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BULLETIN NO. 9

Housing and Home Finance Agency  
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CONSTRUCTION CONTRACTS

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NATIONAL HOUSING AGENCY - FEDERAL PUBLIC HOUSING AUTHORITY

INFORMATION ON PREPARATION OF CONSTRUCTION CONTRACTS  
AND RELATED DOCUMENTS, AND ON ADMINISTRATION OF CONSTRUCTION CONTRACTS

42-036-C

## CONSTRUCTION CONTRACTS

### SCOPE AND CONTENT

This Bulletin is designed to assist the Local Housing Authority in preparing and administering contracts for the construction of FPFA-aided developments in accordance with the provisions of the United States Housing Act of 1937, as amended, and the Contract for Financial Aid.

Chapter I of the Bulletin deals primarily with the relationship between the FPFA and the Local Authority during the construction of FPFA-aided development. Chapter II discusses the suggested contract documents which have been appended for the assistance of the Local Authority.

### CHAPTER I - RELATIONSHIPS BETWEEN USHA AND LOCAL AUTHORITY DURING CONSTRUCTION

1. Construction Adviser. The Commissioner will designate a representative of the FPFA at the site of the project to be known as the Construction Adviser. The Construction Adviser will render advice and suggestions to the Local Authority, but shall have no contract or relationship with the Contractor.

2. Scope of Authority. After the award of the Contract, all questions arising in the field relating to construction will be taken up with or through the Construction Adviser. The scope of the authority of the Construction Adviser, will be so defined by the Commissioner as to permit as many decisions and approvals as feasible on the site.

3. The FPFA Field Force. In addition to the Construction Adviser there may be such additional field forces of the FPFA, either permanently or periodically at the development site, as the FPFA may consider necessary to assist the Construction Adviser in reviewing the construction of the project for compliance with the Construction Contract and the Contract for Financial Aid.

4. Plans and Specifications. The contract documents, as proposed for advertising, should be in the hands of the FPFA Regional Office at least 15 days before the proposed date of advertisement. While the FPFA will review the plans and specifications and all other contract documents submitted to it, the responsibility for design and specifications and the observance of all the requirements of the Contract for Financial Aid rests with the Local Authority.

5. Base Bids. As stipulated in the FPFA Requirements (Section 217, paragraph (c), as amended 12-45), alternate bids shall not be taken. However, more than one base bid (usually not more than three, to avoid complications in Contract Documents and bidding) may be taken, if different types of construction or materials (other than specified options) are acceptable. The lowest base bid of all base bids received shall be the only one considered for acceptance.

6. Type of Contract. Normally a single contract will cover site improvements, building construction, mechanical trades and fixed equipment.

Demolition of site structures, purchase of movable equipment and landscaping may each be let under a separate contract.

If the development is divided into several sections, all trades, within each section should be included in one contract. It is not recommended, unless required by state or local law, that the work be divided in accordance with the several trades such as plumbing, heating, electrical works, etc., or that a contract be awarded on this basis.

The FPHA may approve the execution of separate contracts for the several trades or for the division of construction (by groups of buildings or development site areas) upon the Local Authority's submission of satisfactory evidence that economy or other sufficient reasons make desirable the execution of such separate contracts; however, when separate contracts are made, firm bids for all contracts must be received before any contract is executed. All work shall be performed under a lump sum contract.

7. Award of Contract. The Local Authority may award the Contract without consulting the FPHA if the award is to the lowest bidder, and the other requirements contained in the Contract for Financial Aid relating to contract awards have been met. The policy of the FPHA in regard to the acceptance and rejection of bids is set forth in Bulletin No. 15.

8. Representative of the Local Authority. The Local Authority should, through appropriate action of its governing body, designate the person who will represent it in the administration of the construction contract, and should define the scope of his authority.

9. Local Authority's Inspection. During construction of the development, the Local Authority shall maintain competent and sufficient architectural and engineering supervision and inspection to enforce compliance by the contractors with the provisions of the contract, verify the correctness of proposals for changes, and prevent delays on the part of the Contractor in the submission of proposals for changed work. While the FPHA will be represented at the site of the development and will cooperate with the Local Authority in calling to its attention any matters not in conformity with the contract, the FPHA does not undertake the responsibility for the performance of any of the duties required under the Contract for Financial Aid to be performed by the Local Authority.

The General Conditions as written contemplate that the Architect will furnish overall supervision of the work to be performed by the construction contractor. If the Architect is not to provide such supervision the Local Authority should require its own staff to perform this function. In this event the General Conditions should be modified accordingly.

10. Submittals to Construction Adviser.

(a) After entering into a construction contract, the Local Authority should submit to the FPHA Regional Office, before final decision is made thereon by the Local Authority:

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3. The FPFA Field Force. In addition to the Construction Adviser there may be such additional field forces of the FPFA, either permanently or periodically at the development site, as the FPFA may consider necessary to assist the Construction Adviser in reviewing the construction of the project for compliance with the Construction Contract and the Contract for Financial Aid.

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The General Conditions as written contemplate that the Architect will furnish overall supervision of the work to be performed by the construction contractor. If the Architect is not to provide such supervision the Local Authority should require its own staff to perform this function. In this event the General Conditions should be modified accordingly.

10. Submittals to Construction Adviser.

(a) After entering into a construction contract, the Local Authority should submit to the FPFA Regional Office, before final decision is made thereon by the Local Authority:

(i) All matters required by the Contract for Financial Aid to be submitted to the FPFA before a decision is made thereon by the Local Authority.

(ii) All proposed decisions of the Local Authority which might impair the rights of the FPFA under the Contract for Financial Aid.

(b) In addition to the foregoing, there should be submitted by the Local Authority (though not necessarily prior to the action of the Local Authority thereon):

(i) Copies of change orders, interpretations and decisions. (Note that under the Contract for Financial Aid, prior approval is required of some change orders and some types of interpretations).

(ii) Copies of shop drawings after approval by the Architect; and copies of approved as-built and change-order drawings showing clearly all deviations of work as actually installed from contract drawings.

(iii) Copies of all complaints to the Local Authority by employees of the Contractor. (Note that under the contract for Financial Aid, disputes regarding classification of labor shall be submitted to FPFA prior to action by Local Authority).

(c) Copies of construction reports, reports to the U. S. Department of Labor, project data and records, and pay rolls and affidavits relating to the Kick-Back Statute should be submitted as required by the Contract for Financial Aid.

## CHAPTER II - CONTRACT DOCUMENTS

The forms of contract documents appended to this Bulletin, were not prepared with any particular development or state in mind, and must be revised or amended so that every contract as advertised and entered into will conform with applicable State and local laws.

The forms cover only one type of contract wherein all work, except demolition and landscaping, is included under one contract. If the work is divided into more than one contract, either geographically or by trade, or if demolition or landscape work is included, the forms must be revised to meet such conditions. Suggested forms for demolition and landscape work have been prepared by the FPFA, and will be furnished to the Local Authority upon request.

The forms have been prepared on the basis that the Contractor will pay liquidated damages for failure to complete on time. However, if the Local Authority, in submitting the contract documents to the FPFA Regional Office for approval, establishes that common practice in its locality does not provide for liquidated damages, the FPFA will approve the omission of liquidated damage provisions. In this event, the Local Authority should modify the forms accordingly at Paragraph 16 of the "Instructions to Bidders," Article 4 of the "Contract Form" and Section 12 of the "General Conditions," or other references to liquidated damages in the Contract Documents.

In using the forms it is suggested that the Local Authority:

- (a) Take into consideration the particular nature of its construction contract, and if changes in the form are required, to make such changes and not follow verbatim the form attached.
- (b) Not amplify through a series of supplemental General Conditions, or other attachments, provisions inconsistent with those set forth in the Appendix.
- (c) Coordinate the provisions of the detailed specifications with the forms in the Appendix.
- (d) Not restrict bidding by indicating preferences for local materials, supplies, labor, equipment, insurance, etc., or by narrowing the type of material to be used to that supplied by a few suppliers.
- (e) If the work is divided into several contracts to assign to each contractor his proper work and not to include in every contract general items such as job offices, signs, temporary heating, etc., when it is only intended that they be furnished by one contractor.
- (f) Not include work that the City has agreed to do or that is not proper work to be paid for out of the development fund.

The following specific discussion of the forms of contract documents falls into four main sections which conform to the four main types of forms contained in the Appendix:

Section A - Advertisement and Bid Documents (Bid, Affidavit, Bidder's Qualifications and Bid Bond).

Section B - Instructions to Bidders.

Section C - Contract and Performance Bond.

Section D - General Conditions.

Section A - Advertisement and Bid Documents (Bid, Affidavit, Bidder's Qualifications and Bid Bond).

1. Advertisement for Bids. After approval to advertise has been given by the FPFA the Local Authority shall solicit bids from responsible contractors and give publicity (including newspaper advertising) to the invitation for bids. Such advertisement should be for a sufficient time and be circulated in such a manner as to give opportunity to bidders to secure plans and specifications and to figure the work. It is to the advantage of the Local Authority to seek the widest possible competition, and a wide dissemination of information to contractors may be secured by furnishing copies of advertisements to the Associated General Contractors of America, Munsey Building, Washington, D. C.

2. Bid. The bid form incorporated in the Appendix sets forth in general the matters which should be covered. Care should be exercised in setting up the Bid form so that bidders will understand them and that the bids when submitted will be clear and unambiguous.

3. Affidavit as to Collusive Practices. Each bidder shall be required to sign an affidavit in the form of that set forth in the Appendix.

4. Bidders' Qualifications and Bid Bond. The Appendix includes a form of Statement of Bidders' Qualifications, which should be completed in order to show the responsibility of the bidder. The Associated General Contractors of America, Inc. has suggested the use of the standard form of the Contractor's Financial Statement, as prepared and issued by the Joint Conference on Construction Practices, Standard Form No. 42. The substitution of this form for the one included in the Appendix is left to the discretion of the Local Authority.

The Appendix also includes a suggested form of bid bond. An investigation of the State law governing the Local Authority should be made to determine whether any particular form of bid guaranty or bid bond is required. The bid guaranty should be in a sufficient sum to insure the bidder's financial responsibility and to protect the Local Authority against damage occasioned by the failure or refusal of the successful bidder to enter into a contract. In general, where bids are anticipated to be in excess of one million dollars (\$1,000,000), a bond of two and a half per cent (2-1/2%) of the bid price is usually considered sufficient. Where the bid price is anticipated to be less than one million dollars (\$1,000,000), the percentage of the bid price required as security should be increased.

## Section B - Instructions to Bidders

1. General. The "Instructions to Bidders" should advise bidders of any special conditions that might exist in connection with the work and set forth the time for completion and the amount of liquidated damages, (unless local public practice is not to charge liquidated damages) to be charged if the work is not completed within the specified time. It should also inform bidders as to the general requirements in regard to the preparation and submittal of bids, and the issuance of any addenda that might be required for revisions in the drawings and specifications. Suggested "Instructions to Bidders" are included in the Appendix.

2. Time for Completion. The Local Authority should determine and fix a time for completion which has a reasonable relationship to the amount of work to be performed and the difficulties attendant upon it.

The Local Authority should set the amount of liquidated damages to be paid by the Contractor in such sum as will be in reasonable proportion to the actual loss that might be sustained by the Local Authority through the failure of the Contractor to complete on time. Consideration should be given to the loss that the Local Authority will sustain by virtue of a corresponding delay in receiving Federal annual contributions. The amount of liquidated damages, however, should not be fixed so high as to discourage the submittal of bids by responsible bidders.



3. Taxes. The Local Authority should ascertain whether State or local sales or business privilege taxes are applicable to the work to be performed by the contractor. If the applicability of the law is not clear, every effort should be made by the Local Authority to obtain a ruling from the appropriate office of the State, or locality, i.e., the Attorney General of the State, the Collector of Taxes, the State Tax Commission, etc. If it appears clear to the Local Authority that any such sales or public privilege taxes are not applicable to the work to be performed by the contractor, an appropriate clause should be inserted in the Instructions to Bidders informing them of this fact and instructing them not to include in their bids any amounts to pay such sales or business privilege taxes. If, however, contractors on work of this kind, are required to pay such sales or business privilege taxes, no reference to such taxes need be made in the Instructions to Bidders or in any other part of the Specification.

4. Unit Prices. The form of Instructions to Bidders contains a section on unit prices for changes in the work or extra work. Unit prices may be determined in one of three ways:

- (a) The Local Authority may request the Contractors to furnish unit prices with their bids.
- (b) The Local Authority may fix the unit prices in advance of the Invitation to Bid and include them in the Bidders Documents.
- (c) Unit prices may be negotiated with the Contractor after bids are opened, but before the contract is awarded.

