSEE based on tenant improvements made by LESSOR to the premises, as described in Construction Documents dated May 18, 2017. LESSOR and LESSEE have both reviewed and approved the Construction Documents, including the plans, which conform to LESSEE requirements. LESSOR and LESSEE acknowledge and agree that the Base Construction Contract amount is \$145,000.00, and that LESSEE is responsible for \$120,000.00 of this cost, plus \$15,792 of additional office improvements, for a total of \$135,792. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. LESSEE shall pay these costs to LESSOR per the terms of the attached Promissory Note.

B. LESSEE shall be responsible for the construction and installation of any further tenant improvements or major modifications that are not included in the Construction Documents required to conform the Premises to LESSEE's needs, including all associated costs. LESSEE must obtain LESSOR's approval for any proposed tenant improvements before commencement of any of the work, which approval shall not be unreasonably withheld or delayed. LESSEE shall immediately pay all costs of labor, services and materials supplied in prosecution of any work to be done on the Premises, if such work is approved. LESSEE shall keep the Premises free and clear of all mechanic's liens and any other liens. All work must be approved by LESSOR, in addition to any required City approvals, or other governmental entities having jurisdiction of the operations or premises, before LESSEE commences its operations on the Premises.

C. The LESSEE shall not knowingly commit, suffer, or permit any waste, nuisance, or unlawful activity on the Premises.

6. TELEPHONE AND DATA SERVICES:

A. LESSEE shall be responsible for installing and paying for their own phone service and data networking services.

7. SIGNAGE:

All signage shall comply with the local jurisdiction's rules, regulations, and codes. All signage on the exterior and any interior signage, graphics, and displays visible through the

exterior windows or doors must be professional in appearance and approved by LESSOR in writing; LESSOR'S approval does not constitute the approval that LESSEE is required to seek from the local jurisdiction.

8. INDEMNIFICATION:

A. By LESSEE. LESSEE, to the fullest extent permitted by law, agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the term of this Lease arising from the occupancy, use or control of the Premises by LESSEE and its officers, employees, agents, volunteers, guests and invitees (including attendees); excluding, however, such liability, loss or damage is caused by the sole negligence or willful misconduct of the LESSOR.

B. Survival of Obligations. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

9. INSURANCE:

A. LESSEE's Property Insurance. LESSEE shall procure and maintain at all times property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," which insurance covers LESSEE's personal property including furniture, fixtures and inventory. Such insurance shall include a waiver of subrogation in favor of LESSOR.

B. LESSOR's Property Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," as well as insurance covering boiler and machinery and compliance with ordinances or laws if appropriate, for the 100% insurable replacement cost of the building and improvements which contain the Premises. LESSOR may not insure with a deductible or self-insured retention exceeding \$10,000 without the prior written consent of LESSEE.

C. LESSEE's Liability Insurance. LESSEE shall procure and maintain at all times, at its cost, commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. LESSEE's general liability policies shall be endorsed to name LESSOR and any lender of LESSOR as additional insured. LESSEE's liability insurance may be provided by a combination of primary, excess and umbrella policies, but all excess and umbrella policies must be at least as broad as the scope of the primary commercial general liability policy.

D. LESSOR's Liability Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of commercial general liability insurance written on an

“occurrence” policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate per location. LESSOR may not insure with deductibles or self-insurance retention exceeding \$10,000 without the prior written consent of LESSEE. LESSEE, and in their capacity as such, LESSEE’s offices, directors, agents and employees shall be named additional insureds by way of endorsement in the policy or policies of insurance by which LESSOR complies with the above insurance requirements, and LESSOR shall obligate its insurer to notify LESSEE in writing at least thirty (30) days in advance of any cancellation or failure to renew the above insurance during the term of this Lease. LESSOR further agrees to furnish LESSEE with certificates of insurance or copies of the policies evidencing the above coverage upon LESSEE’s request.

10. MAINTENANCE OF FACILITY:

LESSOR shall be responsible for routine maintenance of the building’s systems. LESSEE shall be responsible for damage caused solely by LESSEE’s negligence to: wall surfaces, electrical switches/outlets/light fixtures, carpeting, ceiling tiles, windows, doors, exit signs, access control devices, and similar finishes within the tenant space. LESSOR is responsible for repairing or replacing items due to normal wear and tear for these items.

When repairs other than routine maintenance are required during normal business hours, LESSEE may submit a written request to LESSOR to assist with the procurement and supervision of the needed service. LESSOR will cover the eligible vendor’s costs, unless these repairs are LESSEE’s responsibility as described above, in which case LESSOR shall submit an invoice to LESSEE for reimbursement. Payments to vendor shall be based on invoices. LESSOR shall provide copies of these invoices to LESSEE, upon LESSEE’s request. Any change orders shall be approved by LESSEE with LESSEE’s written consent prior to payment.

When repairs are required outside normal business hours, LESSEE should contact the building’s Property Manager via email at help@sierra-asset.com or by calling (916) 636-1870. The Property Manager will contact an eligible vendor authorized to perform the repairs.

11. FACILITY PARKING:

LESSEE shall be responsible for their own vehicle parking and payment thereof.

12. RISK OF HAZARDS:

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

13. LESSEE OWNED ITEMS:

A. All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the

LESSOR. LESSEE shall repair any damage to the leased Premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

14. NON-DISCRIMINATION:

The LESSEE herein covenants by and for itself, and LESSEE'S heirs, administrators, and assigns, and all persons claiming under or through LESSEE that this Lease is made and accepted on the following conditions: that there shall be no discrimination against or desegregation of any person or group of persons, on the basis of race, color, national origin, religion, sex, sexual orientation, gender identity, familial status, language proficiency, age or disability in the leasing, sub-leasing, transferring, use, provision of services, occupancy, tenure, or enjoyment of the premises herein leased nor shall the LESSEE or any person claiming under or through the LESSEE establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, subtenants or vendees in the Premises herein leased.

15. SUCCESSORS-IN-INTEREST:

LESSEE may not transfer or assign this Lease without the prior written consent of LESSOR.

16. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail with return receipt requested.

Such matters shall be addressed to the other party at the following address:

To LESSOR at:

Sacramento Housing and Redevelopment
Agency
801 12th Street, Third Floor
Sacramento, CA 95814
Attention: Director of Administration

To LESSEE at:

Sacramento Transportation Authority

801 12th Street, Fifth Floor
Sacramento, CA 95814
Attention: Executive Director

or to such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

17. DEFAULT.

Failure by LESSEE to comply with the terms this Lease shall be a default and if said default shall continue for ten (10) days after written notice thereof shall have been given to LESSEE by LESSOR, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to LESSEE by LESSOR without correction thereof then having been commenced and thereafter diligently prosecuted, LESSOR may declare the term of this

Lease ended and terminated by giving LESSEE written notice of such intention, and if possession of the Leased Premises is not surrendered, LESSOR may reenter said premises. LESSOR shall have, in addition to the remedy above provided, any other right or remedy available to LESSOR on account of any LESSEE default, either in law or equity. LESSOR shall use reasonable efforts to mitigate its damages.

18. RIGHTS AND REMEDIES:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

19. RULES AND REGULATIONS:

LESSEE's occupancy and use of the Premises shall at all times be conducted in a manner that is in compliance with LESSOR's Rules and Regulations for the property as promulgated from time to time at the sole discretion of LESSOR. An uncured violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

20. GOVERNING LAW.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of California.

[Signatures on next page.]

In witness whereof, SHRA and BAPCC have executed this Consent as of the date first set forth above.

LESSOR:

SACRAMENTO HOUSING &
REDEVELOPMENT AGENCY

By: _____
Executive Director

REDEVELOPMENT AGENCY
SUCCESSOR AGENCY OF THE
CITY OF SACRAMENTO

By: _____
Executive Director

THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
COUNTY OF SACRAMENTO

By: _____
Executive Director

HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO

By: _____
Executive Director

HOUSING AUTHORITY OF THE COUNTY
OF SACRAMENTO

By: _____
Executive Director

APPROVED AS TO FORM:

AGENCY COUNSEL

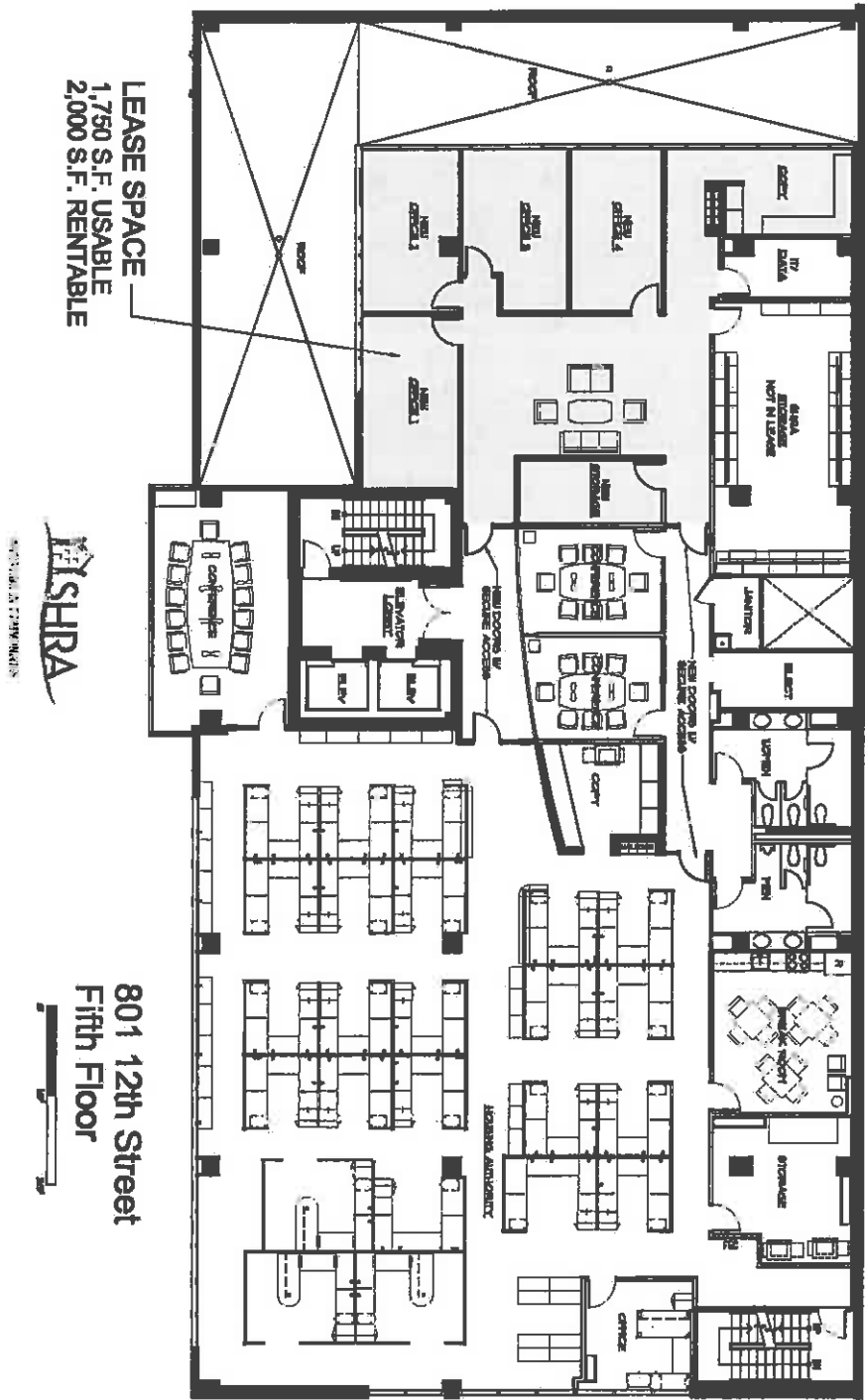
LESSEE:

SACRAMENTO TRANSPORTATION
AUTHORITY, an independent local government

By: _____
Norman Horn
Executive Director

DATE: _____

FLOOR PLAN OF PREMISES



PROMISSORY NOTE
FOR PORTION OF 5TH FLOOR SUB-SUBLESSEE
TENANT IMPROVEMENTS AND FURNITURE
PREDEVELOPMENT LOAN AGREEMENT

"EFFECTIVE DATE"

TERMS AND DEFINITIONS:

BORROWER HAS MADE THIS PROMISSORY NOTE ("NOTE") AS OF THE EFFECTIVE DATE. This Note, in addition to attachments and Exhibits listed below includes Note Provisions, below, which is attached to and incorporated in this Note by this reference. The capitalized terms in this Note shall have the meanings assigned in Definitions and Note Provisions. (Terms being defined are indicated by quotation marks. If an item in a table in this Article 1 is marked "None, Not Applicable, N/A or equivalent or is left blank, that defined term is not applicable to this Note or the referenced item is not required or is not included in this Note as the context may indicate.) The Lender is making the Loan to Borrower in consideration of Borrowers making this Note and delivering it to Lender.

For purposes of this Note, the following terms shall have the following meanings:

DEFINED TERM:	DEFINITION:
"Loan Date"	The Effective Date
"Lender"	Sacramento Housing and Redevelopment Agency
"Borrower"	Sacramento Transportation Authority (STA)
"Borrower Legal Status"	A local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304
"Loan Agreement"	The Loan Agreement between the Borrower and Lender as of the Loan Date for making of the loan ("Loan") evidenced by this Note
"Principal Amount"	One Hundred Thirty Five Thousand Seven Hundred Ninety Two Dollars and No Cents (\$135,792.00)
"Interest Payments"	To be added to T.I. installment payments beginning in Year 4 (see payment schedule). Total interest payments for T.I.'s over the term of the loan shall amount to \$23,472.00.
"Special Terms"	Loan payment shall be deferred for the first three years
PAYMENT SCHEDULE. Repayment of this Note shall be made the following amounts:	
"Maturity Date"	Year 1: \$0.00/mo. T.I.'s Year 2: \$0.00/mo. T.I.'s Year 3: \$0.00/mo. T.I.'s Year 4: \$1,188/mo. T.I.'s Year 5: \$1,363/mo. T.I.'s Year 6: \$1,569/mo. T.I.'s Year 7: \$1,810/mo. T.I.'s Year 8: \$2,094/mo. T.I.'s Year 9: \$2,428/mo. T.I.'s Year 10: \$2,820/mo. T.I.'s Total T.I. payment amount, including interest: \$159,264.00
"Maturity Date": 120 months from the Effective Date of this Note. The unpaid balance of the Loan, including without limitation principal and interest, shall be all due and payable on the Maturity Date, including without limitation all unpaid principal, interest, fees and charges.	

NOTE PROVISIONS:

PROMISSORY NOTE

BORROWER HAS MADE THIS NOTE AS OF THE LOAN DATE. The capitalized terms in this Note shall have the meanings assigned in General Terms and Definitions and as defined in these Note Provisions. (Terms being defined are indicated by quotation marks.) The Lender is making the Loan pursuant to the terms and conditions of the Loan Agreement and this Note.

FOR VALUE RECEIVED, THE UNDERSIGNED, JOINTLY AND SEVERALLY, PROMISES TO PAY to Lender, or its successors or assigns, the Principal Amount or such lesser amount as may be endorsed on this Note on behalf of Lender. The Loan shall bear interest on the outstanding principal balance, computed from the date of each advance by Lender to Borrower at Interest Rate.

1. This Note evidences the obligation of Borrower to Lender for repayment of funds loaned to Borrower under a loan agreement between Borrower and Lender dated as of the Loan Date ("Loan Agreement"). The terms and covenants of the Loan Agreement are incorporated in this Note by reference.

2. Borrower shall make payments monthly in the amounts shown in the Payment Schedule, on the first day of each month, beginning on the First Payment Date and continuing for the number of payments shown in the Payment Schedule. On the day of the last payment, the unpaid balance of said principal sum, if any, together with all unpaid interest, fees and charges due, if any, shall become due and payable. All payments on this Note shall be applied first to fees and charges due under the Loan Agreement, if any, then interest and then to the principal due on this Note. Borrower shall make the payments to the Lender at 801 12th Street, Sacramento, CA 95814, or to such other person or organization as may be designated by Lender to Borrower and noticed as provided in the Loan Agreement.

3. If any installment under this Note is not received by Lender within fifteen (15) calendar days after the installment is due, Borrower shall pay to Lender a late charge of five percent (5%) of such installment. Such late charge shall be immediately due and payable without demand by Lender.

4. Borrower acknowledges and agrees that Borrower's duty to the repay this Note is independent of Borrower's obligations pursuant to its separate Sub-Sublease with Lender and Borrower's duty to pay Rent thereunder. Borrower waives all defenses to payment of this Note that may arise as a consequence of or in connection with the Sub-Sublease or the default of any party under that Sub-Sublease.

5. Upon occurrence of any one or more of the following, Lender may, at its sole discretion, declare all unpaid principal immediately due and payable, together with all unpaid interest at the stated rate from the date of the advancement of the Loan's proceeds, subject to applicable cure periods, if any:

- a. Borrower defaults in the payment of any principal or interest when due.
- b. Lender discovers that Borrower, in any application to Lender in connection with the Loan, had failed to disclose or misrepresented any fact that would have prevented Borrower from being eligible for the Loan.
- c. Lender discovers that Borrower had made any misrepresentations or failed to disclose any fact in the Loan Agreement or this Note that would affect the interests of Lender.
- d. Borrower defaults or breaches any of the terms of Loan Agreement, this Note or the Regulatory Agreement.
- e. Borrower fails to perform any covenant, term or condition in any instrument creating a lien upon the Property described in Loan Agreement and the Regulatory Agreement, or any part thereof, which lien shall have priority over the lien of the Regulatory Agreement.
- f. The sale, transfer of title, conveyance or further encumbrance of the Property, whether by sale, exchange, gift, inheritance or other means, without prior written consent of Lender.
- g. The occurrence of any of the following:
 - 1) Borrower becoming insolvent or bankrupt or being unable or admitting, in writing, his/her inability to pay his/her debts as they mature or making a general assignment of or entering into any arrangement with creditors.
 - 2) Proceedings for the appointment of a receiver, trustee or liquidator of the assets of Borrower or a substantial part of such assets, being authorized or instituted by or against the Borrower.
 - 3) Proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction being authorized or instituted against Borrower.

6. No waiver of any default or breach by Borrower under this Note shall be implied from any omission by Lender to take action on account of such default, and no express waiver shall affect any default, other than the default specified in the waiver. Such waiver shall be in writing and shall be operative only for the time and to the extent therein stated.

PROMISSORY NOTE

7. Borrower may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Lender.

8. During the existence of default or delinquency under the terms of this Note, the Lender is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

9. Borrower shall pay to Lender all costs of enforcement of all or any portion of this Note, including attorney's fees, witness fees, investigator fees and court costs, incurred by Lender, whether or not litigation is commenced.

IN WITNESS WHEREOF, Borrower has executed this Note as of the Loan Date.

Borrower:

Sacramento Transportation Authority (STA)

By: _____, Executive Director

document3

**FORM OF CONSTRUCTION CONTRACT 2017033-DSdd****Terms in the contract:**

Work: 801 12th Street - 5th Floor Tenant Improvements 2017
Agency: Sacramento Housing and Redevelopment Agency
Property: 801 12th Street, Sacramento, CA 95814
CFDA Number: N/A
Funding Source: 801 Operations
Architect: Pressey and Associates
Contractor: Belz Construction, Inc.

THIS AGREEMENT, made this _____ day of _____, in the year Two Thousand and Seventeen, by and between the Contractor and the Agency.

WITNESSETH, that the Contractor and the Agency, for the consideration stated herein, mutually agree as follows:

ARTICLE 1: SCOPE OF WORK

The Contractor shall furnish all labor, materials, equipment, and services, and perform and complete all work required in strict compliance with the Project Contract Manual, Technical Specifications Manual, Drawings, and/or any Addenda for the above referenced project: Addendum 1 dated June 8, 2017, which is incorporated herein and made a part thereof for the work described on the Agency owned Property.

ARTICLE 2: CONTRACT PRICE

The Agency shall pay the Contractor for the performance of the Contract, in current funds, subject to additions and deductions as provided in the Specifications, the Total sum of

One Hundred Forty Five Thousand and No/100 DOLLARS (\$145,000.00).

This contract price shall be complete, including fees for building permits and including all other permits and governmental fees, licenses and inspections necessary for the proper execution of the work as specified in Section 00400, Bid Form.

ARTICLE 3: INSURANCE REQUIREMENTS

Failure to maintain the required insurance coverage is a material breach of the Contract. Agency shall nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Vendor must immediately reimburse Agency for any and all costs incurred by Agency in obtaining or maintaining such insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to the vendor under the Contract and to reduce the compensation payable to the vendor under the Contract by such amount.

Contractor will provide the Agency with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the Contractor's responsibility to notify the Agency of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the Contractor shall notify the Agency within forty-eight (48) hours of such cancellation or non-renewal.

Contractor's Initials

MR

ARTICLE 4: INDEMNIFICATION

Contractor shall hold harmless, defend at its own expense, and indemnify Agency/Authority, to extent permitted by law, against any and all liability, claims, losses, damages or expenses, including reasonable attorney fees, arising from all acts or omissions to act of Contractor or its employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages or expenses arising from Agency's/Authority's sole negligence or willful acts. This indemnification provision shall survive the term of the contract.

ARTICLE 5: CALIFORNIA LABOR CODE REQUIREMENTS

The Contractor and all Subcontractors, of any tier, must comply with the requirements of the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815. Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (including federal labor requirements), this contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

ARTICLE 6: CONTRACT DOCUMENTS

The Contract shall consist of the following component parts:

Attached:

- A. General Conditions for Construction Contracts (HUD-5370, Section 00210).
- B. Supplemental General Conditions for Construction Contracts (Section 00211).
- C. Public Works: California Labor Code (Section 00255).
- D. Prevailing Wages – California State Prevailing (Section 00260)
- E. Bid Form (Section 00400).
- F. List of Designated Subcontractors (Section 00410).
- G. Bid Guarantee or Bid Bond (Section 00490).
- H. General Liability & Automotive Liability Insurance Certificates.
- I. Workmen's Compensation Insurance Certificate.
- J. Form of Bid Spreadsheet.

Incorporated in Contract by Reference:

- K. Notarized Non-Collusion Affidavit of Prime Bidder (Section 00430).
- L. Lead-Based Paint Certification (Section 00450).
- M. Section 3 and Minority & Women Business Enterprise Requirements (Sections 00470-00473).
- N. Performance Bond (Section 00520).
- O. Labor & Material Payment Bond (Section 00530).
- P. Certificate of Substantial Completion (Section 00810).
- Q. Guarantee Form (Section 00820).
- R. Notarized Certificate and Release (Section 00830).
- S. Contract Manual and Technical Specifications Manual dated 05/23/2017).
- T. Drawings dated May 18, 2017.
- U. Addenda No. 1.
- V. Change Orders issued during course of construction.
- W. Schedule of Amounts for Contract Payments (form HUD-51000).
- X. Periodic Estimate for Partial Payment (form HUD-51001).
- Y. Schedule of Change Orders (form HUD-51002) issued during course of construction.
- Z. Schedule of Materials Stored (form HUD-51003).
- AA. Summary of Materials Stored (form HUD-51004).

This instrument, together with the other documents enumerated in this Article 6, which said other documents are as fully a part of the Contract as if hereto attached or herein repeated, form the Contract.

CONTRACTOR

AGENCY

By: _____

By: _____
La Shelle Dozier
Executive Director

APPROVED AS TO FORM:

Agency Counsel

CONTRACTOR

Company Name: Belz Construction, Inc.

By: Alex Belz

Title: President

Tax I.D. #: 45-2752818

License #: 909355

ADDRESS: 6656 Filbert Ave
(Street)

Orangevale, CA 95662
(City) (State, Zip)

CERTIFICATION OF AUTHORITY

I, Alex Belz, certify that I am the President, of the Corporation who signed this Contract on behalf of the Contractor, was then President of said Corporation; that said Contract was duly signed, for and in behalf of said Corporation by authority of its governing body and is within the scope of its Corporate powers.

I certify under penalty of perjury under the laws of the State of California that I am fully authorized to execute the attached document for Contractor in the capacity I have stated, and that such execution is sufficient to bind the Contractor. Executed in Sacramento County, California, on _____.

Contractor's Signatory

Name Alex Belz

Title President

(Corporate Seal)

General Conditions for Construction Contracts - Public Housing Programs

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0157 (exp. 1/31/2017)

Applicability. This form is applicable to any construction/development contract greater than \$100,000.

This form includes those clauses required by OMB's common rule on grantee procurement, implemented at HUD in 24 CFR 85.36, and those requirements set forth in Section 3 of the Housing and Urban Development Act of 1968 and its amendment by the Housing and Community Development Act of 1992, implemented by HUD at 24 CFR Part 135. The form is required for construction contracts awarded by Public Housing Agencies (PHAs).

The form is used by Housing Authorities in solicitations to provide necessary contract clauses. If the form were not used, HAs would be unable to enforce their contracts.

Public reporting burden for this collection of information is estimated to average 1.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Responses to the collection of information are required to obtain a benefit or to retain a benefit.

The information requested does not lend itself to confidentiality.

HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB number.

Clause		Page	Clause		Page
1.	Definitions	2		Administrative Requirements	
2.	Contractor's Responsibility for Work	2	25.	Contract Period	9
3.	Architect's Duties, Responsibilities and Authority	2	26.	Order of Precedence	9
4.	Other Contracts	3	27.	Payments	9
	Construction Requirements		28.	Contract Modifications	10
5.	Preconstruction Conference and Notice to Proceed	3	29.	Changes	10
6.	Construction Progress Schedule	3	30.	Suspension of Work	11
7.	Site Investigation and Conditions Affecting the Work	3	31.	Disputes	11
8.	Differing Site Conditions	4	32.	Default	11
9.	Specifications and Drawings for Construction	4	33.	Liquidated	12
10.	As-Built Drawings	5	34.	Termination of Convenience	12
11.	Material and Workmanship	5	35.	Assignment of Contract	12
12.	Permits and Codes	5	36.	Insurance	12
13.	Health, Safety, and Accident Prevention	6	37.	Subcontracts	13
14.	Temporary Buildings and Transportation Materials	6	38.	Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms	13
15.	Availability and Use of Utility Services	6	39.	Equal Employment Opportunity	13
16.	Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements	6	40.	Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968	14
17.	Temporary Buildings and Transportation Materials	7	41.	Interest of Members of Congress	15
18.	Clean Air and Water	7	42.	Interest of Members, Officers, or Employees and Former Members, Officers, or Employees	15
19.	Energy Efficiency	7	43.	Limitations on Payments Made to Influence	15
20.	Inspection and Acceptance of Construction	7	44.	Royalties and Patents	15
21.	Use and Possession Prior to	8	45.	Examination and Retention of Contractor's Records	15
22.	Warranty of Title	8	46.	Labor Standards-Davis-Bacon and Related Acts	15
23.	Warranty of	8	47.	Non-Federal Prevailing Wage Rates	19
24.	Prohibition Against	9	48.	Procurement of Recovered	19

1. Definitions

- (a) "Architect" means the person or other entity engaged by the PHA to perform architectural, engineering, design, and other services related to the work as provided for in the contract. When a PHA uses an engineer to act in this capacity, the terms "architect" and "engineer" shall be synonymous. The Architect shall serve as a technical representative of the Contracting Officer. The Architect's authority is as set forth elsewhere in this contract.
- (b) "Contract" means the contract entered into between the PHA and the Contractor. It includes the forms of Bid, the Bid Bond, the Performance and Payment Bond or Bonds or other assurance of completion, the Certifications, Representations, and Other Statements of Bidders (form HUD-5370), these General Conditions of the Contract for Construction (form HUD-5370), the applicable wage rate determinations from the U.S. Department of Labor, any special conditions included elsewhere in the contract, the specifications, and drawings. It includes all formal changes to any of those documents by addendum, change order, or other modification.
- (c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.
- (d) "Contractor" means the person or other entity entering into the contract with the PHA to perform all of the work required under the contract.
- (e) "Drawings" means the drawings enumerated in the schedule of drawings contained in the Specifications and as described in the contract clause entitled Specifications and Drawings for Construction herein.
- (f) "HUD" means the United States of America acting through the Department of Housing and Urban Development including the Secretary, or any other person designated to act on its behalf. HUD has agreed, subject to the provisions of an Annual Contributions Contract (ACC), to provide financial assistance to the PHA, which includes assistance in financing the work to be performed under this contract. As defined elsewhere in these General Conditions or the contract documents, the determination of HUD may be required to authorize changes in the work or for release of funds to the PHA for payment to the Contractor. Notwithstanding HUD's role, nothing in this contract shall be construed to create any contractual relationship between the Contractor and HUD.
- (g) "Project" means the entire project, whether construction or rehabilitation, the work for which is provided for in whole or in part under this contract.
- (h) "PHA" means the Public Housing Agency organized under applicable state laws which is a party to this contract.
- (i) "Specifications" means the written description of the technical requirements for construction and includes the criteria and tests for determining whether the requirements are met.
- (j) "Work" means materials, workmanship, and manufacture and fabrication of components.

