

CDBG RENTAL REHABILITATION PROGRAM CONTRACTOR HANDBOOK

City of Hillsdale
97 N. Broad Street
Hillsdale, MI 49242
517-437-6455

Thank you for your interest in becoming a participating Contractor on the “Approved Bidders List” for the City of Hillsdale CDBG Rental Rehabilitation Program.

A copy of the Contractor Application is provided as part of this handbook. The handbook also contains useful information about working on CDBG funded Rental Rehabilitation projects.

If you have any questions concerning procedures or require further information, please contact the City of Hillsdale Code Enforcement Administrator, Dave Turnbull at 517-437-6455.

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A. Approved Bidders List Requirements

All General Contractors must provide the following information to the Program Administrator to be considered for participation in the program:

- Completed Contractor Application form
- Copy of current State of Michigan Builder's License
- Proof of Liability insurance policy and Worker's Compensation coverage. A Sole Proprietors Form must be signed if Contractor is excluded from carrying worker's compensation insurance.
- Copy of LBP Safe Work Practices certification (if applicable)
- Copy of LBP Abatement Supervisor and/or Worker certification (if applicable)
- Completion of the W-9 IRS Form, provided by Administrator, even if the company is incorporated.

****Each Sub-Contractor identified by a General Contractor will be required to complete the Contractor Application form and provide a copy of the applicable state license for their trade PRIOR to beginning work on any project financed with City of Hillsdale CDBG Rental Rehabilitation dollars.*

Participating Contractors must meet the following requirements:

- Completion of all MSHDA and City of Hillsdale documents required for program or project participation
- Submission of completed bid packages in accordance with Rental Rehab Program guidelines.
- Submission of Occupant Protection Plan for LBP Interim Control and Abatement activities
- Application for, and submission of copies of, all building permits and inspection reports as required by Local or State code to the Program Administrator.
- Submission of copies of all invoices and bills showing the price, quantity, and quality of materials used on all projects, if requested.
- Submission of Sworn Statement and signed waivers of lien in accordance with State of Michigan Lien laws
- Submission of required Rental Rehab Program invoice for all work completed.
- Completion of and compliance with the provisions of the Property Owner/Contractor Agreement and established project timeline.

Contractors may be disbarred or removed from participation in the program based upon the following:

- Poor workmanship
- Unreasonable unexplained delays
- Unprofessional conduct on the part of the Contractor, his employees, or Sub-Contractors
- Unsatisfied complaints
- Failure to follow program procedures or MSHDA, MDCH, MIOSHA, HUD, Davis Bacon requirements
- Failure to respond to three (3) consecutive invitations to bid
- If the Contractor fails to complete in a workmanlike manner any specified work under any contract or, if the Contractor violates any term or condition established by any Bureau of Code Enforcement and Rehabilitation policy or if the Contractor breaches any of the terms or conditions of the Property Owner/Contractor Agreement.

B. Insurance Requirements

Participating General Contractors must provide a Certificate of Insurance from their insurance carrier, with a minimum cancellation notification provision of ten days, certifying the insured is the General Contracting firm which has insurance in force. Please refer to the Contractor Application form for specific coverage amounts.

C. Lead Hazard Reduction

All work performed on lead-containing surfaces must conform to LBP Safe Work Practices and/or approved Abatement measures as indicated in the Work Specifications and must be supervised by a State certified Abatement Supervisor and performed by workers trained in LBP Safe Work Practices and/or Abatement measures, in accordance with HUD regulation (24 CFR 35.1330 (a)(4)).

In order to ensure compliance with HUD and MDCH LBP regulations, all participating General Contractors who do not possess the required LBP certifications will be required to Sub-Contract with an appropriately licensed/certified LBP Abatement Supervisor. As part of the bid package, a list of certified LBP Abatement Contractors will be provided to all bidders by the Program Administrator.

D. Bidding and Contractor Selection Process

Work Specifications outlining all mandatory work items to be completed will be prepared by the Program Administrator based upon the following:

- Initial property inspection conducted by the Program Administrator
- HUD Health, Quality, and Safety standards
- Architectural drawings
- LBP and/or Asbestos inspections
- SHPO regulations
- Local and/or State building code requirements
- Improvements requested by the Property Owner.

After the Work Specifications have been approved by the Property Owner, the Program Administrator will prepare a bid package. The Property Owner will select at a minimum, two bidders from the "Approved Bidders List" provided by the Program Administrator. All invited bidders will be notified in writing.