In any event the unit prices should be equitable for the work performed and should be considered very carefully, especially prices for all excavation work.

It is suggested that the Local Authority confer with the Regional Office concerning the method of establishing unit prices and the price which will be approved. The Instructions to Bidders should describe which method of establishing unit prices will be used in the Bidding Documents.

5. The Contract for Loan and Annual Contributions provides that there shall be no discrimination because of race, creed, color, or political affiliation in the employment of persons for work on the project. The Instructions to Bidders sets forth the method by which the local authority shall give effect to these provisions with regard to Negro labor.

#### Section C - Contract; Performance Bond

1. Contract. The contract form should contain a description and location of the work, and the Specification and Drawings and all addenda should be identified by number, name and date of issuance. In many instances, it is customary to accept a bid by a letter of acceptance to be conditioned upon the execution of the formal contract and the submitting of the required bonds by the contractor. However, such procedure is not required of the Local Authority and the procedure of accepting the bid and entering into the contract may be adjusted to conform to the procedure prevailing in the particular locality where the work is to be performed. Care should be taken to have the proposal accepted and the contract signed by a duly authorized agent or officer of the Local Authority. A contract form is included in the Appendix, as well as directions for the preparation of the contract.

2. Performance Bond. The performance and payment bond or bonds should conform to State law. If the amount of such bond or bonds is not prescribed by State law, the amount of such bond or bonds should be not less than 50% of the contract amount. Most of the states have laws prescribing the conditions of such bond or bonds and a complete investigation of the law applicable to each project should be made. If there is no applicable statute, such bond or bonds should be used as have been passed on by the State courts as valid. The bond or bonds in addition to affording protection to the Local Authority should require payment by the Contractor to all persons furnishing labor and material incorporated in the development. Suggested forms of performance and payment bonds are not included in the Appendix as it is necessary to conform the provisions thereof in each instance with State or local laws. The FPFA will, upon request, assist the Local Authority in the preparation of proper forms of performance and payment bonds.

The Local Authority should exercise care in the administration of its contracts which are secured by performance bonds (particularly in ordering changes) to avoid any act which might release the surety. In any doubtful case the consent of the surety to any contemplated action should be obtained in advance.

#### Section D - General Conditions

Note: The paragraphs of this Section are numbered in the same relation to their subject matter as are the sections in the Form of General Conditions contained in the Appendix.

1. Definitions. The definitions of all terms which might not be familiar to the Contractor should be included in the contract documents.

2. Changes in the Work. Language suggested in this section may be changed by the Local Authority, however, it moots the requirements pertaining to Change Orders of the Contract for Financial Aid. The language of this section has evolved from experience as to the most suitable provisions dealing with changes in the work for the protection of both the Local Authority and the Contractor.

3. Claims for Extra Cost, 4. Inspection, and 5. Final Inspection are suggested sections. It is believed that the substance of those sections, together with the other suggested sections, should be embodied in the contract documents for the protection of the Local Authority and for clearly setting out the general obligations and duties of the Contractor.

6. Review by FPFA should not be changed.

7. General Guaranty. Suggested section.

The Local Authority's attention is called to the fact that specification writers on occasion require guarantees of results as differentiated from a guarantee as to workmanship and material. If such a guarantee is required, it should be made explicit that the result is required irrespective of the details of the specification and that the Contractor

in bidding on the work accepts the plans and specifications as adequate for the accomplishment of the result guaranteed. Unless the language is clear and explicit, it is often difficult to determine, should the question arise, whether the guarantee requires only good workmanship and material or requires the result even though the claim is urged that the plans and specifications are inadequate to produce that result.

8. Deduction for Uncorrected Work, 9. Materials and Workmanship, 10. Superintendence by Contractor, and 11. Right of Local Authority to Terminate Contract are suggested sections.

12. Delays - Damages. This is suggested language and may be changed by the Local Authority, provided the change does not relieve the Contractor with respect to liquidated damages for delays unless under local public practice, liquidated damages are not included.

13. Permits. The Cooperation Agreement between the Local Authority and the City usually provides that permits will be issued without cost to the Local Authority and that there will be no inspection fees. Accordingly, this section has been drafted to advise the Contractor that he shall not include in his estimates any costs for the permits or inspection. The Local Authority is cautioned in drafting the specifications, particularly, for the mechanical trades, not to include a requirement that the Contractor pay for such permits and inspection. This section, as drafted, provides that the work be done in accordance with applicable local, state and national codes, and further provides that in the event the plans and specifications vary from the codes and a change is required in order to meet code requirements, that the contract price will be adjusted. It is, therefore, essential for the Local Authority to assure itself that the specifications, as drafted, comply with all codes, laws and ordinances or that approved amendments or modifications of the same have been obtained.

14. Care of the Work, 15. Other Contracts, and 16. Mutual Responsibility of Contractors are suggested sections.

17. Disputes. This suggested section provides for the settlement of certain disputes by the Architect with the right of either party to such dispute to appeal the decision of the Architect to arbitrators. This procedure is suggested as it follows the common practice of the building industry. It should be noted that this procedure is limited to questions of fact. Experience has shown that where questions of both fact and law are submitted to arbitration (instead of leaving the Contractor's remedy concerning claims involving questions of law to the Courts), it has not generally been to the interest of the Local Authority.

Attention is called, however, to the possibility that, because of their public character, some Local Authorities may not have the legal authority to delegate to the Architect, a board of arbitrators, or other third parties the power to render decisions that are binding on the Local Authority. If such is the case, it is recommended that a procedure similar to that followed by the Federal Government in its construction contracts be followed, i.e., that an official or employee of the Local Authority be designated as its representative with power to settle all such questions subject to the right of the Contractor to

appeal to the governing body of the Local Authority in the event the Contractor refuses to accept the decisions of such representative. It is further to be noted by the Local Authority that throughout this Bulletin certain duties are delegated to the "Architect". In this connection, the general contract forms have been drafted upon the theory that the Architect will superintend the construction operations. If because of the nature of the arrangement between the Local Authority and the Architect, such superintendence is not included among the Architect's duties, the proper party shall be named in this and other sections to whom disputes should be referred and to whom the Contractor is to look for certain instructions and interpretations.

18. Contractor, 19. Drawings, 20. Ownership of Drawings and Specifications, 21. Shop Drawings, 22. Reference to Materials by Name, 23. Communications, 24. Temporary Heating, 25. Sanitary Facilities, 26. Removal of Debris, Cleaning, etc. and 27. Use of Premises are etc.

28. Subcontracts. This section should not be changed. One facsimile copy of each subcontract delivered to the Local Authority by the Contractor should be transmitted to the FPHA.

29. Fitting and Co-ordination of the Work and 30. Patents are suggested sections.

31. Warranty of Title. The Local Authority should investigate State laws to determine whether the project is subject to mechanics' lien claims. As the Contract for Financial Aid requires a bond for the protection of those furnishing labor and material, and Local Authority should, if possible under State or local law, prohibit the right of anyone to assert a mechanic's lien claim against the project. Some State laws require either actual notice or recorded notice of contractual provisions prohibiting liens being filed against property. In the states where either actual or recorded notice is required, the provisions of the statute should be followed and, if necessary, the contract should be recorded in the proper office.

32. Construction Schedule and Periodical Estimates is a requirement of the Contract for Financial Aid and should not be changed.

33. Payments to Contractor. The section provides that payments shall be made on estimates certified by the Architect and signed by the Local Authority. The Local Authority should advise the Contractor the name of the person who has been designated by it to sign such certificates. If persons other than the Architect are to certify such estimates, the persons so designated should be clearly defined by the Local Authority. The Contract for Financial Aid requires that payment be made not less than the 15th day of each calendar month for work done during the preceding month and that 10% of the estimated amount due be retained until final completion. After 50% of the work has been completed the FPHA will not object to the making of the remaining partial payments for work subsequently completed without the 10% deduction, provided the work is proceeding satisfactorily, and the suggested form so provides. While this section also provides for payment to the Contractor without requiring the estimates on which said payments are based to be submitted to the FPHA, the Local Authority is referred to certain terms which will be found in the Development Fund Agreement provided for by the Contract for Financial Aid,

which provisions in general will require that in withdrawing funds the Local Authority must set forth the purposes for which said funds are being withdrawn together with a certificate stating that the Local Authority is not in default under such Contract.

34. Office Facilities. This section should be included if adequate facilities do not exist on the site. In addition to the provision contained in the Appendix, the Local Authority should specify in sufficient detail the requirements for office facilities for the representatives of both the FPFA and the Local Authority on the site. These facilities will differ on various projects depending on their size, and the FPFA should be consulted at the time the Contract Documents are being drafted in order that the Local Authority may be advised of the FPFA's requirements.

35. Project Signs. This section should be included unless signs have already been placed on the site by other contractors.

36. Convict-Made Materials, 37. Domestic and Foreign Materials, and 38. Accident Prevention are requirements of the Contract for Financial Aid, and should not be changed.

39. Wage Rates. The provisions of this section should not be changed, except as to the itemized classification of the workers on the project, which classification is necessarily dependent upon the type of work to be performed and the trades and occupations employed in such work. In the sample list included in the Appendix, a classification is made of the mechanics and laborers ordinarily engaged in work on projects of the type contemplated. This list, however, does not include architects, technical engineers, draftsmen or technicians who might be employed by the Contractor. These and any other classes of workmen covered by the provisions of the Act may have to be added to the list. Classification of workers and prevailing wage rates should be investigated by the Local Authority as soon after the execution of the Contract for Financial Aid as possible, so that recommendations of wage rates may be submitted by the Local Authority to the FPFA without undue delay. If the State or local law makes provision for the determination of prevailing wages, the Local Authority should recommend to the FPFA the prevailing wages so determined, and furnish evidence of the findings of the State or local body making such determination and a reference to the law under which such determination was made. The provisions of this section in the Appendix will be construed to apply only to those employees of the Contractor and his subcontractors who work on or about the project site.

40. Weekly Payments, 41. Hours of Work, 42. Claims and Disputes Pertaining to Classification of Labor, 43. Qualifications for Employment, 44. Collective Bargaining, and 45. Persons Entitled to Benefits of Labor Provisions are requirements of the Contract for Financial Aid and should not be changed.

46. Contract Security. The furnishing of contract security is a requirement of the Contract for Financial Aid, but as State laws on this subject vary, this section will, in individual projects, have to be modified to meet the applicable provisions of State laws.

47. Insurance. Subsection A relating to workmen's compensation insurance is required by the Contract for Financial Aid and should not be changed unless there is no State workmen's compensation statute applicable to the employees of the Contractor. In the latter event, employers' liability insurance supplemented by workmen's collective insurance should be required. An alternate subsection A providing for such form of coverage is included in the suggested form.

Subsection B relating to public liability insurance is required by the Contract for Financial Aid and should not be changed. It is believed that public liability insurance coverage with limits of \$20,000/40,000 will be sufficient under most contracts.

In subsection C, it is suggested that fire insurance be carried by the Contractor, since construction contracts usually require the Contractor to be responsible for the project until its final completion, and in order to avoid conflict of interest during the construction period. Insurance carried by the Contractor during construction will, to the extent of such coverage, satisfy the requirements of the Contract for Financial Aid. If, however, the Local Authority carries fire insurance on its insurable interest during construction, this subsection of the General Conditions should be changed.

Insurance purchased by the Local Authority shall be obtained after inviting competitive bids. In inviting such bids, the Local Authority shall not discriminate against either stock or mutual companies. Insurance shall be awarded to the lowest bidder, except that the Local Authority, with the prior approval of the FPFA, may award the insurance to other than the lowest bidder if the bid is reasonably within the lowest range or rates available to the Local Authority and if the Local Authority determines that such an award is in the best interests of the low-rent housing program in the community.

48. Reports to the U. S. Department of Labor. This section is required by the Contract for Financial Aid. The forms will be furnished by the Department of Labor. These forms will, after they have been filled out, be turned over to the Construction Adviser for transmittal to the Department of Labor.

49. Pay Rolls, 50. Kick-Back Statute and Regulations, 51. Wage Claims and Adjustments and 52. Interest of Member of Congress are required by the Contract for Financial Aid.

53. Assignment and 54. Partial Occupancy are suggested sections.

PHILIP M. KLUTZNICK  
Commissioner

## A P P E N D I X

### Section A. Invitation for Bids and Bid Documents

1. Form of Invitation for Bids.
2. Bid Documents.
  - (a) Bid Form.
  - (b) Affidavit Form.
  - (c) Form of Statement of Bidder's Qualifications.
  - (d) Bid Bond Form.

### Section B. Instructions to Bidders.

### Section C. Contract and Performance Bond.

- (a) Contract Form.
- (b) Directions for Preparation of Contract.
- (c) Directions for Preparation and Execution of Bid, Performance and Payment Bonds.