2. Contractor's Responsibility for Work

- (a) The Contractor shall furnish all necessary labor, materials, tools, equipment, and transportation necessary for performance of the work. The Contractor shall also furnish all necessary water, heat, light, and power not made available to the Contractor by the PHA pursuant to the clause entitled Availability and Use of Utility Services herein.
- (b) The Contractor shall perform on the site, and with its own organization, work equivalent to at least [] (12 percent unless otherwise indicated) of the total amount of work to be performed under the order. This percentage may be reduced by a supplemental agreement to this order if, during performing the work, the Contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the PHA.
- (c) At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the work site a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.
- (d) The Contractor shall be responsible for all damages to persons or property that occur as a result of the Contractor's fault or negligence, and shall take proper safety and health precautions to protect the work, the workers, the public, and the property of others. The Contractor shall hold and save the PHA, its officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance. The Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under the contract.
- (e) The Contractor shall lay out the work from base lines and bench marks indicated on the drawings and be responsible for all lines, levels, and measurements of all work executed under the contract. The Contractor shall verify the figures before laying out the work and will be held responsible for any error resulting from its failure to do so.
- (f) The Contractor shall confine all operations (including storage of materials) on PHA premises to areas authorized or approved by the Contracting Officer.
- (g) The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. After completing the work and before final inspection, the Contractor shall (1) remove from the premises all scaffolding, equipment, tools, and materials (including rejected materials) that are not the property of the PHA and all rubbish caused by its work; (2) leave the work area in a clean, neat, and orderly condition satisfactory to the Contracting Officer; (3) perform all specified tests; and, (4) deliver the installation in complete and operating condition.
- (h) The Contractor's responsibility will terminate when all work has been completed, the final inspection made, and the work accepted by the Contracting Officer. The Contractor will then be released from further obligation except as required by the warranties specified elsewhere in the contract.

3. Architect's Duties, Responsibilities, and Authority

- (a) The Architect for this contract, and any successor, shall be designated in writing by the Contracting Officer.

- (b) The Architect shall serve as the Contracting Officer's technical representative with respect to architectural, engineering, and design matters related to the work performed under the contract. The Architect may provide direction on contract performance. Such direction shall be within the scope of the contract and may not be of a nature which: (1) institutes additional work outside the scope of the contract; (2) constitutes a change as defined in the Changes clause herein; (3) causes an increase or decrease in the cost of the contract; (4) alters the Construction Progress Schedule; or (5) changes any of the other express terms or conditions of the contract.
- (c) The Architect's duties and responsibilities may include but shall not be limited to:
- (1) Making periodic visits to the work site, and on the basis of his/her on-site inspections, issuing written reports to the PHA which shall include all observed deficiencies. The Architect shall file a copy of the report with the Contractor's designated representative at the site;
 - (2) Making modifications in drawings and technical specifications and assisting the Contracting Officer in the preparation of change orders and other contract modifications for issuance by the Contracting Officer;
 - (3) Reviewing and making recommendations with respect to - (i) the Contractor's construction progress schedules; (ii) the Contractor's shop and detailed drawings; (iii) the machinery, mechanical and other equipment and materials or other articles proposed for use by the Contractor; and, (iv) the Contractor's price breakdown and progress payment estimates; and,
 - (4) Assisting in inspections, signing Certificates of Completion, and making recommendations with respect to acceptance of work completed under the contract.

4. Other Contracts

The PHA may undertake or award other contracts for additional work at or near the site of the work under this contract. The Contractor shall fully cooperate with the other contractors and with PHA employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by PHA employees

Construction Requirements

5. Pre-construction Conference and Notice to Proceed

- (a) Within ten calendar days of contract execution, and prior to the commencement of work, the Contractor shall attend a preconstruction conference with representatives of the PHA, its Architect, and other interested parties convened by the PHA. The conference will serve to acquaint the participants with the general plan of the construction operation and all other requirements of the contract. The PHA will provide the Contractor with the date, time, and place of the conference.
- (b) The contractor shall begin work upon receipt of a written Notice to Proceed from the Contracting Officer or designee. The Contractor shall not begin work prior to receiving such notice.

6. Construction Progress Schedule

- (a) The Contractor shall, within five days after the work commences on the contract or another period of time determined by the Contracting Officer, prepare and submit to the Contracting Officer for approval three copies of a practicable schedule showing the order in which the Contractor proposes to perform the work, and the dates on which the Contractor contemplates starting and completing the several salient features of the work (including acquiring labor, materials, and equipment). The schedule shall be in the form of a progress chart of suitable scale to indicate appropriately the percentage of work scheduled for completion by any given date during the period. If the Contractor fails to submit a schedule within the time prescribed, the Contracting Officer may withhold approval of progress payments or take other remedies under the contract until the Contractor submits the required schedule.
- (b) The Contractor shall enter the actual progress on the chart as required by the Contracting Officer, and immediately deliver three copies of the annotated schedule to the Contracting Officer. If the Contracting Officer determines, upon the basis of inspection conducted pursuant to the clause entitled Inspection and Acceptance of Construction, herein that the Contractor is not meeting the approved schedule, the Contractor shall take steps necessary to improve its progress, including those that may be required by the Contracting Officer, without additional cost to the PHA. In this circumstance, the Contracting Officer may require the Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant, and to submit for approval any supplementary schedule or schedules in chart form as the Contracting Officer deems necessary to demonstrate how the approved rate of progress will be regained.
- (c) Failure of the Contractor to comply with the requirements of the Contracting Officer under this clause shall be grounds for a determination by the Contracting Officer that the Contractor is not prosecuting the work with sufficient diligence to ensure completion within the time specified in the Contract. Upon making this determination, the Contracting Officer may terminate the Contractor's right to proceed with the work, or any separable part of it, in accordance with the Default clause of this contract.

7. Site Investigation and Conditions Affecting the Work

- (a) The Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to, (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) uncertainties of weather, river stages, tides, or similar physical conditions at the site; (4) the conformation and conditions of the ground; and (5) the character of equipment and facilities needed preliminary to and during work performance. The Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is

reasonably ascertainable from an inspection of the site, including all exploratory work done by the PHA, as well as from the drawings and specifications made a part of this contract. Any failure of the Contractor to take the actions described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the PHA.

- (b) The PHA assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available by the PHA. Nor does the PHA assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract.

8. Differing Site Conditions

- (a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract, or (2) unknown physical conditions at the site(s), of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.
- (b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or both shall be made under this clause and the contract modified in writing accordingly.
- (c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in (a) above for giving written notice may be extended by the Contracting Officer.
- (d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

9. Specifications and Drawings for Construction

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between drawings and specifications, the specifications shall govern. In case of discrepancy in the figures, in the drawings, or in the specifications, the matter shall be

promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

- (b) Wherever in the specifications or upon the drawings the words "directed", "required", "ordered", "designated", "prescribed", or words of like import are used, it shall be understood that the "direction", "requirement", "order", "designation", or "prescription", of the Contracting Officer is intended and similarly the words "approved", "acceptable", "satisfactory", or words of like import shall mean "approved by", or "acceptable to", or "satisfactory to" the Contracting Officer, unless otherwise expressly stated.
- (c) Where ~~as shown~~, ~~as indicated~~, as detailed", or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying this contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place" that is "furnished and installed".
- (d) "Shop drawings" means drawings, submitted to the PHA by the Contractor, subcontractor, or any lower tier subcontractor, showing in detail (1) the proposed fabrication and assembly of structural elements and (2) the installation (i.e., form, fit, and attachment details) of materials of equipment. It includes drawings, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by the Contractor to explain in detail specific portions of the work required by the contract. The PHA may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under this contract.
- (e) If this contract requires shop drawings, the Contractor shall coordinate all such drawings, and review them for accuracy, completeness, and compliance with other contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to the Contracting Officer without evidence of the Contractor's approval may be returned for resubmission. The Contracting Officer will indicate an approval or disapproval of the shop drawings and if not approved as submitted shall indicate the PHA's reasons therefore. Any work done before such approval shall be at the Contractor's risk. Approval by the Contracting Officer shall not relieve the Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of this contract, except with respect to variations described and approved in accordance with (f) below.
- (f) If shop drawings show variations from the contract requirements, the Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If the Architect approves any such variation and the Contracting Officer concurs, the Contracting Officer shall issue an appropriate modification to the contract, except that, if the variation is minor or does not involve a change in price or in time of performance, a modification need not be issued.
- (g) It shall be the responsibility of the Contractor to make timely requests of the PHA for such large scale and full size drawings, color schemes, and other additional information, not already in his possession, which shall be

required in the planning and production of the work. Such requests may be submitted as the need arises, but each such request shall be filed in ample time to permit appropriate action to be taken by all parties involved so as to avoid delay.

- (h) The Contractor shall submit to the Contracting Officer for approval four copies (unless otherwise indicated) of all shop drawings as called for under the various headings of these specifications. Three sets (unless otherwise indicated) of all shop drawings, will be retained by the PHA and one set will be returned to the Contractor. As required by the Contracting Officer, the Contractor, upon completing the work under this contract, shall furnish a complete set of all shop drawings as finally approved. These drawings shall show all changes and revisions made up to the time the work is completed and accepted.
- (i) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all shop drawings prepared by subcontractors are submitted to the Contracting Officer.

10. As-Built Drawings

- (a) "As-built drawings," as used in this clause, means drawings submitted by the Contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract. "As-built drawings" shall be synonymous with "Record drawings."
- (b) As required by the Contracting Officer, the Contractor shall provide the Contracting Officer accurate information to be used in the preparation of permanent as-built drawings. For this purpose, the Contractor shall record on one set of contract drawings all changes from the installations originally indicated, and record final locations of underground lines by depth from finish grade and by accurate horizontal offset distances to permanent surface improvements such as buildings, curbs, or edges of walks.
- (c) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all as-built drawings prepared by subcontractors are submitted to the Contracting Officer.

11. Material and Workmanship

- (a) All equipment, material, and articles furnished under this contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this contract. References in the contract to equipment, material, articles, or patented processes by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. The Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of, and as approved by the Contracting Officer, is equal to that named in the specifications, unless otherwise specifically provided in this contract.
- (b) Approval of equipment and materials.
 - (1) The Contractor shall obtain the Contracting Officer's approval of the machinery and mechanical and other equipment to be incorporated into the work. When requesting approval, the Contractor shall furnish to the Contracting Officer the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the

machinery and mechanical and other equipment. When required by this contract or by the Contracting Officer, the Contractor shall also obtain the Contracting Officer's approval of the material or articles which the Contractor contemplates incorporating into the work. When requesting approval, the Contractor shall provide full information concerning the material or articles. Machinery, equipment, material, and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

- (2) When required by the specifications or the Contracting Officer, the Contractor shall submit appropriately marked samples (and certificates related to them) for approval at the Contractor's expense, with all shipping charges prepaid. The Contractor shall label, or otherwise properly mark on the container, the material or product represented, its place of origin, the name of the producer, the Contractor's name, and the identification of the construction project for which the material or product is intended to be used.
- (3) Certificates shall be submitted in triplicate, describing each sample submitted for approval and certifying that the material, equipment or accessory complies with contract requirements. The certificates shall include the name and brand of the product, name of manufacturer, and the location where produced.
- (4) Approval of a sample shall not constitute a waiver of the PHA right to demand full compliance with contract requirements. Materials, equipment and accessories may be rejected for cause even though samples have been approved.
- (5) Wherever materials are required to comply with recognized standards or specifications, such specifications shall be accepted as establishing the technical qualities and testing methods, but shall not govern the number of tests required to be made nor modify other contract requirements. The Contracting Officer may require laboratory test reports on items submitted for approval or may approve materials on the basis of data submitted in certificates with samples. Check tests will be made on materials delivered for use only as frequently as the Contracting Officer determines necessary to insure compliance of materials with the specifications. The Contractor will assume all costs of retesting materials which fail to meet contract requirements and/or testing materials offered in substitution for those found deficient.
- (6) After approval, samples will be kept in the Project office until completion of work. They may be built into the work after a substantial quantity of the materials they represent has been built in and accepted.
- (c) Requirements concerning lead-based paint. The Contractor shall comply with the requirements concerning lead-based paint contained in the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as implemented by 24 CFR Part 35.

12. Permits and Codes

- (a) The Contractor shall give all notices and comply with all applicable laws, ordinances, codes, rules and regulations. Notwithstanding the requirement of the Contractor to comply with the drawings and specifications in the contract, all work installed shall comply with all applicable codes and regulations as amended by any

waivers. Before installing the work, the Contractor shall examine the drawings and the specifications for compliance with applicable codes and regulations bearing on the work and shall immediately report any discrepancy it may discover to the Contracting Officer. Where the requirements of the drawings and specifications fail to comply with the applicable code or regulation, the Contracting Officer shall modify the contract by change order pursuant to the clause entitled Changes herein to conform to the code or regulation.

- (b) The Contractor shall secure and pay for all permits, fees, and licenses necessary for the proper execution and completion of the work. Where the PHA can arrange for the issuance of all or part of these permits, fees and licenses, without cost to the Contractor, the contract amount shall be reduced accordingly.

13. Health, Safety, and Accident Prevention

- (a) In performing this contract, the Contractor shall:

- (1) Ensure that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his/her health and/or safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation;
- (2) Protect the lives, health, and safety of other persons;
- (3) Prevent damage to property, materials, supplies, and equipment; and,
- (4) Avoid work interruptions.

- (b) For these purposes, the Contractor shall:

- (1) Comply with regulations and standards issued by the Secretary of Labor at 29 CFR Part 1926. Failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96), 40 U.S.C. 3701 et seq.; and
- (2) Include the terms of this clause in every subcontract so that such terms will be binding on each subcontractor.

- (c) The Contractor shall maintain an accurate record of exposure data on all accidents incident to work performed under this contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment, and shall report this data in the manner prescribed by 29 CFR Part 1904.

- (d) The Contracting Officer shall notify the Contractor of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the Contractor or the Contractor's representative at the site of the work, shall be deemed sufficient notice of the noncompliance and corrective action required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to take corrective action promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Contractor shall not base any claim or request for equitable adjustment for additional time or money on any stop order issued under these circumstances.

- (e) The Contractor shall be responsible for its subcontractors' compliance with the provisions of this clause. The Contractor shall take such action with respect to any subcontract as the PHA, the Secretary of Housing and Urban Development, or the Secretary of Labor shall direct as a means of enforcing such provisions.

14. Temporary Heating

The Contractor shall provide and pay for temporary heating, covering, and enclosures necessary to properly protect all work and materials against damage by dampness and cold, to dry out the work, and to facilitate the completion of the work. Any permanent heating equipment used shall be turned over to the PHA in the condition and at the time required by the specifications.

15. Availability and Use of Utility Services

- (a) The PHA shall make all reasonably required amounts of utilities available to the Contractor from existing outlets, and supplies, as specified in the contract. Unless otherwise provided in the contract, the amount of each utility service consumed shall be charged to or paid for by the Contractor at prevailing rates charged to the PHA or, where the utility is produced by the PHA, at reasonable rates determined by the Contracting Officer. The Contractor shall carefully conserve any utilities furnished without charge.
- (b) The Contractor, at its expense and in a manner satisfactory to the Contracting Officer, shall install and maintain all necessary temporary connections and distribution lines, and all meters required to measure the amount of each utility used for the purpose of determining charges. Before final acceptance of the work by the PHA, the Contractor shall remove all the temporary connections, distribution lines, meters, and associated paraphernalia.

16. Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements

- (a) The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed under this contract, and which do not unreasonably interfere with the work required under this contract.
- (b) The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance of this contract, or by the careless operation of equipment, or by workmen, the Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree-pruning compound as directed by the Contracting Officer.
- (c) The Contractor shall protect from damage all existing improvements and utilities (1) at or near the work site and (2) on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. Prior to disturbing the ground at the construction site, the Contractor shall ensure that all underground utility lines are clearly marked.
- (d) The Contractor shall shore up, brace, underpin, secure, and protect as necessary all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be affected by the excavations or other operations connected with the construction of the project.
- (e) Any equipment temporarily removed as a result of work under this contract shall be protected, cleaned, and replaced in the same condition as at the time of award of this contract.

- (f) New work which connects to existing work shall correspond in all respects with that to which it connects and/or be similar to existing work unless otherwise required by the specifications.
- (g) No structural members shall be altered or in any way weakened without the written authorization of the Contracting Officer, unless such work is clearly specified in the plans or specifications.
- (h) If the removal of the existing work exposes discolored or unfinished surfaces, or work out of alignment, such surfaces shall be refinished, or the material replaced as necessary to make the continuous work uniform and harmonious. This, however, shall not be construed to require the refinishing or reconstruction of dissimilar finishes previously exposed, or finished surfaces in good condition, but in different planes or on different levels when brought together by the removal of intervening work, unless such refinishing or reconstruction is specified in the plans or specifications.
- (i) The Contractor shall give all required notices to any adjoining or adjacent property owner or other party before the commencement of any work.
- (j) The Contractor shall indemnify and save harmless the PHA from any damages on account of settlement or the loss of lateral support of adjoining property, any damages from changes in topography affecting drainage, and from all loss or expense and all damages for which the PHA may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.
- (k) The Contractor shall repair any damage to vegetation, structures, equipment, utilities, or improvements, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the Contracting Officer may have the necessary work performed and charge the cost to the Contractor.

17. Temporary Buildings and Transportation of Materials

- (a) Temporary buildings (e.g., storage sheds, shops, offices, sanitary facilities) and utilities may be erected by the Contractor only with the approval of the Contracting Officer and shall be built with labor and materials furnished by the Contractor without expense to the PHA. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the Contracting Officer, the buildings and utilities may be abandoned and need not be removed.
- (b) The Contractor shall, as directed by the Contracting Officer, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the Contracting Officer. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any federal, state, or local law or regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads.

18. Clean Air and Water

The contractor shall comply with the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water Pollution Control Water Act, as amended, 33 U.S.C. 1251 et seq., and standards issued pursuant thereto in the facilities in which this contract is to be performed.

19. Energy Efficiency

The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the contract is performed.

20. Inspection and Acceptance of Construction

(a) Definitions. As used in this clause -

- (1) "Acceptance" means the act of an authorized representative of the PHA by which the PHA approves and assumes ownership of the work performed under this contract. Acceptance may be partial or complete.
- (2) "Inspection" means examining and testing the work performed under the contract (including, when appropriate, raw materials, equipment, components, and intermediate assemblies) to determine whether it conforms to contract requirements.
- (3) "Testing" means that element of inspection that determines the properties or elements, including functional operation of materials, equipment, or their components, by the application of established scientific principles and procedures.
- (b) The Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the work performed under the contract conforms to contract requirements. All work is subject to PHA inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the contract.
- (c) PHA inspections and tests are for the sole benefit of the PHA and do not: (1) relieve the Contractor of responsibility for providing adequate quality control measures; (2) relieve the Contractor of responsibility for loss or damage of the material before acceptance; (3) constitute or imply acceptance; or, (4) affect the continuing rights of the PHA after acceptance of the completed work under paragraph (j) below.
- (d) The presence or absence of the PHA inspector does not relieve the Contractor from any contract requirement, nor is the inspector authorized to change any term or condition of the specifications without the Contracting Officer's written authorization. All instructions and approvals with respect to the work shall be given to the Contractor by the Contracting Officer.
- (e) The Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by the Contracting Officer. The PHA may charge to the Contractor any additional cost of inspection or test when work is not ready at the time specified by the Contractor for inspection or test, or when prior rejection makes reinspection or retest necessary. The PHA shall perform all inspections and tests in a manner that will not unnecessarily delay the work. Special, full size, and performance tests shall be performed as described in the contract.

- (f) The PHA may conduct routine inspections of the construction site on a daily basis.
- (g) The Contractor shall, without charge, replace or correct work found by the PHA not to conform to contract requirements, unless the PHA decides that it is in its interest to accept the work with an appropriate adjustment in contract price. The Contractor shall promptly segregate and remove rejected material from the premises.
- (h) If the Contractor does not promptly replace or correct rejected work, the PHA may (1) by contract or otherwise, replace or correct the work and charge the cost to the Contractor, or (2) terminate for default the Contractor's right to proceed.
- (i) If any work requiring inspection is covered up without approval of the PHA, it must, if requested by the Contracting Officer, be uncovered at the expense of the Contractor. If at any time before final acceptance of the entire work, the PHA considers it necessary or advisable, to examine work already completed by removing or tearing it out, the Contractor, shall on request, promptly furnish all necessary facilities, labor, and material. If such work is found to be defective or nonconforming in any material respect due to the fault of the Contractor or its subcontractors, the Contractor shall defray all the expenses of the examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the contract, the Contracting Officer shall make an equitable adjustment to cover the cost of the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.
- (j) The Contractor shall notify the Contracting Officer, in writing, as to the date when in its opinion all or a designated portion of the work will be substantially completed and ready for inspection. If the Architect determines that the state of preparedness is as represented, the PHA will promptly arrange for the inspection. Unless otherwise specified in the contract, the PHA shall accept, as soon as practicable after completion and inspection, all work required by the contract or that portion of the work the Contracting Officer determines and designates can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the PHA's right under any warranty or guarantee.

21. Use and Possession Prior to Completion

- (a) The PHA shall have the right to take possession of or use any completed or partially completed part of the work. Before taking possession of or using any work, the Contracting Officer shall furnish the Contractor a list of items of work remaining to be performed or corrected on those portions of the work that the PHA intends to take possession of or use. However, failure of the Contracting Officer to list any item of work shall not relieve the Contractor of responsibility for complying with the terms of the contract. The PHA's possession or use shall not be deemed an acceptance of any work under the contract.
- (b) While the PHA has such possession or use, the Contractor shall be relieved of the responsibility for (1) the loss of or damage to the work resulting from the PHA's possession or use, notwithstanding the terms of the clause entitled Permits and Codes herein; (2) all maintenance costs on the areas occupied; and, (3) furnishing heat, light, power, and water used in the areas

occupied without proper remuneration therefore. If prior possession or use by the PHA delays the progress of the work or causes additional expense to the Contractor, an equitable adjustment shall be made in the contract price or the time of completion, and the contract shall be modified in writing accordingly.

22. Warranty of Title

The Contractor warrants good title to all materials, supplies, and equipment incorporated in the work and agrees to deliver the premises together with all improvements thereon free from any claims, liens or charges, and agrees further that neither it nor any other person, firm or corporation shall have any right to a lien upon the premises or anything appurtenant thereto.

23. Warranty of Construction

- (a) In addition to any other warranties in this contract, the Contractor warrants, except as provided in paragraph (j) of this clause, that work performed under this contract conforms to the contract requirements and is free of any defect in equipment, material, or workmanship performed by the Contractor or any subcontractor or supplier at any tier. This warranty shall continue for a period of _____ (one year unless otherwise indicated) from the date of final acceptance of the work. If the PHA takes possession of any part of the work before final acceptance, this warranty shall continue for a period of (one year unless otherwise indicated) from the date that the PHA takes possession.
- (b) The Contractor shall remedy, at the Contractor's expense, any failure to conform, or any defect. In addition, the Contractor shall remedy, at the Contractor's expense, any damage to PHA-owned or controlled real or personal property when the damage is the result of—
 - (1) The Contractor's failure to conform to contract requirements; or
 - (2) Any defects of equipment, material, workmanship or design furnished by the Contractor.
- (c) The Contractor shall restore any work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to work repaired or replaced will run for (one year unless otherwise indicated) from the date of repair or replacement.
- (d) The Contracting Officer shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect or damage.
- (e) If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, the PHA shall have the right to replace, repair or otherwise remedy the failure, defect, or damage at the Contractor's expense.
- (f) With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this contract, the Contractor shall:
 - (1) Obtain all warranties that would be given in normal commercial practice;
 - (2) Require all warranties to be executed in writing, for the benefit of the PHA; and,
 - (3) Enforce all warranties for the benefit of the PHA.
- (g) In the event the Contractor's warranty under paragraph (a) of this clause has expired, the PHA may bring suit at its own expense to enforce a subcontractor's, manufacturer's or supplier's warranty.

- (h) Unless a defect is caused by the negligence of the Contractor or subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defect of material or design furnished by the PHA nor for the repair of any damage that results from any defect in PHA furnished material or design.
- (i) Notwithstanding any provisions herein to the contrary, the establishment of the time periods in paragraphs (a) and (c) above relate only to the specific obligation of the Contractor to correct the work, and have no relationship to the time within which its obligation to comply with the contract may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to its obligation other than specifically to correct the work.
- (j) This warranty shall not limit the PHA's rights under the Inspection and Acceptance of Construction clause of this contract with respect to latent defects, gross mistakes or fraud.

24. Prohibition Against Liens

The Contractor is prohibited from placing a lien on the PHA's property. This prohibition shall apply to all subcontractors at any tier and all materials suppliers.

Administrative Requirements

25. Contract Period

this contract within _____ calendar days of the effective date of the contract, or within the time schedule established in the notice to proceed issued by the Contracting Officer.

26. Order of Provisions

In the event of a conflict between these General Conditions and the Specifications, the General Conditions shall prevail. In the event of a conflict between the contract and any applicable state or local law or regulation, the state or local law or regulation shall prevail; provided that such state or local law or regulation does not conflict with, or is less restrictive than applicable federal law, regulation, or Executive Order. In the event of such a conflict, applicable federal law, regulation, and Executive Order shall prevail.

27. Payments

- (a) The PHA shall pay the Contractor the price as provided in this contract.
- (b) The PHA shall make progress payments approximately every 30 days as the work proceeds, on estimates of work accomplished which meets the standards of quality established under the contract, as approved by the Contracting Officer. The PHA may, subject to written determination and approval of the Contracting Officer, make more frequent payments to contractors which are qualified small businesses.
- (c) Before the first progress payment under this contract, the Contractor shall furnish, in such detail as requested by the Contracting Officer, a breakdown of the total contract price showing the amount included therein for each principal category of the work, which shall substantiate the payment amount requested in order to provide a

basis for determining progress payments. The breakdown shall be approved by the Contracting Officer and must be acceptable to HUD. If the contract covers more than one project, the Contractor shall furnish a separate breakdown for each. The values and quantities employed in making up this breakdown are for determining the amount of progress payments and shall not be construed as a basis for additions to or deductions from the contract price. The Contractor shall prorate its overhead and profit over the construction period of the contract.

- (d) The Contractor shall submit, on forms provided by the PHA, periodic estimates showing the value of the work performed during each period based upon the approved

submitted not later than _____ days in advance of the date set for payment and are subject to correction and revision as required. The estimates must be approved by the Contracting Officer with the concurrence of the Architect prior to payment. If the contract covers more than one project, the Contractor shall furnish a separate progress payment estimate for each.

- (e) Along with each request for progress payments and the required estimates, the Contractor shall furnish the following certification, or payment shall not be made: I hereby certify, to the best of my knowledge and belief, that

- (1) The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;
- (2) Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by this certification, in accordance with subcontract agreements; and,
- (3) This request for progress payments does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of the subcontract.

Name:

Title:

Date:

- (f) Except as otherwise provided in State law, the PHA shall retain ten (10) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer subsequently determines that the Contractor's performance and progress are unsatisfactory, the PHA shall reinstate the ten (10) percent (or other percentage as provided in State law) retainage until such time as the Contracting Officer determines that performance and progress are satisfactory.
- (g) The Contracting Officer may authorize material delivered on the site and preparatory work done to be taken into consideration when computing progress payments.

Material delivered to the Contractor at locations other than the site may also be taken into consideration if the Contractor furnishes satisfactory evidence that (1) it has acquired title to such material; (2) the material is properly stored in a bonded warehouse, storage yard, or similar suitable place as may be approved by the Contracting Officer; (3) the material is insured to cover its full value; and (4) the material will be used to perform this contract. Before any progress payment which includes delivered material is made, the Contractor shall furnish such documentation as the Contracting Officer may require to assure the protection of the PHA's interest in such materials. The Contractor shall remain responsible for such stored material notwithstanding the transfer of title to the PHA.

