

CUMBERLAND COUNTY COMMUNITY DEVELOPMENT (CCCD)
HOUSING REHABILITATION PROGRAM
PO DRAWER 1829
707 EXECUTIVE PLACE
FAYETTEVILLE, NC 28302-1829

REHABILITATION CONTRACTOR'S HANDBOOK

CONTRACTOR QUALIFICATIONS:

1. Application: CCCD will solicit and accept applications from Contractors that are interested in participating in the Housing Rehabilitation Program throughout the year. Contractors who are interested in participating in the Program, must obtain and complete an application from the above office. Contractors will be required to display in the application the ability to perform the construction work required of a rehabilitation contractor as well as the ability to follow the procedures and guidelines contained in this document. Based upon the information contained in that application, the CD Staff will determine whether the Contractor is eligible to participate in the Program. If the Contractor is approved, he/she will be notified, added to the Contractor's Register, and permitted to participate in the Housing Rehabilitation Program. The Contractor's Register will be provided to each homeowner in the Program to select the Contractors that will be allowed to bid on their project. If the Contractor is disapproved, he/she will be notified in writing of the reason(s) for the decision.

Applications may be submitted to the CCCD office by mail, fax, or email. The contractor must complete all sections of the application and provide completed job references.

2. Certificate of Insurance: When submitting the application, the Contractor must furnish CCCD with evidence of insurance coverage as follows:

- *General Liability Insurance \$300,000.00
- *Workmen's Compensation Coverage of all employees and subcontractors. (Regardless of the number of employees in the company).

3. Guaranty/Surety Deposit: The Contractor will guarantee the work performed for a period of one year and three years on all roof work from the date of final approval of all work required by the Contract. Any defect which may become evident during that period of time shall be corrected at the Contractor's expense, and all labor and materials shall be furnished free of cost for any damage to other work resulting therefrom. This provision applies to all work done by Sub-Contractors, as well as to the work done by the Contractor's employees.

4. Equal Opportunity Requirements: The Contractor is required to abide by Federal Equal Opportunity Requirements and hiring practices.

5. Standards of Work/Performance Criteria: Contractors approved for participation in the program are expected to maintain satisfactory credit records, to conduct and complete work free

of liens, to maintain continuous insurance coverage and to perform rehabilitation work that is satisfactory to the program. Specific performance standards are set out later in this section and should be reviewed carefully by the Contractor. Violation of any of these standards may be cause of rejection of bids, suspension from contracts and/or removal from the Contractors Register.

REHABILITATION WORK WRITE-UP

The work write-up constitutes the basis for each job. Floor plans and other drawings are diagrammatic only. They will illustrate the general scope of the work and do not necessarily show all of the work required, except dimensions of construction detail.

Rehabilitation specifications shall be followed without variation except as allowed in the "Change Order" section of this document. No changes in the scope of the write-up will be considered valid without an executed Housing Rehabilitation Contract and a signed and approved change order.

BID PROCEDURES

The property owner will be responsible for selecting contractors to bid on their project. Invitations to Bid along with bid packets will be sent via fax, mail, or email to the Contractors selected to bid on the project. Contractors receiving an invitation to bid will be mailed bid packets from Cumberland County Community Development, 707 Executive Place, Fayetteville, NC 28302. Bid packets will consist of Invitation to Bid, Bid Form, and Work Write-Ups.

Each job will be bid separately through the sealed bid process. All bids to be submitted must be typed or in ink. Illegible bids may be rejected. The Contractor must identify on the outside of the envelope the address of the project. Unless otherwise specified, the Contractor should be prepared to guarantee the bids for a period of sixty (60) days after the bid opening date. At the end of sixty (60) days, the Contractor has the option of withdrawing the bid.

1. Pre-bid Walk Through Conference: A pre-bid walk through conference will be held when possible after contractors have been selected by the Owner. Attendance at the walk through is required of the Contractors before submitting a bid. The Work Write-Up will be discussed in detail. Pre-bid walk through conference announcements will be sent with the Invitation to Bid forms.

2. Bid Openings: A time and place will be stated for each bid opening. Contractors are welcome to attend the openings but are not required to be present. At the openings, bids will be opened and recorded. Bid openings will be attended by two CD Staff. One person will open the bids and the other person will tally the bids. They both will sign the Bid Tally Sheet. The CD Staff will tabulate the bids, review each for content and price, determine which bids are acceptable or non-acceptable and the reasons therefore and make a recommendation to the Owner for the award of each project. The Owner reserves the right to reject all bids should there be less than three qualified bids of any project.