### Section D. General Conditions.

INVITATION FOR BIDS

(Should be modified if law requires other form)

The (Name of Local Authority) will receive sealed bids in triplicate for furnishing all labor and materials and performing all work for the construction of (Brief description of development and contract) until      M. (E. S. T. C. S. T.) (Daylight Savings Time) on the      day of     , 194    , at (Address of Local Authority) (Name of city or town) State of     , at which time and place all bids will be publicly opened and read aloud.

The successful bidder will be required to furnish satisfactory performance and payment bond or bonds.

Attention is called to the fact that not less than the minimum wage rates as set forth in the Contract Documents must be paid on this project.

Proposed forms of contract documents, including plans and specifications, are on file at the office of the (Name of Local Authority) at (Address of Local Authority).

Copies of the Contract Documents may be obtained by depositing \$      with the (Name of Local Authority) for each set of the Contract Documents so obtained. The deposit will be refunded to each person who returns the Contract Documents in good condition within 10 days after the opening of bids.

The (Name of Local Authority) reserves the right to reject any or all bids and to waive any informalities in bidding.

A certified check or bank draft payable to the (Name of Local Authority), negotiable U. S. Government Bonds or Notes, or a satisfactory bid bond in an amount equal to      per cent of the bid shall be submitted with each bid.

No bid shall be withdrawn for a period of thirty (30) days subsequent to the opening of bids without the consent of the (Name of Local Authority).

(Name of Local Authority)

(Title of Officer)

(Date)



SUGGESTED FORM OF BID

To the \_\_\_\_\_ (Name of Local Authority)  
 \_\_\_\_\_ (Address)

Gentlemen:

1. The undersigned having examined the local site conditions affecting the cost and administration of the work, the Contract Documents, comprising the Invitation for Bids, Instructions to Bidders, the Bid Form, the Form of Contract, General Conditions, the Form of Bonds, the drawings, specifications and Addenda Nos. \_\_\_\_\_ as prepared by \_\_\_\_\_ (Name of Architect)

\_\_\_\_\_ hereby agrees to furnish all labor, materials, equipment and services required to construct in complete accordance therewith the \_\_\_\_\_

\_\_\_\_\_ (Description of Work)

for:

Base Bid No. 1, the sum of \_\_\_\_\_

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

Base Bid No. 2, the sum of \_\_\_\_\_

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

Base Bid No. 3, the sum of \_\_\_\_\_

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

(Continue Base Bids as required)

2. In submitting this bid it is understood that the right is reserved by \_\_\_\_\_ (Name of Local Authority) to reject any and all bids, and it is agreed that this bid may not be withdrawn for a period of thirty (30) days from the opening thereof.

3. Security in the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) in the form of \_\_\_\_\_, is submitted herewith in accordance with the Contract Documents.

4. Attached hereto is an affidavit in proof that the undersigned has not entered into any collusion with any person in respect to this bid or any other bid or the submitting of bids for the contract for which this bid is submitted. Also attached is a statement of contractor's qualifications.

\_\_\_\_\_, 194\_\_

FIRM NAME \_\_\_\_\_

By \_\_\_\_\_

OFFICIAL ADDRESS

TITLE \_\_\_\_\_

Affidavit Form (Bid Documents).

A F F I D A V I T

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

ss.

\_\_\_\_\_, being first duly sworn, deposes and says:

That he is \_\_\_\_\_ (the party) ( a partner of the firm of etc.)  
(president of the corporation of)

making the foregoing proposal or bid, that such bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived, or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to fix any overhead, profit, or cost element of said bid price, or of that of any other bidder, or to secure any advantage against

\_\_\_\_\_ or any person interested in the proposed contract; and that all statements contained in said proposal or bid are true.

\_\_\_\_\_  
(Name of bidder if the bidder is an individual)

\_\_\_\_\_  
(Name of partner if the bidder is a partnership)

\_\_\_\_\_  
(Name of officer if the bidder is a corporation)

Subscribed and sworn to  
this \_\_\_\_\_ day of \_\_\_\_\_,  
194\_\_.

(NOTE: Some states have statutory requirements for affidavits that bids are not collusive; where prescribed by statute the state law should be followed)

STATEMENT OF BIDDER'S QUALIFICATIONS

To accompany bids submitted for \_\_\_\_\_

Name of Bidder \_\_\_\_\_

Business Address \_\_\_\_\_

When organized \_\_\_\_\_

Where incorporated \_\_\_\_\_

How many years have you been engaged in the contracting business under the present firm name? \_\_\_\_\_

Credit available for this contract, \$ \_\_\_\_\_

Contracts now on hand. Gross amount, \$ \_\_\_\_\_

Plan of organization \_\_\_\_\_

Personnel of organization \_\_\_\_\_

Have you ever refused to sign a contract at your original bid? \_\_\_\_\_

Have you ever defaulted on a contract? \_\_\_\_\_

Remarks \_\_\_\_\_

CONDENSED CURRENT FINANCIAL STATEMENT

Condition at close of business \_\_\_\_\_

19 \_\_\_\_\_

ASSETSDOLLARSCENTS

1. Cash: (a) On hand \$ \_\_\_\_\_, (b) In bank \$ \_\_\_\_\_, (c) Elsewhere \$ \_\_\_\_\_
2. Notes receivable (a) Due within 90 days \_\_\_\_\_  
(b) Due after 90 days \_\_\_\_\_  
(c) Past due \_\_\_\_\_
3. Accounts receivable from completed contracts, exclusive of claims not approved for payment \_\_\_\_\_
4. Sums earned on uncompleted contracts as shown by Engineer's or Architect's estimate  
(a) Amount receivable after deducting retainage \_\_\_\_\_  
(b) Retainage to date, due upon completion of contracts \_\_\_\_\_
5. Accounts receivable from sources other than construction contracts \_\_\_\_\_
6. Deposits for bids or other guarantees:  
(a) Recoverable within 90 days \_\_\_\_\_  
(b) Recoverable after 90 days \_\_\_\_\_
7. Interest accrued on loans, securities, etc. \_\_\_\_\_
8. Real Estate (a) Used for business purposes \_\_\_\_\_

- (b) Not used for business purposes \_\_\_\_\_
9. Stocks and Bonds: (a) Listed--present market value \_\_\_\_\_  
(b) Unlisted--Present value \_\_\_\_\_
10. Materials in stock not included in Item 4  
(a) For uncompleted contracts (present value) \_\_\_\_\_  
(b) Other materials (present value) \_\_\_\_\_
11. Equipment, book value \_\_\_\_\_
12. Furniture and fixtures, book value \_\_\_\_\_
13. Other assets \_\_\_\_\_
- TOTAL ASSETS

#### LIABILITIES

1. Notes Payable: (a) To banks regular \_\_\_\_\_  
(b) To banks for certified checks \_\_\_\_\_  
(c) To others for equipment obligations \_\_\_\_\_  
(d) To others exclusive of equipment obligations \_\_\_\_\_
2. \*Accounts Payable: (a) Not past due \_\_\_\_\_  
(b) Past due \_\_\_\_\_
3. Real Estate Encumbrances \_\_\_\_\_
4. Other liabilities \_\_\_\_\_
5. Reserves \_\_\_\_\_
6. Capital stock paid up: (a) Common \_\_\_\_\_  
(b) Common \_\_\_\_\_  
(c) Preferred \_\_\_\_\_  
(d) Preferred \_\_\_\_\_
7. Surplus (net worth) Earned \$ \_\_\_\_\_ Unearned \$ \_\_\_\_\_
- TOTAL LIABILITIES

#### CONTINGENT LIABILITIES

DOLLARS

CENTS

1. Liability on notes receivable,  
discounted or sold \_\_\_\_\_
2. Liability on accounts receivable,  
pledged, assigned or sold \_\_\_\_\_
3. Liability as bondsmen \_\_\_\_\_
4. Liability as guarantor on contracts  
or on accounts of others \_\_\_\_\_
5. Other contingent liabilities \_\_\_\_\_

#### TOTAL CONTINGENT LIABILITIES

The above statements must be subscribed and sworn to before a notary public.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 194 \_\_\_\_\_

Notary Public

By \_\_\_\_\_

\*Include all amounts owing subcontractors for all work in place and accepted on completed and uncompleted contracts, including retainage.

42-036-p19-bu

BID BOND

KNOW ALL MEN BY THESE PRESENTS, That we,

(See Instructions- )

as PRINCIPAL, and

as SURETY,

(See Instructions )

are held and firmly bound unto (Name of Local Authority)  
hereinafter called the "Local Authority", in the penal sum of \_\_\_\_\_ Dol-  
lars, lawful money of the United States; for the payment of which sum well and  
truly to be made, we bind ourselves, our heirs, executors, administrators,  
and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal  
has submitted the accompanying bid, dated \_\_\_\_\_, 19\_\_\_\_, for \_\_\_\_\_

NOW, THEREFORE, if the principal shall not withdraw said bid within the  
period specified therein after the opening of the same, or, if no period be  
specified, within thirty (30) days after said opening; and shall within the  
period specified therefor, or, if no period be specified, within ten (10)  
days after the prescribed forms are presented to him for signature, enter into  
a written contract with the Local Authority in accordance with the bid as  
accepted, and give bond with good and sufficient surety or sureties, as may  
be required, for the faithful performance and proper fulfillment of such con-  
tract; or in the event of the withdrawal of said bid within the period specified,  
or the failure to enter into such contract and give such bond within the time  
specified, if the principal shall pay the Local Authority the difference between  
the amount specified in said bid and the amount for which the Local Authority  
may procure the required work or supplies or both, if the latter amount be in  
excess of the former, then the above obligation shall be void and of no effect,  
otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instru-  
ment under their several seals this \_\_\_\_\_ day of \_\_\_\_\_, 194\_\_\_\_,  
the name and corporate seal of each corporate party being hereto affixed and  
these presents duly signed by its undersigned representative, pursuant to  
authority of its governing body. In presence of--

\_\_\_\_\_  
(Individual Principal) (SEAL)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Business Address)

\_\_\_\_\_  
(Individual Principal) (SEAL)

_____ (Address)	_____ (Business Address)	
_____ (Address)	_____ (Business Address)	(Individual Principal) (SEAL)
_____ (Address)	_____ (Business Address)	(Individual Principal) (SEAL)
_____ (Address)	_____ (Business Address)	

Attest:

\_\_\_\_\_  
(Corporate Principal)  
\_\_\_\_\_  
(Business Address)  
\_\_\_\_\_  
(Affix corporate seal)  
By \_\_\_\_\_

Attest:

\_\_\_\_\_  
(Individual Surety)  
\_\_\_\_\_  
(Business Address)  
\_\_\_\_\_  
(Corporate Surety)  
\_\_\_\_\_  
(Business Address)  
\_\_\_\_\_  
(Affix corporate seal)  
By \_\_\_\_\_

The rate of premium on this bond is \_\_\_\_\_ per thousand.  
Total amount of premium charged, \$ \_\_\_\_\_.

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_, secretary of the corporation named as principal in the within bond; that \_\_\_\_\_, who signed the said bond on behalf of the principal was then \_\_\_\_\_ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

\_\_\_\_\_  
(CORPORATE SEAL)

AFFIDAVIT BY INDIVIDUAL SURETY

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss:

I, \_\_\_\_\_, being duly sworn, depose and say that I am one of the sureties to the foregoing bond; that I am a citizen of the United States, and of full age and legally competent; that I reside at \_\_\_\_\_ and that I am worth in real estate and personal property the sum of \_\_\_\_\_ dollars, over and above (1) all my debts and liabilities, owing and incurred, (2) any property exempt from execution, (3) and aggregate full penalties and all other bonds on which I am surety, and (4) any pecuniary interest I have in the business of the principal on said bond; that I own, unencumbered, real estate, the fee of which is in my name, worth \_\_\_\_\_ dollars, located in \_\_\_\_\_; that said property is not exempt from seizure and sale under any homestead law, community, or marriage law, or upon any attachment, execution, or judicial process, and that I am not surety on any other bonds, except as follows:

(State character and amount of each bond. If not  
on other bonds, so state)

(Surety's signature)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
194\_\_\_\_, at \_\_\_\_\_

(Title of official administering oath.)

Official seal

CERTIFICATE OF SUFFICIENCY

I, \_\_\_\_\_ do hereby certify that \_\_\_\_\_, one of the sureties named above, is personally known to me, and that, to the best of my knowledge and belief, the facts stated by such surety in the foregoing affidavit are true.

(Address)



## INSTRUCTIONS TO BIDDERS

1. Special Notice to Bidders. Attention is directed to the fact that this Specification has bound hereto a complete set of bidding and contract forms. These are for the convenience of bidders and are not to be detached from the Specification, filled out or executed. Separate copies of Bid Forms are furnished for that purpose, in quadruplicate, three to be submitted with bid and one to be retained by the bidder for his records.