- (h) All material and work covered by progress payments made shall, at the time of payment become the sole property of the PHA, but this shall not be construed as (1) relieving the Contractor from the sole responsibility for all material and work upon which payments have been made or the restoration of any damaged work; or, (2) waiving the right of the PHA to require the fulfillment of all of the terms of the contract. In the event the work of the Contractor has been damaged by other contractors or persons other than employees of the PHA in the course of their employment, the Contractor shall restore such damaged work without cost to the PHA and to seek redress for its damage only from those who directly caused it.
- (i) The PHA shall make the final payment due the Contractor under this contract after (1) completion and final acceptance of all work; and (2) presentation of release of all claims against the PHA arising by virtue of this contract, other than claims, in stated amounts, that the Contractor has specifically excepted from the operation of the release. Each such exception shall embrace no more than one claim, the basis and scope of which shall be clearly defined. The amounts for such excepted claims shall not be included in the request for final payment. A release may also be required of the assignee if the Contractor's claim to amounts payable under this contract has been assigned.
- (j) Prior to making any payment, the Contracting Officer may require the Contractor to furnish receipts or other evidence of payment from all persons performing work and supplying material to the Contractor, if the Contracting Officer determines such evidence is necessary to substantiate claimed costs.
- (k) The PHA shall not: (1) determine or adjust any claims for payment or disputes arising there under between the Contractor and its subcontractors or material suppliers; or, (2) withhold any moneys for the protection of the subcontractors or material suppliers. The failure or refusal of the PHA to withhold moneys from the Contractor shall in no wise impair the obligations of any surety or sureties under any bonds furnished under this contract.

28. Contract Modifications

- (a) Only the Contracting Officer has authority to modify any term or condition of this contract. Any contract modification shall be authorized in writing.
- (b) The Contracting Officer may modify the contract unilaterally (1) pursuant to a specific authorization stated in a contract clause (e.g., Changes); or (2) for administrative matters which do not change the rights or

responsibilities of the parties (e.g., change in the PHA address). All other contract modifications shall be in the form of supplemental agreements signed by the Contractor and the Contracting Officer.

- (c) When a proposed modification requires the approval of HUD prior to its issuance (e.g., a change order that exceeds the PHA's approved threshold), such modification shall not be effective until the required approval is received by the PHA.

29. Changes

- (a) The Contracting Officer may, at any time, without notice to the sureties, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) PHA-furnished facilities, equipment, materials, services, or site; or,
 - (4) Directing the acceleration in the performance of the work.
- (b) Any other written order or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change shall be treated as a change order under this clause; provided, that the Contractor gives the Contracting Officer written notice stating (1) the date, circumstances and source of the order and (2) that the Contractor regards the order as a change order.
- (c) Except as provided in this clause, no order, statement or conduct of the Contracting Officer shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.
- (d) If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this contract, whether or not changed by any such order, the Contracting Officer shall make an equitable adjustment and modify the contract in writing. However, except for a adjustment based on defective specifications, no proposal for any change under paragraph (b) above shall be allowed for any costs incurred more than 20 days (5 days for oral orders) before the Contractor gives written notice as required. In the case of defective specifications for which the PHA is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the Contractor in attempting to comply with the defective specifications.
- (e) The Contractor must assert its right to an adjustment under this clause within 30 days after (1) receipt of a written change order under paragraph (a) of this clause, or (2) the furnishing of a written notice under paragraph (b) of this clause, by submitting a written statement describing the general nature and the amount of the proposal. If the facts justify it, the Contracting Officer may extend the period for submission. The proposal may be included in the notice required under paragraph (b) above. No proposal by the Contractor for an equitable adjustment shall be allowed if asserted after final payment under this contract.
- (f) The Contractor's written proposal for equitable adjustment shall be submitted in the form of a lump sum proposal supported with an itemized breakdown of all increases and decreases in the contract in at least the following details:

- (1) **Direct Costs.** Materials (list individual items, the quantity and unit cost of each, and the aggregate cost); Transportation and delivery costs associated with materials; Labor breakdowns by hours or unit costs (identified with specific work to be performed); Construction equipment exclusively necessary for the change; Costs of preparation and/or revision to shop drawings resulting from the change; Worker's Compensation and Public Liability Insurance; Employment taxes under FICA and FUTA; and, Bond Costs when size of change warrants revision.
- (2) **Indirect Costs.** Indirect costs may include overhead, general and administrative expenses, and fringe benefits not normally treated as direct costs.
- (3) **Profit.** The amount of profit shall be negotiated and may vary according to the nature, extent, and complexity of the work required by the change. The allowability of the direct and indirect costs shall be determined in accordance with the Contract Cost Principles and Procedures for Commercial Firms in Part 31 of the Federal Acquisition Regulation (48 CFR 1-31), as implemented by HUD Handbook 2210.18, in effect on the date of this contract. The Contractor shall not be allowed a profit on the profit received by any subcontractor. Equitable adjustments for deleted work shall include a credit for profit and may include a credit for indirect costs. On proposals covering both increases and decreases in the amount of the contract, the application of indirect costs and profit shall be on the net-change in direct costs for the Contractor or subcontractor performing the work.
- (g) The Contractor shall include in the proposal its request for time extension (if any), and shall include sufficient information and dates to demonstrate whether and to what extent the change will delay the completion of the contract in its entirety.
- (h) The Contracting Officer shall act on proposals within 30 days after their receipt, or notify the Contractor of the date when such action will be taken.
- (i) Failure to reach an agreement on any proposal shall be a dispute under the clause entitled Disputes herein. Nothing in this clause, however, shall excuse the Contractor from proceeding with the contract as changed.
- (j) Except in an emergency endangering life or property, no change shall be made by the Contractor without a prior order from the Contracting Officer.

30. Suspension of Work

- (a) The Contracting Officer may order the Contractor in writing to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contracting Officer determines appropriate for the convenience of the PHA.
- (b) If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contracting Officer in the administration of this contract, or (2) by the Contracting Officer's failure to act within the time specified (or within a reasonable time if not specified) in this contract an adjustment shall be made for any increase in the cost of performance of the contract (excluding profit) necessarily caused by such unreasonable suspension, delay, or interruption and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have

been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor or for which any equitable adjustment is provided for or excluded under any other provision of this contract.

- (c) A claim under this clause shall not be allowed (1) for any costs incurred more than 20 days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and, (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

31. Disputes

- (a) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under the contract, unlike a claim relating to the contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim by complying with the requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.
- (b) Except for disputes arising under the clauses entitled Labor Standards - Davis Bacon and Related Acts, herein, all disputes arising under or relating to this contract, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (c) All claims by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the PHA against the Contractor shall be subject to a written decision by the Contracting Officer.
- (d) The Contracting Officer shall, within 60 (unless otherwise indicated) days after receipt of the request, decide the claim or notify the Contractor of the date by which the decision will be made.
- (e) The Contracting Officer's decision shall be final unless the Contractor (1) appeals in writing to a higher level in the PHA in accordance with the PHA's policy and procedures, (2) refers the appeal to an independent mediator or arbitrator, or (3) files suit in a court of competent jurisdiction. Such appeal must be made within (30 unless otherwise indicated) days after receipt of the Contracting Officer's decision.
- (f) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.

32. Default

- (a) If the Contractor refuses or fails to prosecute the work, or any separable part thereof, with the diligence that will insure its completion within the time specified in this contract, or any extension thereof, or fails to complete said work within this time, the Contracting Officer may, by written notice to the Contractor, terminate the right to

proceed with the work (or separable part of the work) that has been delayed. In this event, the PHA may take over the work and complete it, by contract or otherwise, and may take possession of and use any materials, equipment, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the PHA resulting from the Contractor's refusal or failure to complete the work within the specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the PHA in completing the work.

- (b) The Contractor's right to proceed shall not be terminated or the Contractor charged with damages under this clause if—

(1) The delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (i) acts of God, or of the public enemy, (ii) acts of the PHA or other governmental entity in either its sovereign or contractual capacity, (iii) acts of another contractor in the performance of a contract with the PHA, (iv) fires, (v) floods, (vi) epidemics, (vii) quarantine restrictions, (viii) strikes, (ix) freight embargoes, (x) unusually severe weather, or (xi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and the subcontractors or suppliers; and

(2) The Contractor, within days (10 days unless otherwise indicated) from the beginning of such delay (unless extended by the Contracting Officer) notifies the Contracting Officer in writing of the causes of delay. The Contracting Officer shall ascertain the facts and the extent of the delay. If, in the judgment of the Contracting Officer, the findings of fact warrant such action, time for completing the work shall be extended by written modification to the contract. The findings of the Contracting Officer shall be reduced to a written decision which shall be subject to the provisions of the Disputes clause of this contract.

- (c) If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been for convenience of the PHA.

33. Liquidated Damages

- (a) If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$_____ [Contracting Officer insert amount] for each day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The Contractor remains liable for damages caused other than by delay.
- (b) If the PHA terminates the Contractor's right to proceed, the resulting damage will consist of liquidated damages until such reasonable time as may be required for final

completion of the work together with any increased costs occasioned the PHA in completing the work.

- (c) If the PHA does not terminate the Contractor's right to proceed, the resulting damage will consist of liquidated damages until the work is completed or accepted.

34. Termination for Convenience

- (a) The Contracting Officer may terminate this contract in whole, or in part, whenever the Contracting Officer determines that such termination is in the best interest of the PHA. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which the performance of the work under the contract is terminated, and the date upon which such termination becomes effective.
- (b) If the performance of the work is terminated, either in whole or in part, the PHA shall be liable to the Contractor for reasonable and proper costs resulting from such termination upon the receipt by the PHA of a properly presented claim setting out in detail: (1) the total cost of the work performed to date of termination less the total amount of contract payments made to the Contractor; (2) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, payment for which has not been made by the PHA to the Contractor or by the Contractor to the subcontractor or supplier; (3) the cost of preserving and protecting the work already performed until the PHA or assignee takes possession thereof or assumes responsibility therefore; (4) the actual or estimated cost of legal and accounting services reasonably necessary to prepare and present the termination claim to the PHA; and (5) an amount constituting a reasonable profit on the value of the work performed by the Contractor.
- (c) The Contracting Officer will act on the Contractor's claim within days (60 days unless otherwise indicated) of receipt of the Contractor's claim.
- (d) Any disputes with regard to this clause are expressly made subject to the provisions of the Disputes clause of this contract.

35. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the PHA under the contract may be assigned to a bank, trust company, or other financial institution. Such assignments of claims shall only be made with the written concurrence of the Contracting Officer. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership as approved by the Contracting Officer.

36. Insurance

- (a) Before commencing work, the Contractor and each subcontractor shall furnish the PHA with certificates of insurance showing the following insurance is in force and will insure all operations under the Contract:
- (1) Workers' Compensation, in accordance with state or Territorial Workers' Compensation laws.
 - (2) Commercial General Liability with a combined single limit for bodily injury and property damage of not less than \$_____ [Contracting Officer insert amount]

per occurrence to protect the Contractor and each subcontractor against claims for bodily injury or death and damage to the property of others. This shall cover the use of all equipment, hoists, and vehicles on the site(s) not covered by Automobile Liability under (3) below. If the Contractor has a "claims-made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion date of the Contract.

- (3) Automobile Liability on owned and non-owned motor vehicles used on the site(s) or in connection therewith for a combined single limit for bodily injury and property damage of not less than \$ _____ [Contracting Officer Insert amount] per occurrence.
- (b) Before commencing work, the Contractor shall furnish the PHA with a certificate of insurance evidencing that Builder's Risk (fire and extended coverage) Insurance on all work in place and/or materials stored at the building site(s), including foundations and building equipment, is in force. The Builder's Risk Insurance shall be for the benefit of the Contractor and the PHA as their interests may appear and each shall be named in the policy or policies as an insured. The Contractor in installing equipment supplied by the PHA shall carry Insurance on such equipment from the time the Contractor takes possession thereof until the Contract work is accepted by the PHA. The Builder's Risk Insurance need not be carried on excavations, piers, footings, or foundations until such time as work on the superstructure is started. It need not be carried on landscape work. Policies shall furnish coverage at all times for the full cash value of all completed construction, as well as materials in place and/or stored at the site(s), whether or not partial payment has been made by the PHA. The Contractor may terminate this insurance on buildings as of the date taken over for occupancy by the PHA. The Contractor is not required to carry Builder's Risk Insurance for modernization work which does not involve structural alterations or additions and where the PHA's existing fire and extended coverage policy can be endorsed to include such work.
- (c) All Insurance shall be carried with companies which are financially responsible and admitted to do business in the State in which the project is located. If any such Insurance is due to expire during the construction period, the Contractor (including subcontractors, as applicable) shall not permit the coverage to lapse and shall furnish evidence of coverage to the Contracting Officer. All certificates of Insurance, as evidence of coverage, shall provide that no coverage may be canceled or non-renewed by the Insurance company until at least 30 days prior written notice has been given to the Contracting Officer.

37. Subcontracts

- (a) Definitions. As used in this contract -

- (1) "Subcontract" means any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by a subcontractor to furnish supplies, materials, equipment, and services for the performance of the prime contract or a subcontract.

- (2) "Subcontractor" means any supplier, vendor, or firm that furnishes supplies, materials, equipment, or services to or for the Contractor or another subcontractor.

- (b) The Contractor shall not enter into any subcontract with any subcontractor who has been temporarily denied participation in a HUD program or who has been suspended or debarred from participating in contracting programs by any agency of the United States Government or of the state in which the work under this contract is to be performed.
- (c) The Contractor shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the Contractor.
- (d) The Contractor shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.
- (e) Nothing contained in this contract shall create any contractual relationship between any subcontractor and the PHA or between the subcontractor and HUD.

38. Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms

The Contractor shall take the following steps to ensure that, whenever possible, subcontracts are awarded to small business firms, minority firms, women's business enterprises, and labor surplus area firms:

- (a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (b) Ensuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- (c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- (d) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and
- (e) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.

39. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship.

- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
 - (d) The Contractor shall, 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, or handicap.
 - (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
 - (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or Federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
 - (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontract or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.
 - (j) Compliance with the requirements of this clause shall be to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act and the Indian Preference clause of this contract.
- 40. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.**
- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
 - (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
 - (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
 - (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
 - (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
 - (g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

41. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

42. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the PHA, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

43. Limitations on Payments made to Influence Certain Federal Financial Transactions

- (a) The Contractor agrees to comply with Section 1352 of Title 31, United States Code which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The Contractor further agrees to comply with the requirement of the Act to furnish a disclosure (OMB Standard Form LLL, Disclosure of Lobbying Activities) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

44. Royalties and Patents

The Contractor shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save the PHA harmless from loss on account thereof; except that the PHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Contractor has no reason to believe that the specified design, process, or product is an infringement. If, however, the Contractor has reason to believe that any design, process or product specified is an infringement of a patent, the Contractor shall promptly notify the Contracting Officer. Failure to give such notice shall make the Contractor responsible for resultant loss.

45. Examination and Retention of Contractor's Records

- (a) The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under the Disputes clause of this contract, (2) litigation or settlement of claims arising from the performance of this contract, or (3) costs and expenses of this contract to which the PHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

46. Labor Standards - Davis-Bacon and Related Acts

If the total amount of this contract exceeds \$2,000, the Federal labor standards set forth in the clause below shall apply to the development or construction work to be performed under the contract.

- (a) Minimum Wages.
 - (1) All laborers and mechanics employed under this contract in the development or construction of the project(s) involved will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the regular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall

be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- (2) (i) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met: (A) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (B) The classification is utilized in the area by the construction industry; and (C) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (ii) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employee Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.
- (iii) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.
- (iv) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(2)(ii) or (iii) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in classification.
- (3) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (4) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the

amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

- (b) Withholding of funds. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working in the construction or development of the project, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the Contractor or subcontractor to the respective employees to whom they are due.
- (c) Payrolls and basic records.
- (1) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working in the construction or development of the project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under 29 CFR 5.5(a)(1)(iv), that the wages of any laborer or mechanic include the amount of costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(2) (i) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under subparagraph (c)(1) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1214-0149.)

(ii) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(A) That the payroll for the payroll period contains the information required to be maintained under paragraph (c) (1) of this clause and that such information is correct and complete;

(B) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3; and

(C) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(iii) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph (c)(2)(ii) of this clause.

(iv) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

(3) The Contractor or subcontractor shall make the records required under subparagraph (c)(1) available for inspection, copying, or transcription by authorized representatives of HUD or its designee, the Contracting Officer, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to

make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(d) (1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer and Labor Services (OATELS), or with a State Apprenticeship Agency recognized by OATELS, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under

- the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- (3) Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.
- (e) Compliance with Copeland Act requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.
- (f) Contract termination; debarment. A breach of this contract clause may be grounds for termination of the contract and for debarment as a Contractor and a subcontractor as provided in 29 CFR 5.12.
- (g) Compliance with Davis-Bacon and related Act requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (h) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this clause shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the PHA, HUD, the U.S. Department of Labor, or the employees or their representatives.
- (i) Certification of eligibility.
- (1) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
- (2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a United States Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
- (3) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.
- (j) Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.
- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.
- (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in subparagraph (j)(1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic (including watchmen and guards) employed in violation of the provisions set forth in subparagraph (j)(1) of this clause, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in subparagraph (j)(1) of this clause.
- (3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in subparagraph (j)(2) of this clause.
- (k) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these provisions.

47. Non-Federal Prevailing Wage Rates

- (a) Any prevailing wage rate (including basic hourly rate and any fringe benefits), determined under State or tribal law to be prevailing, with respect to any employee in any trade or position employed under the contract, is inapplicable to the contract and shall not be enforced against the Contractor or any subcontractor, with respect to employees engaged under the contract whenever such non-Federal prevailing wage rate exceeds:
 - (1) The applicable wage rate determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141 et seq.) to be prevailing in the locality with respect to such trade;
- (b) An applicable apprentice wage rate based thereon specified in an apprenticeship program registered with the U.S. Department of Labor (DOL) or a DOL-recognized State Apprenticeship Agency; or
- (c) An applicable trainee wage rate based thereon specified in a DOL-certified trainee program.

48. Procurement of Recovered Materials.

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

SECTION 00211 – SUPPLEMENTAL GENERAL CONDITIONS FOR CONSTRUCTION CONTRACTS, NON-FEDERAL FUNDING

Delete: Applicability. This form is applicable to any Construction/development contract greater than \$100,000.

Insert: Applicability. This form is applicable to any Construction/development contract greater than \$3,000.

Introduction: Delete:
HUD 24 CFR 85.36

Insert:
HUD 2 CFR Parts 200.317 – 200.326

TABLE OF CONTENTS

MODIFICATION TO FORM HUD-5370 (1/2014) – GENERAL CONDITIONS FOR CONSTRUCTION CONTRACTS – PUBLIC HOUSING PROGRAMS

Clause 1:	Definitions
Clause 2:	Contractor's Responsibility for Work
Clause 8:	Differing Site Conditions
Clause 9:	Specifications and Drawings for Construction
Clause 11:	Material and Workmanship
Clause 12:	Permits and Codes
Clause 16:	Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements
Clause 20:	Inspection and Acceptance of Construction
Clause 25:	Contract Period: Substantial Completion Date – Performance Period
Clause 26:	Order of Precedence
Clause 27:	Payments
Clause 30:	Suspension of Work
Clause 31:	Disputes
Clause 33:	Liquidated Damages
Clause 34:	Termination for Convenience
Clause 36:	Insurance
Clause 37:	Subcontracts
Clause 38:	Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms:
Clause 40:	Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.
Clause 46:	Labor Standards – Davis Bacon and Related Acts:
Clause 47:	Non-Federal Prevailing Wage Rates:
Clause 49:	INSERT: Laws to Be Observed
Clause 50:	INSERT: Non-Smoking Facilities
Clause 51:	INSERT: Overtime
Clause 52:	INSERT: Apprentices
Clause 53:	INSERT: Fair Labor Standards Act

Clause 1: Definitions:

Delete:

- (c) ~~"Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officers and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.~~

Insert:

- (c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.

Insert:

- (j) "Acceptance" means the act of a Contracting Officer of the Agency by which the Agency approves and assumes ownership of the work performed under this contract. Acceptance may be partial or complete.

Insert:

- (k) "Agency Project Manager" means the person delegated by the Contracting Officer for all day to day coordination for field or site administration.

Insert:

- (m) "Addenda" means any changes, revisions or clarifications of the Contract Documents that have been duly issued by the Agency to prospective Bidders prior to time of receiving Bids.

Insert:

- (n) "HA", "PHA", "Owner" or "Agency" means the entity that is authorized to undertake this contract.

Clause 2: Contractor's Responsibility for Work

Delete:

- (c) ~~At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the work site a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.~~

Insert:

- (c) Refer to the Bid Form – Section 00400.

Clause 8: Differing Site Conditions:

Delete:

- (b) ~~The Contracting Officer shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or~~

both shall be made under this clause and the contract modified in writing accordingly.

Insert:

- (b) The Agency shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or both shall be made under this clause and the contract modified in writing accordingly.

Insert:

- (e) Public Contract Code §7104 states that any work, which involves digging trenches, or other excavations that extend deeper than four feet below surface require the following. The Agency requires the following for any depth.

That Contractor shall promptly, and before the following conditions are disturbed, notify the Agency, in writing of any:

- (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the California Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- (2) Subsurface or latent physical conditions at the site differing from those indicated.
- (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the work of the character provided for in the contract.

The Agency shall promptly investigate the conditions, and if its finds the conditions do materially so differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

(f) Insert:

Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor.

Clause 9: Specifications and Drawings for Construction:

Delete:

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. ~~In case of difference between drawings and specifications, the specifications shall govern. In case of discrepancy in the~~

~~figures, in the drawings, or in the specifications, the matter shall be promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.~~

Insert:

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both.

In the event of a conflict between the specifications or the drawings, the Contractor is to refer to and follow the document containing the most specification, detail, higher quality or most restrictive document. All the contract documents are essential parts of the Contract, and a requirement occurring in one is just as binding as though occurring in all. They are intended to be cooperative and to describe and provide information to complete the work of the Project. If there is a discrepancy or ambiguity, the matter shall be promptly submitted in writing to the Contracting Officer who shall promptly make a determination in writing.

The Contractor must provide written notice of any ambiguity to the Contracting Officer. Should the Contractor not provide such notice and prepare its bid or commence with work without resolution of the ambiguity by the Contracting Officer, the Contractor proceeds at its own risk and expense.

Clause 12: Permits and Codes

Delete:

- (b) The Contractor shall secure and pay for all permits, fees, and licenses necessary for the proper execution and completion of the work. Where the PHA can arrange for the issuance of all or part of these permits, fees, and licenses, without cost to the Contractor, the contract amount shall be reduced accordingly.

Insert:

- (b) Refer to Bid Form – Section 00400.

Clause 16: Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements:

Insert:

- (l) The Contractor will consult with the Agency Project manager prior to removal of roots and branches which interfere with construction operations.

Clause 20: Inspection and Acceptance of Construction:

Insert:

- (k) Upon request of the Contracting Officer, the Contractor shall notify the Contracting Officer of the time and place of preparation, manufacture, or construction of any material for the work or any part of the work which the Contracting Officer may wish to inspect, and of the time and place of the factory testing as required pursuant to the Contract Documents.

Clause 25: Contract Period

Delete in its entirety.

Insert:

Refer to Bid Form – Section 00400.

Clause 26: Order of Provisions:

Delete:

~~In the event of a conflict between these General Conditions and the Specifications, the General Conditions shall prevail. In the event of a conflict between the contract and any applicable state or local law or regulation, the state or local law or regulation shall prevail; provided that such state or local law or regulation does not conflict with, or is less restrictive than applicable federal law, regulation, or Executive Order. In the event of such a conflict, applicable federal law, regulation, and Executive order shall prevail.~~

Insert:

In the event of a conflict between the General Conditions, the General Requirements, the Technical Specifications, or the Drawings for construction, the Contractor is to refer to and follow the document containing the most specification, detail, higher quality or most restrictive document. All the Contract Documents are essential parts of the Contract, and a requirement occurring in one is just as binding as though occurring in all. They are intended to be cooperative and to describe and provide information to complete the work of the Project. The Contractor shall not take advantage of any apparent errors or omissions in the Contract Documents. If there is a discrepancy or ambiguity, the matter shall be promptly submitted in writing to the Contracting Officer, who shall promptly make a determination in writing.

The Contractor must provide written notice of any ambiguity to Contracting Officer. Should the Contractor not provide such notice and prepare its bid or commence with work without resolution of the ambiguity by the Contracting Officer, the Contractor proceeds at its own risk and expense.

Clause 27: Payments:

Delete:

(f) ~~Except as otherwise provided in State Law, the PHA shall retain ten (10) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer subsequently determines that the Contractor's performance and progress are unsatisfactory, the PHA shall reinstate the ten (10) percent (or other percentage as provided in State law) retainage until such time as the Contracting Officer determines that performance and progress are satisfactory.~~

Insert:

(f) In accordance with California Public Contract Code §7201, the PHA shall retain five (5) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer performance and progress are unsatisfactory, the PHA shall reinstate the five (5) percent retainage until such

time as the Contracting Officer determines that performance and progress are satisfactory.

Insert:

- (l) Upon request of a payment request the Agency shall act in accordance with the California Public Contract Code, Section 20104.50 as follows:
 - (1) If Agency fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from Contractor, the Agency shall pay interest to the Contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure.
 - (2) Upon receipt of a payment request, Agency shall:
 - (i) Review the payment request as soon as practicable for the purpose of determining that payment request is a proper payment request;
 - (ii) any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable but in no case later than seven days after its receipt by the Agency. A payment request returned pursuant to this paragraph shall be accompanied by a written explanation as to why the request is not proper; and
 - (iii) the number of days available to the Agency to make a payment without incurring an interest charge shall be reduced by the number of days that the Agency exceeds the seven day return requirement.

Insert:

- (m) Retention: Pursuant to the California Public Contract Code Section 22300 the Contractor may request that the Agency substitute a security in the amount of the performance retention. Alternatively, the Contractor may request that payment of the retention be made directly to an escrow agent at the expense of the Contractor. Upon satisfactory completion of the contract, the securities from the Agency or payments paid into escrow. Shall the Contractor elect, at its own expense, to enter into an escrow agreement such agreement shall be in substantially the same form as provided in Section 22300(f) of the California Public Contract Code. This section shall apply to only those subcontractors performing more than five percent of the contractor's total contract bid. No contractor shall require any subcontractor to waive any provision of the section or Section 22300 of the Public Contract Code.

Clause 30: Suspension of Work

Insert:

- (c) The Contractor shall have no claim for extra compensation for any hindrance or delays of work from a cause not involving the Agency during the progress thereof, although the Contractor may ask for an extension of the time agreed upon by Agency for completion of the Project work. In the case where the Agency is responsible for the delay the Agency shall be responsible for an equitable adjustment to the contract price relating thereto under Public Contract Code Section 7102.

- (d) Inclement weather shall not be a prima facie reason for the granting of an extension of time, and the Contractor shall make every effort to continue work under prevailing conditions. The Agency may, however, grant an extension of time if an unavoidable delay as a result of unusual and severe inclement weather fact occurs, and such shall then be classified as "Excusable Delay."

Clause 31: Disputes:

Insert:

- (g) Notwithstanding any other provision of the Contract Documents, disputes between the Agency and the Contractor involving claims of less than Three Hundred and Seventy Five Thousand Dollars (\$375,000.00) shall be handled in accordance with the provisions of the California Public Contract Code §20104.2.

Clause 33: Liquidated Damages:

Delete:

- (a) If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$____ [Contracting Officer insert amount] for each day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The Contractor remains liable for damages caused other than by delay.

Insert:

- (a) Refer to Bid Form – Section 00400.

Clause 34: Termination for Convenience:

Delete:

- (c) ~~The contracting Officer will act on the Contractor's claim within days (60 days unless otherwise indicated) of receipt of the Contractor's claim.~~

Insert:

- (c) The Contracting Officer will act on the Contractor's claim within 30 days of receipt of the Contractor's claim.

Clause 36: Insurance:

Delete in its entirety.

Insert:

Refer to Section 00510 Insurance Requirements in the Contract Manual.

Clause 37: Subcontracts

Insert:

- (f) Refer to Section 4100 et seq. of the Public Contract Code.

Clause 38: Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms:

Delete: This clause in its entirety (not applicable).

Clause 40: Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968:

Insert:

- (h) Each contractor and subcontractor undertaking work in connection with this project is obligated to utilize, to the greatest extent feasible, lower income project area residents to fill all open positions, first and foremost, through the First Source Program.

Clause 46: Labor Standards – Davis Bacon and Related Acts:

Delete: This clause in its entirety (not applicable).

Clause 47: Non-Federal Prevailing Wage Rates:

Delete: This clause in its entirety.

Insert: This contract is subject to State of California prevailing wages, a copy of which are available at the following website: www.dir.ca.gov/DLSR/PWD or call 888-ASK-WAGE/888-275-9243.

The Contractor and all Subcontractors shall pay state prevailing wage for that trade. The Contractor shall comply with Labor Code Sections 1770 to 1780, inclusive. In accordance with Section 1775, the Contractor shall forfeit as a penalty to the Agency \$50.00 per each calendar day or portion thereof, for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under the contract by him or any subcontractor under him in violation of the provision of the Labor Code and in particular, Labor Code Section 1770 to 1780, inclusive.