3. Award of Bids: Bids will generally be awarded to the lowest responsible bidder. The Program does, however, reserve the right to reject low bids based upon the bidder's inability to meet the performance standards outlined in the Handbook or to maintain sufficient job progress. Should your bid be disqualified, it is the Contractor's right to obtain the reasons for the disqualifications. The CD Staff will prepare cost estimates using the Work Write-Ups for each project. If the low and responsible bid is below 10% or more than 15% above this estimate, CCCD reserves the right to do the following: 1) meet with the low and responsible bidder in an effort to resolve the difference; 2) negotiate with the next highest bidder, or 3) rebid the project in question.

It will be the policy of CCCD that no more than three (3) contracts can be awarded concurrently to any one contractor. As projects are completed new awards may be sought. Additionally, no more than two (2) contracts can be in progress at the same time by the same contractor. As contracts are completed new projects may commence. The CCCD reserves the right to waive this policy should there be circumstances that arise that may adversely affect the progress of rehabilitation work within the community.

4. Contractual Agreement: The bidder is advised that CCCD will receive the bids solely on behalf of the Owner and that any contractual arrangement for performance of the work will be between the Contractor and the Owner. The County will neither be a party to the contract, nor liable under the contract. On behalf of the Owner, CCCD staff will conduct inspections of work in progress, final inspections, and assist the Owner with compliance with the warranty provisions. Warranty provisions are for one (1) year on all work performed except for roof shingling, flashing and sheathing which is warranted for three (3) years.

The acceptance of the bid and awarding of the contract, may in some instances, be subject to the Owner receiving adequate financing.

PRE-CONSTRUCTION CONFERENCE

A Pre-construction conference will normally be held at the CCCD Office with the Contractor, Owner, and CD Staff present. During this conference, the following items will be accomplished:

1. The contract documents including method of payments will be reviewed and executed;
2. The Notice to Proceed will be reviewed and executed. The completion date of the Contract will be reviewed; and
3. Color and material selections will be made by the Owner and the Color Selection Form executed.
4. Review and sign the Housing Rehabilitation Contract

PROGRESS INSPECTIONS

The CD Staff will make frequent inspection visits to the job during the course of construction. It is expected that the Contractor will cooperate with the CD Staff during these inspections. If the Contractor is not on the job, the person who is regularly on the job should be designated as the responsible person to discuss conditions with the CD Staff and such a designee should be documented and included in the project file.

The Contractor will be expected to furnish the CD Staff for the project with every reasonable opportunity to determine if the work performed is in accordance with the contract, particularly in cases where interior plumbing and electrical wiring are to be installed. If the CD Staff so requests, the Contractor will remove or uncover such portions of the finished work as directed. After examination, the Contractor will restore the portions of the work exposed and replace any unacceptable work at his expense.

If the Contractor removes or uncovers finished work at the request of the CD Staff or other authorized representative, and the inspected work is found acceptable, the CD Staff will execute a Change Order to the contract to cover the Contractor's additional expense only if the CD Staff has been notified and given at least two (2) working days' notice to inspect the work prior to it being covered and finished.

PAYMENTS

1. Requests for Payments: Contractors wishing to receive a progress payment must request the payment from the CD Staff handling the project. Contractors should submit to the CD Staff a written statement of work completed on a company bill or letterhead. The CD Staff will then conduct an inspection of the work in place to determine what percentage of work has been performed. Provided that the work has been completed, the CD Staff will then execute a Certification of Work Completed on behalf of the Contractor to the Owner. Checks will be made payable to the Contractor. The Owner's signature on the Certification form signifies the Owner's approval and authorization of the payment due the Contractor under the terms of the Rehabilitation Contract.

2. Probationary Periods: A probationary period may be instated upon a Contractor who is not performing to standard. This probationary period will allow CD Staff to reevaluate the Contractor's continued participation in the Program. If put on probation, the Contractor will be notified in writing of the reasons for the action and the expectations for improvements as well as a deadline for the implementation of the improvements. Failure to bring performance up to standard may result in removal from the Contractor's Register. During the probationary period, at the request of either the County, a building supply company, or a subcontractor, checks may be made co-payable to the Contractor and the Supplier/Subcontractor. This shall be done at the agreement of CCCD and the Supplier/Subcontractor and shall be executed to protect the Owner and the Program and the Contractor from problems arising from non-payment of supply bills and liens that may arise.

3. Payment Schedule: Four (4) payments will be allowed per project; three interim payments and one (1) final payment. Final payment will be made upon all inspections being successfully performed and the Owner issuing a Certificate of Satisfaction. The Contractor will submit all necessary warranty information on all appliances or equipment installed, termite treatment certificate, Minorities/Women Business Enterprise, Employee Status, the finalized Building Permit card, final invoice, and a completed, notarized Release of Lien form with the Request for Final Payment. The Contractor will submit other forms as necessary for finalizing the project as required by the Cumberland County Community Development.