If a Property Owner selects a Contractor or Sub-Contractor who is not on this list, they may do so; however, the Contractor must meet all of the standards of the Rental Rehabilitation Program.

The Program Administrator will hold an on-site bid orientation to assist the Property Owner in soliciting bids. The completed bid package must be returned within the time specified to the Program Administrator for review. The Contractor will be required to show both the itemized and the total bid price for the work.

****The General Contractor is ultimately responsible for the bid and its contents, which encompasses the entire project. This includes site familiarity, inspection and review of the Work Specification items, measurements and quantities as well as those items listed by any Sub-Contractor within the bid document. It is expected that all Sub-Contractors selected by the General Contractor will also be present at the bid orientation.*

Upon review of the completed bid packages, the Program Administrator will create a Bid Tab which will be provided to the Property Owner. The lowest, responsible bid will establish the cost of the project. All bidders will be notified in writing as to whether or not their bid was selected.

E. Contract Documents

Once the CDBG loan has been approved by the Loan Review Committee and the Property Owner has completed the loan closing paperwork, the Program Administrator will prepare the Property Owner/Contractor Agreement. This Contract is between the Property Owner and the General Contractor and will be executed in triplicate by both the Property Owner and the General Contractor at a

pre-construction conference. This conference will permit the Property Owner, General Contractor and Program Administrator to review the Work Specifications and Contract documents.

In addition to the Property Owner/Contractor Agreement, the following documents will be reviewed and/or completed at the pre-construction conference:

- **General Conditions**
An addendum to the Property Owner/Contractor Agreement outlining what documents are to be construed as part of the Contract; additional information pertaining to the rehabilitation process and ongoing monitoring of the project; responsibilities of the Property Owner, Contractor, Sub-Contractors, and Program Administrator.
- **Notice to Proceed**
Document issued by the Property Owner authorizing the General Contractor to begin work. A Notice to Proceed shall only be issued in jobs requiring LBP hazard reduction after all custom-ordered materials (for example, window, doors, replacement cabinetry) have been staged either at the Contractor's place of business or at the job site. This allows the off-site relocation period to be minimized and the construction schedule to be accelerated.
- **Notice of Commencement**
Announces that work is to begin on a construction project. It is recorded at the Register of Deeds.
- **Occupant Protection Plan**
Required for all projects where LBP Safe Work Practices or Abatement measures must be performed. For mixed use buildings, this plan must also include protection measures for the users of the commercial space attached to the project.
Contracts that involve extensive lead hazard reduction may require relocation of the occupants and their belongings. Once the structure is turned over to the control of the Contractor, the Contractor shall remain fully responsible for all security on a 24 hour per day basis and is encouraged to supplement the existing security as is prudent and reasonable. While vacant structures are more efficient to rehabilitate, the relocation carries significant daily cost. The Contractor must therefore use his/her utmost effort to complete the lead hazard reduction activities as indicated by a successful clearance examination within the allocated time period. The Contractor shall be responsible for all direct additional relocation.

- **Permits**
The General Contractor is responsible for obtaining ALL required permits prior to starting construction and must provide the Program Administrator with copies of such permits and all required Hillsdale County Building Inspection Department inspection sign-off's during and/or at the end of the project.
- **Davis Bacon**
Also known as the Prevailing Wage Law. For projects that require compliance with DB, there are specific payroll reporting procedures that must be adhered to by the General Contractor and Sub-Contractors for the duration of the Property Owner/Contractor Agreement.
- **Architectural Drawings**

F. Payment Procedures

For the duration of the project, Contractors may make multiple payment requests to the Program Administrator. 20% off the total amount requested will be retained from each interim payment request. The City of Hillsdale will not provide "advance" money or authorize payment for items which are not completed or properly installed with the exception of "rough-in" installations of plumbing, electrical or mechanical systems.

Payments will be issued to General Contractors on Fridays. The General Contractor must schedule an inspection no later than 8 business days prior to the Friday on which he/she expects to receive payment. This enables the Program Administrator and the City of Hillsdale time to schedule the inspection, review the applicable paperwork, and issue checks. To make a payment request, the following is required:

- Contractor completes and signs the rehab invoice indicating that the work items for which they are requesting payment have been completed
- Contractor gives completed rehab invoice to Property Owner for approval; if in agreement that the work items have been completed in a satisfactory manner, the Property Owner signs the rehab invoice signaling their approval to release the payment
- The signed and completed rehab invoice is given to the Program Administrator who inspects the work items completed; calculates retainage amount; determines amount payable to the Contractor and approves or denies the payment request
- A Sworn Statement and appropriate lien waivers (or paid material receipts) must be attached to each payment request