- (a) Penalty. In addition to such penalty and pursuant to Section 1775, the difference between such stipulated prevailing wage rate according to the Contract Documents and the amount paid for each calendar day or portion thereof for which each worker was paid less than the amount stipulated prevailing wage rate shall be paid to each worker by the Contractor. The Sacramento Housing and Redevelopment Agency and its constituent entities shall not recognize a claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate set forth in the Contract Documents.
- (b) Contractor's Risk. The possibility of wage increases is one of the elements to be considered by the Contractor in determining his, her, or its Bid, and will not under any circumstances, be considered as the basis of a claim against the Sacramento Housing and Redevelopment Agency and its constituent entities.

Clause 49: Insert:
LAWS TO BE OBSERVED:

Attention of the Contractor is directed to certain laws, which affect the Contract Documents. The listing of such laws in these Supplemental General Conditions is not to be construed as a listing of all applicable laws, but rather a summary upon which the Contractor can base its investigation and familiarization of these and all other applicable laws.

- (a) The Contractor is familiar with all federal, state and local laws, ordinances, codes and regulations which in any manner affect those engaged or employed in the Project or the material or equipment used in or upon the Project, or in any way affect the conduct of the Project. No pleas of misunderstanding of such laws, ordinances, codes or regulations or of ignorance of the same, on the part of the Contractor shall, in any way, serve to modify the provision of the Contract Documents.
- (b) The Contractor at all times shall observe and comply with all federal, state, and local laws, ordinances, codes and regulations affecting the conduct of the Project, and the contractor and his, her, or its surety shall indemnify, defend and save harmless the Agency and all of its officers, agents, and employees against any claim for liability arising from, or based upon, the violation of any such laws, ordinance, regulation, decree, or order, whether by the contractor, subcontractors, material men, or by their employees.
- (c) The Contract shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of the Project. If the Contractor observes that any of the Contract Documents are at variance with such laws in any respect, the Contractor shall promptly notify the Agency in writing and any necessary changes shall be adjusted by appropriate modification. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Agency, the Contractor shall assume full responsibility therefore and shall bear all cost attributable thereto.
- (d) Child Support Compliance Act: (1) Contractor recognizes the importance of child and family support and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and (2) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry, maintained by the California Employment Development Department.

Clause 50: Insert:
NON-SMOKING FACILITIES

Contractors are noticed that all public housing properties, including dwelling units, are Non-Smoking facilities. Contractors and all subcontractors performing work on this Project shall not smoke in any dwelling unit, building, or any of the common areas or adjoining grounds of such building or other parts of the housing community. Smoking is not allowed within 25 feet of any doors or windows. The Contractor shall be responsible for its subcontractors compliance with this clause.

Clause 51: Insert:
OVERTIME:

Eight hours of labor constitute a legal day's work. The Contractor shall forfeit, as a penalty, to the Agency, \$25.00 for each worker employed for the Project by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Labor Code Sections 1810 to 1815, inclusive, except that work performed by such employees in excess of eight hours per day, and forty hours during any one week, shall be permitted upon payment of compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay, as provided in Section 1815.

Clause 52: Insert:
 APPRENTICES:

The laws governing the employment of apprentices shall be observed, and, in particular, Section 1777.5 and 1777.6 of the Labor Code shall be obeyed by the Contractor.

Clause 53: Insert:
 FAIR LABOR STANDARDS ACT

Contractor shall comply with the Fair Labor Standards Act of 1938 as amended (52 Sta. 1060), as it may be applicable to the Project.

END OF SECTION

**SECTION 00255 – PUBLIC WORKS:
California Labor Code**

The Contractor and all Subcontractors, of any tier, must comply with the requirements of the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815.

Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (*including federal labor requirements*), this contract is subject to compliance monitoring and enforcement by the Department of Industrial relations (DIR).

<http://www.dir.ca.gov/Public-Works/Contractor-Registration.html>

END OF SECTION

SECTION 00260 – PREVAILING WAGES

This contract is subject to State of California prevailing wages. A copy of the wages are available at the following website address: www.dir.ca.gov/OPRL/dprevagedetermination.htm or at phone number 888-ASK-WAGE / 888-275-9243.

END OF SECTION

SECTION 00400 – BID FORM

Terms in the Bid Form:

Work: 801 12th Street - 5th Floor Tenant Improvements 2017
Agency: Sacramento Housing and Redevelopment Agency
Property: 801 12th Street,
Sacramento, CA 95814
Architect: Pressey and Associates
Contractor: Betz Construction
(Insert Contractor's business name)

FOR: LUMP SUM BID for Work on Agency owned Property.

TO: Sacramento Housing and Redevelopment Agency
Procurement Services
801 12th Street, 2nd Floor
Sacramento, California 95814

SCOPE OF WORK: The Contractor proposes to furnish all labor, materials, equipment, and services required to complete the work required in strict compliance with the Project Contract Manual, Technical Specifications Manual, Drawings, and/or any Addenda for the above referenced project:

Addendum 1 dated _____
Received and Acknowledged _____ (bidders initials)

Addendum 2 dated _____
Received and Acknowledged _____ (bidders initials)

Addendum 3 dated _____, and
Received and Acknowledged _____ (bidders initials)

CONTRACT PERIOD: The Contractor shall complete all work required under this contract within Thirty (30) calendar days of the effective date of the contract, or within the time schedule established in the notice to proceed issued by the Contracting Officer. Refer to Section 01311 Progress Schedule in the Technical Specifications.

BID AMOUNT: The undersigned, having become familiar with the local conditions affecting the cost of the work, submits a LUMP SUM BID in the amount of:

One hundred Twenty Five Thousand DOLLARS 145,000⁰⁰
(Spell out the bid amount) (Enter numeric bid amount)

PERMITS: The Agency will secure and pay for the building permit only. This bid shall include all other fees and permits, and include all licenses and inspections necessary for the proper execution of the work.

Initials: AB

SUPERINTENDENT: During the performance of the work the contractor shall not be required to have a superintendent on site at all times. However, the contractor shall have a competent superintendent on site during all building department inspections and at all times when the Agency notifies the contractor that they will be on-site as needed to review the contractors' performance and for payment related inspections of the work progress. The contractor is responsible for all subcontractor work on the project and its conformance with the contract requirements. Furthermore, the contractor shall have a full understanding of all trade work occurring on the project at all times. The superintendent shall be satisfactory to the Contracting Officer and shall have full authority to act for the contractor whether on site or not during the course of construction and shall at all time be available by phone during the project.

CALIFORNIA LABOR CODE REQUIREMENTS: The Contractor and all Subcontractors must comply with the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815 of the California Labor Code. Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (including federal labor requirements), all contracts as a result of this bid will be subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

CONSTRUCTION MEETINGS: Construction meetings will be scheduled by the Agency representative as required.

OCCUPANCY: The property will be occupied during the performance of this contract.

SUBCONTRACTING: The following trade work must be performed by a Contractor/Subcontractor who holds the applicable specialty license. In the event that the General Contractor directly employs a worker (as one of their staff) who possesses the specialty license required for this project, and that worker will be actually performing the work, that specific specialty license requirement will be fulfilled for this project.

Trade	Specialty License
Electrical	C-10
Warm-Air Heating, Ventilation & AC	C-20

The Contractor must clearly state all trades (in excess of 1/2 of 1% of the total bid price) to be performed by Specialty Contractors on the List of Designated Subcontractors (Section 00410). The Contractor must also indicate which trades will be performed by the Prime Contractor and which trades are to be performed by Specialty Contractors, including the name of each Specialty Contractor, on the Section 3 Business and Minority and Women's Business Enterprise Trade/Craft Documentation Sheet (Section 00471).

CONTRACT EXECUTION: If written notice of the acceptance of this Bid is mailed, telegraphed, or delivered to the undersigned within sixty (60) calendar days after the opening thereof, or at any time thereafter before this Bid is withdrawn, in writing, the undersigned agrees to execute and deliver a contract in the prescribed form and furnish the required bonds within fourteen (14) calendar days after contract is presented for signature.

RIGHT TO REJECT ALL BIDS AND WAIVERS: Bidder understands that the Agency retains the right, in its sole and exclusive discretion to (1) reject all bids for the subject project(s) and (2) waive any informalities in its consideration and review of the submitted bids.

EXAMINATION OF WORKSITE AND CONTRACT DOCUMENTS: The undersigned represents and warrants that the undersigned has examined the locations of the proposed work and is familiar with the local conditions at the places where the work is to be done, and the undersigned has reviewed and understands the plans, specifications, and other contract documents, and the undersigned is satisfied with all conditions for performance of the work.

Initials: AB

BIDDER'S CALCULATIONS: The undersigned has checked carefully all of the bid's figures and calculations and understands that the Agency will not be responsible for any errors or omissions on the part of the undersigned in preparing and submitting this bid.

LIQUIDATED DAMAGES: If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$100.00 for each calendar day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The contractor remains liable for damages caused other than by delay.

NON-COLLUSION AFFIDAVIT: Attached hereto is an affidavit in proof that the undersigned has not entered into any collusion with any person with respect to this proposal or any other proposal or the submitting of proposals for the contract which this proposal is submitted.

CERTIFICATION OF NONSEGREGATED FACILITIES: By signing this Bid the Bidder certifies that the Bidder does not maintain or provide for employees any segregated facilities at any establishment, and that the Bidder does not permit employees to perform their services at any location under the Bidder's control where segregated facilities are maintained. The Bidder agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, rest rooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom, or otherwise. The Bidder further agrees to obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, to retain such certification on file, and to forward a notice to proposed subcontractors as provided in the Instructions to Bidders.
Note: The penalty for making false statements of offers is prescribed in 18 U.S.C. 1001.

NONDISCRIMINATION, WORKER'S COMPENSATION AND NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Bidder, in submitting a bid for performing the following work by contract certifies the following:

- (1) Bidder is in compliance with the Nondiscriminating requirements of the General Conditions.
- (2) Bidder is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code, and bidder will comply with these provisions before commencing the performance of the work of this contract.
- (3) Bidder states, under penalty of perjury, that no more than one final appealable finding of contempt of court by a Federal Court has been issued against the bidder within the immediately preceding two-year period because of the bidder's failure to comply with an order of a Federal Court ordering compliance with an order of the National Labor Relations Board.
- (4) Bidder certifies, unless specifically exempted, compliance with Government Code Section 12990 and California Code of Regulations, Title II, Division 4, Chapter 5 in matters relating to the development, implementation, and maintenance of a nondiscrimination program. Bidder agrees that it will not unlawfully discriminate against employees, or applicants for employment, based on race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex or age (over forty).

Initials: AB

This certification constitutes a part of the Bid, and signature on the signature portion of this Bid shall constitute signature of this certification.

LIFE AND SAFETY QUESTIONNAIRE: In accordance with Section 10162 of the Public Contract Code, bidder shall answer the following:

Has the bidder, any officer of the bidder, or any employee of the bidder who has proprietary interest in the bidder, ever been disqualified, removed or otherwise prevented from bidding on, or completing a Federal, State, or Local government project because of a violation of law or a violation of a safety regulation?

YES _____ NO ✓

If the answer is yes, explain the circumstances in the following space.
(Attach additional pages if necessary.)

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on June 7, 2017, at Orangetown
(Date) (City)
Alex Bell
(Name)
owner
(Title)

This information constitutes a part of the Bid, and the signature on portion of this Bid shall constitute signature of this document and its content.

Initials: AB

The bid must be signed in the same name-style in which the bidder is licensed. Bidder bidding jointly is specifically cautioned that the bidder must be jointly licensed, if applicable in the same form and style in which the bid is executed.

Alex Belz
(Legal Name of Bidder)

California
(If Corporation, list State of Incorporation)

6656 Filbert Ave
(Business Address)

Orangevale, CA 95662
(City, State Zip)

(916) 882 9923
(Phone Number)


(916) 580-5727
(Fax Number)

belz4000@gmail.com
(E-Mail Address)

B 909355
(Contractor's License Number)

1000005224
(Contractor's DIR Public Works Registration Number)

45-2752818
(Federal I.D. Number)

By: 
(Signature)

Alex Belz
(Typed or printed name of Bidder)

owner
(Title)

Date: June, 7, 2017.

(Corporate Seal)

END OF SECTION

Initials: AB

SECTION 00410 - LIST OF DESIGNATED SUBCONTRACTORS
Per California Public Contract Code Section 4104(a) & (b)

Project Name: 5th Floor Tenant Improvements Prime Contractor: Belt Construction
Address: 6656 Filbert Ave, Orangevale, CA 95662 Phone No.: (916) 282 9923
E-mail Address: belt4000@gmail.com is Prime Contractor MBE/WBE owned? Y(N) (circle one)
DIR Public Works Registration No.: 100005227 Contractor License No.: 909355 License Type(s): D

SUBCONTRACTOR INFORMATION				
Subcontractor Name	Address (Street Address, City, State, Zip) and Telephone Number	Trade/Description of Work	DIR Public Works Registration Number	State Contractor's License #
<u>Home Electric</u>	<u>8423 White Space Dr, Oaktop, CA 95662</u>	<u>Electrician</u>	<u>1000025356</u>	<u>860155</u>
<u>Energy Conservation</u>	<u>9680 Roseville Rd #106-248, Elk Grove, CA 95752</u>	<u>HVAC</u>	<u>1000045815</u>	<u>910069</u>

☐ No subcontracting. All work to be completed by bidder.

The "Subletting and Subcontracting Fair Practices Act" (Public Contract Code Section 4100-4113, inclusive), with regard to public works requires subcontractors, if used and whose portion of the work will be in excess of one-half of 1 percent of the prime contractor's total bid, be listed in the prime contractor's bid or offer. The prime contractor may list only one subcontractor for each portion of the work.

The undersigned bidder hereby gives assurance that if contract is awarded to bidder, all subcontractors listed above are licensed by the State of California to perform the proposed work/trade. Bidder assures that no subcontractor shall be deleted or substituted for without the prior written approval of the SHRA Contracting Officer. Bidder further certifies, under penalty of perjury, that they and all subcontractors are registered with the California Department of Industrial Relations (DIR) pursuant to Labor Code 1771.1(a).

THIS FORM MUST BE SUBMITTED WITH BID

Signature of Contractor/Title owner Place (City) Signed Orangevale Date 06-08-18

SECTION 00490 - BID BOND

Bond No. 1001045579-1

KNOW ALL BY THESE PRESENTS, that we Balz Construction Inc. as Principal, hereinafter called Principal, and American Contractors Indemnity Company (Bonding Company), a corporation duly licensed under the laws of the State of California as Surety, hereinafter called the Surety, are held and firmly bound unto the Sacramento Housing and Redevelopment Agency for the sum of Eight Thousand Five Hundred* Dollars (\$ 8,500.00*) for the payment of which sum well and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Invitation For Bid (IFB) No. 2017033-DSdd; 801 12th Street - 5th Floor Tenant Improvements 2017 at 801 12th Street, Sacramento, CA 95814.

NOW, THEREFORE, if the Sacramento Housing and Redevelopment Agency shall accept the bid of the Principal and the Principal shall enter into a contract with the Sacramento Housing and Redevelopment Agency in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Sacramento Housing and Redevelopment Agency the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Sacramento Housing and Redevelopment Agency may in good faith contract with another party to perform work covered by said bid or an appropriate required amount as specified in the Invitation for Bid then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 9th day of June, 2017.

Belz Construction

(Principal) (Seal)

(Witness)

By: owner 

(Title)

(BONDING COMPANY)

American Contractors Indemnity Company

(Witness)

By: 

(Attorney-in-Fact)

The Power of Attorney of persons signing for the Surety Company must be attached.

NOTE: Date of Bid Bond must be prior to date of Contract.

1. Correct name of Contractor.
2. A Corporation; A Partnership; or an Individual, as case may be, attached.
3. Correct name of Surety.
4. If Contractor is Partnership, all partners must execute Bid Bond.
5. Bid Bond to be equivalent to 5% (percent) of the amount bid; or:
6. Five (5)% (percent) of the amount bid in the form of the following ("made out to the Sacramento Housing and Redevelopment Agency):
 - a. *A certified check.
 - b. *A bank draft.
 - c. U.S. Government Bonds at par value (made out to "bearer" or otherwise negotiable by the Agency).

END OF SECTION

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

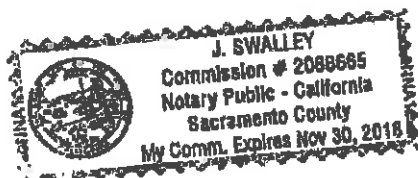
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Sacramento)
 On 6-9-17 before me, J. Swalley, Notary Public,
 Date Here Insert Name and Title of the Officer
 personally appeared Shirley Paiva
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature J. Swalley
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Kio Lo, Assistant Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/10/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Pike Insurance Services 3910 Vista Way #107 Oceanside CA 92056		CONTACT NAME: Customer Service Department PHONE (A/C, No. Ext): (800) 411-7453 FAX (A/C, No.): (800) 991-7453 E-MAIL ADDRESS: Certificates@pikeinsuranceservices.com																									
INSURED Bolz Construction Inc 6656 Filbert Ave Orangevale CA 95662		INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A</td><td>Associated Industries Ins Co Inc</td><td>NAIC#</td><td>23140</td></tr><tr><td>INSURER B</td><td>Infinity Select Insurance Company</td><td></td><td>20260</td></tr><tr><td>INSURER C</td><td>National Union Fire Ins of Pitt</td><td></td><td>19445</td></tr><tr><td>INSURER D</td><td>State Compensation Insurance Fund</td><td></td><td>35076</td></tr><tr><td>INSURER E:</td><td></td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td><td></td></tr></table>		INSURER A	Associated Industries Ins Co Inc	NAIC#	23140	INSURER B	Infinity Select Insurance Company		20260	INSURER C	National Union Fire Ins of Pitt		19445	INSURER D	State Compensation Insurance Fund		35076	INSURER E:				INSURER F:			
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INSURER D	State Compensation Insurance Fund		35076																								
INSURER E:																											
INSURER F:																											

COVERAGES **CERTIFICATE NUMBER:** WC 17-18 GL BA EX 16-17 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																					
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	ABE103687101	12/6/2016	12/6/2017	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$</td><td>1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$</td><td>100,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$</td><td>2,500</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$</td><td>1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$</td><td>2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$</td><td>2,000,000</td></tr><tr><td></td><td>\$</td><td></td></tr></table>	EACH OCCURRENCE	\$	1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	100,000	MED EXP (Any one person)	\$	2,500	PERSONAL & ADV INJURY	\$	1,000,000	GENERAL AGGREGATE	\$	2,000,000	PRODUCTS - COMP/OP AGG	\$	2,000,000		\$	
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B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		504-61005-5512-001	12/12/2016	12/12/2017	<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$</td><td>1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td><td></td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td><td></td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td><td></td></tr><tr><td>Medical payments</td><td>\$</td><td>5,000</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$	1,000,000	BODILY INJURY (Per person)	\$		BODILY INJURY (Per accident)	\$		PROPERTY DAMAGE (Per accident)	\$		Medical payments	\$	5,000						
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D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in WA) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	9150402-17	1/1/2017	1/1/2018	<table border="1"><tr><td><input checked="" type="checkbox"/> PER STATUTE</td><td><input type="checkbox"/> OTHER</td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$</td><td>1,000,000</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$</td><td>1,000,000</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$</td><td>1,000,000</td></tr></table>	<input checked="" type="checkbox"/> PER STATUTE	<input type="checkbox"/> OTHER		E.L. EACH ACCIDENT	\$	1,000,000	E.L. DISEASE - EA EMPLOYEE	\$	1,000,000	E.L. DISEASE - POLICY LIMIT	\$	1,000,000									
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E.L. DISEASE - EA EMPLOYEE	\$	1,000,000																									
E.L. DISEASE - POLICY LIMIT	\$	1,000,000																									

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Sacramento Housing & Redevelopment Agency And Its Constituent Entities is named as Additional Insured per the attached Endorsement.

Additional Insured status is subject to all policy terms, exclusions and conditions

CERTIFICATE HOLDER lgreenquist@shra.org Sacramento Housing and Redevelopment Agency and its constituent entities 801 12th Street Sacramento, CA 95814	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Travis Coleman/KEHLI
--	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury," "property damage," or "personal and advertising injury" caused, in whole or part, by:

1. Your acts or omissions; or
2. The act or omission of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury," "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional, architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, filed orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

[illegible]



July 27, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Authorization To Lease Commercial Space At The Sacramento Housing And
Redevelopment Agency 801 12th Street Building

SUMMARY

The attached report is submitted to you for review prior to submission to the County of
Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
August 22, 2017

To: The Successor Agency of the Redevelopment Agency of the County of Sacramento and Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency (SHRA)

Subject: Authorization To Lease Commercial Space At The Sacramento Housing And Redevelopment Agency (SHRA) 801 12th Street Building

Supervisory
District: Serna

Contact: Michael Taylor, Program Manager, 916-449-6285
James Shields, Director of Administration, 916-440-1308

Overview

Staff is requesting authority for SHRA to enter into a lease with the Sacramento Transportation Authority (STA) to occupy 2,000 square feet of commercial space at the SHRA owned administration building located at 801 12th Street. In addition, staff is also seeking authorization to contract with a qualified General Contractor to construct tenant improvements to conform to the needs of STA.

Recommendations

Adopt: a) a **Housing Authority Resolution** 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to sublease commercial office space located at the SHRA 801 12th Street administrative office to commercial tenants on commercially reasonable terms not to exceed 10 years, approved as to form by agency counsel; 2) authorizing SHRA's Executive Director to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants; 3) authorizing SHRA to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years, and which will include the construction of tenant improvements (T.I.'s) on the north side of the 5th Floor of 801 12th Street totaling 2,000 rentable square feet, and 4) authorizing SHRA to amend its budget to allow for up to \$180,000 for the construction of T.I.'s for STA. The Base Construction Contract amount shall be \$145,000, with a contingency of up to \$35,000 for potential change orders. STA shall be responsible for \$120,000 of the T.I.'s, as well as \$15,792 of additional office improvements, for a total of \$135,792. b) a **Successor Agency of the Redevelopment Agency of the County of Sacramento Resolution** 1) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to sublease commercial office space located at the SHRA 801 12th Street administrative office to commercial tenants on commercially reasonable terms not to exceed 10 years, approved as to form by agency counsel; 2) authorizing SHRA's Executive Director to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants; 3) authorizing SHRA to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a

term not to exceed 10 years, and which will include the construction of tenant improvements (T.I.'s) on the north side of the 5th Floor of 801 12th Street totaling 2,000 rentable square feet, and 4) authorizing SHRA to amend its budget to allow for up to \$180,000 for the construction of T.I.'s for STA. The Base Construction Contract amount shall be \$145,000, with a contingency of up to \$35,000 for potential change orders. STA shall be responsible for \$120,000 of the T.I.'s, as well as \$15,792 of additional office improvements, for a total of \$135,792.

Measures/Evaluation

Proceeding with this project will allow SHRA to realize additional income and take advantage of a currently underutilized asset.

Fiscal Impact

Staff is recommending an amendment to the SHRA budget to allocate \$180,000 to be used for the proposed tenant improvements. STA shall be responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remaining amount of tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. The lease agreement specifies a rental rate estimated at \$1.50 per rentable square foot per month, with annual increases of \$0.05 per square foot. As a result, if the currently available 2,000 square feet of commercial space is leased, it will generate \$405,000 in rent revenue over the next ten years to cover expenses related to the ownership of 801 12th Street.

BACKGROUND

SHRA is a joint powers authority created to provide Housing and Community Development staffing services for the City and County of Sacramento. SHRA's current constituent entities include: the Housing Authority of the City of Sacramento, the City of Sacramento, the Housing Authority of the County of Sacramento, and the County of Sacramento. In 2008, SHRA and its constituent entities purchased 801 12th Street to serve as the administrative offices for SHRA. Staff relocated from five different office locations to 801 12th Street in January, 2010.

With the elimination of Redevelopment and the resultant layoffs, approximately 2,000 rentable square feet of commercial space on the 5th floor of 801 12th Street was made available. Staff began to market the space to organizations that were complementary to SHRA to generate rent revenue for building operations. Since that time, several potential tenants have approached SHRA with interest in this space, but no offers were received.

DISCUSSION

In March of 2017, the Sacramento Transportation Authority (STA) expressed interest in leasing the space. STA's current lease at their existing office expires in September and they will be forced to relocate. The space on the 5th floor of 801 12th Street is the correct size for STA's staff of four, and the parties have come to a preliminary agreement on the design of desired tenant improvements. Proposed improvements include the construction of new private offices that will replace the existing systems furniture (cubicles) currently in the space.

In order to move the project forward, an architect was hired to prepare construction documents for the tenant improvements. SHRA then publicly bid these tenant improvements to qualified General Contractors for the purposes of establishing an actual cost to be included in a lease with STA. Costs that have been mutually agreed to be borne by the tenant amount to \$135,792, which will be amortized into the lease by way of a Promissory Note, to be paid down in installments over the term of the lease beginning in year four of the lease. Interest payments on these payments shall total \$23,472 over the term of the lease, bringing the grand total of tenant improvement payments to SHRA by STA to \$159,264.

Staff is requesting authority for SHRA, by action of its Executive Director, to enter into a lease with STA at the terms mutually agreed upon as outlined in Exhibit A, and contract with a qualified General Contractor to construct the tenant improvements to conform to the needs of STA as described in the Construction Contract (Exhibit B). It is anticipated that the tenant improvements will be completed by December of 2017. Staff has agreed to temporarily make cubicle space available for STA to conduct their operations until such time as the new offices on the Fifth Floor are ready for occupancy.

COMMISSION ACTION

At its meeting of August 2, 2017, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

Proceeding with this project will allow SHRA to realize additional income and take advantage of a currently underutilized asset.

FINANCIAL ANALYSIS

Staff is recommending an amendment to the SHRA budget to allocate \$180,000 to be used for the proposed tenant improvements. STA shall be responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remaining amount of tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. The lease agreement specifies a rental rate estimated at \$1.50 per rentable square foot per month, with annual increases of \$0.05 per square foot. As a result, if the currently available 2,000 square feet of commercial space is leased, it will generate \$405,000 in rent revenue over the next ten years to cover expenses related to the ownership of 801 12th Street.

POLICY CONSIDERATIONS

No new policies are being recommended in this report. SHRA shall be responsible for procuring the contractor according to adopted procurement policy.

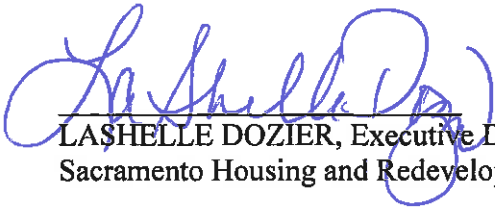
ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed action consists of a sublease of existing commercial space and tenant improvements with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

M/WBE/SECTION 3 CONSIDERATIONS

The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.

Respectfully submitted,



LASHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
NAVDEEP S. GILL
County Executive

By: _____
ADMINISTRATOR
Deputy County Executive

Authorization To Lease Commercial Space At The Sacramento Housing And
Redevelopment Agency (SHRA) 8001 12th Street Building
Page 5

Attachments:

RES – HACOS Resolution

RES – Redevelopment Successor Agency Resolution

EXA – Lease and Promissory Note

EXB – Construction Contract for Tenant Improvements

RESOLUTION NO. _____

**ADOPTED BY THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**AUTHORIZATION AND CONSENT TO SUB-SUBLEASE COMMERCIAL SPACE IN
THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
ADMINISTRATIVE OFFICES LOCATED AT 801 12TH STREET**

WHEREAS, the Sacramento Housing and Redevelopment Agency (SHRA), and each of its constituent entities own the commercial property located at 801 12th Street, which serves as the main administrative offices for SHRA.

WHEREAS, SHRA has experienced and continues to experience a reduction in available funds for conducting business and to generate rent revenue for 801 12th Street, SHRA intends to lease (sub-sublease) space.

WHEREAS, the financing for the 801 12th Street is tax exempt financing requiring the occupancy and use to be restricted to public entities for their essential government purposes. The proposed tenant, Sacramento Transportation Authority, is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.

WHEREAS, the proposed action consists of a sublease of existing commercial space with no expansion of use or change in the type of use in an existing facility, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF
THE COUNTY OF SACRAMENTO**

Section 1. All the facts presented having been fully considered, the declarations and environmental findings stated above, are found to be true and correct.

Section 2. SHRA, by action of its Executive Director, is authorized to sub-sublease office space at the SHRA administrative office building located at 801 12th Street to commercial tenant(s) on commercially reasonable terms not to exceed 10 years and execute all related documents.

Section 3. SHRA, by action of its Executive Director, is authorized to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants.

Section 4. SHRA, by action of its Executive Director, is authorized to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years. Any extensions to this term will be brought before the governing boards for approval. STA will occupy the north side of the 5th Floor of 801 12th Street, totaling 2,000 rentable square feet.