2. (A) The Contractor is cautioned to study each base bid in detail to assure a complete understanding of the bidding requirements. Each base bid will probably call for construction different from each other base bid. Each base bid must be complete in itself and not conditioned upon any other base bid.

(B) Base bid number one will be based on the plans and specifications as drawn. Each other base bid will have requirements differing from base bid No. 1 and from each other.

3. Bid Form. (A) All bids must be submitted in triplicate, prepared in conformity with, and based upon and subject to all requirements of the Contract Documents.

(B) Bid Documents shall be enclosed in an outer and inner envelope, both of which shall be sealed and clearly labeled "Bid Documents" to guard against opening prior to the time set therefor. The Bidder shall place his firm name and the name and number of the project on the outside of both envelopes.

(C) The Local Authority may consider as informal any bid on which there is an alteration or departure from the Bid Form hereto attached.

4. Interpretations. No oral interpretations will be made to any bidder as to the meaning of the Contract Documents. Every request for an interpretation shall be made in writing and addressed to the Local Authority at \_\_\_\_\_. No inquiry received within \_\_\_\_\_ days of the date fixed for opening of bids will be given consideration. Every interpretation will be in the form of an addendum and sent to all persons to whom the Contract Documents have been issued. Failure of the Local Authority to send, or of any bidder to receive, any such interpretation shall not relieve any bidder from any obligation under his bid as submitted.

No claim for extra cost will be allowed to cover failure of the Contractor to properly estimate the difficulty of complying with Contract requirements, inability to get materials at the price used in the Contractor's estimate or other costs unforeseen by the Contractor.

5. Examination of Site and Drawings. Each bidder shall visit the site of the proposed work and fully acquaint himself with conditions as they exist so that he may fully understand the facilities, difficulties and restrictions attending the execution of the work under this contract. Bidders shall thoroughly examine the Contract Documents. The failure of any bidder to receive or examine any form, instrument or document or to visit the site and acquaint himself with conditions there existing shall in nowise relieve any bidder from any obligation with respect to his bid.



6. Statement of Bidder's Qualifications. Each bid must be accompanied by a statement, on the form furnished, of the bidder's financial resources, his construction experience, and his organization available for the work contemplated. The Local Authority shall have the right to take such steps as it deems necessary to determine the ability of the bidder to perform the work and the bidder shall furnish to the Local Authority all such information and data for this purpose as the Local Authority may request. The right is reserved to reject any bid where an investigation discloses the bidder is not qualified to carry out properly the terms of the Contract Documents.

7. Bid Guaranty. (A) The bid must be accompanied by a bid guaranty which shall not be less than \_\_\_\_\_ percent (\_\_\_\_\_) of the amount of the bid, and at the option of the bidder may be a certified check, bank draft, negotiable U. S. Government Bonds or Notes (at par value), or a bid bond in the form attached to the Bid Form. No bid will be considered unless it is so guaranteed. Certified check or bank draft must be made payable to the order of \_\_\_\_\_ (Name of Local Authority). Cash deposits will not be accepted. The bid guaranty shall insure the execution of the contract and the furnishing of performance and payment bonds by the successful bidder as specified in the Contract Documents.

(B) Revised Bids, whether forwarded by mail or telegram, if representing an increase in excess of two percent (2%) of the original bid, must have the bid guaranty increased, if necessary, sufficiently to comply with Subsection A of this paragraph; otherwise the revision of the bid will not be considered and the original bid shall remain in force.

(C) In case Bid Guaranty is in the form of a certified check, bank draft, or negotiable U. S. Government Bonds or Notes, the Local Authority may make such disposition of the same as will accomplish the purpose for which submitted. Certified checks or bank drafts may be held uncollected at the bidder's risk. Certified checks or bank drafts, or the amount thereof, and U. S. Government Bonds or Notes of unsuccessful bidders will be returned as soon as practicable after the opening of Bids.

8. Alternative Bids. Voluntary alternative bids will not be considered.

9. Corrections. Erasures or other changes in the bids must be explained or noted over the signature of the bidder.

10. Time for Receiving Bids. (A) Bids received prior to the time of opening will be kept, unopened. The officer whose duty it is to open them will decide when the specified time has arrived. No bid received thereafter will be considered. No responsibility will attach to an officer for the premature opening of a bid not properly addressed and identified. Telegraphic bids will not be considered, but modifications by telegraph of bids already submitted will be considered if delivered by the telegraph company to the office of the Local Authority prior to the hour set for opening.

(B) While telegraphic modifications of bids may be received as provided, such modification, if not explicit and if in any sense subject to misinterpretation, shall make the bid so modified or amended subject to rejection.

(C) Bidders must allow ample time for transmittal of bids by mail or otherwise. The method of accomplishing this requirement is the bidder's responsibility without recourse for failure.

11. Withdrawal of Bids. Bids may be withdrawn on written or telegraphic request if delivered to the office of the Local Authority prior to the time fixed for opening. Provided, That telegraphic withdrawal is confirmed in writing over the signature of the bidder within 48 hours thereafter. Negligence on the part of the bidder in preparing the bid confers no rights for the withdrawal of the bid after it has been opened.

12. Bidders Present. Bidders should be represented at the public opening of bids.

13. Award of Contract; Rejection of Bid. The contract will be awarded to the lowest responsible bidder who submits the lowest base bid of all base bids. (The contractor may bid on one or all base bids, as he wishes, but there will be considered only the lowest base bid). The Local Authority, however, reserves the right to reject any and all bids and to waive any informality in bids received whenever such rejection or waiver is in the interest of the Local Authority. The Local Authority also reserves the right to reject the bid of any bidder who has previously failed to perform properly, or complete on time, contracts of a similar nature; who is not in a position to perform the contract; or who has habitually and without just cause neglected the payment of bills or otherwise disregarded his obligations to subcontractors, materialmen, or employees. In determining the lowest responsible bidder the following elements, in addition to those above mentioned, will be considered; whether the bidder involved (a) maintains a permanent place of business; (b) has adequate plant equipment to do the work properly and expeditiously; (c) has a suitable financial status to meet the obligations incident to the work; (d) has appropriate technical experience.

14. Performance and Payment Bond, Execution of Contract. (A) The successful bidder shall furnish a Performance and Payment Bond in a penal sum of at least fifty percentum (50%) of the total amount payable by the terms of the contract. Such bond shall be in the form of Bond, a copy of which is included among the Contract Documents.

(If a separate Payment Bond is required this provision should be modified)

(B) The successful bidder shall execute the Contract Form with the Local Authority in such number of counterparts as the Local Authority may request.

(C) Performance and Payment Bond shall be furnished and Contract shall be executed and delivered by the successful bidder within ten (10) days after the receipt by the successful bidder of notice of acceptance of his bid by the Local Authority.

15. Time for Completion. The work shall be commenced at the time stated in the notice to the Contractor to proceed and shall be completed in \_\_\_\_\_ consecutive calendar days from the date stated in said notice.

(Modify this clause if it is desired to permit landscape work to be finished at a later date than the rest of the work).

(Modify this clause in case it is desired to complete the work by groups of dwelling units on progressively different dates).

16. Liquidated Damages. As actual damages for delay in completion are impossible of determination, the Contractor and his sureties shall be liable for and shall pay to the Local Authority the sum of \$\_\_\_\_\_ as fixed, agreed and liquidated damages for each calendar day of delay (not beyond the control of the Contractor, see Section 12 of the General Conditions) until the work is completed or accepted.

(Evaluate the damages if landscape is to be completed at a later date)

(Modify if project is completed on a series of dates for different groups of dwelling units evaluating the damages accordingly).

17. Unit Prices. Unit prices on items listed below will be \_\_\_\_\_

(Describe the method by which unit prices will be determined)

In adjusting all changes in the work or extra work which has been ordered, the rules of measurement contained herein will be used for all such classifications of work irrespective of the quantities involved. The unit prices shall include all items of labor and material, the use of power tools and equipment, power and all items of cost such as public liability and workmen's compensation insurance and pro-rated charges for foreman but shall not include any costs of pumping if the same are found necessary. The contractor's overhead and profit shall not be included, but in addition to the unit prices agreed upon, the contractor shall be given for his overhead and profit, the percentages set forth in the General Conditions of the specification under the heading of "Changes in the Work". This overhead and profit includes but is not limited to insurance other than mentioned above, bond or bonds, superintendent, timekeepers, clerks, watchmen, use of all small tools and other incidental job burdens and general office expenses.

- (1) General Excavation (Machine)  
Left on site as directed per cu. yd. \_\_\_\_\_
- (2) General Excavation (Machine)  
Removed from the site per cu. yd. \_\_\_\_\_
- (3) Hand Excavation to 5 ft. depth,  
Left on site as directed per cu. yd. \_\_\_\_\_
- (4) Hand Excavation to 5 ft. depth,  
Removed from the site per cu. yd. \_\_\_\_\_

- (5) Hand Excavation, per 1 foot depth extra  
(Add to Items #3 and #4 for each additional foot below 5 ft. depth) per cu. yd. \_\_\_\_\_
- (6) Removal of Stacked excavated material from the site per cu. yd. \_\_\_\_\_
- (7) Backfill (due to extra excavation) per cu. yd. \_\_\_\_\_
- (8) Rock excavation, encountered in General Excavation or Grading, using explosives per cu. yd. \_\_\_\_\_
- (9) Rock excavation, encountered in General Excavation, or Grading where explosives are prohibited per cu. yd. \_\_\_\_\_
- (10) Rock excavation in Trenches, using explosives per cu. yd. \_\_\_\_\_
- (11) Rock Excavation in Trenches, where explosives are prohibited per cu. yd. \_\_\_\_\_
- (12) Removal from site of excavated rock per cu. yd. \_\_\_\_\_

(Local Authority may add other unit prices, as desired)

#### RULES FOR MEASUREMENT

- (a) General Excavation shall be assumed to extend 2 feet outside of wall lines.
- (b) The quantity of Hand Excavation shall be computed from the level at which hand excavation starts.
- (c) Excavation for footings shall be assumed to be 6 inches outside of concrete footing lines.
- (d) Trenches for walls shall be assumed to be 2 feet wider than wall thickness, but in no case less than 3 feet in width. Trenches for pipes shall be 2 feet wider than outside diameter of pipes.
- (e) Backfilling shall be computed on the volume of excavation, according to the foregoing rules less volume of displacement, by foundation walls and footings.
- (f) Where rock excavation replaces earth excavation required under the contract, the Local Authority shall be credited with the earth excavation omitted. Boulders of less than 1/2 cubic yard shall not be counted as rock excavation.

18. Collusive Agreements. Each Bidder is required to submit with his bid an affidavit in the form attached to the Bid Form to the effect that the bidder has not colluded with any other person in regard to any bid submitted.

19. Discrimination. For the purpose of determining whether discrimination has been made in regard to Negro labor in violation of the provisions of Section 43 of the General Conditions it is hereby provided that if the Contractor pays to the Negro skilled labor at least \_\_\_\_% of the total amount paid in any period of four weeks under the contract for all skilled labor (irrespective of individual trades) and pays Negro unskilled labor at least \_\_\_\_% of the total amount paid in any period of four weeks under the contract for all unskilled labor, it shall be considered as prima facie evidence that the Contractor has not discriminated against Negro labor. (For the information of the Contractor these percentages are based upon percentages of Negro skilled and unskilled building construction laborers employed in the City of \_\_\_\_\_, as reflected by \_\_\_\_\_ Census, 19\_\_\_\_, and other relevant data.)

20. Estimates of Cost of Dwelling Facilities. The successful bidder will be required to cooperate with the Local Authority and the Architect in a breakdown of his bid price in order to show the division of costs between dwelling facilities and non-dwelling facilities.

CONTRACT

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_  
in the year nineteen hundred forty \_\_\_\_\_ by and between \_\_\_\_\_  
\_\_\_\_\_ hereinafter called the  
"Contractor", and\* \_\_\_\_\_ herein-  
after called the "Local Authority".

WITNESSETH, That the Contractor and the Local Authority for the con-  
sideration stated herein agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all labor  
and materials and services and perform all work required for \_\_\_\_\_

(Description of Work)

in strict accordance with the Contract Documents which include the Speci-  
fications and the Drawings, and Addenda, and are designated as follows:

(Identify with numbers and last revision date of the Specifications  
and Drawings, and Addenda)

ARTICLE 2. Time of Completion. The Contractor shall commence work  
under this contract on a date to be specified in a written order of the  
Local Authority and shall fully complete all work thereunder within \_\_\_\_\_  
consecutive calendar days from and including said date.

