



COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM

GENERAL CONDITIONS

ARTICLE 1: PARTIES

1.1 Parties to the Housing Rehabilitation Contract ("Contract") are the homeowner ("Owner") and the general contractor ("Contractor").

ARTICLE 2: PROPERTY EXAMINATIONS

2.1 All bidders shall visit the property and examine all structures to be affected by work to be performed under the Contract. (the "Property"). Bid specifications shall be construed to be consistent with existing conditions at the Property. The Contractor shall be responsible for considering all unusual conditions or deviations at the Property, which exist at the time of his examination, and shall note those conditions in his or her bid and shall account for those conditions in the bid price. No change orders shall be accepted to permit additional work required because of special conditions or deviations at the Property.

2.2 Contractor shall be responsible for providing all materials and equipment necessary to complete all specified work in its intended location, even if the materials or equipment are omitted from the plans. In the event that additional materials or equipment are provided by Contractor to complete necessary work, the quality of those materials or equipment shall equal or exceed builder grade or UBC standards, as applicable.

2.3 During the course of repairs, the Contractor shall notify the Housing Rehabilitation Coordinator of any condition or repair not covered in their work order, which is necessary for satisfactory completion. Defects, which become evident, as the work progresses shall be reported, not concealed.

2.4 City and its designees shall have the right to inspect all work performed under Contract. Owner agrees to make the Property available to the Contractor and City during normal business hours. By such inspection, City assumes no responsibility to Owner for defective material or work under Contract or to either party for any breach of Contract by the other. City may from time to time provide technical assistance to Owner to assist in carrying out Owner's obligations under the Contract. By providing such assistance, City assumes no responsibility or liability for any breach of Contract nor for any defective material provided, which responsibility remains with Owner and Contractor.

ARTICLE 3: INDEMNIFICATION OF OWNER

3.1 Owner and the Contractor agree to defend, indemnify, and hold harmless the City of Scottsdale and the City of Scottsdale Housing Rehabilitation Program for any liability or claim for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from Owner's or Contractor's performance of the Contract or work.

3.2 Contractor further agrees to protect, defend and indemnify City from any claims by laborers, subcontractors or suppliers for unpaid work or performed or materials supplied in connection with Contract. Contractor agrees that he is fully responsible to Owner and the City for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by them, as he is for the acts and omissions of himself or persons directly employed by him.

3.3 Nothing contained in this agreement shall create any contractual relations between any subcontractor and Owner or between subcontractor and the City

ARTICLE 4: WARRANTY OF CONSTRUCTION

4.1 In addition to any other warranties set out elsewhere in the contract, the Contractor shall warrant that all equipment or materials furnished under the Contract, whether directly by Contractor or by any sub-contractor working for Contractor, conform to the Contract requirements and are free of defects, either apparent or latent. Such warranty shall continue for a period of two years from the date the Owner signs the Final Completion Statement. Under this warranty, the Contractor shall remedy at his own expense any materials or equipment found to be defective and shall repair any damage to Owner-owned or controlled real or personal property, resulting from any defect in materials of equipment provided under the Contract. The Contractor shall also store any items damaged in fulfilling the terms of this clause until the condition is remedied. The Contractor's warranty with respect to work repaired or replaced hereunder will run for two years from the date of such repair or replacement.

4.2 The Owner or his representative shall notify the Contractor in writing within fourteen days after the discovery of any failure, defect, or damage.

4.3 Should the Contractor neglect to remedy any failure, defect or damage described above within thirty days after receipt of notice thereof, the Owner shall have the right to contact the Arizona Registrar of Contractor's to seek an appropriate remedy.

4.4 In addition to the other rights and remedies provided by this clause, all subcontractors', manufacturers' and suppliers' warranties, expressed or implied, respecting any work and material shall, at the direction of the Owner, be enforced by the Contractor for the benefit of the Owner. In such case, if the Contractor's warranty (see 4.1 above) has expired, any suit directed by the Owner to enforce a sub-contractor's manufacturer's, or supplier's warranty shall be at the expense of the Owner.

4.5 Notwithstanding any other provision herein, unless damage is caused by the negligence, intentional or unintentional, of the Contractor or his or her sub-contractors or suppliers, the Contractor shall not be liable for the repair of any damages or defects found in materials or designs furnished by Owner or caused by defects in owner-furnished materials or designs.

