

# NEIGHBORHOOD STABILIZATION PROGRAM

## GENERAL CONDITIONS

### 1. LICENSING REQUIREMENTS

- a) That a residential builder or a residential maintenance and alteration contractor is required to be licensed under Article 24 of Act 299 of the Public Acts of 1980, as mandated, being sections 339.2401 to 339.2412 of the Michigan Compiled Laws. That an electrician is required to be licensed under Act No. 217 of the Public Acts of 1956, as amended, being sections 338.811 to 338.892 of the Michigan Compiled Laws. That a plumber is required to be licensed under Act No. 266 of the Public Acts of 1929, as amended, being sections 338.901 to 338.917 of the Michigan Compiled Laws. That a mechanical contractor is required to be licensed under 1984, Act No. 192 (Forbes Mechanical Contractor Act) effective October 1, 1984 under the Michigan Compiled Laws.
- b) If the contractor is required to be licensed to provide the contracted improvement, then the contractor is so licensed.
- c) If a license is required, the contractor's license shall be provided.

### 2. INSURANCE

The Contractor shall not commence work under this contract until all required insurance has been obtained and evidence of same has been provided to Owner. The Contractor shall not allow any subcontractor to commence work until insurance has been provided to the Contractor.

- a) General Liability Insurance with minimum limits of \$500,000 each occurrence, \$1,000,000 aggregate, including Products, Completed Operations coverage minimum aggregate limit of \$500,000
- b) Workmen's Compensation and Employer's Liability Insurance shall be obtained by the Contractor for all employees working at the project site, and shall remain in force during the life of this Contract at minimum limits of \$100,000 each accident.

### 3. LEAD-BASED PAINT REGULATIONS

When applicable, all work will comply with the Department of Housing and Urban Development's lead-based paint regulation which appears within Title 24 of the Code of Federal Regulations as Part 35 (24 CFR 35) and the Michigan Department of Community Health Lead Hazard Remediation Program's Lead Abatement Act (MCL 333.5451-5477).

### 4. RESPONSIBILITY OF CONTRACTORS AND SUB-CONTRACTORS

Each CONTRACTOR will be held responsible for the execution of a satisfactory and complete piece of work in a *'skillful and workmanlike manner'* in accordance with the true intent of the drawings and/or specifications. The CONTRACTOR shall provide without charge, all incidental items required as part of this work, even though not particularly specified or indicated, and if the CONTRACTOR has good reasons for objecting to the use of any materials, appliances, or methods of construction as shown or specified, he/she shall make a report of such objections to the OWNER.

**5. CODE, PERMITS AND REGULATIONS**

The CONTRACTOR shall obtain and pay for all permits and licenses and shall give all notices, pay all fees and comply with all applicable laws, ordinances, rules and regulations. If the work of the CONTRACTOR shall be done contrary to such laws, ordinances, rules and regulations, he/she shall bear all costs arising therefrom. When dimensions are mentioned in the plan, the figures shall be taken in preference to measurements by scale.

**6. MATERIAL, LABOR AND APPLIANCES**

Unless otherwise stipulated, the CONTRACTOR shall provide and pay for all materials, labor, tools and equipment necessary for the completion of the work.

**7. CHANGE ORDER**

Changes in the work may be found to be necessary as the work progress. No modifications of this contract shall be made except by written instrument, signed by the CONTRACTOR, accepted by the OWNER, and approved by this Program.

**8. PROTECTION OF WORK AND PROPERTY**

The CONTRACTOR shall continuously maintain adequate protection for all work from damage and shall protect the OWNER'S adjacent property from injury arising in connection with this Agreement. The CONTRACTOR shall reimburse the OWNER for any such damage or injury. Further, it shall be the responsibility of the CONTRACTOR to remove from the premises any and all debris or refuse resulting from this contract, leaving the same in a neat and orderly condition. Material and equipment that have been removed and replaced as part of the work shall belong to the CONTRACTOR.

**9. GUARANTEES AND WARRANTIES**

The CONTRACTOR shall remedy any defect due to faulty material or workmanship and pay for all damage to other work resulting there from, which appear within eighteen (18) months from the final inspection. All requests for payment by the CONTRACTOR shall include all applicable manufacturers' and suppliers' completed written guarantees and warranties covering materials and equipment furnished under the Agreement in c/o City of Southfield, Neighborhood Stabilization Program.

**10. PAYMENT OF REQUESTS**

Payment in the name of the CONTRACTOR shall be initiated by the Neighborhood Stabilization Program upon receiving the following information:

- a) Inspection, Partial or Final Building & Final Trade(s) Inspections - approved.
- b) Invoice - including invoice number, date, contractor's name and address, homeowner's name and address, and amount of payment.
- c) Sworn Statement & Waiver of Lien
- d) Owner's Statement of Satisfaction - signed and dated by homeowner authorizing the Neighborhood Stabilization Program to proceed with the processing of payment.
- e) Manufacturer's Warranties – shall be completed and legible.

The deadline for the Program to submit a request for payment to the Accounting Dept. is 12:00 a.m. Monday, excluding Holidays, with checks mailed out to the CONTRACTOR the following Monday. Reasonable time is required prior to the deadline to allow for processing the payment.

## **11. PROGRESS PAYMENT (DRAW)**

Progress payments (draws) are based upon increments of \$7,500 per the following:

\$0 - \$7,500, Final Payment Only (no advance)

\$0 - \$15,000, 1 Draw plus Final Payment (no advance)

\$0 - \$22,500, 2 Draws plus Final Payment (no advance)

- a) Draws are paid according to completed and inspected portions of work, i.e. roofing, siding, windows, heating, plumbing, electrical. It is up to the CONTRACTOR'S discretion regarding the draw amount(s) and time of request based upon the scheduling and/or completion of work as long as it does not conflict with 19(b) below.
- b) A minimum of 20% of the total contract amount is held back for the final payment.
- c) The same supporting information is required with payment requests as described in #10, PAYMENT OF REQUESTS.