(Fix 2 dates if landscape is to be finished at a date later than the  
rest of the work)

ARTICLE 3. The Contract Price. The Local Authority shall pay the  
Contractor for the performance of the Contract, subject to additions and  
deductions provided therein, in current funds as follows: \_\_\_\_\_

\_\_\_\_\_ for performance  
of the work called for by the contract in accordance with Base Bid No. \_\_\_\_\_

ARTICLE 4. As actual damages for delay in completion are impossible  
of determination, the Contractor and his sureties shall be liable for and  
shall pay to the Local Authority the sum of \$ \_\_\_\_\_ as  
fixed, agreed and liquidated damages for each calendar day of delay (not  
beyond the control of the Contractor) until the work is completed or  
accepted.

\*Note: The Local Authority should be identified in the opening paragraph  
by its official name, a designation of its corporate status and the law  
under which it was created, for example:

"The Housing Authority of \_\_\_\_\_.

- (a) (a public corporation)
- (b) (a body politic and corporate)
- (c) (a municipal corporation) etc.

created by the Housing Authorities Law of  
the State of \_\_\_\_\_

(Modify this clause if landscape is to be finished at a later date).

ARTICLE 5: Contract Document. Contract Documents shall consist of the following component parts:

1. This Instrument
2. General Conditions
3. Instructions to Bidders
4. Specifications
5. Drawings
6. Contractor's Bid as accepted by the Local Authority.

This Instrument together with the documents enumerated in Article 1 from the Contract, are as fully a part of the Contract as if hereto attached or herein repeated. In the event that any provision in any of the component parts with its addenda, if any, of this Contract conflicts with any provision of any other component part, the provision in the component part first enumerated if applicable shall govern, except as otherwise specifically stated in the Contract Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Instrument to be executed in \_\_\_\_\_ original counterparts the day and year first above written.

\_\_\_\_\_  
Contractor

Countersigned:

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Local Authority

Attest:

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

I, \_\_\_\_\_, certify that I am the secretary of the corporation named as Contractor herein; that \_\_\_\_\_ who signed this Contract on behalf of the Contractor, was then \_\_\_\_\_ 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.

\_\_\_\_\_  
Corporate Seal



I HEREBY CERTIFY that, to the best of my knowledge and belief, based upon observation and inquiry, \_\_\_\_\_ who signed this Contract for the \_\_\_\_\_ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

#### DIRECTIONS FOR PREPARATION OF CONTRACT

1. The blank space of article 1 is intended for the insertion of a statement of the work to be done, together with place of performance or for the enumeration of papers which contain the necessary data.

2. All blank spaces must be filled in or ruled out. The Contract must be dated and the bond must bear the same or subsequent date.

3. An officer of a corporation, a member of a partnership, or an agent, signing for the principal shall place his signature and title after the word "By" under the name of the principal. A Contract executed by an attorney or agency on behalf of the Contractor shall be accompanied by two authenticated copies of his power of attorney or other evidence of his authority to act on behalf of the Contractor.

4. If the Contractor is a corporation, one of the certificates following the signatures of the parties must be executed. If the Contract is signed by the secretary of the corporation, then the first certificate must be executed by some other officer of the corporation under the corporate seal, or the second certificate executed by a representative of the Local Authority. In lieu of either of the foregoing certificates there may be attached to the Contract copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

5. The full name and business address of the Contractor must be inserted and the Contract signed with his usual signature. Typewrite or print name under all signatures to Contract and bond.



DIRECTIONS FOR PREPARATION AND EXECUTION OF BID,  
PERFORMANCE, AND PAYMENT BONDS

1. The surety on the bond for any bid or for the performance of the contract may be any corporation authorized and qualified to act as surety in the State of \_\_\_\_\_, or two responsible individual sureties. Each individual surety shall justify in sum not less than the penalty of the bond.

2. A firm as such, will not be accepted as a surety, nor as a partner for co-partners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States and residents of \_\_\_\_\_

3. The name, including full Christian name, and residence of each individual party to the bond shall be inserted in the body thereof, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine, Massachusetts, or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the body of the bond, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. The signature of a witness shall appear in the appropriate place, attesting the signature of each individual party to the bond.

6. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the appropriate place in the body of the bond, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

7. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form attached thereto. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certi-

fied by the secretary or assistant secretary, under the corporate seal, to be true copies.

8. Each individual surety shall justify, under oath, according to the form appearing on the bond, before some officer having authority to administer oaths generally. If the officer has an official seal it shall be affixed, otherwise the proper certificate as to his official character shall be furnished.

9. The certificate of sufficiency shall be signed by an officer of a bank or trust company, or by a judge or clerk of a court of record, or any other officer of the United States or the State of \_\_\_\_\_ acceptable to the Local Authority.

10. The date of the bond must not be prior to the date of the instrument for which it is given.

## GENERAL CONDITIONS

(For use where the Architect is to supervise construction)

1. Definitions. Wherever used in any of the Contract Documents, the following meaning shall be given to the terms herein defined:

(A) The "Contract" means the Contract executed by the Local Authority and the Contractor of which these General Conditions form a part. The entire list of Contract Documents is set forth in the contract form.

(B) The terms "Local Authority" and "Contractor" mean the respective parties to the Contract.

(C) The term "FPHA" means the agency and instrumentality of the United States of America created by the United States Housing Act of 1937 (Public No. 412-75th Congress) and administered as the Federal Public Housing Authority pursuant to the provisions of Executive Order 9070, which (subject to the provisions of a certain Contract for Financial Aid, dated \_\_\_\_\_, between the Local Authority and the FPHA) has agreed to purchase certain obligations of the Local Authority to aid in financing the work to be performed under the Contract.

(D) The "Architect" is the person, firm or corporation under contract with the Local Authority for architectural services related to the work.

(E) The term "Construction Adviser" means the person designed by the Commissioner of the FPHA to perform certain functions in connection with the Contract for Financial Aid between the FPHA and the Local Authority.

(F) The term "Development" means the housing development, the construction work for which is contemplated in whole or in part under this contract.

(G) The term "Drawings" refers to the drawings enumerated in the Contract.

(H) The term "Specifications" refers to the detailed description of the work, including addenda thereto.

## 2. Changes in the Work.

(A) The Local Authority may make changes in the work of the Contractor by making alterations therein or by making additions thereto or by omitting work therefrom, without invalidating the Contract, and without relieving or releasing the Contractor from any guarantee given by him pursuant to the provisions of the Contract, and without affecting the validity of the guaranty bonds, and without relieving or releasing the Sureties of said bonds. All such work shall be executed under the conditions of the original Contract.

(B) Every change in the work of the Contractor involving a change in the Contract Price shall be broken down to indicate the amounts included therein for dwelling and non-dwelling facilities.

(C) Except for minor modifications in the work not involving extra cost or additional time and not inconsistent with the purposes of the Development, and except in an emergency endangering life or property, no extra work or change shall be made unless in pursuance of a written order from the Local Authority authorizing the extra work or change, and no claim for an addition to the contract amount shall be valid unless so ordered.

(D) The value for the change ordered shall be determined in one of the following methods prior to the issuance of the order for the extra or changed work. The Local Authority will decide which of the methods shall be used.

i. By estimating the total lump sum value of the cost of the change in the work of the Contractor not including overhead or profit. The Contractor shall submit a breakdown of his estimate of bare cost revealing quantities and pricing without overhead or profit.

ii. By ascertaining the number of unit quantities of each part of the work which is changed and then multiplying the ascertained number of such unit quantities by the agreed cost price for a unit quantity thereof without including overhead and profit.

iii. By ordering the Contractor to proceed with the work and to keep and present in such form as directed a correct account of the cost of the extra or change work without overhead and profit together with all vouchers therefor. This authorization shall fix an amount which the Contractor guarantees the actual cost of the change will not exceed.

(E) There shall be added to such cost arrived at in accordance with Method i, ii or iii an allowance for overhead and profit of 15%\* to the Contractor on all work which he himself performs; 15%\* shall be allowed to the Subcontractor for his overhead and profit on all work which he does, and an additional amount, not exceeding  $7\frac{1}{2}$ %\* percent, shall be allowed to the Contractor for work done by the Subcontractor and superintended by the Contractor. These percentages shall apply to the net additions of any one change. The cost may include all items of labor or materials, the use of power tools and equipment, power and all items of cost such as public liability and workmen's compensation insurance, also social security, old age and unemployment insurance; however, no percentage for overhead and profit will be allowed on items of social security, old age and unemployment insurance. Among the items considered as overhead are included insurance other than mentioned above, bond or bonds, superintendent, timekeepers, clerks, watchmen, use of small tools, incidental job burdens, and general office expenses.

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\* These percentages are suggested amounts based on customary practice, but the Local Authority may change the percentages to conform to local practice.

(F). Changes determined by Methods 1, 11 or 111 shall include the number of days to be added to the time for completion if a time extension is equitably indicated.

(G) If deductions are ordered the credit shall be the net cost as defined above with no deductions for overhead and profit.

(H) Should the Contractor or the Local Authority encounter during the progress of the work sub-surface or latent conditions at the site materially differing from those shown on the Drawings or indicated in the Specifications, the attention of the Architect shall be called immediately to such conditions before they are disturbed. If the Architect finds that they materially differ from those shown on the Drawings or indicated in the Specifications, he shall at once make such changes in the Drawings or Specifications as he may find necessary and any increase or decrease in cost or extension of time resulting from such changes shall be adjusted in the same manner as provided for changed or extra work, provided the proper written order signed by the Local Authority has been received.

3. Claims for Extra Cost. If the Contractor claims that any instructions by Drawings or otherwise involve extra cost or an extension of time, he shall give the Local Authority written notice thereof within ten days after the receipt of such instructions and in any event before proceeding to execute the work. The procedure shall then be the same as provided for in Changes in the Work. No such claim shall be valid unless so made and supported by proof that an extra is justified.

#### 4. Inspection.

(A) All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection, examination, and test by the Local Authority and the Architect at any and all times during manufacture or construction and at any and all places where such manufacture or construction are carried on. The Local Authority shall have the right to reject defective material and workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected. Rejected material shall be promptly segregated and removed from the premises and satisfactorily replaced with proper material without charge therefor. If the Contractor fails to proceed at once with the correction of rejected defective material or workmanship, the Local Authority may by contract or otherwise have the defects remedied or rejected materials removed from the site and charge the cost of the same against any moneys which may be due the Contractor, without prejudice to any other rights or remedies of the Local Authority in the premises.

(B) The Contractor shall furnish promptly without additional charge, all materials reasonably necessary for any tests that may be required. All tests by the Local Authority shall be performed in such manner as not to unnecessarily delay the work and unless otherwise provided for shall be made at the expense of the Local Authority. Special, full size, and performance tests shall be described in the Specifications. The Contractor shall be charged with any costs of additional tests when the material tested does not meet specifications.

(C) If any work be covered up without approval or consent of the Architect or the Local Authority, it must, if requested by the Local Authority be uncovered at the expense of the Contractor. Should it be considered necessary or advisable by the Local Authority at any time before final acceptance of the entire work to make an examination of work already completed, by removing or tearing out same, the Contractor shall on request promptly furnish all necessary facilities, labor, and material. If such work is found to be defective in any material respect, due to fault of the Contractor or his subcontractors, he shall defray all the expenses of such examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the Contract, the actual cost of labor and material necessarily involved in the examination and replacement, plus 15 per cent, shall be allowed the Contractor and he shall, in addition, if completion of the work has been delayed thereby, be granted a suitable extension of time on account of the additional work involved.

(D) Inspection of material and finished articles to be incorporated in the work at the site may be made at the place of production, manufacture, or shipment, whenever the quantity justifies it, unless otherwise stated in the Specifications; and such inspection and acceptance, unless otherwise stated in the Specifications, shall be final, except as regards (i) latent defects, (ii) departures from specific requirements of the Contract and the Specifications and Drawings made a part thereof, (iii) damage or loss in transit, or (iv) fraud or such gross mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of material and workmanship for final acceptance as a whole or in part shall be made at the site.

5. Final Inspection. When the work is substantially completed the Contractor shall notify the Local Authority (in writing) that the work will be ready for final inspection on a definite date which shall be stated in such notice which shall be given at least 10 days prior to the date stated for final inspection.

6. Review by FPHA. The FPHA and its authorized representatives and agents shall, at all times, have access to and be permitted to observe and review all work, materials, pay rolls, records of personnel, conditions of employment, invoices of materials, and other relevant data and records; provided, however, that all instructions and approvals with respect to the work shall be given to the Contractor only by the Local Authority.

7. General Guaranty. Neither the final certificate of payment nor any provision in the Contract Documents nor partial or entire use or occupancy of the premises by the Local Authority shall constitute an acceptance of work not done in accordance with the Contract Documents or relieve the Contractor of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The Contractor shall remedy any defects in the work and pay for any damage to other work resulting therefrom which shall appear within a period of one year from the date of final acceptance unless a longer period is specified. The Local Authority will give notice of observed defects with reasonable promptness.