4.6 The warranty specified herein shall not limit the Owner's rights under the Inspection and Acceptance clause of the Contract with respect to latent defects, gross mistake, or fraud.

4.7 The Contractor shall ensure that all sub-contractors are licensed and shall assume responsibility for delivering all sub-contractors guarantees to the Owner.

4.8 Repairs shall be made at no additional cost to the homeowner(s) to all surfaces, including, but not limited to floors, walls, ceilings, doors, windows, and trims, damaged by the Contractor resulting from his work. Where repair of existing work is called for in the Scope of Work, the feature, shall be placed in "Equal to New Condition." Patching and/or replacement of surfaces shall be made to blend with existing work so that the patch or replacement will be inconspicuous.

ARTICLE 5: PERMITS/CODES/LICENSES

5.1 Contractor shall obtain, and/or pay for, and place on file with City of Scottsdale Housing Rehabilitation Program, all permits and licenses necessary for the completion and execution of the work. Strict compliance with Federal Regulations, State Regulations, OSHA Regulations, Municipal Codes and Ordinances shall be observed in all phases of the work. The Contractor shall perform all work in conformance with the applicable state and local codes and ordinances whether or not covered by the Scope of Work and Drawings for the work. Contractor shall comply with all Federal Lead-based paint regulations. All lead-related work activities shall be completed by an EPA licensed lead contractor.

5.2 Contractor shall ensure that all sub-contractors perform in accordance with the terms and conditions of this contract insofar as it applies to their work, but this applicability shall not relieve the Contractor from full responsibility to the owner and the City of Scottsdale Housing Rehabilitation Program for the proper completion of all work to be executed under the terms of the Contract, and, as to the Owner, the Contractor shall not be released from this responsibility by any sub-contractual agreement he may make with others.

ARTICLE 6: INSURANCE

6.1 The Contractor shall be required to carry insurance covering Worker's Compensation and Public Liability Insurance in accordance with all State and Federal requirements. The Contractor shall furnish a Certificate of Insurance showing same to be in effect before bidding the work. The Property Damage Insurance need not be written upon an "Occurrence Basis", but the Bodily Injury coverage shall be written on an "Occurrence Basis". The Certificate of Insurance for public liability coverage shall name the Owner and City as additional insured under the policy.

6.2 The homeowner must carry fire and extended coverage insurance on the property but this insurance does not cover tools, equipment, or materials stored on the property and owned by the Contractor.

ARTICLE 7: MATERIALS

7.1 All products shall be installed, used or applied in accordance with the manufacturers' latest instructions. Any variation in these specifications and the manufacturer's instructions must be called to the attention of the Housing Rehabilitation Coordinator.

7.2 Each Contractor is required to examine the work done by the other contractors/subcontractors to ascertain whether it is correct as to dimensions and locations, before proceeding to carry out their part of the Contract, as the Contractor will be held responsible for the accuracy of their branch of the work when done.

7.3 All materials installed shall be new (unless otherwise specified). All work is to be a finished product unless specified to the contrary.

7.4 Materials and/or workmanship failing to meet these requirements shall be replaced at the Contractor's expense. Acceptance of materials and/or workmanship by an authorized representative of the Owner prior to completion of the Contract does not relieve the Contractor from the obligation to produce materials and/or workmanship in first class condition at the completion of the Contract.

7.5 Contractor shall:

- A. see that all work is performed by the mechanics skilled in their respective trades in accordance with the best practices of the trade, and in accordance with all existing applicable codes;
- B. provide competent superintendence; and
- C. perform the work without unnecessarily interfering with sub-contractors' work or Owner's activities.

ARTICLE 8: WORK IN OCCUPIED STRUCTURES

8.1 The Contractor is responsible for storage and safety of his own tools and materials. Owner assumes no responsibility for damage, theft, or loss of property left on his/her premises.

8.2 The Contractor is liable for any appliance or material installed until the project is complete, or unless the Owner uses the appliance or material or completed portion of project before the project is fully completed. The Contractor is released from any liability, other than warranty issues, for those materials, appliances and areas in use by the Owner or his or her agents prior to completion of the project.

8.3 General Contractor and sub-contractors shall cover all carpets, rugs and furniture in their working area with drop cloths. No combustible materials or other fire hazards shall be left or allowed to accumulate.