Payments will be made for work in place at the time of the request for payment. A retainage of 10% will be held on each payment and the total of the three (3) interim payments are not to exceed 90% of the entire contract amount. The retainage will be paid with the final payment.

4. Change Orders: No variation in the Work Write-Up shall be made without a duly approved Change Order regardless of whether or not any cost is involved. The Change Order will be prepared by the Contractor and signed by the Owner and the Contractor with the Housing Services Manager's approval. No work covered by the Change Order shall be done until the Order is executed and fully approved. Any additional work completed without written authorization shall be considered unauthorized work done at the Contractor's expense. Such work may be ordered removed and replaced by the CD Staff at the Contractor's expense. Any approved Change Order request will become an amendment to the executed Rehabilitation Contract. No Change Order(s) will be accepted or approved prior to an executed Rehabilitation Contract and no Change Orders will be accepted after the Certificate of Occupancy has been issued by the Cumberland County Inspection Department.

NOTE: If a Change Order is requested by the owner, CCCD will in no way be held responsible for cost, damages, repairs, or other liabilities. However, the contractor must provide a written Change Order request, signed by the contractor and owner, and given to the CD Staff to become a permanent part of that file.

The CD Staff may grant a time extension to the Contractor for reasons beyond the control of the Contractor and without fault or negligence of the Contractor if deemed necessary by the Rehabilitation Inspector. This will include, but not limited to, the following:

1. Inclement weather which prohibits construction;
2. Wars, floods, fires, epidemics, embargoes, quarantine restrictions; and
3. Acts of nature.

Requests for time extensions must be made in writing to the CD Staff 10 days prior to the scheduled completion date detailing the reasons for the delay.

Should the CD Staff determine that there is not sufficient grounds for extension of the contract time, the CD Staff shall enforce the liquidated damages clause of the contract after the completion date (see below).

LIQUIDATED DAMAGES

After the expiration of the contract time and any extensions of time granted to the contract if the work is not complete, the Contractor shall be charged by the Program on behalf of the Owner with liquidated damages in the amount of \$75.00 per day. The liquidated damages will continue to accrue until the CD Staff has completed a Final Inspection on the project or deems it necessary to remove the Contractor from the job in writing. Should a Contractor need to be removed from a project, funds remaining in the contract will be used to hire another Contractor to complete the project. If these funds are insufficient, legal action may be taken against the Contractor.

Contractors that are late in completion of a project will not be allowed to submit bids on future projects or given a Notice to Proceed on any new projects until all late projects are completed. If a Contractor is late on a project, yet has been awarded a new contract that is ready to begin construction, the CD Staff may disqualify the late Contractor for the new project. Failure to complete the job within the specified time period or within a time extension granted is sufficient grounds for termination of the Contract and can be sufficient reason to remove the Contractor from the Contractors Register. If a Contractor has to be removed from the project for any reason, that Company will be removed from the Contractors Register also.

FINAL INSPECTIONS AND PUNCH LISTS

Upon completion of the work, the Contractor shall request a final inspection from the CD Staff. The CD Staff and the Owner will conduct the final inspection to determine if the contractual obligations have been met. A Punch List will be prepared at this time, if necessary, and given to the Contractor for prompt attention.

Punch List items will be completed in a timely manner. Final payment will not be processed until all items have been satisfactorily completed. A final inspection will be conducted by the Owner and the CD Staff. If the project is complete in accordance with the contract documents, a

Certificate of Satisfaction will be issued by the CD Staff and signed by the Owner. At the Contractor's Request for Final Payment, the following items must be submitted to the CD Staff:

1. Final Invoice;
2. Manufacturers' Warranties;
3. Certificate and Release of Liens Form completed;
4. Minority/Women Business Enterprise Form completed;
5. Employee Status Form completed;
6. Finalized Building Card;
7. Tax Statement (if applicable); and
8. Termite Treatment Certificate

The CD Staff and the Owner will then execute a Final Payment Request and the balance due the Contractor will be made available.

WARRANTY OF WORK AND MATERIALS

All work performed by the Contractor shall be warranted against defects in materials and workmanship for a period of one (1) year from the date of final acceptance of all work required by the Contract or any Change Orders to the contract, excluding roof shingling, sheathing and flashing work which shall be warranted for a period of three (3) years. The Contractor will be expected to furnish the manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

Whenever the Contractor fails to respond to a complaint within a reasonable amount of time or by a deadline specified by the Housing Services Manager, the Contractor will not be allowed to return to the job and the County will secure another Contractor to make the necessary repairs. Failure to execute warranty work may be considered grounds for termination of the contract as stated above and removal of the Contractor from the Contractors Register.