8. Deduction for Uncorrected Work. If the Local Authority deems it inexpedient to require the Contractor to correct work injured or not done in accordance with the Contract Documents, an equitable deduction from the



Contract Price shall be made by agreement between the Contractor and the Local Authority subject to settlement, in case of dispute, as hereinafter provided.

9. Materials and Workmanship. Unless otherwise specifically provided for in the Specification, all workmanship, equipment, materials, and articles incorporated in the work covered by this Contract are to be of the best grade of their respective kinds for the purpose. Where equipment, materials, or articles are referred to in the Specifications as "equal to" any particular standard, the Architect shall decide the question of equality. The Contractor shall furnish to the Architect for his approval the name of the manufacturer of machinery, mechanical and other equipment, which he contemplates installing, together with their respective performance capacities and other pertinent information. When required by the Specifications, or when called for by the Architect, the Contractor shall furnish the Architect for approval full information concerning the materials or articles which he contemplates incorporating in the work. Samples of materials shall be submitted for approval when and as directed. Machinery, equipment, materials, and articles installed or used without such approval shall be at the risk of subsequent rejection.

The Local Authority or the Architect may require the Contractor to dismiss from the work such employee or employees as the Local Authority or Architect deems incompetent, careless, insubordinate, or otherwise objectionable.

10. Superintendence by Contractor. The Contractor shall give his personal superintendence to the work or have a competent superintendent, satisfactory to the Local Authority or the Architect, on the work at all times during progress with authority to act for him. The Contractor shall also provide an adequate staff for the proper coordination and expediting of his work.

The Contractor shall lay out his own work and shall be responsible for all lines, elevations, and measurements of the building, grading, paving and other work executed by him under the contract. He must exercise proper precaution to verify the figures shown on the drawings before laying out the work and will be held responsible for any error resulting from his failure to exercise such precaution.

Claims for additional compensation for extra work, due to alleged errors in spot elevations, contour lines or bench marks, will not be recognized unless accompanied by certified survey data, made prior to the time the original ground was disturbed, clearly showing that errors exist which resulted, or would result, in handling of more material, or performing more work, than would reasonably be estimated from the plans and topographical maps issued.

Any discrepancies which may be discovered between actual conditions as represented by the topographic maps and plans shall be reported to the Local Authority, and work shall not proceed, except at contractor's risk, until written instructions have been received from the Local Authority.

11. Right of Local Authority to Terminate Contract. If the Contractor should be adjudged a bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he should persistently or repeatedly refuse or fail to supply enough properly skilled workmen or proper materials, or if he should fail to make prompt payment to his employees or his subcontractors, or persistently disregard instructions of the Local Authority or Architect or fail to observe or perform the provisions of the Contract Documents, or otherwise be guilty of a substantial violation of any provision of the Contract Documents, then the Local Authority may, by at least five days prior written notice to the Contractor, without prejudice to any other rights or remedies of the Local Authority in the premises, terminate the Contractor's right to proceed with the work. In such event, the Local Authority may take over the work and prosecute the same to completion, by contract or otherwise, and the Contractor and his sureties shall be liable to the Local Authority for any excess cost occasioned to the Local Authority thereby plus liquidated damages already accrued; and in any such case the Local Authority may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. The foregoing provisions are in addition to, and not in limitation of the rights of the Local Authority under any other provisions of the contract documents.

12. Delays -- Damages. If the Contractor refuses or fails to prosecute the work, or any separate part thereof, with such diligence as will insure its completion within the time specified or any extension thereof, or fails to complete said work within such time, the Local Authority may, by at least 5 days prior written notice to the Contractor, terminate his right to proceed with the work or such parts of the work as to which there has been delay. In such event the Local Authority may take over the work and prosecute the same to completion, by contract or otherwise, and the Contractor and his sureties shall be liable to the Local Authority for any excess cost occasioned by the Local Authority thereby. If the Contractor's right to proceed is so terminated, the Local Authority may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. If the Local Authority does not terminate the right of the Contractor to proceed, the Contractor shall continue the work, in which event the actual damages for the delay will be impossible to determine and in lieu thereof the Contractor shall pay to the Local Authority as fixed, agreed and liquidated damages for each calendar day of delay until the work is completed or accepted the amount as set forth elsewhere in the Contract Documents and the Contractor and his sureties shall be liable for the amount thereof. In the event the Local Authority shall at any time subsequent to the date of completion, as established in the contract or any amendment thereto, terminate the Contractor's right to proceed, such termination shall not relieve the Contractor of the payment of the liquidated damages which have accrued from the completion date as established in the contract, up to and including the date of the termination of the Contractor's right to proceed; Provided, That the right of the Contractor to proceed shall not be terminated or the Contractor charged with liquidated damages because of any delays in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the Local Authority, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes,



and unusually inclement weather, or delays of subcontractors due to such causes: Provided, Further, That the Contractor shall within 10 days from the beginning of any such delay notify the Local Authority in writing of the causes of delay. The Architect shall ascertain the fact and the extent of the delay and the Local Authority shall extend the time for completing the work when in the judgment of the Architect the findings of fact justify such an extension. Where the cause of the delay is due to weather conditions which render the performance of work impossible, an extension of one work day will be given the Contractor for each work day lost by the Contractor because of said weather conditions.

13. Permits and Building Codes. The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as drawn and specified. If the Contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the Local Authority in writing and the Local Authority shall instruct the Contractor as to his further procedure and in the event that any change in the plans and specifications shall become necessary in order to comply with any law, ordinance, rule or regulation, and such change shall involve an increase or decrease in the cost of performance, the contract price will be adjusted as provided in section 2, Changes in the Work, of the General Conditions.

The Local Authority will arrange for the issuance WITHOUT COST TO THE CONTRACTOR by the appropriate agency, of permits for water, demolition, sidewalks, sheds, removal of abandoned water taps, sealing of house connection drains, street openings, the repaving of streets and sidewalks and all other building, electrical, plumbing and heating permits necessary under any rule or regulation of the City or any of its agencies and the Contractor shall not include in his bid price the cost of any such permits nor shall he include therein any inspection fees which might otherwise be charged by the City Government or any of its departments or agencies. The Contractor, however, shall make all necessary applications for the securing of any such required permits and shall attend the office of the issuing department or agency and shall receive all such permits before commencing work. The cost of utility services consumed shall be borne by the Contractor.

14. Care of the Work. (A) The Contractor shall be responsible for all damages to persons or property that occur as a result of his fault or negligence in connection with the prosecution of the work and shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance, whether or not the same has been covered by partial payments made by the Local Authority. The Contractor shall protect sidewalks, curbs, utilities, adjoining property, etc., and shall at his own expense repair or cause to be repaired any damage caused by his operations.

(B) The Contractor shall provide sufficient competent watchmen, both day and night, including Saturdays, Sundays, and Holidays, from the time work is commenced until final completion and acceptance.

(C) In an emergency affecting the safety of life or property, including adjoining property, the Contractor, without special instructions or authorization from the Local Authority, is authorized to act at his

discretion to prevent such threatened loss or injury, and he shall so act, if instructed to do so by the Local Authority or the Architect. Any compensation claimed by the Contractor on account of such emergency work shall be determined by the Architect subject to arbitration in case of dispute, as provided in the Contract Documents.

(D) Wherever required by law, the Contractor shall shore up, brace, underpin and protect as may be necessary, all foundations and other parts of all existing structures adjacent and adjoining the site which are in any way affected by the excavations or other operations connected with the completion of this project. Whenever any notice is required to be given by the Local Authority or the Contractor to any adjoining or adjacent landowner or other party before commencement of any work, such notice shall be given by the Contractor. The Contractor shall indemnify the Local Authority and save it harmless from any damages on account of settlements or the loss of lateral support of adjoining property and from all loss or expense and all damages for which the Local Authority may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.

15. Other Contracts. The Local Authority may award other contracts for additional work, and the Contractor shall fully co-operate with such other contractors and carefully fit his own work to that provided under other contracts as may be directed by the Local Authority. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractors.

16. Mutual Responsibility of Contractors. If, through acts of neglect on the part of the Contractor, any other contractor or any subcontractor shall suffer loss or damage on the work, the Contractor agrees to settle with such other contractor or subcontractor by agreement or arbitration, if such other contractor or subcontractor will so settle. If such other contractor or subcontractor shall assert any claim against the Local Authority on account of any damage alleged to have been so sustained, the Local Authority shall notify the Contractor, who shall defend at his own expense any suit based upon such claim, and, if any judgment or claims against the Local Authority shall be allowed, the Contractor shall pay or satisfy such judgment or claim and pay all costs and expenses in connection therewith.

17. Disputes. All disputes concerning questions of fact arising under Sections 35 to 53 inclusive, of these General Conditions shall be decided by the Local Authority and the Local Authority's decision thereon shall be final and binding, except as otherwise specifically provided in this contract.

All other disputes concerning questions of fact arising under this contract shall be decided by the Architect subject to arbitration as hereinafter provided. If either the Local Authority or the Contractor shall request arbitration of any such dispute, notice of the demand for arbitration shall be filed in writing with the Architect and the other party to the contract. Such notice shall be filed within ten days from the decision or demand concerning which arbitration is requested. In the event no such request for arbitration is filed, the decision or demand shall be considered as final and binding upon the other party to

the contract. One arbitrator shall be appointed by the Local Authority and one arbitrator shall be appointed by the Contractor, such appointments being made in writing and communicated to the other party, and, upon receiving such communication, the party receiving the same will appoint his arbitrator and notify the other party of such appointment within a period of five days. In the event the arbitrators so appointed shall not agree within a period of ten days, then a third arbitrator, who shall be a competent and disinterested person, shall be appointed, and the decision of any two of the three arbitrators shall be conclusive. The third arbitrator shall be appointed by the two arbitrators theretofore appointed and acting, or, in case they shall not agree on such third arbitrator within a period of three days, then such third arbitrator shall be appointed by the Construction Adviser, however, shall in no case act as an arbitrator. Any decision of the arbitrators shall be in writing and shall be delivered to the parties immediately upon the making of such decision. The arbitrators shall have the right to retain and consult experts and competent authorities skilled in the matter or matters under arbitration. The fees, cost and expense of the arbitrators shall be borne by the party against whom the arbitration is determined, or partially by each party according to the determination if it is not entirely against one party, or, in the case of a determination by compromise, by such party or parties as may be designated by the arbitrators.

Decisions on disputes arising under Sections 35 to 53, inclusive, of the General Conditions, or questions, the final determination of which are otherwise specifically provided for in the contract, shall not be subject to any arbitrator.

18. Contractor. (A) Only one Contractor is recognized as a party to this Contract, and where the term "Contractor" is used the General Contractor is referred to. For convenience, the Specification has been divided into separate headings or divisions to cover the various trades represented in the work, and where subcontractors, such as "Mason Contractor," "Carpenter Contractor," and other subcontractors are referred to it has been for convenience only.

(B) It is understood that except as otherwise specifically stated in the Contract Documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, light, power, transportation, superintendence, temporary construction of every nature, all other services, facilities, and costs of every nature whatsoever necessary to execute and complete the entire work to be done under the Contract Documents and deliver it complete in every respect.

19. Drawings. (A) The general character of the detail work is shown on the Drawings, but minor modifications may be made in the full size drawings or models. The Contractor and the Architect shall from time to time prepare schedules showing the dates on which the various drawings will be required, and the Contractor shall not attempt to execute any part of the work requiring such drawings until he has received the same.

(B) Where the word "similar" occurs on the drawings, it shall be used in its general sense and not as meaning identical, and all details shall be worked out in relation to their location and their connection to other parts of the work.

(C) Where on any drawings a portion of the work is drawn out and the remainder is indicated in outline, the parts drawn out shall apply also to all other like portions of the work. Where ornament or other detail is indicated by starting only, such detail shall be continued throughout the courses or parts in which it occurs and shall also apply to all other similar parts in the work, unless otherwise indicated.

(D) In case of differences between small and large scale drawings, the larger scale drawing shall take precedence.

20. Ownership of Drawings and Specifications. Except the Contractor's executed set, all drawings and the Specification are the property of the Local Authority. The Local Authority will furnish the Contractor without charge forty sets of the Drawings and Specifications. Additional sets will be furnished upon request, at a cost as determined by the Local Authority. Such drawings and specifications are not to be used on other work, and those sets in usable condition shall be returned to the Local Authority, upon request, at the completion or cessation of the work or termination of the contract.