Section 5. SHRA is authorized to amend their budget to allow for up to \$180,000 for the construction of tenant improvements for STA. The Base Construction Contract amounts to \$145,000, with a contingency of up to \$35,000 for potential change orders. STA is responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of tenant improvements payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remainder of the tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. SHRA shall procure the contractor and managing the construction of the tenant improvements, which are described in drawings prepared by an architect selected from SHRA's list of qualified architects. SHRA shall also pay the architect's fees and permit fees.

Section 6. SHRA, by action of its Executive Director, is authorized to amend its budget to reflect the activities approved in this resolution.

On a motion by Member _____, seconded by Member
_____, the foregoing Resolution was passed and adopted by the Housing
Authority of the County of Sacramento, State of California, this 22nd day of August, 2017, by
the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

RESOLUTION NO. _____

**ADOPTED BY THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**AUTHORIZATION AND CONSENT TO SUB-SUBLEASE COMMERCIAL SPACE IN
THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
ADMINISTRATIVE OFFICES LOCATED AT 801 12TH STREET**

WHEREAS, the Sacramento Housing and Redevelopment Agency (SHRA) and each of its constituent entities, and the successor agencies to the former redevelopment agencies, own the commercial property located at 801 12th Street, which serves as the main administrative offices for SHRA.

WHEREAS, SHRA has experienced and continues to experience a reduction in available funds for conducting business. To generate rent revenue for 801 12th Street, SHRA intends to lease (sub-sublease) space.

WHEREAS, the financing for the 801 12th Street is tax exempt financing requiring the occupancy and use to be restricted to public entities for their essential government purposes. The proposed tenant, Sacramento Transportation Authority, is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.

WHEREAS, the proposed action consists of a sublease of existing commercial space with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301. There is no federal action, therefore no review is required under the National Environmental Policy Act.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO

Section 1. All the facts presented having been fully considered, the declarations and environmental findings stated above, are found to be true and correct.

Section 2. SHRA, by action of its Executive Director, is authorized to sub-sublease office space at the SHRA administrative office building located at 801 12th Street to commercial tenant(s) on commercially reasonable terms not to exceed 10 years and execute all related documents.

Section 3. SHRA, by action of its Executive Director, is authorized to enter into contract(s) with construction contractors for the purposes of constructing tenant improvements as required to meet the needs of the new tenants.

Section 4. SHRA, by action of its Executive Director, is authorized to enter into a sublease with the Sacramento Transportation Authority (STA), an independent local government agency, for a term not to exceed 10 years. Any extensions to this term will be brought before the governing boards for approval. STA will occupy the north side of the 5th Floor of 801 12th Street, totaling 2,000 rentable square feet.

Section 5. SHRA is authorized to amend their budget to allow for up to \$180,000 for the construction of tenant improvements for STA. The Base Construction Contract amounts to \$145,000, with a contingency of up to \$35,000 for potential change orders. STA is responsible for \$135,792 of the tenant improvements, which shall be paid to SHRA in installments as described in a promissory note attached to the lease. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the total of tenant improvements payments to SHRA by STA to \$159,264. SHRA shall be responsible for the remainder of the tenant improvements, and SHRA shall also pay for all change orders not caused by changes to the scope of work by STA. SHRA shall procure the contractor and managing the construction of the tenant improvements, which are described in drawings prepared by an architect selected from SHRA's list of qualified architects. SHRA shall also pay the architect's fees and permit fees.

Section 6. SHRA, by action of its Executive Director, is authorized to amend its budget to reflect the activities approved in this resolution.

On a motion by Member _____, seconded by Member _____, the
foregoing Resolution was passed and adopted by the Redevelopment Agency Successor Agency
of the County of Sacramento, State of California this 22nd day of August, 2017, by the following
vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair

(SEAL)

ATTEST: _____
Clerk

EXHIBIT A
SUB-SUBLEASE AGREEMENT
Sacramento Transportation Authority
801 12th Street, Sacramento, CA

THIS SUB-SUBLEASE (for convenience the "Lease"), dated _____, 2017 is between the **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**, a public body, corporate and politic (for convenience the "LESSOR"), and the **SACRAMENTO TRANSPORTATION AUTHORITY**, an independent local government (for convenience the "LESSEE").

IT IS AGREED:

1. USE:

A. LESSEE's purpose for occupying the Premises is for their primary office location, where they will conduct their daily business operations. Location shall be a portion of the Fifth Floor of the office building located at 801 12th Street, Sacramento, CA (Premises).

B. The Premises shall be used by LESSEE only for its essential government purposes related to the use stated above and for the public benefit, and for no other uses without LESSOR'S written consent. LESSEE is a local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304.

2. HOURS OF OPERATION:

A. LESSEE shall be free to determine their own business hours, and shall be provided with access to their offices 24 hours a day, 7 days a week, with exceptions as stated below:

- In the event the building must undergo maintenance services or other activities that require the evacuation of the building's occupants.

3. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for Ten (10) Years, commencing on _____, in the following location: approximately 1,750 square feet (usable), or 2,000 square feet (rentable) located on the north side of the Fifth Floor of the office building at 801 12th Street, Sacramento California, ("Premises"). A diagram of the Premises is attached, and incorporated herein by reference.

B. At the expiration of the Lease Term, or any earlier termination of this Lease, LESSEE shall surrender possession of the Premises and deliver the Premises to LESSOR in good and tenantable condition in accordance with this Lease.

C. Should this Lease expire without extension, LESSEE shall be entitled to hold over for up to sixty (60) days upon the same terms and conditions as in this Lease, except any agreed upon options to renew

4. **RENTAL RATE:**

A. The monthly rental rate for the first year of the lease term is \$3,000 (\$1.50 per square foot x 2,000 rentable square feet). Installment payments by LESSEE to LESSOR shall commence in Year 4 for the construction of the tenant improvements (T.I.'s), which shall be completed by LESSOR prior to occupancy by LESSEE (see Section 5 below for more information on these improvements). Payments shall be due on the first of each calendar month. Rent includes electrical service, water, sewer, janitorial and garbage pickup. Beginning in Year 2, Rent shall include an additional \$0.05/s.f. increase (\$100/month). Such increase shall be accrued each consecutive year and added to the prior year's rate. Following is the Rental Schedule for the term of this Lease:

Base Rent

Year 1: \$3,000/mo. rent (first 3 months of Year 1 rent-free)
Year 2: \$3,100/mo. rent
Year 3: \$3,200/mo. rent
Year 4: \$3,300/mo. rent
Year 5: \$3,400/mo. rent
Year 6: \$3,500/mo. rent
Year 7: \$3,600/mo. rent
Year 8: \$3,700/mo. rent
Year 9: \$3,800/mo. rent
Year 10: \$3,900/mo. rent

Tenant Improvements: Are added to the base rent each month

Year 1: \$0.00/mo. T.I.'s
Year 2: \$0.00/mo. T.I.'s
Year 3: \$0.00/mo. T.I.'s
Year 4: \$1,188/mo. T.I.'s
Year 5: \$1,363/mo. T.I.'s
Year 6: \$1,569/mo. T.I.'s
Year 7: \$1,810/mo. T.I.'s
Year 8: \$2,094/mo. T.I.'s
Year 9: \$2,428/mo. T.I.'s
Year 10: \$2,820/mo. T.I.'s

B. Payments by LESSEE to LESSOR for reimbursement of the Tenant Improvements shall include principal and interest, and shall be made in installments concurrently with rent payments beginning in Year 4 as shown in a Promissory Note, which is attached hereto and incorporated into this Lease. Payments shall be made thereafter until repaid. LESSEE's duty to pay the Promissory Note is independent of LESSEE's duty to pay Base Rent, and LESSEE

waives all defenses to payment of the Promissory Note that may arise as a consequence of or in connection with the Lease or the default of any party thereunder.

C. Rent shall be due and payable in advance no later than the fifth day of each calendar month.

D. The first three months' rent shall be waived by LESSOR, so that the first payment shall be due on the first day of the fourth month after commencement date of this Lease.

5. ALTERATIONS, IMPROVEMENTS AND CONSTRUCTION COSTS:

A. Premises are being delivered to LESSEE based on tenant improvements made by LESSOR to the premises, as described in Construction Documents dated May 18, 2017. LESSOR and LESSEE have both reviewed and approved the Constructions Documents, including the plans, which conform to LESSEE requirements. LESSOR and LESSEE acknowledge and agree that the Base Construction Contract amount is \$145,000.00, and that LESSEE is responsible for \$120,000.00 of this cost, plus \$15,792 of additional office improvements, for a total of \$135,792. Interest payments on these installments shall total \$23,472 over the term of the lease, bringing the grand total of T.I. payments to SHRA by STA to \$159,264. LESSEE shall pay these costs to LESSOR per the terms of the attached Promissory Note.

B. LESSEE shall be responsible for the construction and installation of any further tenant improvements or major modifications that are not included in the Construction Documents required to conform the Premises to LESSEE's needs, including all associated costs. LESSEE must obtain LESSOR's approval for any proposed tenant improvements before commencement of any of the work, which approval shall not be unreasonably withheld or delayed. LESSEE shall immediately pay all costs of labor, services and materials supplied in prosecution of any work to be done on the Premises, if such work is approved. LESSEE shall keep the Premises free and clear of all mechanic's liens and any other liens. All work must be approved by LESSOR, in addition to any required City approvals, or other governmental entities having jurisdiction of the operations or premises, before LESSEE commences its operations on the Premises.

C. The LESSEE shall not knowingly commit, suffer, or permit any waste, nuisance, or unlawful activity on the Premises.

6. TELEPHONE AND DATA SERVICES:

A. LESSEE shall be responsible for installing and paying for their own phone service and data networking services.

7. SIGNAGE:

All signage shall comply with the local jurisdiction's rules, regulations, and codes. All signage on the exterior and any interior signage, graphics, and displays visible through the

exterior windows or doors must be professional in appearance and approved by LESSOR in writing; LESSOR'S approval does not constitute the approval that LESSEE is required to seek from the local jurisdiction.

8. INDEMNIFICATION:

A. By LESSEE. LESSEE, to the fullest extent permitted by law, agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the term of this Lease arising from the occupancy, use or control of the Premises by LESSEE and its officers, employees, agents, volunteers, guests and invitees (including attendees); excluding, however, such liability, loss or damage is caused by the sole negligence or willful misconduct of the LESSOR.

B. Survival of Obligations. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

9. INSURANCE:

A. LESSEE's Property Insurance. LESSEE shall procure and maintain at all times property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," which insurance covers LESSEE's personal property including furniture, fixtures and inventory. Such insurance shall include a waiver of subrogation in favor of LESSOR.

B. LESSOR's Property Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all risks," as well as insurance covering boiler and machinery and compliance with ordinances or laws if appropriate, for the 100% insurable replacement cost of the building and improvements which contain the Premises. LESSOR may not insure with a deductible or self-insured retention exceeding \$10,000 without the prior written consent of LESSEE.

C. LESSEE's Liability Insurance. LESSEE shall procure and maintain at all times, at its cost, commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. LESSEE's general liability policies shall be endorsed to name LESSOR and any lender of LESSOR as additional insured. LESSEE's liability insurance may be provided by a combination of primary, excess and umbrella policies, but all excess and umbrella policies must be at least as broad as the scope of the primary commercial general liability policy.

D. LESSOR's Liability Insurance. LESSOR shall procure and maintain at all times, at its cost, a policy or policies of commercial general liability insurance written on an

“occurrence” policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate per location. LESSOR may not insure with deductibles or self-insurance retention exceeding \$10,000 without the prior written consent of LESSEE. LESSEE, and in their capacity as such, LESSEE’s offices, directors, agents and employees shall be named additional insureds by way of endorsement in the policy or policies of insurance by which LESSOR complies with the above insurance requirements, and LESSOR shall obligate its insurer to notify LESSEE in writing at least thirty (30) days in advance of any cancellation or failure to renew the above insurance during the term of this Lease. LESSOR further agrees to furnish LESSEE with certificates of insurance or copies of the policies evidencing the above coverage upon LESSEE’s request.

10. MAINTENANCE OF FACILITY:

LESSOR shall be responsible for routine maintenance of the building’s systems. LESSEE shall be responsible for damage caused solely by LESSEE’s negligence to: wall surfaces, electrical switches/outlets/light fixtures, carpeting, ceiling tiles, windows, doors, exit signs, access control devices, and similar finishes within the tenant space. LESSOR is responsible for repairing or replacing items due to normal wear and tear for these items.

When repairs other than routine maintenance are required during normal business hours, LESSEE may submit a written request to LESSOR to assist with the procurement and supervision of the needed service. LESSOR will cover the eligible vendor’s costs, unless these repairs are LESSEE’s responsibility as described above, in which case LESSOR shall submit an invoice to LESSEE for reimbursement. Payments to vendor shall be based on invoices. LESSOR shall provide copies of these invoices to LESSEE, upon LESSEE’s request. Any change orders shall be approved by LESSEE with LESSEE’s written consent prior to payment.

When repairs are required outside normal business hours, LESSEE should contact the building’s Property Manager via email at help@sierra-asset.com or by calling (916) 636-1870. The Property Manager will contact an eligible vendor authorized to perform the repairs.

11. FACILITY PARKING:

LESSEE shall be responsible for their own vehicle parking and payment thereof.

12. RISK OF HAZARDS:

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

13. LESSEE OWNED ITEMS:

A. All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the

LESSOR. LESSEE shall repair any damage to the leased Premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

14. NON-DISCRIMINATION:

The LESSEE herein covenants by and for itself, and LESSEE'S heirs, administrators, and assigns, and all persons claiming under or through LESSEE that this Lease is made and accepted on the following conditions: that there shall be no discrimination against or desegregation of any person or group of persons, on the basis of race, color, national origin, religion, sex, sexual orientation, gender identity, familial status, language proficiency, age or disability in the leasing, sub-leasing, transferring, use, provision of services, occupancy, tenure, or enjoyment of the premises herein leased nor shall the LESSEE or any person claiming under or through the LESSEE establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, subtenants or vendees in the Premises herein leased.

15. SUCCESSORS-IN-INTEREST:

LESSEE may not transfer or assign this Lease without the prior written consent of LESSOR.

16. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail with return receipt requested.

Such matters shall be addressed to the other party at the following address:

To LESSOR at:

Sacramento Housing and Redevelopment
Agency
801 12th Street, Third Floor
Sacramento, CA 95814
Attention: Director of Administration

To LESSEE at:

Sacramento Transportation Authority

801 12th Street, Fifth Floor
Sacramento, CA 95814
Attention: Executive Director

or to such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

17. DEFAULT.

Failure by LESSEE to comply with the terms this Lease shall be a default and if said default shall continue for ten (10) days after written notice thereof shall have been given to LESSEE by LESSOR, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to LESSEE by LESSOR without correction thereof then having been commenced and thereafter diligently prosecuted, LESSOR may declare the term of this

Lease ended and terminated by giving LESSEE written notice of such intention, and if possession of the Leased Premises is not surrendered, LESSOR may reenter said premises. LESSOR shall have, in addition to the remedy above provided, any other right or remedy available to LESSOR on account of any LESSEE default, either in law or equity. LESSOR shall use reasonable efforts to mitigate its damages.

18. RIGHTS AND REMEDIES:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

19. RULES AND REGULATIONS:

LESSEE's occupancy and use of the Premises shall at all times be conducted in a manner that is in compliance with LESSOR's Rules and Regulations for the property as promulgated from time to time at the sole discretion of LESSOR. An uncured violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

20. GOVERNING LAW.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of California.

[Signatures on next page.]

In witness whereof, SHRA and BAPCC have executed this Consent as of the date first set forth above.

LESSOR:

SACRAMENTO HOUSING &
REDEVELOPMENT AGENCY

By: _____
Executive Director

REDEVELOPMENT AGENCY
SUCCESSOR AGENCY OF THE
CITY OF SACRAMENTO

By: _____
Executive Director

THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
COUNTY OF SACRAMENTO

By: _____
Executive Director

HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO

By: _____
Executive Director

HOUSING AUTHORITY OF THE COUNTY
OF SACRAMENTO

By: _____
Executive Director

APPROVED AS TO FORM:

AGENCY COUNSEL

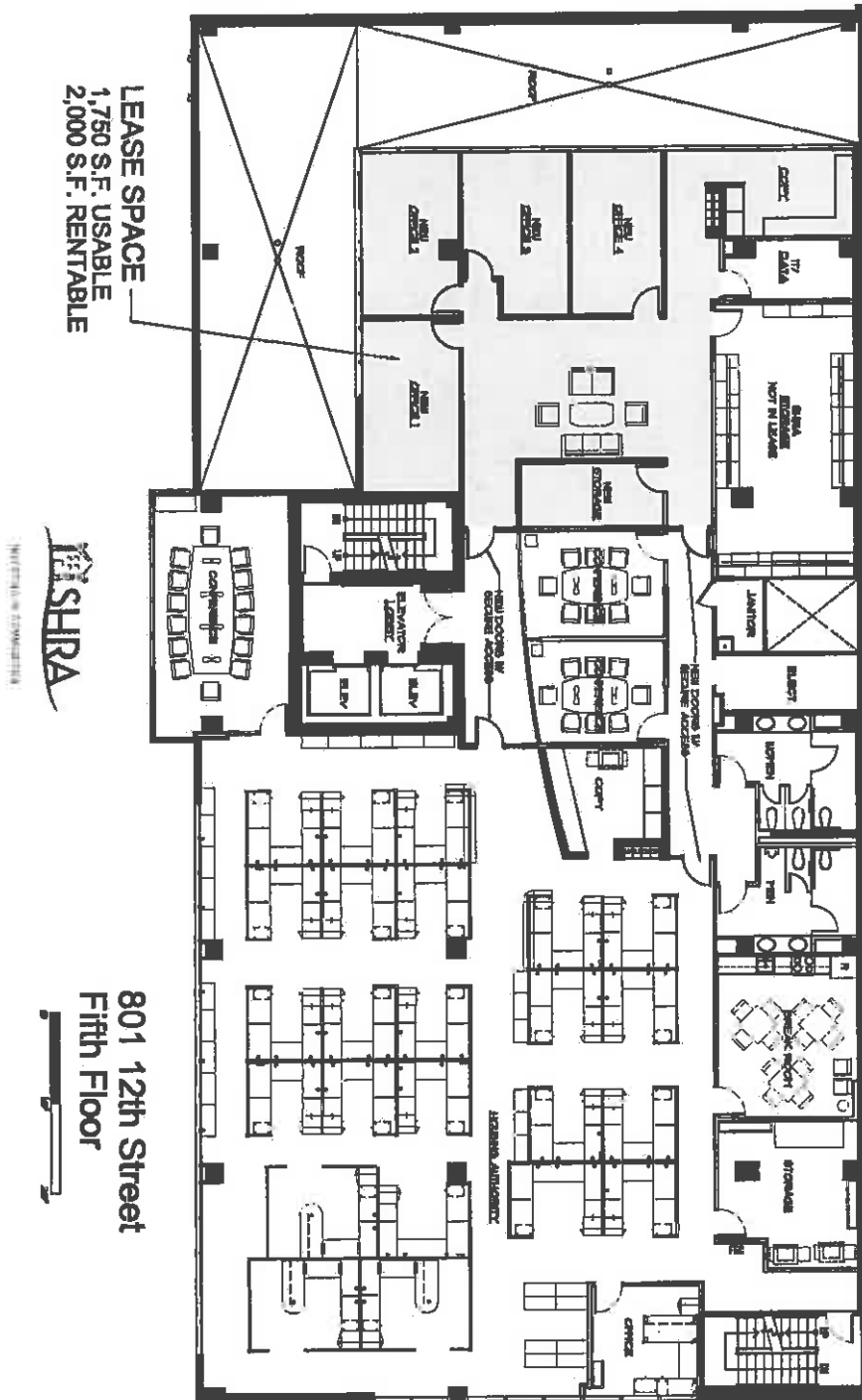
LESSEE:

SACRAMENTO TRANSPORTATION
AUTHORITY, an independent local government

By: _____
Norman Hom
Executive Director

DATE: _____

FLOOR PLAN OF PREMISES



PROMISSORY NOTE
FOR PORTION OF 5TH FLOOR SUB-SUBLESSEE
TENANT IMPROVEMENTS AND FURNITURE
PREDEVELOPMENT LOAN AGREEMENT

"EFFECTIVE DATE"

TERMS AND DEFINITIONS:

BORROWER HAS MADE THIS PROMISSORY NOTE ("NOTE") AS OF THE EFFECTIVE DATE. This Note, in addition to attachments and Exhibits listed below includes Note Provisions, below, which is attached to and incorporated in this Note by this reference. The capitalized terms in this Note shall have the meanings assigned in Definitions and Note Provisions. (Terms being defined are indicated by quotation marks. If an item in a table in this Article 1 is marked "None, Not Applicable, N/A or equivalent or is left blank, that defined term is not applicable to this Note or the referenced item is not required or is not included in this Note as the context may indicate.) The Lender is making the Loan to Borrower in consideration of Borrowers making this Note and delivering it to Lender.

For purposes of this Note, the following terms shall have the following meanings:

DEFINED TERM:	DEFINITION:
"Loan Date"	The Effective Date
"Lender"	Sacramento Housing and Redevelopment Agency
"Borrower"	Sacramento Transportation Authority (STA)
"Borrower Legal Status"	A local transportation authority pursuant to the California Public Utilities Code Section §131300-§131304
"Loan Agreement"	The Loan Agreement between the Borrower and Lender as of the Loan Date for making of the loan ("Loan") evidenced by this Note
"Principal Amount"	One Hundred Thirty Five Thousand Seven Hundred Ninety Two Dollars and No Cents (\$135,792.00)
"Interest Payments"	To be added to T.I. installment payments beginning in Year 4 (see payment schedule). Total interest payments for T.I.'s over the term of the loan shall amount to \$23,472.00.
"Special Terms"	Loan payment shall be deferred for the first three years
PAYMENT SCHEDULE. Repayment of this Note shall be made the following amounts:	
"Maturity Date"	Year 1: \$0.00/mo. T.I.'s Year 2: \$0.00/mo. T.I.'s Year 3: \$0.00/mo. T.I.'s Year 4: \$1,188/mo. T.I.'s Year 5: \$1,363/mo. T.I.'s Year 6: \$1,569/mo. T.I.'s Year 7: \$1,810/mo. T.I.'s Year 8: \$2,094/mo. T.I.'s Year 9: \$2,428/mo. T.I.'s Year 10: \$2,820/mo. T.I.'s Total T.I. payment amount, including interest: \$159,264.00
"Maturity Date": 120 months from the Effective Date of this Note. The unpaid balance of the Loan, including without limitation principal and interest, shall be all due and payable on the Maturity Date, including without limitation all unpaid principal, interest, fees and charges.	

NOTE PROVISIONS:

PROMISSORY NOTE

BORROWER HAS MADE THIS NOTE AS OF THE LOAN DATE. The capitalized terms in this Note shall have the meanings assigned in General Terms and Definitions and as defined in these Note Provisions. (Terms being defined are indicated by quotation marks.) The Lender is making the Loan pursuant to the terms and conditions of the Loan Agreement and this Note.

FOR VALUE RECEIVED, THE UNDERSIGNED, JOINTLY AND SEVERALLY, PROMISES TO PAY to Lender, or its successors or assigns, the Principal Amount or such lesser amount as may be endorsed on this Note on behalf of Lender. The Loan shall bear interest on the outstanding principal balance, computed from the date of each advance by Lender to Borrower at Interest Rate.

1. This Note evidences the obligation of Borrower to Lender for repayment of funds loaned to Borrower under a loan agreement between Borrower and Lender dated as of the Loan Date ("Loan Agreement"). The terms and covenants of the Loan Agreement are incorporated in this Note by reference.

2. Borrower shall make payments monthly in the amounts shown in the Payment Schedule, on the first day of each month, beginning on the First Payment Date and continuing for the number of payments shown in the Payment Schedule. On the day of the last payment, the unpaid balance of said principal sum, if any, together with all unpaid interest, fees and charges due, if any, shall become due and payable. All payments on this Note shall be applied first to fees and charges due under the Loan Agreement, if any, then interest and then to the principal due on this Note. Borrower shall make the payments to the Lender at 801 12th Street, Sacramento, CA 95814, or to such other person or organization as may be designated by Lender to Borrower and noticed as provided in the Loan Agreement.

3. If any installment under this Note is not received by Lender within fifteen (15) calendar days after the installment is due, Borrower shall pay to Lender a late charge of five percent (5%) of such installment. Such late charge shall be immediately due and payable without demand by Lender.

4. Borrower acknowledges and agrees that Borrower's duty to the repay this Note is independent of Borrower's obligations pursuant to its separate Sub-Sublease with Lender and Borrower's duty to pay Rent thereunder. Borrower waives all defenses to payment of this Note that may arise as a consequence of or in connection with the Sub-Sublease or the default of any party under that Sub-Sublease.

5. Upon occurrence of any one or more of the following, Lender may, at its sole discretion, declare all unpaid principal immediately due and payable, together with all unpaid interest at the stated rate from the date of the advancement of the Loan's proceeds, subject to applicable cure periods, if any:

- a. Borrower defaults in the payment of any principal or interest when due.
- b. Lender discovers that Borrower, in any application to Lender in connection with the Loan, had failed to disclose or misrepresented any fact that would have prevented Borrower from being eligible for the Loan.
- c. Lender discovers that Borrower had made any misrepresentations or failed to disclose any fact in the Loan Agreement or this Note that would affect the interests of Lender.
- d. Borrower defaults or breaches any of the terms of Loan Agreement, this Note or the Regulatory Agreement.
- e. Borrower fails to perform any covenant, term or condition in any instrument creating a lien upon the Property described in Loan Agreement and the Regulatory Agreement, or any part thereof, which lien shall have priority over the lien of the Regulatory Agreement.
- f. The sale, transfer of title, conveyance or further encumbrance of the Property, whether by sale, exchange, gift, inheritance or other means, without prior written consent of Lender.
- g. The occurrence of any of the following:
 - 1) Borrower becoming insolvent or bankrupt or being unable or admitting, in writing, his/her inability to pay his/her debts as they mature or making a general assignment of or entering into any arrangement with creditors.
 - 2) Proceedings for the appointment of a receiver, trustee or liquidator of the assets of Borrower or a substantial part of such assets, being authorized or instituted by or against the Borrower.
 - 3) Proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction being authorized or instituted against Borrower.

6. No waiver of any default or breach by Borrower under this Note shall be implied from any omission by Lender to take action on account of such default, and no express waiver shall affect any default, other than the default specified in the waiver. Such waiver shall be in writing and shall be operative only for the time and to the extent therein stated.

PROMISSORY NOTE

7. Borrower may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Lender.

8. During the existence of default or delinquency under the terms of this Note, the Lender is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

9. Borrower shall pay to Lender all costs of enforcement of all or any portion of this Note, including attorney's fees, witness fees, investigator fees and court costs, incurred by Lender, whether or not litigation is commenced.

IN WITNESS WHEREOF, Borrower has executed this Note as of the Loan Date.

Borrower:

Sacramento Transportation Authority (STA)

By: _____, Executive Director

document3

**FORM OF CONSTRUCTION CONTRACT 2017033-DSdd****Terms in the contract:**

Work: 801 12th Street - 5th Floor Tenant Improvements 2017
Agency: Sacramento Housing and Redevelopment Agency
Property: 801 12th Street, Sacramento, CA 95814
CFDA Number: N/A
Funding Source: 801 Operations
Architect: Pressey and Associates
Contractor: Belz Construction, Inc.

THIS AGREEMENT, made this _____ day of _____, in the year Two Thousand and Seventeen, by and between the Contractor and the Agency.

WITNESSETH, that the Contractor and the Agency, for the consideration stated herein, mutually agree as follows:

ARTICLE 1: SCOPE OF WORK

The Contractor shall furnish all labor, materials, equipment, and services, and perform and complete all work required in strict compliance with the Project Contract Manual, Technical Specifications Manual, Drawings, and/or any Addenda for the above referenced project: Addendum 1 dated June 8, 2017, which is incorporated herein and made a part thereof for the work described on the Agency owned Property.

ARTICLE 2: CONTRACT PRICE

The Agency shall pay the Contractor for the performance of the Contract, in current funds, subject to additions and deductions as provided in the Specifications, the Total sum of

One Hundred Forty Five Thousand and No/100 DOLLARS (\$145,000.00).

This contract price shall be complete, including fees for building permits and including all other permits and governmental fees, licenses and inspections necessary for the proper execution of the work as specified in Section 00400, Bid Form.

ARTICLE 3: INSURANCE REQUIREMENTS

Failure to maintain the required insurance coverage is a material breach of the Contract. Agency shall nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required Insurance policies and coverage. Vendor must immediately reimburse Agency for any and all costs incurred by Agency in obtaining or maintaining such insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to the vendor under the Contract and to reduce the compensation payable to the vendor under the Contract by such amount.

