

**Neighborhood Housing Services of
Orange County
NHS OC**



**NSP2 Program
7.12.2010**

CONSTRUCTION MANUAL

*For the Neighborhood Stabilization
Program2*

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NSP2 Construction Program Requirements.

Titles

These provisions shall be known as the Neighborhood Stabilization Program2 (NSP) Construction Standards.

Purpose & Scope

Neighborhood Housing Services of Orange County, (NHS OC), has provided this manual for the purposes of establishing the minimum construction standards that will be used when the NHS OC disburses NSP funds. In addition, this provision will apply when NSP funds are used in part or whole for any construction, alteration, repair and or equipment installation in or on any dwelling unit which uses NSP funds directly or indirectly received from the NHS OC

Permits

1. A permit, as required by each local jurisdiction shall be obtained before construction, alterations or repairs begin to the dwelling units.
2. For work valued at \$5,000 or less, contractor must be REGISTERED with NHS OC , Licensed, and Included on the NHS OC Vendor List and INSURED.
3. For work valued at \$5,000 and up, contractor must be LICENSED, REGISTERED with NHS OC and INSURED.

Inspections

All construction, alternations or repairs requiring a building permit shall be inspected by the inspection department having jurisdiction thereof. A Certificate of Occupancy must be obtained if applicable for the work completed.

Contractor Responsibilities

It shall be the duty of every person who shall contract for repairs or construction of a dwelling unit or installation of a service system to comply with NHS OC, state and local regulations concerning licensing and insurance. It shall further be the contractor's responsibility to conform to these regulations.

Violation and Penalties

Any person, firm, corporation or administrator who shall violate a provision of these standards may cause the recipient to be administered a finding which could result in disallowed cost.

ACCEPTABLE AFFORDABLE HOUSING STANDARDS (Single Family Construction):

Standards for Single Family Housing Construction include the following:

<i>Stove/Oven</i>	<i>Garbage Disposal</i>	<i>Dishwasher</i>	<i>Ceiling Fans</i>
<i>Standard tubs</i>	<i>Carpet and vinyl , Tile</i>	<i>If Applicable ADA Compliant Installation of equip.</i>	<i>Air Conditioning as standard in the industry</i>

NSP funds used for landscaping costs cannot exceed a reasonable percentage to the overall project.

Any items not included or contained in this listing **must** be approved by NHS OC prior to the execution of an agreement with the potential contractor. Failure to do so will result in disallowed costs.



Federal Requirements

NSP-assisted projects are subject to the Federal requirements found in the **NSP Federal Register and CDBG Regulation at 24 CFR Part 570**. These requirements include nondiscrimination, equal opportunity, disclosure, debarment, drug-free workplaces, affirmative marketing, minority outreach, environmental reviews, relocation, labor, lead-based paint, conflict of interest, Executive Order 12372, and consultant activities.

HANDICAPPED ACCESSABILITY:

Under certain circumstances, NSP projects are required to be in compliance with the following three (3) regulations regarding accessibility of federally assisted buildings, facilities and programs.

I.

Section 504: NSP multi-family housing must meet the accessibility requirements of **Section 504 of the Rehabilitation Act of 1973**. The Act prohibits discrimination against persons with disabilities in the operation of programs receiving Federal financial assistance. HUD regulations implementing **Section 504** contain accessibility requirements for new construction and rehabilitation of housing as well as requirements for ensuring that the programs themselves are operated in a manner that is accessible to and usable by persons with disabilities.

New Construction projects with five (5) or more units must have a minimum of five percent (5%) of the units accessible to individuals with mobility impairments and an additional two percent (2%) of the units accessible to individuals with sensory impairments.

Rehabilitation projects with fifteen (15) or more units and rehabilitation costs that will be seventy-five percent (75%) or more of the replacement costs of the completed facility must have a minimum of five percent (5%) of the units accessible to individuals with mobility impairments and an additional two percent (2%) of the units accessible to individuals with sensory impairments.

II.

Americans with Disabilities Act (ADA): The **ADA** requires that all facilities designed or constructed after January 26, 1993 must be accessible and usable by disabled persons. The **ADA** also requires the removal of structural architectural and communication barriers in existing facilities. Removal must be readily achievable, easily accomplished and able to be carried out without much difficulty or expense.