PERFORMANCE CRITERIA

The County has established the following performance criteria to assist both the Contractor and the CD Program Staff in managing a program that is established to benefit the residents of Cumberland County. Failure of the Contractor to comply with these criteria may result in the rejection of bids, awards, contract termination and/or removal from the Contractors Register. The Contractor is required to:

1. Meet the time requirements for start and completion of the job as set forth in the contract;
2. Perform top quality work, to provide workmen, equipment, and materials adequate to perform the work in accordance with the Work Write-Up, the General Specifications and The North Carolina State Building Code;
3. Comply with the Equal Opportunity and Affirmative Action Requirements as set forth in this Handbook and contained in the Rehabilitation Contract;
4. Maintain continuous insurance coverage at the levels required by Cumberland County Community Development;
5. Complete warranty work in a prompt and satisfactory manner;

6. Maintain a solvent business and to secure adequate financing to perform the work; pay all suppliers, subcontractors, and employees all monies due; remain lien and judgment free;
7. Maintain professional decorum from all workmen while on the job site;
8. Not willfully misrepresent, defraud or attempt to deceive the Owner or Cumberland County;
9. Submit valid bids on a regular basis; and
10. Comply with all applicable State, Federal and Local regulations.

The Contractor will receive notification from CCCD whenever removed from the Contractors Register. The Contractor may be reinstated provided that he/she can demonstrate that corrective action has been taken to avoid reoccurrence of the deficient act. The decision as to whether or not the corrective action is sufficient enough is solely up to the Housing Services Manager. If the Contractor is reinstated and removed from the bid process a second time, there will be no further reinstatement.

CUMBERLAND COUNTY COMMUNITY DEVELOPMENT (CCCD)
HOUSING REHABILITATION
BIDDING INSTRUCTIONS

General Requirements:

1. The Contractor must meet all County licensing requirements as well as any licensing requirements of the municipality in which the work is to be performed. This also requires that continuous adequate liability insurance and workmen's compensation coverage be maintained. (Proof of coverage will be required to be listed on Approved Contractors Register.)
2. The Contractor must be pre-approved by CCCD for the Housing Rehabilitation Program. This requires that the Contractor has completed an application for the Contractors Register and has been accepted into the program.
3. All workmanship and materials must conform to the program's guidelines as stated in the work write-up, the General Specifications, the N.C. State Building Codes and be of acceptable quality.
4. The Contractor and/or his approved representative must be familiar with the project site and the work write-up, and must be present at the Pre-Bid Walk Through/Conference.

NOTE: A contractor must have written authorization on file declaring his representative is legally authorized to operate on his behalf in the pursuit of bids.

Documents:

The following documents are necessary in the preparation of a bid:

1. Work Write-Up - This report is prepared by the Rehab staff. It identifies eligible work items to be bid upon in a general scope. Any floor plans are diagrammatic only.
2. Bid Form - Obtained with the work write-up. Includes signature area for the Contractor and an area for the bid amount.
3. General Specifications - Issued to each Contractor at the time application is made for the Contractors Register. Defines materials and workmanship quality required for the project.

Instructions:

1. All bids must be submitted in ink or typed. Illegible bids may be rejected. Bids must be complete with the Bid Form and Work Write-Up included in the submitted package. The address of the project is to be noted on the outside of the envelope. The envelope must be sealed.

2. Bids are submitted to Cumberland County Community Development, 707 Executive Place, Fayetteville, NC during normal business hours. Contractors are invited to witness the bid opening but attendance is not required to be awarded a project. Bids are accepted on behalf of the Property Owner(s). Late bids will not be accepted.

3. The Contractor must guarantee the bid price for a period of sixty (60) days after the bid opening date. If, after sixty (60) days, this office has not received a Notice to Proceed on the project from the Property Owner(s), the Contractor has the option of withdrawing the bid.

4. Authorization to begin work is given with the Execution of a Notice to Proceed on the project, but not at any time prior to that execution.

Project Award:

Projects will generally be awarded to the lowest responsible bidder. CCCD reserves the right to reject a bid deemed to be too low for the bidder to maintain the performance standards outlined in the Handbook or to maintain sufficient job progress. CCCD has established that a low of (10%) ten percent and a high of (15%) above the CCCD staff cost estimate will disqualify the bid. Should your bid be disqualified, it is your right to obtain the reason(s) for disqualification.

Contractors who are late in the completion of a project will not be allowed to submit bids on new projects until the late project is completed. CCCD may, levy a charge of \$75.00 per day against the Contractor for the inconvenience to the applicant. In the event of inclement weather, with dates documented, this charge may be waived at the discretion of the CCCD.

If a Contractor has two (2) projects currently under construction with CCCD, and it is not foreseeable that either of them will be completed before the project being bid upon will be issuing a Notice to Proceed, CCCD may determine, based upon the past performance of the Contractor, that the Contractor will be unable to undertake an additional project. If a Contractor is deemed unable to manage more than three (3) projects, the bid will be awarded to the next lowest responsible bidder.