Contractor will provide the Agency with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the Contractor's responsibility to notify the Agency of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the Contractor shall notify the Agency within forty-eight (48) hours of such cancellation or non-renewal.

Contractor's Initials



ARTICLE 4: INDEMNIFICATION

Contractor shall hold harmless, defend at its own expense, and indemnify Agency/Authority, to extent permitted by law, against any and all liability, claims, losses, damages or expenses, including reasonable attorney fees, arising from all acts or omissions to act of Contractor or its employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages or expenses arising from Agency's/Authority's sole negligence or willful acts. This indemnification provision shall survive the term of the contract.

ARTICLE 5: CALIFORNIA LABOR CODE REQUIREMENTS

The Contractor and all Subcontractors, of any tier, must comply with the requirements of the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815. Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (including federal labor requirements), this contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

ARTICLE 6: CONTRACT DOCUMENTS

The Contract shall consist of the following component parts:

Attached:

- A. General Conditions for Construction Contracts (HUD-5370, Section 00210).
- B. Supplemental General Conditions for Construction Contracts (Section 00211).
- C. Public Works: California Labor Code (Section 00255).
- D. Prevailing Wages – California State Prevailing (Section 00260)
- E. Bid Form (Section 00400).
- F. List of Designated Subcontractors (Section 00410).
- G. Bid Guarantee or Bid Bond (Section 00490).
- H. General Liability & Automotive Liability Insurance Certificates.
- I. Workmen's Compensation Insurance Certificate.
- J. Form of Bid Spreadsheet.

Incorporated in Contract by Reference:

- K. Notarized Non-Collusion Affidavit of Prime Bidder (Section 00430).
- L. Lead-Based Paint Certification (Section 00450).
- M. Section 3 and Minority & Women Business Enterprise Requirements (Sections 00470-00473).
- N. Performance Bond (Section 00520).
- O. Labor & Material Payment Bond (Section 00530).
- P. Certificate of Substantial Completion (Section 00810).
- Q. Guarantee Form (Section 00820).
- R. Notarized Certificate and Release (Section 00830).
- S. Contract Manual and Technical Specifications Manual dated 05/23/2017).
- T. Drawings dated May 18, 2017.
- U. Addenda No. 1.
- V. Change Orders Issued during course of construction.
- W. Schedule of Amounts for Contract Payments (form HUD-51000).
- X. Periodic Estimate for Partial Payment (form HUD-51001).
- Y. Schedule of Change Orders (form HUD-51002) issued during course of construction.
- Z. Schedule of Materials Stored (form HUD-51003).
- AA. Summary of Materials Stored (form HUD-51004).

This instrument, together with the other documents enumerated in this Article 6, which said other documents are as fully a part of the Contract as if hereto attached or herein repeated, form the Contract.

CERTIFICATION OF AUTHORITY

I, Alex Belz, certify that I am the President of the Corporation who signed this Contract on behalf of the Contractor, was then President of said Corporation; that said Contract was duly signed, for and in behalf of said Corporation by authority of its governing body and is within the scope of its Corporate powers.

I certify under penalty of perjury under the laws of the State of California that I am fully authorized to execute the attached document for Contractor in the capacity I have stated, and that such execution is sufficient to bind the Contractor. Executed in Sacramento County, California, on _____

Contractor's Signatory

Name Alex Belz

Title President

(Corporate Seal)

General Conditions for Construction Contracts - Public Housing Programs

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0157 (exp. 1/31/2017)

Applicability. This form is applicable to any construction/development contract greater than \$100,000.

This form includes those clauses required by OMB's common rule on grantee procurement, implemented at HUD in 24 CFR 85.36, and those requirements set forth in Section 3 of the Housing and Urban Development Act of 1968 and its amendment by the Housing and Community Development Act of 1992, implemented by HUD at 24 CFR Part 135. The form is required for construction contracts awarded by Public Housing Agencies (PHAs).

The form is used by Housing Authorities in solicitations to provide necessary contract clauses. If the form were not used, HAs would be unable to enforce their contracts.

Public reporting burden for this collection of information is estimated to average 1.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Responses to the collection of information are required to obtain a benefit or to retain a benefit.

The information requested does not lend itself to confidentiality.

HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB number.

Clause		Page	Clause		Page
1.	Definitions	2	25.	Contract Period	9
2.	Contractor's Responsibility for Work	2	26.	Order of Precedence	9
3.	Architect's Duties, Responsibilities and Authority	2	27.	Payments	9
4.	Other Contracts	3	28.	Contract Modifications	10
	Construction Requirements		29.	Changes	10
5.	Preconstruction Conference and Notice to Proceed	3	30.	Suspension of Work	11
6.	Construction Progress Schedule	3	31.	Disputes	11
7.	Site Investigation and Conditions Affecting the Work	3	32.	Default	11
8.	Differing Site Conditions	4	33.	Liquidated	12
9.	Specifications and Drawings for Construction	4	34.	Termination of Convenience	12
10.	As-Built Drawings	5	35.	Assignment of Contract	12
11.	Material and Workmanship	5	36.	Insurance	12
12.	Permits and Codes	5	37.	Subcontracts	13
13.	Health, Safety, and Accident Prevention	6	38.	Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms	13
14.	Temporary Buildings and Transportation Materials	6	39.	Equal Employment Opportunity	13
15.	Availability and Use of Utility Services	6	40.	Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968	14
16.	Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements	6	41.	Interest of Members of Congress	15
17.	Temporary Buildings and Transportation Materials	7	42.	Interest of Members, Officers, or Employees and Former Members, Officers, or Employees	15
18.	Clean Air and Water	7	43.	Limitations on Payments Made to Influence	15
19.	Energy Efficiency	7	44.	Royalties and Patents	15
20.	Inspection and Acceptance of Construction	7	45.	Examination and Retention of Contractor's Records	15
21.	Use and Possession Prior to	8	46.	Labor Standards-Davis-Bacon and Related Acts	15
22.	Warranty of Title	8	47.	Non-Federal Prevailing Wage Rates	19
23.	Warranty of	8	48.	Procurement of Recovered	19
24.	Prohibition Against	9			

1. Definitions

- (a) "Architect" means the person or other entity engaged by the PHA to perform architectural, engineering, design, and other services related to the work as provided for in the contract. When a PHA uses an engineer to act in this capacity, the terms "architect" and "engineer" shall be synonymous. The Architect shall serve as a technical representative of the Contracting Officer. The Architect's authority is as set forth elsewhere in this contract.
- (b) "Contract" means the contract entered into between the PHA and the Contractor. It includes the forms of Bid, the Bid Bond, the Performance and Payment Bond or Bonds or other assurance of completion, the Certifications, Representations, and Other Statements of Bidders (form HUD-5370), these General Conditions of the Contract for Construction (form HUD-5370), the applicable wage rate determinations from the U.S. Department of Labor, any special conditions included elsewhere in the contract, the specifications, and drawings. It includes all formal changes to any of those documents by addendum, change order, or other modification.
- (c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.
- (d) "Contractor" means the person or other entity entering into the contract with the PHA to perform all of the work required under the contract.
- (e) "Drawings" means the drawings enumerated in the schedule of drawings contained in the Specifications and as described in the contract clause entitled Specifications and Drawings for Construction herein.
- (f) "HUD" means the United States of America acting through the Department of Housing and Urban Development including the Secretary, or any other person designated to act on its behalf. HUD has agreed, subject to the provisions of an Annual Contributions Contract (ACC), to provide financial assistance to the PHA, which includes assistance in financing the work to be performed under this contract. As defined elsewhere in these General Conditions or the contract documents, the determination of HUD may be required to authorize changes in the work or for release of funds to the PHA for payment to the Contractor. Notwithstanding HUD's role, nothing in this contract shall be construed to create any contractual relationship between the Contractor and HUD.
- (g) "Project" means the entire project, whether construction or rehabilitation, the work for which is provided for in whole or in part under this contract.
- (h) "PHA" means the Public Housing Agency organized under applicable state laws which is a party to this contract.
- (i) "Specifications" means the written description of the technical requirements for construction and includes the criteria and tests for determining whether the requirements are met.
- (j) "Work" means materials, workmanship, and manufacture and fabrication of components.
- (a) The Contractor shall furnish all necessary labor, materials, tools, equipment, and transportation necessary for performance of the work. The Contractor shall also furnish all necessary water, heat, light, and power not made available to the Contractor by the PHA pursuant to the clause entitled Availability and Use of Utility Services herein.
- (b) The Contractor shall perform on the site, and with its own organization, work equivalent to at least [] (12 percent unless otherwise indicated) of the total amount of work to be performed under the order. This percentage may be reduced by a supplemental agreement to this order if, during performing the work, the Contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the PHA.
- (c) At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the work site a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.
- (d) The Contractor shall be responsible for all damages to persons or property that occur as a result of the Contractor's fault or negligence, and shall take proper safety and health precautions to protect the work, the workers, the public, and the property of others. The Contractor shall hold and save the PHA, its officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance. The Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under the contract.
- (e) The Contractor shall lay out the work from base lines and bench marks indicated on the drawings and be responsible for all lines, levels, and measurements of all work executed under the contract. The Contractor shall verify the figures before laying out the work and will be held responsible for any error resulting from its failure to do so.
- (f) The Contractor shall confine all operations (including storage of materials) on PHA premises to areas authorized or approved by the Contracting Officer.
- (g) The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. After completing the work and before final inspection, the Contractor shall (1) remove from the premises all scaffolding, equipment, tools, and materials (including rejected materials) that are not the property of the PHA and all rubbish caused by its work; (2) leave the work area in a clean, neat, and orderly condition satisfactory to the Contracting Officer; (3) perform all specified tests; and, (4) deliver the installation in complete and operating condition.
- (h) The Contractor's responsibility will terminate when all work has been completed, the final inspection made, and the work accepted by the Contracting Officer. The Contractor will then be released from further obligation except as required by the warranties specified elsewhere in the contract.

3. Architect's Duties, Responsibilities, and Authority

- (a) The Architect for this contract, and any successor, shall be designated in writing by the Contracting Officer.

- (b) The Architect shall serve as the Contracting Officer's technical representative with respect to architectural, engineering, and design matters related to the work performed under the contract. The Architect may provide direction on contract performance. Such direction shall be within the scope of the contract and may not be of a nature which: (1) institutes additional work outside the scope of the contract; (2) constitutes a change as defined in the Changes clause herein; (3) causes an increase or decrease in the cost of the contract; (4) alters the Construction Progress Schedule; or (5) changes any of the other express terms or conditions of the contract.
- (c) The Architect's duties and responsibilities may include but shall not be limited to:
- (1) Making periodic visits to the work site, and on the basis of his/her on-site inspections, issuing written reports to the PHA which shall include all observed deficiencies. The Architect shall file a copy of the report with the Contractor's designated representative at the site;
 - (2) Making modifications in drawings and technical specifications and assisting the Contracting Officer in the preparation of change orders and other contract modifications for issuance by the Contracting Officer;
 - (3) Reviewing and making recommendations with respect to - (i) the Contractor's construction progress schedules; (ii) the Contractor's shop and detailed drawings; (iii) the machinery, mechanical and other equipment and materials or other articles proposed for use by the Contractor; and, (iv) the Contractor's price breakdown and progress payment estimates; and
 - (4) Assisting in inspections, signing Certificates of Completion, and making recommendations with respect to acceptance of work completed under the contract.

4. Other Contracts

The PHA may undertake or award other contracts for additional work at or near the site of the work under this contract. The Contractor shall fully cooperate with the other contractors and with PHA employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by PHA employees

Construction Requirements

5. Pre-construction Conference and Notice to Proceed

- (a) Within ten calendar days of contract execution, and prior to the commencement of work, the Contractor shall attend a preconstruction conference with representatives of the PHA, its Architect, and other interested parties convened by the PHA. The conference will serve to acquaint the participants with the general plan of the construction operation and all other requirements of the contract. The PHA will provide the Contractor with the date, time, and place of the conference.
- (b) The contractor shall begin work upon receipt of a written Notice to Proceed from the Contracting Officer or designee. The Contractor shall not begin work prior to receiving such notice.

6. Construction Progress Schedule

- (a) The Contractor shall, within five days after the work commences on the contract or another period of time determined by the Contracting Officer, prepare and submit to the Contracting Officer for approval three copies of a practicable schedule showing the order in which the Contractor proposes to perform the work, and the dates on which the Contractor contemplates starting and completing the several salient features of the work (including acquiring labor, materials, and equipment). The schedule shall be in the form of a progress chart of suitable scale to indicate appropriately the percentage of work scheduled for completion by any given date during the period. If the Contractor fails to submit a schedule within the time prescribed, the Contracting Officer may withhold approval of progress payments or take other remedies under the contract until the Contractor submits the required schedule.
- (b) The Contractor shall enter the actual progress on the chart as required by the Contracting Officer, and immediately deliver three copies of the annotated schedule to the Contracting Officer. If the Contracting Officer determines, upon the basis of inspection conducted pursuant to the clause entitled Inspection and Acceptance of Construction, herein that the Contractor is not meeting the approved schedule, the Contractor shall take steps necessary to improve its progress, including those that may be required by the Contracting Officer, without additional cost to the PHA. In this circumstance, the Contracting Officer may require the Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant, and to submit for approval any supplementary schedule or schedules in chart form as the Contracting Officer deems necessary to demonstrate how the approved rate of progress will be regained.
- (c) Failure of the Contractor to comply with the requirements of the Contracting Officer under this clause shall be grounds for a determination by the Contracting Officer that the Contractor is not prosecuting the work with sufficient diligence to ensure completion within the time specified in the Contract. Upon making this determination, the Contracting Officer may terminate the Contractor's right to proceed with the work, or any separable part of it, in accordance with the Default clause of this contract.

7. Site Investigation and Conditions Affecting the Work

- (a) The Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to, (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) uncertainties of weather, river stages, tides, or similar physical conditions at the site; (4) the conformation and conditions of the ground; and (5) the character of equipment and facilities needed preliminary to and during work performance. The Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is

reasonably ascertainable from an inspection of the site, including all exploratory work done by the PHA, as well as from the drawings and specifications made a part of this contract. Any failure of the Contractor to take the actions described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the PHA.

- (b) The PHA assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available by the PHA. Nor does the PHA assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract.

8. Differing Site Conditions

- (a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract, or (2) unknown physical conditions at the site(s), of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.
- (b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or both shall be made under this clause and the contract modified in writing accordingly.
- (c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in (a) above for giving written notice may be extended by the Contracting Officer.
- (d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

9. Specifications and Drawings for Construction

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between drawings and specifications, the specifications shall govern. In case of discrepancy in the figures, in the drawings, or in the specifications, the matter shall be

promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

- (b) Wherever in the specifications or upon the drawings the words "directed", "required", "ordered", "designated", "prescribed", or words of like import are used, it shall be understood that the "direction", "requirement", "order", "designation", or "prescription", of the Contracting Officer is intended and similarly the words "approved", "acceptable", "satisfactory", or words of like import shall mean "approved by", or "acceptable to", or "satisfactory to" the Contracting Officer, unless otherwise expressly stated.
- (c) Where as shown, as indicated, as detailed, or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying this contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place" that is "furnished and installed".
- (d) "Shop drawings" means drawings, submitted to the PHA by the Contractor, subcontractor, or any lower tier subcontractor, showing in detail (1) the proposed fabrication and assembly of structural elements and (2) the installation (i.e., form, fit, and attachment details) of materials of equipment. It includes drawings, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by the Contractor to explain in detail specific portions of the work required by the contract. The PHA may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under this contract.
- (e) If this contract requires shop drawings, the Contractor shall coordinate all such drawings, and review them for accuracy, completeness, and compliance with other contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to the Contracting Officer without evidence of the Contractor's approval may be returned for resubmission. The Contracting Officer will indicate an approval or disapproval of the shop drawings and if not approved as submitted shall indicate the PHA's reasons therefore. Any work done before such approval shall be at the Contractor's risk. Approval by the Contracting Officer shall not relieve the Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of this contract, except with respect to variations described and approved in accordance with (f) below.
- (f) If shop drawings show variations from the contract requirements, the Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If the Architect approves any such variation and the Contracting Officer concurs, the Contracting Officer shall issue an appropriate modification to the contract, except that, if the variation is minor or does not involve a change in price or in time of performance, a modification need not be issued.
- (g) It shall be the responsibility of the Contractor to make timely requests of the PHA for such large scale and full size drawings, color schemes, and other additional information, not already in his possession, which shall be

required in the planning and production of the work. Such requests may be submitted as the need arises, but each such request shall be filed in ample time to permit appropriate action to be taken by all parties involved so as to avoid delay.

- (h) The Contractor shall submit to the Contracting Officer for approval four copies (unless otherwise indicated) of all shop drawings as called for under the various headings of these specifications. Three sets (unless otherwise indicated) of all shop drawings, will be retained by the PHA and one set will be returned to the Contractor. As required by the Contracting Officer, the Contractor, upon completing the work under this contract, shall furnish a complete set of all shop drawings as finally approved. These drawings shall show all changes and revisions made up to the time the work is completed and accepted.
- (i) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all shop drawings prepared by subcontractors are submitted to the Contracting Officer.

10. As-Built Drawings

- (a) "As-built drawings," as used in this clause, means drawings submitted by the Contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract. "As-built drawings" shall be synonymous with "Record drawings."
- (b) As required by the Contracting Officer, the Contractor shall provide the Contracting Officer accurate information to be used in the preparation of permanent as-built drawings. For this purpose, the Contractor shall record on one set of contract drawings all changes from the installations originally indicated, and record final locations of underground lines by depth from finish grade and by accurate horizontal offset distances to permanent surface improvements such as buildings, curbs, or edges of walks.
- (c) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all as-built drawings prepared by subcontractors are submitted to the Contracting Officer.

11. Material and Workmanship

- (a) All equipment, material, and articles furnished under this contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this contract. References in the contract to equipment, material, articles, or patented processes by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. The Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of, and as approved by the Contracting Officer, is equal to that named in the specifications, unless otherwise specifically provided in this contract.
- (b) Approval of equipment and materials.
 - (1) The Contractor shall obtain the Contracting Officer's approval of the machinery and mechanical and other equipment to be incorporated into the work. When requesting approval, the Contractor shall furnish to the Contracting Officer the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the

machinery and mechanical and other equipment. When required by this contract or by the Contracting Officer, the Contractor shall also obtain the Contracting Officer's approval of the material or articles which the Contractor contemplates incorporating into the work. When requesting approval, the Contractor shall provide full information concerning the material or articles. Machinery, equipment, material, and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

- (2) When required by the specifications or the Contracting Officer, the Contractor shall submit appropriately marked samples (and certificates related to them) for approval at the Contractor's expense, with all shipping charges prepaid. The Contractor shall label, or otherwise properly mark on the container, the material or product represented, its place of origin, the name of the producer, the Contractor's name, and the identification of the construction project for which the material or product is intended to be used.
- (3) Certificates shall be submitted in triplicate, describing each sample submitted for approval and certifying that the material, equipment or accessory complies with contract requirements. The certificates shall include the name and brand of the product, name of manufacturer, and the location where produced.
- (4) Approval of a sample shall not constitute a waiver of the PHA right to demand full compliance with contract requirements. Materials, equipment and accessories may be rejected for cause even though samples have been approved.
- (5) Wherever materials are required to comply with recognized standards or specifications, such specifications shall be accepted as establishing the technical qualities and testing methods, but shall not govern the number of tests required to be made nor modify other contract requirements. The Contracting Officer may require laboratory test reports on items submitted for approval or may approve materials on the basis of data submitted in certificates with samples. Check tests will be made on materials delivered for use only as frequently as the Contracting Officer determines necessary to insure compliance of materials with the specifications. The Contractor will assume all costs of retesting materials which fail to meet contract requirements and/or testing materials offered in substitution for those found deficient.
- (6) After approval, samples will be kept in the Project office until completion of work. They may be built into the work after a substantial quantity of the materials they represent has been built in and accepted.
- (c) Requirements concerning lead-based paint. The Contractor shall comply with the requirements concerning lead-based paint contained in the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as implemented by 24 CFR Part 35.

12. Permits and Codes

- (a) The Contractor shall give all notices and comply with all applicable laws, ordinances, codes, rules and regulations. Notwithstanding the requirement of the Contractor to comply with the drawings and specifications in the contract, all work installed shall comply with all applicable codes and regulations as amended by any

walvers. Before installing the work, the Contractor shall examine the drawings and the specifications for compliance with applicable codes and regulations bearing on the work and shall immediately report any discrepancy it may discover to the Contracting Officer. Where the requirements of the drawings and specifications fail to comply with the applicable code or regulation, the Contracting Officer shall modify the contract by change order pursuant to the clause entitled Changes herein to conform to the code or regulation.

- (b) The Contractor shall secure and pay for all permits, fees, and licenses necessary for the proper execution and completion of the work. Where the PHA can arrange for the issuance of all or part of these permits, fees and licenses, without cost to the Contractor, the contract amount shall be reduced accordingly.

13. Health, Safety, and Accident Prevention

- (a) In performing this contract, the Contractor shall:

- (1) Ensure that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his/her health and/or safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation;
- (2) Protect the lives, health, and safety of other persons;
- (3) Prevent damage to property, materials, supplies, and equipment; and,
- (4) Avoid work interruptions.

- (b) For these purposes, the Contractor shall:

- (1) Comply with regulations and standards issued by the Secretary of Labor at 29 CFR Part 1926. Failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96), 40 U.S.C. 3701 et seq.; and

- (2) Include the terms of this clause in every subcontract so that such terms will be binding on each subcontractor.

- (c) The Contractor shall maintain an accurate record of exposure data on all accidents incident to work performed under this contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment, and shall report this data in the manner prescribed by 29 CFR Part 1904.

- (d) The Contracting Officer shall notify the Contractor of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the Contractor or the Contractor's representative at the site of the work, shall be deemed sufficient notice of the noncompliance and corrective action required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to take corrective action promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Contractor shall not base any claim or request for equitable adjustment for additional time or money on any stop order issued under these circumstances.

- (e) The Contractor shall be responsible for its subcontractors' compliance with the provisions of this clause. The Contractor shall take such action with respect to any subcontract as the PHA, the Secretary of Housing and Urban Development, or the Secretary of Labor shall direct as a means of enforcing such provisions.

14. Temporary Heating

The Contractor shall provide and pay for temporary heating, covering, and enclosures necessary to properly protect all work and materials against damage by dampness and cold, to dry out the work, and to facilitate the completion of the work. Any permanent heating equipment used shall be turned over to the PHA in the condition and at the time required by the specifications.

15. Availability and Use of Utility Services

- (a) The PHA shall make all reasonably required amounts of utilities available to the Contractor from existing outlets and supplies, as specified in the contract. Unless otherwise provided in the contract, the amount of each utility service consumed shall be charged to or paid for by the Contractor at prevailing rates charged to the PHA or, where the utility is produced by the PHA, at reasonable rates determined by the Contracting Officer. The Contractor shall carefully conserve any utilities furnished without charge.

- (b) The Contractor, at its expense and in a manner satisfactory to the Contracting Officer, shall install and maintain all necessary temporary connections and distribution lines, and all meters required to measure the amount of each utility used for the purpose of determining charges. Before final acceptance of the work by the PHA, the Contractor shall remove all the temporary connections, distribution lines, meters, and associated paraphernalia.

16. Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements

- (a) The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed under this contract, and which do not unreasonably interfere with the work required under this contract.

- (b) The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance of this contract, or by the careless operation of equipment, or by workmen, the Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree-pruning compound as directed by the Contracting Officer.

- (c) The Contractor shall protect from damage all existing improvements and utilities (1) at or near the work site and (2) on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. Prior to disturbing the ground at the construction site, the Contractor shall ensure that all underground utility lines are clearly marked.

- (d) The Contractor shall shore up, brace, underpin, secure, and protect as necessary all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be affected by the excavations or other operations connected with the construction of the project.

- (e) Any equipment temporarily removed as a result of work under this contract shall be protected, cleaned, and replaced in the same condition as at the time of award of this contract.

- (f) New work which connects to existing work shall correspond in all respects with that to which it connects and/or be similar to existing work unless otherwise required by the specifications.
- (g) No structural members shall be altered or in any way weakened without the written authorization of the Contracting Officer, unless such work is clearly specified in the plans or specifications.
- (h) If the removal of the existing work exposes discolored or unfinished surfaces, or work out of alignment, such surfaces shall be refinished, or the material replaced as necessary to make the continuous work uniform and harmonious. This, however, shall not be construed to require the refinishing or reconstruction of dissimilar finishes previously exposed, or finished surfaces in good condition, but in different planes or on different levels when brought together by the removal of intervening work, unless such refinishing or reconstruction is specified in the plans or specifications.
- (i) The Contractor shall give all required notices to any adjoining or adjacent property owner or other party before the commencement of any work.
- (j) The Contractor shall indemnify and save harmless the PHA from any damages on account of settlement or the loss of lateral support of adjoining property, any damages from changes in topography affecting drainage, and from all loss or expense and all damages for which the PHA may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.
- (k) The Contractor shall repair any damage to vegetation, structures, equipment, utilities, or improvements, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the Contracting Officer may have the necessary work performed and charge the cost to the Contractor.

17. Temporary Buildings and Transportation of Materials

- (a) Temporary buildings (e.g., storage sheds, shops, offices, sanitary facilities) and utilities may be erected by the Contractor only with the approval of the Contracting Officer and shall be built with labor and materials furnished by the Contractor without expense to the PHA. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the Contracting Officer, the buildings and utilities may be abandoned and need not be removed.
- (b) The Contractor shall, as directed by the Contracting Officer, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the Contracting Officer. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any federal, state, or local law or regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads.

18. Clean Air and Water

The contractor shall comply with the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water Pollution Control Water Act, as amended, 33 U.S.C. 1251 et seq., and standards issued pursuant thereto in the facilities in which this contract is to be performed.

19. Energy Efficiency

The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the contract is performed.

20. Inspection and Acceptance of Construction

- (a) Definitions. As used in this clause -
 - (1) "Acceptance" means the act of an authorized representative of the PHA by which the PHA approves and assumes ownership of the work performed under this contract. Acceptance may be partial or complete.
 - (2) "Inspection" means examining and testing the work performed under the contract (including, when appropriate, raw materials, equipment, components, and intermediate assemblies) to determine whether it conforms to contract requirements.
 - (3) "Testing" means that element of inspection that determines the properties or elements, including functional operation of materials, equipment, or their components, by the application of established scientific principles and procedures.
- (b) The Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the work performed under the contract conforms to contract requirements. All work is subject to PHA inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the contract.
- (c) PHA inspections and tests are for the sole benefit of the PHA and do not: (1) relieve the Contractor of responsibility for providing adequate quality control measures; (2) relieve the Contractor of responsibility for loss or damage of the material before acceptance; (3) constitute or imply acceptance; or, (4) affect the continuing rights of the PHA after acceptance of the completed work under paragraph (j) below.
- (d) The presence or absence of the PHA inspector does not relieve the Contractor from any contract requirement, nor is the inspector authorized to change any term or condition of the specifications without the Contracting Officer's written authorization. All instructions and approvals with respect to the work shall be given to the Contractor by the Contracting Officer.
- (e) The Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by the Contracting Officer. The PHA may charge to the Contractor any additional cost of inspection or test when work is not ready at the time specified by the Contractor for inspection or test, or when prior rejection makes reinspection or retest necessary. The PHA shall perform all inspections and tests in a manner that will not unnecessarily delay the work. Special, full size, and performance tests shall be performed as described in the contract.

- (f) The PHA may conduct routine inspections of the construction site on a daily basis.
- (g) The Contractor shall, without charge, replace or correct work found by the PHA not to conform to contract requirements, unless the PHA decides that it is in its interest to accept the work with an appropriate adjustment in contract price. The Contractor shall promptly segregate and remove rejected material from the premises.
- (h) If the Contractor does not promptly replace or correct rejected work, the PHA may (1) by contract or otherwise, replace or correct the work and charge the cost to the Contractor, or (2) terminate for default the Contractor's right to proceed.
- (i) If any work requiring inspection is covered up without approval of the PHA, it must, if requested by the Contracting Officer, be uncovered at the expense of the Contractor. If at any time before final acceptance of the entire work, the PHA considers it necessary or advisable, to examine work already completed by removing or tearing it out, the Contractor, shall on request, promptly furnish all necessary facilities, labor, and material. If such work is found to be defective or nonconforming in any material respect due to the fault of the Contractor or its subcontractors, the Contractor shall defray all the expenses of the examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the contract, the Contracting Officer shall make an equitable adjustment to cover the cost of the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.
- (j) The Contractor shall notify the Contracting Officer, in writing, as to the date when in its opinion all or a designated portion of the work will be substantially completed and ready for inspection. If the Architect determines that the state of preparedness is as represented, the PHA will promptly arrange for the inspection. Unless otherwise specified in the contract, the PHA shall accept, as soon as practicable after completion and inspection, all work required by the contract or that portion of the work the Contracting Officer determines and designates can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the PHA's right under any warranty or guarantee.