21. Shop Drawings. (A) Shop drawings of all fabricated work shall be submitted to the Architect for approval and no work shall be fabricated by the Contractor, save at his own risk, until approval has been given. The Contractor will be advised as to the exact procedure to be followed with respect to the number of prints required, where submitted, letters of transmittal, making corrections, etc. Five (5) prints of finally approved shop drawings will be required.

(B) The Contractor shall submit all shop drawings on dates sufficiently in advance of requirements to enable the Architect ample time for checking same, including time for correcting, resubmission, and recheck if necessary, and no claim for delay will be granted the Contractor by reason of his failure in this respect.

(C) All shop drawings submitted must bear the stamp of approval of the Contractor as evidence that the drawings have been checked by the Contractor. Any drawings submitted without this stamp of approval will not be considered and will be returned to the Contractor for resubmission. If the shop drawings show variations from the requirements of the Contract Documents because of standard shop practice or other reason, the Contractor shall make specific mention of such variation in his letter of transmittal in order that, if acceptable, suitable action may be taken for proper adjustment; otherwise the Contractor will not be relieved of the responsibility for executing the work in accordance with the Contract Documents even though such shop drawings have been approved.

(D) Where a shop drawing as submitted by the Contractor indicates a departure from the Contract which the Architect deems to be a minor adjustment in the interest of the Local Authority not involving a change in Contract price or extension of time, the Architect will approve the drawing but the approval will contain, in substance, the following:

The modification shown on the attached drawings is approved in the interest of the Local Authority to effect an improvement for the project and is ordered with the understanding that it does not involve any change in the contract price or time; that it is subject generally to all contract stipulations and covenants; and that it is without prejudice to any and all rights of the Local Authority under the contract and bond or bonds.

(E) The approval of shop drawings will be general and shall not relieve the Contractor from the responsibility for adherence to the Contract, nor shall it relieve him of the responsibility for any error which may exist.

22. Reference to Materials by Name. Specific reference in the specification to any article, device, product, material, fixture, form, or type of construction, etc., by name, make or catalog number shall be interpreted as establishing a standard of quality and shall not be construed as limiting competition, and the contractor, in such cases, may at his option use any article, device, product, or material, fixture, form or type of construction, which in the judgment of the Local Authority is equal to that named.

23. Communications. (A) All notices, demands, requests, instructions, approvals, and claims must be in writing.

(B) Any notice to or demand upon the Contractor shall be sufficiently given if delivered at the office of the Contractor specified in the Bid (or at such other office as the Contractor may from time to time designate to the Local Authority in writing) or deposited in the United States mail in a sealed, postage-prepaid envelope, or if delivered, with charges prepaid, to any telegraph company for transmission, in each case addressed to such office.

(C) All papers required to be delivered to the Local Authority shall, unless otherwise specified in writing to the Contractor, be delivered to the \_\_\_\_\_

any notice to or demand upon the Local Authority shall be sufficiently given if delivered to the office of said \_\_\_\_\_ or deposited in the United States mail in a sealed, postage-prepaid envelope, or delivered with charges prepaid to any telegraph company for transmission, in either of said last two cases to said \_\_\_\_\_

at such address, or to such other representative of the Local Authority or to such other address as the Local Authority may subsequently specify in writing to the Contractor for such purpose.

(D) Any such notice shall be deemed to have been given as of the time of actual delivery or (in the case of mailing) when the same should have been received in due course of post or (in the case of telegrams) at the time of actual receipt, as the case may be.



24. Temporary Heating. (A) The Contractor shall provide and pay for equipment, fuel and attendance for temporary heating, ventilating, covering, and enclosures as necessary and to the satisfaction of the Local Authority to dry out the buildings and protect all work and material against damage by dampness and cold and to facilitate completion of the work.

(B) The Contractor shall supply such heating equipment as may be required. He may utilize, with the consent of the Local Authority, the heating equipment to be installed under the Contract Documents, or such portions thereof as are available, provided that he shall leave the same in proper and acceptable condition upon completion of the work. The fuel, equipment, and method of heating shall be at all times satisfactory to the Local Authority.

25. Sanitary Facilities. The Contractor shall (unless existing facilities are available) furnish, install, and maintain ample sanitary facilities for the workmen. Temporary toilets shall be placed at the time the work is commenced as directed by the Local Authority, and shall be maintained in conformance with the local health ordinances.

Drinking water shall be supplied from a proven safe source, so piped or transported as to be kept clean and fresh, and served from single service containers or satisfactory types of sanitary drinking stands or fountains.

26. Removal of Debris, Cleaning, etc. The Contractor shall, as directed during the progress of the work, remove and dispose of the resultant dirt and debris, and keep the premises reasonably clean. Upon completion of the work he shall remove all equipment and unused materials provided for the work, and put the buildings and premises in a neat and clean condition, and do all cleaning and washing required by the Specification.

27. Use of Premises. (A) The Contractor shall confine his storage of equipment and materials, and confine his construction operations to the limits indicated by ordinances or permits, or as may be directed by the Local Authority or the Architect, and shall not unreasonably encumber the premises with his materials.

(B) The Contractor shall not load or permit any part of any structure to be loaded to such an extent as to endanger its safety.

(C) The Contractor shall enforce any instructions of the Local Authority or the Architect regarding signs, advertising, fires, danger signals, barricades, and smoking.

28. Subcontracts. (A) The Contractor shall not award any work to any subcontractor without prior written approval of the Local Authority. No subcontractor shall be disapproved except for cause.

(B) The Contractor shall be fully responsible to the Local Authority for the acts and omissions of subcontractors, and persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

(C) The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work to bind subcontractors to the Contractor by the terms of the General Conditions and other Contract Documents in so far as applicable to the work of subcontractors and to give the Contractor the same power as regards terminating any subcontract that the Local Authority may exercise over the Contractor under any provisions of the Contract Documents.

(D) Nothing contained in the Contract Documents shall create any contractual relation between subcontractor and the Local Authority.

29. Fitting and Co-ordination of the Work. The Contractor shall be responsible for the co-ordination of the operations of all trades, subcontractors, or materialmen. He shall guarantee to each subcontractor the dimensions which they may require for the fitting of their work to all surrounding work and shall do all cutting, fitting, adjusting, and patching necessary to make the several parts of the work come together properly.

30. Patents. The Contractor shall hold and save the Local Authority, its officers, and employees, harmless from liability of any nature or kind, including costs and expenses, for, or on account of, any patented or unpatented invention, process, article, or appliance manufactured or used in the performance of the Contract, including its use by the Local Authority, unless otherwise specifically stipulated in the Contract Documents.

31. Warranty of Title. No material, supplies, or equipment for the work shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. The Contractor warrants good title to all materials, supplies, and equipment installed or incorporated in the work and agrees upon completion of all work to deliver the premises together with all improvements and appurtenances constructed or placed thereon by him to the Local Authority free from any claims, liens, or charges and further agrees that neither he nor any person, firm or corporation furnishing any material or labor for any work covered by this contract shall have any right to a lien upon the premises or any improvement or appurtenance thereon, provided that this shall not preclude any contractor from installing metering devices and other equipment of utility companies or of municipalities, the title to which is commonly retained by the utility company or the city. In the event of the installation of any such metering device or equipment, the contractor shall advise the Local Authority as to the owner thereof. Nothing contained in this paragraph, however, shall defeat or impair the right of such persons furnishing materials or labor under any bond given by the Contractor for their protection or any rights under any law permitting such persons to look to funds due the Contractor in the hands of the Local Authority. The provisions of this paragraph shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing materials for the work when no formal contract is entered into for such materials.

32. Construction Schedule and Periodical Estimates. (A) Immediately after execution of the contract, the Contractor shall deliver to the Local Authority a building progress schedule in form satisfactory to the Local Authority showing the proposed dates of commencement and completion of each

of the various subdivisions of work and the anticipated amount of each monthly payment that will become due the Contractor. The purpose of the Construction Schedule is to state the best estimate of the Contractor for the completion of the work and the Local Authority's acknowledgment of the Schedule does not either affirm or deny that the Contractor by diligence can conclude the work within the time specified.

(B) The Contractor shall also furnish on forms to be supplied by the Local Authority, (1) a detailed breakdown of the contract price and (2) periodical itemized estimates of work done for the purposes of making partial payments thereon. The values employed in making up any of these schedules will be used only for determining the basis of partial payments and will not be considered as fixing a basis for additions to or deductions from the contract price.

33. Payments to Contractor. (A) Partial payments will be made as the work progresses on not later than the fifteenth day of each calendar month for work done during the preceding calendar month on estimates certified to by the Architect and signed by the Local Authority. Material delivered on the site and preparatory work done may be taken into consideration. Estimates for monthly payments must be submitted at least ten (10) days in advance of the date set for payment.

(B) In making partial payments for the work there shall be retained 10% of the estimated amount until final completion and acceptance of all work covered by the contract: Provided, however, that after 50% of the work has been completed, if the Architect certifies satisfactory progress, the Local Authority shall make the remaining partial payments in full for the work subsequently completed.

(C) Material and work covered by partial payments made shall become the sole property of the Local Authority, but this provision shall not be construed as relieving the Contractor from the sole responsibility for the care and protection of materials and work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Local Authority to require the fulfillment of all terms of the contract.

(D) Upon completion and acceptance of all work required hereunder, the amount due the contractor under this contract shall be paid upon certification by the Architect and approval by the Local Authority, after the contractor shall have furnished the Local Authority with a release of all claims against the Local Authority arising under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein, provided, the amounts of such excepted claims are not included in the voucher for final payment.

The Local Authority may before making any payment require the Contractor to furnish releases or receipts from all persons performing work and supplying material to the Contractor, if the Local Authority deems the same necessary in order to protect its interest. The Local Authority, however, may make payment in part or in full to the Contractor without requiring the furnishing of such releases or receipts and any payments so made shall in nowise impair the obligations of any surety or sureties on any bond or bonds furnished under this contract.



The Local Authority may withhold from any payment otherwise due the Contractor so much as may be necessary to protect the Local Authority against any claims that may be urged against the Local Authority and if it so elects may also withhold any amounts due from the Contractor to any subcontractors or materialmen, for labor or material furnished by them. The foregoing provisions shall be construed solely for the benefit of the Local Authority and shall not require the Local Authority to determine or adjust any claims or disputes between the Contractor and his subcontractors or materialmen, or to withhold any moneys for their protection unless the Local Authority elects so to do. The failure or refusal of the Local Authority to withhold any moneys from the Contractor shall in nowise impair the obligations of any surety or sureties under any bond or bonds furnished under this contract.

34. Office Facilities. The Contractor shall maintain during the construction of the Development adequate facilities at the site thereof for the use of the Local Authority's representatives, the Architect, the Construction Adviser and such other agents or representatives of the FPHA as may be assigned to the review of the Project.

(There should be here specified in some detail the facilities required by the Local Authority, the Architect and the FPHA).

35. Signs. The Contractor shall erect on the site of the Development at points and in positions to be designated by the Local Authority (with the concurrence of the Construction Adviser), signs of such dimensions and specifications as the Local Authority shall designate (with the concurrence of the Construction Adviser). Such signs shall bear the following legend:

On this Site

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(Name of Development)

A Low-Rent Housing Project

is being developed by

---

(Name of Local Authority)

under loan contract with

NATIONAL HOUSING AGENCY

FEDERAL PUBLIC HOUSING AUTHORITY

(The material, size, color, etc., and number of signs should be specified).

36. Convict-Made Materials. No materials manufactured or produced in a penal or correctional institution shall be incorporated in the project under this contract.

37. Domestic and Foreign Materials. Except for materials listed in this section, only such unmanufactured articles, materials and supplies as have been manufactured in the United States of America, shall be employed under this contract in the construction of the project.

The following materials have been exempted by the FPHA from the foregoing provision:

cork	hemp
jute	mica
rubber	flax
carnauba wax	asbestos
antimony	tungsten
tin	chromium
nickel	manganese ore 35% and over
natural nickel alloys	titanium
sisal	

38. Accident Prevention. In order to protect the lives and health of his employees under the Contract, the Contractor shall comply with all pertinent provisions of the "Manual of Accident Prevention in Construction" prepared by the Associated General Contractors of America, and of the Specifications, and shall take or cause to be taken such additional measures as the Contracting Officer may determine to be reasonably necessary for this purpose. The Contractor is requested to maintain an accurate record of, and to report to the Contracting Officer on forms prescribed and furnished by the Contracting Officer, all cases of death, occupational disease, and injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment on work under the Contract.

39. Wage Rates. (A) The Contractor and each Subcontractor shall pay to all architects, technical engineers, draftsmen, technicians, laborers and mechanics; engaged under this contract in work on or about the site of the development, not less than the wages or fees prevailing in the locality of the Local Authority, as determined or adopted subsequent to a determination under applicable State (or territorial) law by the FPFA.