8.4 Moving furniture and other materials as it relates to creating a free area for contractors shall become the work and responsibility of the Owner, unless so specified elsewhere in the Scope of Work and shall be done as required by Contractor.

8.5 In occupied buildings, the Contractor shall provide the homeowner with a habitable residence at the end of each working day. At minimum a habitable residence shall include the following items:

- Functional sink/faucet
- Functional shower
- Functional toilet
- Electricity
- Functional HVAC unit
- Functional cooking device
- Weather tight conditions

ARTICLE 9: PROTECTION OF WORK/PROPERTY/PERSON

9.1 The Contractor shall adequately protect the work, adjacent property, and the public and is responsible for any damage or injury due to his act or neglect. All work shall be supervised with special attention to adequate safety especially where hazardous work is required.

9.2 It is the responsibility of the Contractor to provide constant protection against rain and other elements so as to maintain work, material, apparatus, fixtures, free from injury or damage.

ARTICLE 10: CLEANING UP

10.1 The Contractor shall keep the premises clean and orderly during the course of work and all debris shall be removed on a continuous basis and not be allowed to accumulate. Materials and equipment that have been removed as part of the work shall belong to the Contractor unless specified otherwise in the Scope of Work.

10.2 All new surfaces shall be washed and polished if recommended by the manufacturer or construction standard applicable to the work. Leave the item of work ready for use by the Owner.

ARTICLE 11: FREE ACCESS

11.1 Once the work commences the Contractor shall have free access to all parts of the premises requiring work during normal working hours of 6:00am to 6:00pm unless otherwise stated.

11.2 Should this access be limited in any way by the Owner, the Contractor will be notified in advance so adjustments in the Contract can be made. The Contract shall permit observation of the work at all times by the Owner and his agents and authorized agents of the City of Scottsdale.

ARTICLE 12: TEMPORARY SERVICES

12.1 In occupied buildings, the Owner shall provide the Contractor with service of water and electricity at no charge to the Contractor. In occupied buildings, the utilities shall not be disrupted without the approval of the occupants.

ARTICLE 13: PAYMENTS AND RELEASE OF LIENS

13.1 Payments shall be made as provided in the Contract. The making and acceptance of the final payment shall constitute a waiver of all claims by the Owner, other than those arising from unsettled liens or from faulty work appearing thereafter, as provided for in Article 4, and of all claims by the Contractor, except any previously made and still unsettled. Payments otherwise due may be withheld on account of defective work not remedied, liens filed, damages by the Contractor to others not adjusted, or failure to make payments properly to agents or for material or labor.

13.2 Before each progress payment is made, the Contractor shall be required to give Owner and City of Scottsdale Housing Rehabilitation Program lien waivers and labor releases as good and sufficient evidence that the premises are free from all liens, damages, and anything chargeable to said Contractor as aforesaid, the Owner and City of Scottsdale Housing Rehabilitation Program shall have the right to retain out of the payment then due, or thereafter to become due, and amount sufficient to indemnify the Owner against all such liens, damages and claims until the same shall be satisfied, discharged, and canceled.

13.3 The Contractor shall on his time and expense submit to the Owner and City of Scottsdale Housing Rehabilitation Program a release of all mechanics and material liens prior to final payment of the consideration set forth hereafter.

ARTICLE 14: CHANGES IN THE WORK

14.1 Any changes in the work shall be mutually agreed upon, in writing, and signed by the Owner and Contractor, and approved by the Scottsdale Housing Rehabilitation Program before any changes in the work are executed. If Contractor so elects to proceed without written agreement and approval, Contractor will do so at Contractor's own expense and will relinquish any lien or legal action to be paid for this work.

ARTICLE 15: DISPUTES

15.1 In the case of any dispute or controversy between the Owner and the Contractor (or sub-contractors) concerning, but not limited to, the breach, validity, construction, interpretation, or performance of the Contract, the Owner and Contractor (or sub-contractor) shall refer such dispute in writing to an arbitrator to be jointly agreed upon OR, failing an agreement, to the American Arbitration Association for referral to a single arbitrator. The Arbitrator shall be required to promptly determine such dispute and shall deliver a written decision to each party to the dispute by personal delivery or certified mail. All costs assigned by the Arbitrator shall be paid in the amounts and by the parties as determined by the arbitrator. The decision of the arbitrator shall be final and binding as to all parties.