21. Use and Possession Prior to Completion

- (a) The PHA shall have the right to take possession of or use any completed or partially completed part of the work. Before taking possession of or using any work, the Contracting Officer shall furnish the Contractor a list of items of work remaining to be performed or corrected on those portions of the work that the PHA intends to take possession of or use. However, failure of the Contracting Officer to list any item of work shall not relieve the Contractor of responsibility for complying with the terms of the contract. The PHA's possession or use shall not be deemed an acceptance of any work under the contract.
- (b) While the PHA has such possession or use, the Contractor shall be relieved of the responsibility for (1) the loss of or damage to the work resulting from the PHA's possession or use, notwithstanding the terms of the clause entitled Permits and Codes herein; (2) all maintenance costs on the areas occupied; and, (3) furnishing heat, light, power, and water used in the areas occupied without proper remuneration therefore. If prior possession or use by the PHA delays the progress of the work or causes additional expense to the Contractor, an equitable adjustment shall be made in the contract price or the time of completion, and the contract shall be modified in writing accordingly.

22. Warranty of Title

The Contractor warrants good title to all materials, supplies, and equipment incorporated in the work and agrees to deliver the premises together with all improvements thereon free from any claims, liens or charges, and agrees further that neither it nor any other person, firm or corporation shall have any right to a lien upon the premises or anything appurtenant thereto.

23. Warranty of Construction

- (a) In addition to any other warranties in this contract, the Contractor warrants, except as provided in paragraph (i) of this clause, that work performed under this contract conforms to the contract requirements and is free of any defect in equipment, material, or workmanship performed by the Contractor or any subcontractor or supplier at any tier. This warranty shall continue for a period of _____ (one year unless otherwise indicated) from the date of final acceptance of the work. If the PHA takes possession of any part of the work before final acceptance, this warranty shall continue for a period of (one year unless otherwise indicated) from the date that the PHA takes possession.
- (b) The Contractor shall remedy, at the Contractor's expense, any failure to conform, or any defect. In addition, the Contractor shall remedy, at the Contractor's expense, any damage to PHA-owned or controlled real or personal property when the damage is the result of—
 - (1) The Contractor's failure to conform to contract requirements; or
 - (2) Any defects of equipment, material, workmanship or design furnished by the Contractor.
- (c) The Contractor shall restore any work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to work repaired or replaced will run for (one year unless otherwise indicated) from the date of repair or replacement.
- (d) The Contracting Officer shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect or damage.
- (e) If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, the PHA shall have the right to replace, repair or otherwise remedy the failure, defect, or damage at the Contractor's expense.
- (f) With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this contract, the Contractor shall:
 - (1) Obtain all warranties that would be given in normal commercial practice;
 - (2) Require all warranties to be executed in writing, for the benefit of the PHA; and,
 - (3) Enforce all warranties for the benefit of the PHA.
- (g) In the event the Contractor's warranty under paragraph (a) of this clause has expired, the PHA may bring suit at its own expense to enforce a subcontractor's, manufacturer's or supplier's warranty.

- (h) Unless a defect is caused by the negligence of the Contractor or subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defect of material or design furnished by the PHA nor for the repair of any damage that results from any defect in PHA furnished material or design.
- (i) Notwithstanding any provisions herein to the contrary, the establishment of the time periods in paragraphs (a) and (c) above relate only to the specific obligation of the Contractor to correct the work, and have no relationship to the time within which its obligation to comply with the contract may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to its obligation other than specifically to correct the work.
- (j) This warranty shall not limit the PHA's rights under the Inspection and Acceptance of Construction clause of this contract with respect to latent defects, gross mistakes or fraud.

24. Prohibition Against Liens

The Contractor is prohibited from placing a lien on the PHA's property. This prohibition shall apply to all subcontractors at any tier and all materials suppliers.

Administrative Requirements

25. Contract Period

this contract within _____ calendar days of the effective date of the contract, or within the time schedule established in the notice to proceed issued by the Contracting Officer.

26. Order of Provisions

In the event of a conflict between these General Conditions and the Specifications, the General Conditions shall prevail. In the event of a conflict between the contract and any applicable state or local law or regulation, the state or local law or regulation shall prevail; provided that such state or local law or regulation does not conflict with, or is less restrictive than applicable federal law, regulation, or Executive Order. In the event of such a conflict, applicable federal law, regulation, and Executive Order shall prevail.

27. Payments

- (a) The PHA shall pay the Contractor the price as provided in this contract.
- (b) The PHA shall make progress payments approximately every 30 days as the work proceeds, on estimates of work accomplished which meets the standards of quality established under the contract, as approved by the Contracting Officer. The PHA may, subject to written determination and approval of the Contracting Officer, make more frequent payments to contractors which are qualified small businesses.
- (c) Before the first progress payment under this contract, the Contractor shall furnish, in such detail as requested by the Contracting Officer, a breakdown of the total contract price showing the amount included therein for each principal category of the work, which shall substantiate the payment amount requested in order to provide a

basis for determining progress payments. The breakdown shall be approved by the Contracting Officer and must be acceptable to HUD. If the contract covers more than one project, the Contractor shall furnish a separate breakdown for each. The values and quantities employed in making up this breakdown are for determining the amount of progress payments and shall not be construed as a basis for additions to or deductions from the contract price. The Contractor shall prorate its overhead and profit over the construction period of the contract.

- (d) The Contractor shall submit, on forms provided by the PHA, periodic estimates showing the value of the work performed during each period based upon the approved

submitted not later than _____ days in advance of the date set for payment and are subject to correction and revision as required. The estimates must be approved by the Contracting Officer with the concurrence of the Architect prior to payment. If the contract covers more than one project, the Contractor shall furnish a separate progress payment estimate for each.

- (e) Along with each request for progress payments and the required estimates, the Contractor shall furnish the following certification, or payment shall not be made: I hereby certify, to the best of my knowledge and belief, that

- (1) The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;
- (2) Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by this certification, in accordance with subcontract agreements; and,
- (3) This request for progress payments does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of the subcontract.

Name:

Title:

Date:

- (f) Except as otherwise provided in State law, the PHA shall retain ten (10) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer subsequently determines that the Contractor's performance and progress are unsatisfactory, the PHA shall reinstate the ten (10) percent (or other percentage as provided in State law) retainage until such time as the Contracting Officer determines that performance and progress are satisfactory.
- (g) The Contracting Officer may authorize material delivered on the site and preparatory work done to be taken into consideration when computing progress payments.

Material delivered to the Contractor at locations other than the site may also be taken into consideration if the Contractor furnishes satisfactory evidence that (1) it has acquired title to such material; (2) the material is properly stored in a bonded warehouse, storage yard, or similar suitable place as may be approved by the Contracting Officer; (3) the material is insured to cover its full value; and (4) the material will be used to perform this contract. Before any progress payment which includes delivered material is made, the Contractor shall furnish such documentation as the Contracting Officer may require to assure the protection of the PHA's interest in such materials. The Contractor shall remain responsible for such stored material notwithstanding the transfer of title to the PHA.

- (h) All material and work covered by progress payments made shall, at the time of payment become the sole property of the PHA, but this shall not be construed as (1) relieving the Contractor from the sole responsibility for all material and work upon which payments have been made or the restoration of any damaged work; or, (2) waiving the right of the PHA to require the fulfillment of all of the terms of the contract. In the event the work of the Contractor has been damaged by other contractors or persons other than employees of the PHA in the course of their employment, the Contractor shall restore such damaged work without cost to the PHA and to seek redress for its damage only from those who directly caused it.
- (i) The PHA shall make the final payment due the Contractor under this contract after (1) completion and final acceptance of all work; and (2) presentation of release of all claims against the PHA arising by virtue of this contract, other than claims, in stated amounts, that the Contractor has specifically excepted from the operation of the release. Each such exception shall embrace no more than one claim, the basis and scope of which shall be clearly defined. The amounts for such excepted claims shall not be included in the request for final payment. A release may also be required of the assignee if the Contractor's claim to amounts payable under this contract has been assigned.
- (j) Prior to making any payment, the Contracting Officer may require the Contractor to furnish receipts or other evidence of payment from all persons performing work and supplying material to the Contractor, if the Contracting Officer determines such evidence is necessary to substantiate claimed costs.
- (k) The PHA shall not; (1) determine or adjust any claims for payment or disputes arising there under between the Contractor and its subcontractors or material suppliers; or, (2) withhold any moneys for the protection of the subcontractors or material suppliers. The failure or refusal of the PHA to withhold moneys from the Contractor shall in no wise impair the obligations of any surety or sureties under any bonds furnished under this contract.

28. Contract Modifications

- (a) Only the Contracting Officer has authority to modify any term or condition of this contract. Any contract modification shall be authorized in writing.
- (b) The Contracting Officer may modify the contract unilaterally (1) pursuant to a specific authorization stated in a contract clause (e.g., Changes); or (2) for administrative matters which do not change the rights or

responsibilities of the parties (e.g., change in the PHA address). All other contract modifications shall be in the form of supplemental agreements signed by the Contractor and the Contracting Officer.

- (c) When a proposed modification requires the approval of HUD prior to its issuance (e.g., a change order that exceeds the PHA's approved threshold), such modification shall not be effective until the required approval is received by the PHA.

29. Changes

- (a) The Contracting Officer may, at any time, without notice to the sureties, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) PHA-furnished facilities, equipment, materials, services, or site; or,
 - (4) Directing the acceleration in the performance of the work.
- (b) Any other written order or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change shall be treated as a change order under this clause; provided, that the Contractor gives the Contracting Officer written notice stating (1) the date, circumstances and source of the order and (2) that the Contractor regards the order as a change order.
- (c) Except as provided in this clause, no order, statement or conduct of the Contracting Officer shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.
- (d) If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this contract, whether or not changed by any such order, the Contracting Officer shall make an equitable adjustment and modify the contract in writing. However, except for a adjustment based on defective specifications, no proposal for any change under paragraph (b) above shall be allowed for any costs incurred more than 20 days (5 days for oral orders) before the Contractor gives written notice as required. In the case of defective specifications for which the PHA is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the Contractor in attempting to comply with the defective specifications.
- (e) The Contractor must assert its right to an adjustment under this clause within 30 days after (1) receipt of a written change order under paragraph (a) of this clause, or (2) the furnishing of a written notice under paragraph (b) of this clause, by submitting a written statement describing the general nature and the amount of the proposal. If the facts justify it, the Contracting Officer may extend the period for submission. The proposal may be included in the notice required under paragraph (b) above. No proposal by the Contractor for an equitable adjustment shall be allowed if asserted after final payment under this contract.
- (f) The Contractor's written proposal for equitable adjustment shall be submitted in the form of a lump sum proposal supported with an itemized breakdown of all increases and decreases in the contract in at least the following details:

(1) Direct Costs. Materials (list individual items, the quantity and unit cost of each, and the aggregate cost); Transportation and delivery costs associated with materials; Labor breakdowns by hours or unit costs (identified with specific work to be performed); Construction equipment exclusively necessary for the change; Costs of preparation and/or revision to shop drawings resulting from the change; Worker's Compensation and Public Liability Insurance; Employment taxes under FICA and FUTA; and, Bond Costs when size of change warrants revision.

(2) Indirect Costs. Indirect costs may include overhead, general and administrative expenses, and fringe benefits not normally treated as direct costs.

(3) Profit. The amount of profit shall be negotiated and may vary according to the nature, extent, and complexity of the work required by the change. The allowability of the direct and indirect costs shall be determined in accordance with the Contract Cost Principles and Procedures for Commercial Firms in Part 31 of the Federal Acquisition Regulation (48 CFR 1-31), as implemented by HUD Handbook 2210.18, in effect on the date of this contract. The Contractor shall not be allowed a profit on the profit received by any subcontractor. Equitable adjustments for deleted work shall include a credit for profit and may include a credit for indirect costs. On proposals covering both increases and decreases in the amount of the contract, the application of indirect costs and profit shall be on the net change in direct costs for the Contractor or subcontractor performing the work.

- (g) The Contractor shall include in the proposal its request for time extension (if any), and shall include sufficient information and dates to demonstrate whether and to what extent the change will delay the completion of the contract in its entirety.
- (h) The Contracting Officer shall act on proposals within 30 days after their receipt, or notify the Contractor of the date when such action will be taken.
- (i) Failure to reach an agreement on any proposal shall be a dispute under the clause entitled Disputes herein. Nothing in this clause, however, shall excuse the Contractor from proceeding with the contract as changed.
- (j) Except in an emergency endangering life or property, no change shall be made by the Contractor without a prior order from the Contracting Officer.

30. Suspension of Work

- (a) The Contracting Officer may order the Contractor in writing to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contracting Officer determines appropriate for the convenience of the PHA.
- (b) If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contracting Officer in the administration of this contract, or (2) by the Contracting Officer's failure to act within the time specified (or within a reasonable time if not specified) in this contract an adjustment shall be made for any increase in the cost of performance of the contract (excluding profit) necessarily caused by such unreasonable suspension, delay, or interruption and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have

been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor or for which any equitable adjustment is provided for or excluded under any other provision of this contract.

- (c) A claim under this clause shall not be allowed (1) for any costs incurred more than 20 days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and, (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

31. Disputes

- (a) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under the contract, unlike a claim relating to the contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim by complying with the requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.
- (b) Except for disputes arising under the clauses entitled Labor Standards - Davis Bacon and Related Acts, herein, all disputes arising under or relating to this contract, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (c) All claims by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the PHA against the Contractor shall be subject to a written decision by the Contracting Officer.
- (d) The Contracting Officer shall, within 60 (unless otherwise indicated) days after receipt of the request, decide the claim or notify the Contractor of the date by which the decision will be made.
- (e) The Contracting Officer's decision shall be final unless the Contractor (1) appeals in writing to a higher level in the PHA in accordance with the PHA's policy and procedures, (2) refers the appeal to an independent mediator or arbitrator, or (3) files suit in a court of competent jurisdiction. Such appeal must be made within (30 unless otherwise indicated) days after receipt of the Contracting Officer's decision.
- (f) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.

32. Default

- (a) If the Contractor refuses or fails to prosecute the work, or any separable part thereof, with the diligence that will insure its completion within the time specified in this contract, or any extension thereof, or fails to complete said work within this time, the Contracting Officer may, by written notice to the Contractor, terminate the right to

proceed with the work (or separable part of the work) that has been delayed. In this event, the PHA may take over the work and complete it, by contract or otherwise, and may take possession of and use any materials, equipment, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the PHA resulting from the Contractor's refusal or failure to complete the work within the specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the PHA in completing the work.

- (b) The Contractor's right to proceed shall not be terminated or the Contractor charged with damages under this clause if—
- (1) The delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (i) acts of God, or of the public enemy, (ii) acts of the PHA or other governmental entity in either its sovereign or contractual capacity, (iii) acts of another contractor in the performance of a contract with the PHA, (iv) fires, (v) floods, (vi) epidemics, (vii) quarantine restrictions, (viii) strikes, (ix) freight embargoes, (x) unusually severe weather, or (xi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and the subcontractors or suppliers; and
 - (2) The Contractor, within days (10 days unless otherwise indicated) from the beginning of such delay (unless extended by the Contracting Officer) notifies the Contracting Officer in writing of the causes of delay. The Contracting Officer shall ascertain the facts and the extent of the delay. If, in the judgment of the Contracting Officer, the findings of fact warrant such action, time for completing the work shall be extended by written modification to the contract. The findings of the Contracting Officer shall be reduced to a written decision which shall be subject to the provisions of the Disputes clause of this contract.
- (c) If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been for convenience of the PHA.

33. Liquidated Damages

- (a) If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$_____ [Contracting Officer insert amount] for each day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The Contractor remains liable for damages caused other than by delay.
- (b) If the PHA terminates the Contractor's right to proceed, the resulting damage will consist of liquidated damages until such reasonable time as may be required for final

completion of the work together with any increased costs occasioned the PHA in completing the work.

- (c) If the PHA does not terminate the Contractor's right to proceed, the resulting damage will consist of liquidated damages until the work is completed or accepted.

34. Termination for Convenience

- (a) The Contracting Officer may terminate this contract in whole, or in part, whenever the Contracting Officer determines that such termination is in the best interest of the PHA. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which the performance of the work under the contract is terminated, and the date upon which such termination becomes effective.
- (b) If the performance of the work is terminated, either in whole or in part, the PHA shall be liable to the Contractor for reasonable and proper costs resulting from such termination upon the receipt by the PHA of a properly presented claim setting out in detail: (1) the total cost of the work performed to date of termination less the total amount of contract payments made to the Contractor; (2) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, payment for which has not been made by the PHA to the Contractor or by the Contractor to the subcontractor or supplier; (3) the cost of preserving and protecting the work already performed until the PHA or assignee takes possession thereof or assumes responsibility therefore; (4) the actual or estimated cost of legal and accounting services reasonably necessary to prepare and present the termination claim to the PHA; and (5) an amount constituting a reasonable profit on the value of the work performed by the Contractor.
- (c) The Contracting Officer will act on the Contractor's claim within days (60 days unless otherwise indicated) of receipt of the Contractor's claim.
- (d) Any disputes with regard to this clause are expressly made subject to the provisions of the Disputes clause of this contract.

35. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the PHA under the contract may be assigned to a bank, trust company, or other financial institution. Such assignments of claims shall only be made with the written concurrence of the Contracting Officer. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership as approved by the Contracting Officer.

36. Insurance

- (a) Before commencing work, the Contractor and each subcontractor shall furnish the PHA with certificates of insurance showing the following insurance is in force and will insure all operations under the Contract:
- (1) Workers' Compensation, in accordance with state or Territorial Workers' Compensation laws.
 - (2) Commercial General Liability with a combined single limit for bodily injury and property damage of not less than \$ _____ [Contracting Officer insert amount]

per occurrence to protect the Contractor and each subcontractor against claims for bodily injury or death and damage to the property of others. This shall cover the use of all equipment, hoists, and vehicles on the site(s) not covered by Automobile Liability under (3) below. If the Contractor has a "claims-made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion date of the Contract.

- (3) Automobile Liability on owned and non-owned motor vehicles used on the site(s) or in connection therewith for a combined single limit for bodily injury and property damage of not less than \$ _____ [Contracting Officer insert amount] per occurrence.

(b) Before commencing work, the Contractor shall furnish the PHA with a certificate of insurance evidencing that Builder's Risk (fire and extended coverage) insurance on all work in place and/or materials stored at the building site(s), including foundations and building equipment, is in force. The Builder's Risk Insurance shall be for the benefit of the Contractor and the PHA as their interests may appear and each shall be named in the policy or policies as an Insured. The Contractor in installing equipment supplied by the PHA shall carry insurance on such equipment from the time the Contractor takes possession thereof until the Contract work is accepted by the PHA. The Builder's Risk Insurance need not be carried on excavations, piers, footings, or foundations until such time as work on the superstructure is started. It need not be carried on landscape work. Policies shall furnish coverage at all times for the full cash value of all completed construction, as well as materials in place and/or stored at the site(s), whether or not partial payment has been made by the PHA. The Contractor may terminate this insurance on buildings as of the date taken over for occupancy by the PHA. The Contractor is not required to carry Builder's Risk Insurance for modernization work which does not involve structural alterations or additions and where the PHA's existing fire and extended coverage policy can be endorsed to include such work.

(c) All insurance shall be carried with companies which are financially responsible and admitted to do business in the State in which the project is located. If any such insurance is due to expire during the construction period, the Contractor (including subcontractors, as applicable) shall not permit the coverage to lapse and shall furnish evidence of coverage to the Contracting Officer. All certificates of insurance, as evidence of coverage, shall provide that no coverages may be canceled or non-renewed by the insurance company until at least 30 days prior written notice has been given to the Contracting Officer.

37. Subcontracts

(a) Definitions. As used in this contract -

- (1) "Subcontract" means any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by a subcontractor to furnish supplies, materials, equipment, and services for the performance of the prime contract or a subcontract.

(2) "Subcontractor" means any supplier, vendor, or firm that furnishes supplies, materials, equipment, or services to or for the Contractor or another subcontractor.

- (b) The Contractor shall not enter into any subcontract with any subcontractor who has been temporarily denied participation in a HUD program or who has been suspended or debarred from participating in contracting programs by any agency of the United States Government or of the state in which the work under this contract is to be performed.
- (c) The Contractor shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the Contractor.
- (d) The Contractor shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.
- (e) Nothing contained in this contract shall create any contractual relationship between any subcontractor and the PHA or between the subcontractor and HUD.

38. Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms

The Contractor shall take the following steps to ensure that, whenever possible, subcontracts are awarded to small business firms, minority firms, women's business enterprises, and labor surplus area firms:

- (a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (b) Ensuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- (c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- (d) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and
- (e) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.

39. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship.

- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
 - (d) The Contractor shall, 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, or handicap.
 - (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
 - (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or Federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
 - (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontract or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.
 - (j) Compliance with the requirements of this clause shall be to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act and the Indian Preference clause of this contract.
- 40. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.**

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- (g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

41. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

42. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the PHA, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

43. Limitations on Payments made to Influence Certain Federal Financial Transactions

- (a) The Contractor agrees to comply with Section 1352 of Title 31, United States Code which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The Contractor further agrees to comply with the requirement of the Act to furnish a disclosure (OMB Standard Form LLL, Disclosure of Lobbying Activities) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

44. Royalties and Patents

The Contractor shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save the PHA harmless from loss on account thereof; except that the PHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Contractor has no reason to believe that the specified design, process, or product is an infringement. If, however, the Contractor has reason to believe that any design, process or product specified is an infringement of a patent, the Contractor shall promptly notify the Contracting Officer. Failure to give such notice shall make the Contractor responsible for resultant loss.

45. Examination and Retention of Contractor's Records

- (a) The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under the Disputes clause of this contract, (2) litigation or settlement of claims arising from the performance of this contract, or (3) costs and expenses of this contract to which the PHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

46. Labor Standards - Davis-Bacon and Related Acts

If the total amount of this contract exceeds \$2,000, the Federal labor standards set forth in the clause below shall apply to the development or construction work to be performed under the contract.

- (a) **Minimum Wages.**
 - (1) All laborers and mechanics employed under this contract in the development or construction of the project(s) involved will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the regular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall

be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- (2) (i) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met: (A) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (B) The classification is utilized in the area by the construction industry; and (C) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (ii) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employee Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.
- (iii) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.
- (iv) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(2)(ii) or (iii) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in classification.
- (3) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (4) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the

amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

- (b) Withholding of funds. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working in the construction or development of the project, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the Contractor or subcontractor to the respective employees to whom they are due.
- (c) Payrolls and basic records.
- (1) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working in the construction or development of the project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under 29 CFR 5.5(a)(1)(iv), that the wages of any laborer or mechanic include the amount of costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

- (2) (i) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under subparagraph (c)(1) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1214-0149.)
- (ii) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
- (A) That the payroll for the payroll period contains the information required to be maintained under paragraph (c) (1) of this clause and that such information is correct and complete;
- (B) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3; and
- (C) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (iii) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph (c)(2)(ii) of this clause.
- (iv) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.
- (3) The Contractor or subcontractor shall make the records required under subparagraph (c)(1) available for inspection, copying, or transcription by authorized representatives of HUD or its designee, the Contracting Officer, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
- (d) (1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer and Labor Services (OATELS), or with a State Apprenticeship Agency recognized by OATELS, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- (2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under

the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (3) Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.
- (e) Compliance with Copeland Act requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.
- (f) Contract termination; debarment. A breach of this contract clause may be grounds for termination of the contract and for debarment as a Contractor and a subcontractor as provided in 29 CFR 5.12.
- (g) Compliance with Davis-Bacon and related Act requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (h) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this clause shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the PHA, HUD, the U.S. Department of Labor, or the employees or their representatives.
- (i) Certification of eligibility.
 - (1) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a United States Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(3) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

(j) Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in subparagraph (j)(1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic (including watchmen and guards) employed in violation of the provisions set forth in subparagraph (j)(1) of this clause, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in subparagraph (j)(1) of this clause.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in subparagraph (j)(2) of this clause.

(k) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these provisions.

47. Non-Federal Prevailing Wage Rates

- (a) Any prevailing wage rate (including basic hourly rate and any fringe benefits), determined under State or tribal law to be prevailing, with respect to any employee in any trade or position employed under the contract, is inapplicable to the contract and shall not be enforced against the Contractor or any subcontractor, with respect to employees engaged under the contract whenever such non-Federal prevailing wage rate exceeds:
 - (1) The applicable wage rate determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141 et seq.) to be prevailing in the locality with respect to such trade;
- (b) An applicable apprentice wage rate based thereon specified in an apprenticeship program registered with the U.S. Department of Labor (DOL) or a DOL-recognized State Apprenticeship Agency; or
- (c) An applicable trainee wage rate based thereon specified in a DOL-certified trainee program.

48. Procurement of Recovered Materials.

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

**SECTION 00211 – SUPPLEMENTAL GENERAL CONDITIONS FOR
CONSTRUCTION CONTRACTS, NON-FEDERAL FUNDING**

Delete: Applicability. This form is applicable to any Construction/development contract greater than \$100,000.

Insert: Applicability. This form is applicable to any Construction/development contract greater than \$3,000.

Introduction: **Delete:**
HUD 24 CFR 85.36

Insert:
HUD 2 CFR Parts 200.317 – 200.326

TABLE OF CONTENTS

**MODIFICATION TO FORM HUD-5370 (1/2014) – GENERAL CONDITIONS FOR CONSTRUCTION
CONTRACTS – PUBLIC HOUSING PROGRAMS**

Clause 1:	Definitions
Clause 2:	Contractor's Responsibility for Work
Clause 8:	Differing Site Conditions
Clause 9:	Specifications and Drawings for Construction
Clause 11:	Material and Workmanship
Clause 12:	Permits and Codes
Clause 16:	Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements
Clause 20:	Inspection and Acceptance of Construction
Clause 25:	Contract Period: Substantial Completion Date – Performance Period
Clause 26:	Order of Precedence
Clause 27:	Payments
Clause 30:	Suspension of Work
Clause 31:	Disputes
Clause 33:	Liquidated Damages
Clause 34:	Termination for Convenience
Clause 36:	Insurance
Clause 37:	Subcontracts
Clause 38:	Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms:
Clause 40:	Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.
Clause 46:	Labor Standards – Davis Bacon and Related Acts:
Clause 47:	Non-Federal Prevailing Wage Rates:
Clause 49:	INSERT: Laws to Be Observed
Clause 50:	INSERT: Non-Smoking Facilities
Clause 51:	INSERT: Overtime
Clause 52:	INSERT: Apprentices
Clause 53:	INSERT: Fair Labor Standards Act

Clause 1: Definitions:

Delete:

- (c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. ~~The term includes any successor Contracting Officers and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.~~

Insert:

- (c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.

Insert:

- (j) "Acceptance" means the act of a Contracting Officer of the Agency by which the Agency approves and assumes ownership of the work performed under this contract. Acceptance may be partial or complete.

Insert:

- (k) "Agency Project Manager" means the person delegated by the Contracting Officer for all day to day coordination for field or site administration.

Insert:

- (m) "Addenda" means any changes, revisions or clarifications of the Contract Documents that have been duly issued by the Agency to prospective Bidders prior to time of receiving Bids.

Insert:

- (n) "HA", "PHA", "Owner" or "Agency" means the entity that is authorized to undertake this contract.

Clause 2: Contractor's Responsibility for Work

Delete:

- (c) At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the work site a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.

Insert:

- (c) Refer to the Bid Form – Section 00400.

Clause 8: Differing Site Conditions:

Delete:

- (b) ~~The Contracting Officer shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or~~

both shall be made under this clause and the contract modified in writing accordingly.

Insert:

- (b) The Agency shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or both shall be made under this clause and the contract modified in writing accordingly.

Insert:

- (e) Public Contract Code §7104 states that any work, which involves digging trenches, or other excavations that extend deeper than four feet below surface require the following. The Agency requires the following for any depth.

That Contractor shall promptly, and before the following conditions are disturbed, notify the Agency, in writing of any:

- (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the California Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- (2) Subsurface or latent physical conditions at the site differing from those indicated.
- (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the work of the character provided for in the contract.

The Agency shall promptly investigate the conditions, and if its finds the conditions do materially so differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

(f) Insert:

Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor.

Clause 9: Specifications and Drawings for Construction:

Delete:

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. ~~In case of difference between drawings and specifications, the specifications shall govern. In case of discrepancy in the~~

~~figures, in the drawings, or in the specifications, the matter shall be promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.~~

Insert:

- (a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both.