(B) A statement of all wages or fees so determined or adopted and all authorized deductions, if any, from unpaid wages or fees actually earned and the hours of work established pursuant to the provisions of Section 41, shall be posted at appropriate conspicuous points on the site of the development. If any Contractor or Subcontractor finds it necessary or desirable to exceed the wage rates specified, any expense incurred by the Contractor or Subcontractor because of payment of wages in excess of those specified, shall not be cause for any increase in the amount payable under this contract. The Local Authority will not consider any claim for additional compensation made by the Contractor or any Subcontractor because of such payments.

(C) The following minimum wage rates have been determined and adopted in accordance with the foregoing provisions and not less than the rates as listed herein shall be paid to the following trades and occupations.\*

Classification:

Rate per hour

Air Compressor Operators	
Air Hammer Operators	
Asbestos Workers	
Asbestos Workers' Helpers	
Asbestos Workers' Improvers	
Asphalt Rakers	
Asphalt Tampers and Smoothers	
Blacksmiths	
Blacksmiths' Helpers	
Boilermakers	
Boilermakers' Helpers	
Bricklayers	
Bricklayers' Apprentices	1)
	2) year
	3)
Brick Pavers	
Brick Tenders	

\*This list must be amended to cover each particular contract.



Rate per hour

Blank lined paper for writing.

Classification:

Architectural and Engineering      Rate Per Day or Per Week

Electrical Engineer  
Mechanical Engineer  
Asst. Engr. (Chief Draftsman)  
Junior Engineer  
Draftsman

Land Surveying

Field Engineer  
Chief of Party  
Transitman  
Rodman

(D) If after the award of the contract, it becomes necessary to employ any person in a trade or occupation not herein listed, such person shall be paid not less than such hourly rate or wage as shall be approved by the FPMA, and such minimum wage rates shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Local Authority of his intention to employ persons in trades or occupations not listed herein in sufficient time for the Local Authority to obtain a wage rate determination for such trades.

(E) The wage rates, if any, specified for apprentices shall apply only to persons working with the tools of the trade they are learning under the direct supervision of journeymen mechanics. The number of apprentices, in each trade or occupation, employed by the Contractor or any of his subcontractors, shall not exceed the number permitted by the applicable standards of the United States Department of Labor, or, in the absence of such standards the number permitted under the usual practices between the unions and the employers' associations of the respective trades or occupations.

40. Weekly Payments. Every employee of the contractor or a subcontractor shall be paid in full less deductions made mandatory by law not less often than once each week and in lawful money of the United States, or by check if the Contractor provides or secures convenient and satisfactory facilities approved by the Local Authority for the cashing of the same without cost or expense to the employee, in the full amount accrued to each individual at the time of closing of the pay roll, which shall be at the latest date practicable prior to the date of payment, and there shall be no deductions or rebates on account of goods purchased, rent, or other obligations, but such obligations shall be subject to collection only by legal process.

41. Hours of Work. Except in

(i) Emergencies, which are defined as unforeseen occurrences and combinations of circumstances involving the public welfare or the protection of work already done on the Project or which endanger life or property and call for immediate action or remedy; or

(ii) Special and unusual circumstances rendering it impracticable to require adherence to the applicable limitations of hours herein set forth,



skilled, semiskilled, and unskilled workers employed in the construction of the Development shall not be permitted to work thereon more than 8 hours per day nor more than 40 hours per week, nor shall architects, technical engineers, draftsmen, and technicians employed on a salary or time basis be permitted to work more than 8 hours per day nor more than 40 hours per week. Provided, that the limitations herein set forth shall not apply to executive, supervisory and administrative employees, as such. Where emergencies or special and unusual circumstances exist, the Local Authority will require that at least time and a half be paid for hours of work in excess of the limits prescribed above. In the event there is a State or local law applicable to any or all of the foregoing classes of employees prescribing hours of work not in excess of the hours above prescribed, the contractor shall require that, in lieu of the above requirements applicable to such class or classes, the State or local law be complied with.

42. Claims and Disputes Pertaining to Classification of Labor. In the event of any claim or dispute pertaining to the classification of labor employed on the Development, the Local Authority will require that each employee involved be properly classified in accordance with the classification as determined or adopted (subsequent to determination under applicable State or Territorial law) by the FPFA.

43. Qualifications for Employment. (a) No persons under the age of sixteen (16) years and no convict labor shall be employed in the construction of the Development. No person whose age or physical condition is such as to make his employment dangerous to his health or safety or to the health and safety of others shall be employed in the construction of the Development: Provided, that this shall not operate against the employment of physically handicapped persons, otherwise employable, where such persons may be safely assigned to work which they can satisfactorily perform.

(b) There shall be no discrimination because of race, creed, color, national origin, or political affiliations, in the employment of persons for work on the Project.

44. Collective Bargaining. All employees engaged in the construction of the Development shall have the right to self organization; to form, join, or assist labor organizations; to bargain collectively through representatives of their own choosing; and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection. The Contractor (including any Subcontractor and any person acting in his or their behalf, directly or indirectly) shall not interfere with, restrain or coerce such employees in the exercise of such rights; shall not dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it; shall not discharge or otherwise discriminate against any employee because he has filed charges or given testimony that the Contractor, or any Subcontractor, has violated any of the terms of his contract; shall not refuse to bargain collectively with the representatives of their employees; shall not, by discrimination in regard to hire or tenure of employment or any term or condition of employment encourage or discourage membership in any labor organization; Provided, That nothing herein contained shall preclude any Contractor or employer from making an agreement with a labor organization to require, as a condition of employment, membership therein, if such labor organization is the representative of the employees (or prospective employees) in an appropriate collective bargaining unit covered by such an agreement when



made, and if the Contractor or employer has not participated in the formation or administration of such labor organization or assisted it by financial or other support.

45. Persons Entitled to Benefits of Labor Provisions. The contractor and each subcontractor shall extend to every person who performs for him the work of a laborer or a mechanic on the Development, or on any part thereof, the benefits of the labor and wage provisions of this contract regardless of any contractual relationship between the contractor and such laborer or mechanic, or between any subcontractor and such laborer or mechanic.

46. Contract Security. The Contractor shall furnish a surety bond (form attached) in an amount at least equal to 50 per cent of the contract price as security for the faithful performance of this contract and for the payment of all persons performing labor and furnishing materials in connection with this contract.

47. Insurance. (A) The Contractor shall provide adequate workmen's compensation insurance for all labor employed on the Development who may come within the protection of such laws and shall provide, where practicable, employers' general liability insurance for the benefit of his employees not protected by such compensation laws, and proof of such insurance satisfactory to the Local Authority shall be given. Said insurance shall be written with such company as may be acceptable to the Local Authority and the policy shall be submitted to the Local Authority for examination. Satisfactory certificates of said insurance shall be filed with the Local Authority in duplicate prior to the commencement of operations by the Contractor. The Contractor will be charged with the responsibility for proper and adequate workmen's compensation coverage for all his subcontract operations, and in the event the Contractor's policy does not cover each and every subcontractor, certificates of insurance issued on policies by companies that may be acceptable to the Local Authority covering each and every subcontractor shall be filed with the Local Authority prior to the Commencement of such subcontract operations.

(B) The Contractor shall also carry manufacturers and contractors public liability insurance against injury to members of the public from accidents which may arise from operations performed under the Contract. Such insurance shall be in the amount of \$20,000 for the injury of one person in one accident, and \$40,000 to any number of persons in one accident. The insurance shall be placed with such company as may be acceptable to the Local Authority. The policy shall be submitted to the Local Authority for examination and satisfactory certificates of said insurance shall be filed with the Local Authority in duplicate prior to the commencement of operations by the Contractors. The Contractor will be charged with the responsibility for similar public liability protection for all his subcontract operations, and in the event that the Contractor's policy does not cover each and every subcontractor, certificates of insurance issued on policies by companies that may be acceptable to the Local Authority covering each and every subcontractor shall be filed with the Local Authority prior to the commencement of such subcontract operations.

(C) The Contractor shall effect and maintain builder's risk insurance against loss by fire, lightning, windstorm, cyclone, tornado, and hail, explosion, riot, riot attending a strike, aircraft, smoke and vehicle damage, upon all work in place and all materials stored at the

building site, whether or not covered by partial payments made by the Local Authority, except that such insurance need not be carried on excavations, piers, footings, and landscape work nor upon foundations or building equipment, until such time as work on the superstructures is started. This insurance shall be in an amount equal to the full insurable value thereof at all times and shall be for the benefit of the Local Authority, the Contractor, and each subcontractor as their interest may respectively appear. This insurance shall be placed with such company or companies and where practicable reinsured with such other company or companies as may be acceptable to the Local Authority. The Local Authority shall be furnished with a certified copy of the policy and with certificates of said insurance, in duplicate, as soon after the work has started as is practicable and in any event prior to the issuance of the first certificate for partial payment under the Contract. Each month, during the life of the Contract, the Contractor shall furnish, to the Local Authority certification in duplicate by the insurer evidencing the fact that the policy (or policies) remains in force and stating the basis upon which the monthly premiums are based.

(D) In the event the form of any policy or certificate, or the amount of the insurance or the companies writing same are not satisfactory to the Local Authority, the Contractor will secure other policies or certificates in form and amount, and with companies satisfactory to the Local Authority. The Contractor shall not cause any policies to be cancelled or permit them to lapse, and all insurance policies shall include a clause to the effect that the policy shall not be subject to cancellation or to a reduction in the required limits of liability or amounts of insurance until notice has been mailed to the Local Authority stating when, not less than 10 days thereafter, such cancellation or reduction shall be effective. All certificates of insurance shall contain true transcripts from the policy, authenticated by the proper officer of the insurer, evidencing in particular those insured, the extent of the insurance, the location and operations to which the insurance applied, the expiration date and the above mentioned notice of cancellation clause.

48. Reports to U. S. Department of Labor. The Contractor shall furnish to the United States Department of Labor, as early as practicable, the names and addresses of all of his subcontractors. The Contractor and each subcontractor shall report monthly to said Department no later than the 5th day following the close of each calendar month, on forms furnished by said Department, the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the total man hours worked, and itemized expenditures for materials.

49. Pay Rolls. The Contractor and each subcontractor shall prepare his pay roll on forms prescribed by the FPHA and in accordance with instructions to be furnished with these forms. The forms will be furnished by the FPHA through the Local Authority. Not later than the 7th day following the payment of the wages, each such contractor shall submit to the Local Authority for transmittal to the FPHA, a certified legible copy of each such pay roll duly sworn to in accordance with the "Regulations Issued Pursuant to So-Called Kick-Back Statute". An additional conformed copy of each such pay roll shall be furnished for the Local Authority's records.

50. Kick-Back Statute and Regulations. The so-called Kick-Back Statute, Public No. 324, Seventy-third Congress, approved June 19, 1944

Stat. 948), and regulations of the Secretary of Labor entitled "Regulations Issued Pursuant To So-Called Kick-Back Statute" are applicable to this contract. (The Contractor and subcontractors may obtain the latest revision of this regulation from the Department of Labor, Washington, D. C.).

51. Wage Claims and Adjustments. In cases of underpayment of wages by any contractor, the Local Authority may withhold from such contractor out of payments due an amount sufficient to pay persons employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such employees for the total number of hours worked. The amount withheld shall be disbursed by the Local Authority, for and on account of the contractor, to the respective employees to whom they are due.

52. Interest of Member 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 to arise therefrom provided this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

53. Assignment. Neither this contract nor any part thereof shall be assigned by the Contractor to any person, firm or corporation without the prior written approval of the Local Authority to such assignment. This provision shall not preclude the Contractor from subletting parts of the work in accordance with the general practice of the building trades.

54. Partial Occupancy. The Local Authority, at its election, may from time to time occupy any of the dwelling units or other portions of the Development as the work in connection therewith is completed to such a degree as will, in the opinion of the Local Authority, permit the use of the dwelling units or other portions of the Project for the purposes for which they were intended. The Local Authority will, prior to any such partial occupancy, give notice to the Contractor thereof and such occupancy shall be upon the following terms:

(1) The one year guarantec period called for in the General Conditions shall not begin to run until the final acceptance of all work under the Contract.

(2) The occupancy of any building by the Local Authority shall not constitute an acceptance of work not performed in accordance with the Contract Documents or relieve the Contractor of liability to perform any work required by the Contract but not completed at the time of occupancy.

(3) The Contractor shall be relieved of all maintenance costs on the buildings occupied under this agreement.

(4) The Contractor shall not be responsible for wear and tear or damage resulting from occupancy.

(5) The Local Authority shall assume risk of loss with respect to any building occupied by it under the terms of this agreement.

(6) The Contractor shall not be required to furnish heat, light and water used in the buildings occupied, without proper remuneration therefor.

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