- The rehab invoice is submitted to the City of Hillsdale and a check is issued to the Contractor

Final payment (including all retainages) will be made only after:

- An approved final inspection by the Program Administrator and local Building Code Authorities
- Successful LBP clearance test results (if applicable)
- Successful Asbestos clearance test results (if applicable)
- Receipt of copies of all applicable approved building permits/inspection reports
- Receipt of Full Unconditional Waivers of Lien from all Contractors/Sub-Contractors
- Program Administrator reviews all documentation and any adjustments to the final rehab invoice and Note are made and approved by the Property Owner.

G. LBP Clearance Examinations

The LBP Contractor is responsible for cleaning the work sites. Clearance testing of the affected areas must be performed by a certified LBP Clearance testing firm. If a Clearance test fails, the LBP Contractor is responsible for all additional cleaning operations required to attain the mandated clearance thresholds as well as any additional cost for repeated Clearance testing and/or laboratory fees.

H. Dispute Resolution and Complaint Procedures

The construction contract is between the Property Owner and the General Contractor. The Program Administrator will clarify misunderstandings and negotiate disputes between the Property Owner and the General Contractor.

Complaints shall be presented to the Program Administrator, orally or in written form, within ten (10) calendar days of the Rental Rehab Program action or failure to act, whichever is the basis for the grievance. An informal discussion will occur with the Program Administrator and all effected parties, and if possible, the complaint will be settled at that time.

A summary of each informal discussion shall be prepared by the Program Administrator within five (5) working days. The summary must state the following:

- Names of the participants, the date(s) of the meeting, and the nature of the complaint.

- The proposed disposition of the complaint and the specific reasons thereof.
- The right of the complainant for a formal review.
- The procedure by which a review may be obtained.

A copy of this summary will be mailed to the complainant and a copy of such shall be retained in the complainant's file.

If the Program Administrator cannot informally resolve the complaint, the complainant must submit a written request to the Program Administrator within ten (10) calendar days of receiving a copy of the informal summary of discussion. The written request must include the specific reasons for the complaint, what action the complainant would like to see taken, and must be signed by the complainant.

This complaint shall be reviewed by a three (3) person panel composed of: a person with building/construction expertise (completely separate from the contractor who is part of the complaint); a local community representative; and a representative of the Grantee (not to include the administrator or any staff member of the Grantee's housing program). All oral, written, and other documentary evidence pertinent to the facts and issues raised by the complaint will be reviewed without regard to admissibility under the rules of evidence applicable to judicial proceedings. (If the complainant fails to appear at a scheduled review, the panel may make a determination to postpone the review for a period not to exceed five (5) working days, or may make a determination that the party has waived his/her right to review).

The review panel shall prepare a written decision within five (5) working days after the review. A copy of the decision, together with the reason(s) for the finding, will be sent to the complainant and the Program Administrator. The Program Administrator will retain a copy of the decision in the complainant's file.

Should the above listed efforts fail to resolve all outstanding issues, the complainant must seek assistance from Southeastern Dispute Resolution Services, 1214 Greenwood Avenue, Jackson, MI 49201, 1-800-491-0004.

After all previous steps have failed to resolve the complaint, the complainant may contact MSDHA in writing, detailing the complaint and verifying its' compliance with the above listed steps. Only then will MSHDA review the identified concerns.

I. **Program Definitions**

Bid Tab: A side-by-side comparison of the cost for each repair item as outlined in the Work Specifications. This is how the lowest responsible bidder is determined.

CDBG: Community Development Block Grant.

Davis Bacon/Prevailing Wage: For commercial construction contracts involving Federal dollars, the Davis-Bacon Act sets a minimum pay scale for workers by requiring contractors to pay the prevailing or average pay rate for selected trades in the region.

HQS: Housing Quality Standards; Minimum property standards as defined by HUD.

HUD: U.S. Department of Housing and Urban Development.

LBP: Lead Based Paint.

MDCH: Michigan Department of Community Health.

MIOSHA: Michigan Occupational Safety and Health Administration.

MSHDA: Michigan State Housing Development Authority.

SHPO: State Historic Preservation Office.