In the event of a conflict between the specifications or the drawings, the Contractor is to refer to and follow the document containing the most specification, detail, higher quality or most restrictive document. All the contract documents are essential parts of the Contract, and a requirement occurring in one is just as binding as though occurring in all. They are intended to be cooperative and to describe and provide information to complete the work of the Project. If there is a discrepancy or ambiguity, the matter shall be promptly submitted in writing to the Contracting Officer who shall promptly make a determination in writing.

The Contractor must provide written notice of any ambiguity to the Contracting Officer. Should the Contractor not provide such notice and prepare its bid or commence with work without resolution of the ambiguity by the Contracting Officer, the Contractor proceeds at its own risk and expense.

Clause 12: Permits and Codes

Delete:

- (b) The Contractor shall secure and pay for all permits, fees, and licenses necessary for the proper execution and completion of the work. Where the PHA can arrange for the issuance of all or part of these permits, fees, and licenses, without cost to the Contractor, the contract amount shall be reduced accordingly.

Insert:

- (b) Refer to Bid Form – Section 00400.

Clause 16: Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements:

Insert:

- (l) The Contractor will consult with the Agency Project manager prior to removal of roots and branches which interfere with construction operations.

Clause 20: Inspection and Acceptance of Construction:

Insert:

- (k) Upon request of the Contracting Officer, the Contractor shall notify the Contracting Officer of the time and place of preparation, manufacture, or construction of any material for the work or any part of the work which the Contracting Officer may wish to inspect, and of the time and place of the factory testing as required pursuant to the Contract Documents.

Clause 25: Contract Period

Delete in its entirety.

Insert:

Refer to Bid Form – Section 00400.

Clause 26: Order of Provisions:

Delete:

~~In the event of a conflict between these General Conditions and the Specifications, the General Conditions shall prevail. In the event of a conflict between the contract and any applicable state or local law or regulation, the state or local law or regulation shall prevail; provided that such state or local law or regulation does not conflict with, or is less restrictive than applicable federal law, regulation, or Executive Order. In the event of such a conflict, applicable federal law, regulation, and Executive order shall prevail.~~

Insert:

In the event of a conflict between the General Conditions, the General Requirements, the Technical Specifications, or the Drawings for construction, the Contractor is to refer to and follow the document containing the most specification, detail, higher quality or most restrictive document. All the Contract Documents are essential parts of the Contract, and a requirement occurring in one is just as binding as though occurring in all. They are intended to be cooperative and to describe and provide information to complete the work of the Project. The Contractor shall not take advantage of any apparent errors or omissions in the Contract Documents. If there is a discrepancy or ambiguity, the matter shall be promptly submitted in writing to the Contracting Officer, who shall promptly make a determination in writing.

The Contractor must provide written notice of any ambiguity to Contracting Officer. Should the Contractor not provide such notice and prepare its bid or commence with work without resolution of the ambiguity by the Contracting Officer, the Contractor proceeds at its own risk and expense.

Clause 27: Payments:

Delete:

- (f) ~~Except as otherwise provided in State Law, the PHA shall retain ten (10) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer subsequently determines that the Contractor's performance and progress are unsatisfactory, the PHA shall reinstate the ten (10) percent (or other percentage as provided in State law) retainage until such time as the Contracting Officer determines that performance and progress are satisfactory.~~

Insert:

- (f) In accordance with California Public Contract Code §7201, the PHA shall retain five (5) percent of the amount of progress payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer performance and progress are unsatisfactory, the PHA shall reinstate the five (5) percent retainage until such

time as the Contracting Officer determines that performance and progress are satisfactory.

Insert:

(l) Upon request of a payment request the Agency shall act in accordance with the California Public Contract Code, Section 20104.50 as follows:

- (1) If Agency fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from Contractor, the Agency shall pay interest to the Contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure.
- (2) Upon receipt of a payment request, Agency shall:
 - (i) Review the payment request as soon as practicable for the purpose of determining that payment request is a proper payment request;
 - (ii) any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable but in no case later than seven days after its receipt by the Agency. A payment request returned pursuant to this paragraph shall be accompanied by a written explanation as to why the request is not proper; and
 - (iii) the number of days available to the Agency to make a payment without incurring an interest charge shall be reduced by the number of days that the Agency exceeds the seven day return requirement.

Insert:

(m) Retention: Pursuant to the California Public Contract Code Section 22300 the Contractor may request that the Agency substitute a security in the amount of the performance retention. Alternatively, the Contractor may request that payment of the retention be made directly to an escrow agent at the expense of the Contractor. Upon satisfactory completion of the contract, the securities from the Agency or payments paid into escrow. Shall the Contractor elect, at its own expense, to enter into an escrow agreement such agreement shall be in substantially the same form as provided in Section 22300(f) of the California Public Contract Code. This section shall apply to only those subcontractors performing more than five percent of the contractor's total contract bid. No contractor shall require any subcontractor to waive any provision of the section or Section 22300 of the Public Contract Code.

Clause 30: Suspension of Work

Insert:

(c) The Contractor shall have no claim for extra compensation for any hindrance or delays of work from a cause not involving the Agency during the progress thereof, although the Contractor may ask for an extension of the time agreed upon by Agency for completion of the Project work. In the case where the Agency is responsible for the delay the Agency shall be responsible for an equitable adjustment to the contract price relating thereto under Public Contract Code Section 7102.

- (d) Inclement weather shall not be a prima facie reason for the granting of an extension of time, and the Contractor shall make every effort to continue work under prevailing conditions. The Agency may, however, grant an extension of time if an unavoidable delay as a result of unusual and severe inclement weather fact occurs, and such shall then be classified as "Excusable Delay."

Clause 31: Disputes:

Insert:

- (g) Notwithstanding any other provision of the Contract Documents, disputes between the Agency and the Contractor involving claims of less than Three Hundred and Seventy Five Thousand Dollars (\$375,000.00) shall be handled in accordance with the provisions of the California Public Contract Code §20104.2.

Clause 33: Liquidated Damages:

Delete:

- (a) If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$____ [Contracting Officer insert amount] for each day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The Contractor remains liable for damages caused other than by delay.

Insert:

- (a) Refer to Bid Form – Section 00400.

Clause 34: Termination for Convenience:

Delete:

- (c) ~~The contracting Officer will act on the Contractor's claim within days (60 days unless otherwise indicated) of receipt of the Contractor's claim.~~

Insert:

- (c) The Contracting Officer will act on the Contractor's claim within 30 days of receipt of the Contractor's claim.

Clause 36: Insurance:

Delete in its entirety.

Insert:

Refer to Section 00510 Insurance Requirements in the Contract Manual.

Clause 37: Subcontracts

Insert:

- (f) Refer to Section 4100 et seq. of the Public Contract Code.

Clause 38: Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms:

Delete: This clause in its entirety (not applicable).

Clause 40: Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968:

Insert:

- (h) Each contractor and subcontractor undertaking work in connection with this project is obligated to utilize, to the greatest extent feasible, lower income project area residents to fill all open positions, first and foremost, through the First Source Program.

Clause 46: Labor Standards – Davis Bacon and Related Acts:

Delete: This clause in its entirety (not applicable).

Clause 47: Non-Federal Prevailing Wage Rates:

Delete: This clause in its entirety.

Insert: This contract is subject to State of California prevailing wages, a copy of which are available at the following website: www.dir.ca.gov/DLSR/PWD or call 888-ASK-WAGE/888-275-9243.

The Contractor and all Subcontractors shall pay state prevailing wage for that trade. The Contractor shall comply with Labor Code Sections 1770 to 1780, inclusive. In accordance with Section 1775, the Contractor shall forfeit as a penalty to the Agency \$50.00 per each calendar day or portion thereof, for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under the contract by him or any subcontractor under him in violation of the provision of the Labor Code and in particular, Labor Code Section 1770 to 1780, inclusive.

- (a) **Penalty.** In addition to such penalty and pursuant to Section 1775, the difference between such stipulated prevailing wage rate according to the Contract Documents and the amount paid for each calendar day or portion thereof for which each worker was paid less than the amount stipulated prevailing wage rate shall be paid to each worker by the Contractor. The Sacramento Housing and Redevelopment Agency and its constituent entities shall not recognize a claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate set forth in the Contract Documents.
- (b) **Contractor's Risk.** The possibility of wage increases is one of the elements to be considered by the Contractor in determining his, her, or its Bid, and will not under any circumstances, be considered as the basis of a claim against the Sacramento Housing and Redevelopment Agency and its constituent entities.

Clause 49: Insert:
LAWS TO BE OBSERVED:

Attention of the Contractor is directed to certain laws, which affect the Contract Documents. The listing of such laws in these Supplemental General Conditions is not to be construed as a listing of all applicable laws, but rather a summary upon which the Contractor can base its investigation and familiarization of these and all other applicable laws.

- (a) The Contractor is familiar with all federal, state and local laws, ordinances, codes and regulations which in any manner affect those engaged or employed in the Project or the material or equipment used in or upon the Project, or in any way affect the conduct of the Project. No pleas of misunderstanding of such laws, ordinances, codes or regulations or of ignorance of the same, on the part of the Contractor shall, in any way, serve to modify the provision of the Contract Documents.
- (b) The Contractor at all times shall observe and comply with all federal, state, and local laws, ordinances, codes and regulations affecting the conduct of the Project, and the contractor and his, her, or its surety shall indemnify, defend and save harmless the Agency and all of its officers, agents, and employees against any claim for liability arising from, or based upon, the violation of any such laws, ordinance, regulation, decree, or order, whether by the contractor, subcontractors, material men, or by their employees.
- (c) The Contract shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of the Project. If the Contractor observes that any of the Contract Documents are at variance with such laws in any respect, the Contractor shall promptly notify the Agency in writing and any necessary changes shall be adjusted by appropriate modification. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Agency, the Contractor shall assume full responsibility therefore and shall bear all cost attributable thereto.
- (d) Child Support Compliance Act: (1) Contractor recognizes the importance of child and family support and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and (2) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry, maintained by the California Employment Development Department.

Clause 50: Insert:
NON-SMOKING FACILITIES

Contractors are noticed that all public housing properties, including dwelling units, are Non-Smoking facilities. Contractors and all subcontractors performing work on this Project shall not smoke in any dwelling unit, building, or any of the common areas or adjoining grounds of such building or other parts of the housing community. Smoking is not allowed within 25 feet of any doors or windows. The Contractor shall be responsible for its subcontractors compliance with this clause.

Clause 51: Insert:
OVERTIME:

Eight hours of labor constitute a legal day's work. The Contractor shall forfeit, as a penalty, to the Agency, \$25.00 for each worker employed for the Project by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Labor Code Sections 1810 to 1815, inclusive, except that work performed by such employees in excess of eight hours per day, and forty hours during any one week, shall be permitted upon payment of compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay, as provided in Section 1815.

Clause 52: Insert:
 APPRENTICES:

The laws governing the employment of apprentices shall be observed, and, in particular, Section 1777.5 and 1777.6 of the Labor Code shall be obeyed by the Contractor.

Clause 53: Insert:
 FAIR LABOR STANDARDS ACT

Contractor shall comply with the Fair Labor Standards Act of 1938 as amended (52 Sta. 1060), as it may be applicable to the Project.

END OF SECTION

**SECTION 00255 – PUBLIC WORKS:
California Labor Code**

The Contractor and all Subcontractors, of any tier, must comply with the requirements of the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815.

Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (*including federal labor requirements*), this contract is subject to compliance monitoring and enforcement by the Department of Industrial relations (DIR).

<http://www.dir.ca.gov/Public-Works/Contractor-Registration.html>

END OF SECTION

SECTION 00260 – PREVAILING WAGES

This contract is subject to State of California prevailing wages. A copy of the wages are available at the following website address: www.dir.ca.gov/OPRL/dprevagedetermination.htm or at phone number 888-ASK-WAGE / 888-275-9243.

END OF SECTION

SECTION 00400 - BID FORM

Terms in the Bid Form:

Work: 801 12th Street - 5th Floor Tenant Improvements 2017
Agency: Sacramento Housing and Redevelopment Agency
Property: 801 12th Street,
Sacramento, CA 95814
Architect: Pressey and Associates
Contractor: Belt Construction
(Insert Contractor's business name)

FOR: LUMP SUM BID for Work on Agency owned Property.

TO: Sacramento Housing and Redevelopment Agency
Procurement Services
801 12th Street, 2nd Floor
Sacramento, California 95814

SCOPE OF WORK: The Contractor proposes to furnish all labor, materials, equipment, and services required to complete the work required in strict compliance with the Project Contract Manual, Technical Specifications Manual, Drawings, and/or any Addenda for the above referenced project:

Addendum 1 dated _____.

Received and Acknowledged _____ (bidders initials)

Addendum 2 dated _____.

Received and Acknowledged _____ (bidders initials)

Addendum 3 dated _____, and

Received and Acknowledged _____ (bidders initials)

CONTRACT PERIOD: The Contractor shall complete all work required under this contract within Thirty (30) calendar days of the effective date of the contract, or within the time schedule established in the notice to proceed issued by the Contracting Officer. Refer to Section 01311 Progress Schedule in the Technical Specifications.

BID AMOUNT: The undersigned, having become familiar with the local conditions affecting the cost of the work, submits a LUMP SUM BID in the amount of:

One hundred Twenty Five Thousand DOLLARS 145,000⁰⁰
(Spell out the bid amount) (Enter numeric bid amount)

PERMITS: The Agency will secure and pay for the building permit only. This bid shall include all other fees and permits, and include all licenses and inspections necessary for the proper execution of the work.

Initials: AB

SUPERINTENDENT: During the performance of the work the contractor shall not be required to have a superintendent on site at all times. However, the contractor shall have a competent superintendent on site during all building department inspections and at all times when the Agency notifies the contractor that they will be on-site as needed to review the contractors' performance and for payment related inspections of the work progress. The contractor is responsible for all subcontractor work on the project and its conformance with the contract requirements. Furthermore, the contractor shall have a full understanding of all trade work occurring on the project at all times. The superintendent shall be satisfactory to the Contracting Officer and shall have full authority to act for the contractor whether on site or not during the course of construction and shall at all time be available by phone during the project.

CALIFORNIA LABOR CODE REQUIREMENTS: The Contractor and all Subcontractors must comply with the California Labor Code including but not limited to Sections 1771, 1774, 1775, 1776, 1777.5, 1813 and 1815 of the California Labor Code. Contractors are required to register with the Department of Industrial Relations (DIR). Notwithstanding any other requirements (including federal labor requirements), all contracts as a result of this bid will be subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

CONSTRUCTION MEETINGS: Construction meetings will be scheduled by the Agency representative as required.

OCCUPANCY: The property will be occupied during the performance of this contract.

SUBCONTRACTING: The following trade work must be performed by a Contractor/Subcontractor who holds the applicable specialty license. In the event that the General Contractor directly employs a worker (as one of their staff) who possesses the specialty license required for this project, and that worker will be actually performing the work, that specific specialty license requirement will be fulfilled for this project.

Trade	Specialty License
Electrical	C-10
Warm-Air Heating, Ventilation & AC	C-20

The Contractor must clearly state all trades (in excess of 1/2 of 1% of the total bid price) to be performed by Specialty Contractors on the List of Designated Subcontractors (Section 00410). The Contractor must also indicate which trades will be performed by the Prime Contractor and which trades are to be performed by Specialty Contractors, including the name of each Specialty Contractor, on the Section 3 Business and Minority and Women's Business Enterprise Trade/Craft Documentation Sheet (Section 00471).

CONTRACT EXECUTION: If written notice of the acceptance of this Bid is mailed, telegraphed, or delivered to the undersigned within sixty (60) calendar days after the opening thereof, or at any time thereafter before this Bid is withdrawn, in writing, the undersigned agrees to execute and deliver a contract in the prescribed form and furnish the required bonds within fourteen (14) calendar days after contract is presented for signature.

RIGHT TO REJECT ALL BIDS AND WAIVERS: Bidder understands that the Agency retains the right, in its sole and exclusive discretion to (1) reject all bids for the subject project(s) and (2) waive any informalities in its consideration and review of the submitted bids.

EXAMINATION OF WORKSITE AND CONTRACT DOCUMENTS: The undersigned represents and warrants that the undersigned has examined the locations of the proposed work and is familiar with the local conditions at the places where the work is to be done, and the undersigned has reviewed and understands the plans, specifications, and other contract documents, and the undersigned is satisfied with all conditions for performance of the work.

Initials: AB

BIDDER'S CALCULATIONS: The undersigned has checked carefully all of the bid's figures and calculations and understands that the Agency will not be responsible for any errors or omissions on the part of the undersigned in preparing and submitting this bid.

LIQUIDATED DAMAGES: If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of \$100.00 for each calendar day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The contractor remains liable for damages caused other than by delay.

NON-COLLUSION AFFIDAVIT: Attached hereto is an affidavit in proof that the undersigned has not entered into any collusion with any person with respect to this proposal or any other proposal or the submitting of proposals for the contract which this proposal is submitted.

CERTIFICATION OF NONSEGREGATED FACILITIES: By signing this Bid the Bidder certifies that the Bidder does not maintain or provide for employees any segregated facilities at any establishment, and that the Bidder does not permit employees to perform their services at any location under the Bidder's control where segregated facilities are maintained. The Bidder agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, rest rooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom, or otherwise. The Bidder further agrees to obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, to retain such certification on file, and to forward a notice to proposed subcontractors as provided in the Instructions to Bidders.
Note: The penalty for making false statements of offers is prescribed in 18 U.S.C. 1001.

NONDISCRIMINATION, WORKER'S COMPENSATION AND NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Bidder, in submitting a bid for performing the following work by contract certifies the following:

- (1) Bidder is in compliance with the Nondiscriminating requirements of the General Conditions.
- (2) Bidder is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code, and bidder will comply with these provisions before commencing the performance of the work of this contract.
- (3) Bidder states, under penalty of perjury, that no more than one final appealable finding of contempt of court by a Federal Court has been issued against the bidder within the immediately preceding two-year period because of the bidder's failure to comply with an order of a Federal Court ordering compliance with an order of the National Labor Relations Board.
- (4) Bidder certifies, unless specifically exempted, compliance with Government Code Section 12990 and California Code of Regulations, Title II, Division 4, Chapter 5 in matters relating to the development, implementation, and maintenance of a nondiscrimination program. Bidder agrees that it will not unlawfully discriminate against employees, or applicants for employment, based on race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex or age (over forty).

Initials: AB

This certification constitutes a part of the Bid, and signature on the signature portion of this Bid shall constitute signature of this certification.

LIFE AND SAFETY QUESTIONNAIRE: In accordance with Section 10162 of the Public Contract Code, bidder shall answer the following:

Has the bidder, any officer of the bidder, or any employee of the bidder who has proprietary interest in the bidder, ever been disqualified, removed or otherwise prevented from bidding on, or completing a Federal, State, or Local government project because of a violation of law or a violation of a safety regulation?

YES _____ NO ✓

If the answer is yes, explain the circumstances in the following space.
(Attach additional pages if necessary.)

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on June 7, 2017, at Orangetown
(Date) (City)
Alex Bell
(Name)
OWNER
(Title)

This information constitutes a part of the Bid, and the signature on portion of this Bid shall constitute signature of this document and its content.

Initials: AB

The bid must be signed in the same name-style in which the bidder is licensed. Bidder bidding jointly is specifically cautioned that the bidder must be jointly licensed, if applicable in the same form and style in which the bid is executed.

*

Alex Belz
(Legal Name of Bidder)

California
(If Corporation, list State of Incorporation)

6656 Filbert Ave
(Business Address)

Orangevale, CA 95662
(City, State Zip)

(916) 882 4903
(Phone Number)

(916) 580-5727
(Fax Number)

belz4000@gmail.com
(E-Mail Address)

B 909355
(Contractor's License Number)

1000005224
(Contractor's DIR Public Works Registration Number)

45-2752818
(Federal I.D. Number)

By:

[Signature]
(Signature)

Alex Belz
(Typed or printed name of Bidder)

owner
(Title)

Date:

June, 7, 2017.

(Corporate Seal)

END OF SECTION

Initials: AB

SECTION 00410 - LIST OF DESIGNATED SUBCONTRACTORS
Per California Public Contract Code Section 4104(a) & (b)

Project Name: 5th Floor Tenant Improvements Prime Contractor: Belt Construction
Address: 6656 Filbert Ave, Orangevale, CA 95662 Phone No.: (916) 222 9923
E-mail Address: Belt4000@gmail.com Is Prime Contractor MBEN/MBE owned?: Y (N) (circle one)
DIR Public Works Registration No.: 1000005229 Contractor License No.: 909355 License Type(s): B

SUBCONTRACTOR INFORMATION				
Subcontractor Name	Address (Street Address, City, State, Zip) and Telephone Number	Trade/Description of Work	DIR Public Works Registration Number	State Contractor's License #
<u>Remco Electric</u>	<u>8423 White Spruce Dr, Antelope, CA 95621</u>	<u>Electrician</u>	<u>1000023356</u>	<u>860155</u>
<u>Energy Conservation</u>	<u>9630 Roseville Rd #108-248, Elk Grove, CA 95757</u>	<u>HVAC</u>	<u>1000043815</u>	<u>910069</u>

☐ No subcontracting. All work to be completed by bidder.

The "Subletting and Subcontracting Fair Practices Act" (Public Contract Code Section 4100-4113, inclusive), with regard to public works requires subcontractors, if used and whose portion of the work will be in excess of one-half of 1 percent of the prime contractor's total bid, be listed in the prime contractor's bid or offer. The prime contractor may list only one subcontractor for each portion of the work.

The undersigned bidder hereby gives assurance that if contract is awarded to bidder, all subcontractors listed above are licensed by the State of California to perform the proposed work/trade. Bidder assures that no subcontractor shall be deleted or substituted for without the prior written approval of the SHRA Contracting Officer. Bidder further certifies, under penalty of perjury, that they and all subcontractors are registered with the California Department of Industrial Relations (DIR) pursuant to Labor Code 1771.1(a).

THIS FORM MUST BE SUBMITTED WITH BID

Signature of Contractor/Title Owner Place (City) Signed Orangevale Date 06-09-12

SECTION 00490 - BID BOND

Bond No. 1001045579-1

KNOW ALL BY THESE PRESENTS, that we Bale Construction Inc. as Principal, hereinafter called Principal, and American Contractors Indemnity Company (Bonding Company), a corporation duly licensed under the laws of the State of California as Surety, hereinafter called the Surety, are held and firmly bound unto the Sacramento Housing and Redevelopment Agency for the sum of Eight Thousand Five Hundred* Dollars (\$ 8,500.00*) for the payment of which sum well and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Invitation For Bid (IFB) No. 2017033-DSdd; 801 12th Street - 5th Floor Tenant Improvements 2017 at 801 12th Street, Sacramento, CA 95814.

NOW, THEREFORE, if the Sacramento Housing and Redevelopment Agency shall accept the bid of the Principal and the Principal shall enter into a contract with the Sacramento Housing and Redevelopment Agency in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Sacramento Housing and Redevelopment Agency the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Sacramento Housing and Redevelopment Agency may in good faith contract with another party to perform work covered by said bid or an appropriate required amount as specified in the Invitation for Bid then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 9th day of June, 2017.

Balz Construction

(Principal) (Seal)

(Witness)

By: owner
(Title)

(BONDING COMPANY)

American Contractors Indemnity Company

(Witness)

By: Shirley Priddy
(Attorney-in-Fact)

The Power of Attorney of persons signing for the Surety Company must be attached.

NOTE: Date of Bid Bond must be prior to date of Contract.

1. Correct name of Contractor.
2. A Corporation; A Partnership; or an Individual, as case may be, attached.
3. Correct name of Surety.
4. If Contractor is Partnership, all partners must execute Bid Bond.
5. Bid Bond to be equivalent to 5% (percent) of the amount bid; or:
6. Five (5)% (percent) of the amount bid in the form of the following (*made out to the Sacramento Housing and Redevelopment Agency):
 - a. *A certified check.
 - b. *A bank draft.
 - c. U.S. Government Bonds at par value (made out to "bearer" or otherwise negotiable by the Agency).

END OF SECTION

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

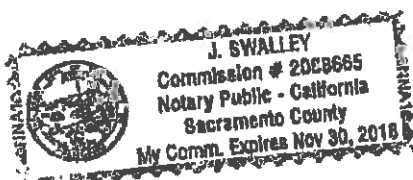
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Sacramento)
 On 6-9-17 before me, J. Swalley, Notary Public
 Date Here Insert Name and Title of the Officer
 personally appeared Shirley Paiva
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature J. Swalley
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

POWER OF ATTORNEY
AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, Texas Bonding Company, an assumed name of American Contractors Indemnity Company, United States Surety Company, a Maryland corporation, and U.S. Specialty Insurance Company, a California corporation (collectively, the "Companies"), do by this instrument

Shirley Palva of Sacramento, California

attorney-in-fact, in their separate capacity if more than one, with full power and authority to execute, in their name, place and stead, by knowledge and consent of the undersigned, all contracts, agreements or contracts of surety that include riders, attachments and amendments of surety, the penalty does not exceed

Three Million Dollars (\$3,000,000.00)

This Power of Attorney shall expire without further action on November 3, 2019. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Resolved, that the President, any Vice-President, any Secretary or any other officer or agent of the Company shall be and is hereby authorized to execute, in the name of and on behalf of the Company, all contracts, agreements or contracts of surety that include riders, attachments and amendments of surety, the penalty does not exceed Three Million Dollars (\$3,000,000.00), and all other documents, including any and all notices and documents relating to the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and attested by the Corporate Secretary.

Resolved, that the signature of any such officer or agent of the Company hereunder shall be deemed to be the signature of the Company and the power of attorney shall be deemed to be the power of attorney of the Company.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 1st day of November, 2016.

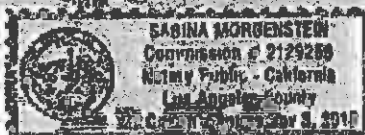
AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

By: 
Daniel P. Aguilar, Vice President

Notary Public for the State of California, County of Los Angeles, do hereby certify that the foregoing is a true and correct copy of the original instrument, and that the signature of the person whose name is subscribed to the within instrument is the signature of the person who executed the same in the County of Los Angeles, and that by his signature, the person, of the county of Los Angeles, the person acted, executed the same.

On this 1st day of November, 2016, before me, Sabina Morgenstern, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company, and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in the County of Los Angeles, and that by his signature, the person, of the county of Los Angeles, the person acted, executed the same.

Signature  (Seal)



Kio Lo, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company, and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 1st day of November, 2016.

Corporate Seal

Bond No. 1001045579-1
A-1001045579-1

Kio Lo, Assistant Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/10/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Pike Insurance Services 3910 Vista Way #107 Oceanside CA 92056	CONTACT NAME: Customer Service Department PHONE (A/C No. Ext): (800) 411-7453 FAX (A/C No.): (800) 991-7453 E-MAIL ADDRESS: Certificates@pikeinsuranceservices.com												
INSURED Belz Construction Inc 6656 Filbert Ave Orangevale CA 95662	INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A: Associated Industries Ins Co Inc</td><td>23140</td></tr><tr><td>INSURER B: Infinity Select Insurance Company</td><td>20260</td></tr><tr><td>INSURER C: National Union Fire Ins of Pitt</td><td>19445</td></tr><tr><td>INSURER D: State Compensation Insurance Fund</td><td>95076</td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER A: Associated Industries Ins Co Inc	23140	INSURER B: Infinity Select Insurance Company	20260	INSURER C: National Union Fire Ins of Pitt	19445	INSURER D: State Compensation Insurance Fund	95076	INSURER E:		INSURER F:	
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INSURER D: State Compensation Insurance Fund	95076												
INSURER E:													
INSURER F:													

COVERAGES CERTIFICATE NUMBER: AC 17-18 GL BA EX 16-17 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDRESSES (M/D/YOY)	POLICY NUMBER	POLICY EFF (M/D/YOY)	POLICY EXP (M/D/YOY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	ASR103657101	12/5/2016	12/5/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 2,500 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		504-61005-6512-001	12/12/2016	12/12/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
C	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$		EBUD38259171	12/5/2016	12/5/2017	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	9150402-17	1/1/2017	1/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Sacramento Housing & Redevelopment Agency And Its Constituent Entities is named as Additional Insured per the attached Endorsement.

Additional Insured status is subject to all policy terms, exclusions and conditions

CERTIFICATE HOLDER lgreenquist@shra.org Sacramento Housing and Redevelopment Agency and its constituent entities 801 12th Street Sacramento, CA 95814	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Travis Coleman/KEHLI
--	--

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury," "property damage," or "personal and advertising injury" caused, in whole or part, by:

1. Your acts or omissions; or

2. The act or omission of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury," "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional, architectural, engineering or surveying services, including:

a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, filed orders, change orders or drawings and specifications; or

b. Supervisory, inspection, architectural or engineering activities.

2. "Bodily injury" or "property damage" occurring after:

a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

[illegible]