CONTRACTOR'S ACCEPTANCE

The undersigned Contracting firm agrees that, in consideration for being placed upon the "Approved Bidders List," the firm will comply with the following conditions on all rehabilitation work performed on properties financed by the City of Hillsdale CDBG Rental Rehabilitation Program:

- Use only contract forms previously approved and provided by the Program Administrator and/or the City of Hillsdale.
- Perform all work in accordance with the Work Specifications, subject to such inspections as deemed necessary by Program Administrator.
- Maintain required insurance.
- Provide Workers' Compensation (if applicable).

Also, the undersigned agrees that, if work performed by the Contractor is found to be unsatisfactory by Program Administrator, or if contract relations between the Contractor, Property Owner and other parties are found to be unsatisfactory, the Program Administrator may remove the firm's name from the "Approved Bidders List."

Firm Name

Authorized Signature

Name and Title

Date

***** PLEASE RETURN AN ORIGINAL SIGNED COPY OF THIS PAGE ALONG WITH YOUR COMPLETED COPY OF THE CONTRACTOR INFORMATION FORM*****

CONTRACTOR APPLICATION

This form must be completed for each Contractor that intends to bid work that is assisted with CDBG (Community Development Block Grant) funds. Once determined to be eligible for participation, your firm will be placed on the "Approved Bidders List" for the City of Hillsdale Rental Rehabilitation Program.

Section 1. GENERAL INFORMATION

Name of Company: _____

Street/Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Office Phone: _____ Cell Phone or Pager _____

Firm Owner: _____

Federal EIN/Soc. Sec #: _____

Name of Person(s) Writing Bids: _____

Are you a General Contractor? Yes _____ No _____

What year was your firm established? _____

In which cities and/or townships are you willing to work? _____

How many Contractors are part of your firm (other than Sub-Contractors)? _____

Do you, or any other members of your firm, have training in:

_____ Lead Based Paint Abatement _____ Lead Based Paint Safe Work Practices/Interim Controls

Can you handle more than one \$25,000 job at a time? Yes _____ No _____

Do you carry Worker's Compensation insurance? Yes _____ No _____

(NOTE: Self-employed workers and Partnerships may be exempt)

Will you guarantee your work for one year? Yes _____ No _____

Is your business minority owned (more than 50%)? Yes _____ No _____

Is your business female owned (more that 50%)? Yes _____ No _____

*****Copies of all Contractor licenses and Lead-Based Paint certifications/licenses held by the Contracting firm and/or employees must accompany this form.**

Section 2. Insurance Requirements

To participate in the program, General Contractors must provide a Certificate of Insurance from their insurance carrier, with a minimum cancellation notification provision of ten days, certifying the insured is the General Contracting firm, which has insurance in force with at least the following types and minimum amounts of coverage:

Type of Coverage	Bodily Injury	Property
Damage		
Commercial General Liability, to include	\$1,000,000 ea occurrence	\$1,000,000 ea occurrence
<ul style="list-style-type: none"> • Manufacturer's & Contractors aggregate • Independent Contractors • Products/Completed Operations • Contractual Liability 	\$2,000,000 aggregate	\$2,000,000 aggregate
Auto - owned, hired or leased occurrence	\$500,000 ea person \$500,000 ea occurrence	\$500,000 ea
Worker's Compensation	As Required by Law	

*****The Certificate of Insurance must be presented to this office prior to any contract award. Also, the City of Hillsdale must be added to the Commercial General Liability coverage as an "additional insured" for each project.**

Section 3. AREAS OF EXPERTISE

Please indicate as to the type of work you are qualified to do and indicate the years of experience you have in that area:

Qualified Area Y or N?	Type of work	# of years experience
	General carpentry	
	Roofing	
	Structural support repair	
	Plumbing	
	Electrical	
	Mechanical	
	Siding	
	Soffit repair or replacement	
	Window and door replacement	
	Cabinet installation	
	Insulation	
	Floor covering	

Additional areas of expertise: _____

For types of work that you sub-contract, list the Sub-Contractors that you generally use, their phone number, and their area of expertise:

1. _____

2. _____

3. _____

4. _____

5. _____

Section 4. References

List your top five major suppliers (name & phone #), starting with the largest volume credit account:

1. _____ 2. _____

3. _____ 4. _____

5. _____

List three recent jobs completed in the past three months (name, address & phone):

NAME, ADDRESS, PHONE

By signing below, I/we authorize the CDBG Program Administrator to verify the above information and I/we certify that the above information is true and correct. I/we also understand that, in consideration for being placed upon the "Approved Bidders List" my/our firm will comply with all conditions and program guidelines on all rehabilitation work performed on properties financed by the City of Hillsdale.

Signature	Date
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Signature	Date
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