III.

Fair Housing: Multi-family dwelling units must comply with the **Fair Housing Act** construction and design requirements as required by 24 CFR 100.205.

DAVIS BACON:

Davis Bacon may be required for certain rehabilitation activities under NSP. Davis Bacon is **not required** for NSP where only acquisition funding is provided, with no other Federal Funds allocated to the project. The **Davis-Bacon Act** (40 USC, Chapter 3, Section 276a-276a-5; and 29 CFR Parts 1, 3, 5, 6 and 7) is triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds. It requires that workers receive no less than the prevailing wages being paid for similar work in the same area. Davis-

Bacon does not apply to residential structures containing less than eight (8) units or force account labor (construction carried out by employees of the grantee). NHS OC should be contacted if there is any situation where the applicability of Davis-Bacon is in question. Typically, single-family

Homeowner properties are excluded under this exemption. However, *property* is not limited to a specific building. Property is defined as one or more buildings on an undivided lot or on contiguous lots or parcels, which are commonly-owned and operated as one rental, cooperative or condominium project. Examples of 8+unit properties include:

- 5 townhouses side-by-side which consist of 2 units each.
- 3 apartment buildings each consisting of 5 units and located on one tract of land.
- 8 single-family (not homeowner) houses located on contiguous lots.

If applicable, Davis-Bacon regulations require contractors to pay prevailing wages to all laborers and mechanics employed in the development and allows for the withholding of funds to ensure compliance. (Revision) Prevailing wages are determined by the Department of Labor. Wage determinations are listed by construction type and county. They can be found online at www.access.gpo.gov/davisbacon/ or www.wdol.gov. Wage decisions are “locked in” when the contract is executed and no future modifications are applicable to the contract or project. While construction is underway, NSP recipients that must comply with the Davis Bacon Act must submit weekly payroll information to the Authority, conduct on-site employee interviews, and have contracts and procurement policies that are in compliance with Federal Labor Standards. Once Davis-Bacon is triggered, the requirements are applicable to the construction of the entire project, including portions of the project that are not assisted with NSP funds. NSP prohibits breaking a single project into multiple contracts for the purpose of avoiding Davis-Bacon.

On-site interviews with laborers and mechanics must be periodically conducted by the NSP recipient’s appointed Labor Standards Officer. The purpose for the interviews is to compare the worker’s views on the hours worked, type of work performed and wages received against the information submitted in the certified payroll documents.

Davis-Bacon Exceptions

The Davis-Bacon Act does not apply to an individual who:

- Performs a service or services for which the individual has volunteered, and thus receives no compensation.
- Receives payment for expenses, reasonable benefits, or a nominal fee to perform services for which the individual has volunteered, and such persons are not otherwise employed at any time in the construction work.
- Participates in a sweat equity program which permits members of an eligible family to provide labor in exchange for acquisition of property for homeownership or to provide labor in lieu of, or as a supplement to, rent payments.
- Apprentices enrolled in bona fide apprenticeship programs approved and registered with the Department of Labor or a DOL recognized State Apprenticeship Council.

Davis-Bacon Responsibilities

All NSP recipients that are required to comply with the Davis-Bacon Act regulations, at a minimum are responsible for the following:

- Designating a **Labor Standards Officer**, who is a member of your organization that will be responsible for ensuring compliance with Davis-Bacon and other applicable labor standards requirements? See **Attachment M** on page 115.
- Ensuring that all bid documents, contracts and subcontracts for Davis-Bacon covered work contain the **Federal Labor Standards Provisions and the current Davis-Bacon Wage Decision**.
 1. **Federal Labor Standards Clauses** obligate the contractor to comply with Davis-Bacon wage and reporting requirements and provide remedies for sanctions should violations occur. The standard form **HUD-4010, Federal Labor Standards for CDBG and NSP** is provided as an **Attachment M8** on pages 157-160 and is available online at www.hudclips.org/cgi/index.cgi.
 2. The **Davis-Bacon Wage Decision** is a listing of various construction work job classifications and the minimum wage rates that must be paid based on county and project type. See sample wage decision provided as **Attachment M10** on pages 163-165.
- The Labor Standards Officer must make certain that the contractor fully understands their responsibilities for Davis-Bacon compliance and provide training if necessary. A copy “**Making Davis-Bacon Work, A Contractor’s Guide to Prevailing Wage Requirements for Federally Assisted Construction Projects**” has been provided as attachment **M7** on pages 123-156. A copy of this guide must be provided to all applicable contractors and subcontractors working on the project. Additional copies can be downloaded at www.hud.gov/offices/olr. Documentation must be provided that each applicable contractor and subcontractor has received the guide and understands their responsibilities regarding compliance with the Davis-Bacon regulations, see **Attachment ___** on page ____.
- Conduct on-site inspections including employee interviews with laborers and mechanics employed on the construction project and to ensure that the applicable **Wage Decision** and Department of Labor’s “**Notice to Employees Poster**” are posted on the job site. See **Attachments ___** and **___** on pages ____.
- Review certified payrolls reports and related documentation and submit to the Authority on a weekly basis. See **Attachment ___** on page ____.
- Maintain full documentation of Federal Labor Standards administration and enforcement activities for a minimum of 3 years.
- Inform NHS OC immediately of any violations or potential violations for investigation.

Davis Bacon Record Keeping

A Davis-Bacon Checklist is provided as **Attachment L** on page _____. For each construction contract and subcontract that is subject to the Davis-Bacon Act, the NSP award recipient is required to maintain a file with the following documentation:

1. Copy of the Wage Rate
2. Procurement Documents containing the Labor Standards Provisions
3. Contracts containing the Labor Standards Provisions and Wage Decisions
4. Payrolls with evidence of their review
5. Employee Interviews

6. Evidence of any violations and the steps take to resolve them

he following Davis-Bacon documents have been provided as attachments:

M1	Davis-Bacon Recipient File Checklist	115
M2	Receipt of Making Davis-Bacon Work (Contractor's Guide)	116
M3	Designated Labor Standards Officer	117
M4	Davis-Bacon Contractor Payroll Checklist	118
M5	Record of Employee Interview (English)	119-120
M6	Record of Employee Interview (Spanish)	121-122
M7	Making Davis-Bacon Work (Contractor's Guide)	123-156
M8	Federal Labor Standards Provisions	157-160
M9	Notice to Employees Poster	161-162
M10	Sample Wage Decision	163-165

Environmental Review

Each NSP funded project is required to conduct an **Environmental Review** in accordance with 24 CFR Parts 50 and 58, as amended. In accordance with 24 CFR Part 58 applicants, recipients, owners, developers, sponsors or any third party partners **CAN NOT** take any physical actions on a site, start construction, commit, expend, or enter into any legally binding agreements that constitute choice limiting actions for any HUD or non-HUD funds before the environmental review process has been completed and an **“Authority to Use Grant Funds”** has been received from HUD. Any violation of the statutory regulation will result in the automatic de-obligation of a NSP award or remove an application from funding consideration. The environmental review process must be completed before executing a construction contract or taking any physical actions on a site. NSP funds may not be used to reimburse a non-governmental entity for project-related costs incurred after the entity has submitted an application for NSP funds and before approval by HUD of the Request for Release of Funds has been received except for activities that are exempt or are excluded and not subject to the laws in 58.5 and for certain relocation expenses.

If construction was underway before submitting the application for NSP funds, **all work must cease immediately** once the application for NSP funds has been made. No work or choice limiting actions may occur after the application date. Work may only recommence after an environmental review has been completed and an **“Authority to Use Grant Funds”** notification has been received. See Attachment "O" Sample of Environmental Review Check Sheet .page 175

LEAD-BASED PAINT:

NSP projects are subject to comply with Lead-Based Paint Regulations. Effective September 15, 2000, the U.S. Department of Housing and Urban Development (HUD) issued a new regulation designed to protect young children from lead-based paint hazards in housing that is financially assisted by the federal government or being sold by the government. The regulation, “Requirements for Notifications, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance,” was published in the Federal Register on September 15, 1999. This regulation appears within title 24 of the Code of Federal Regulations as part 35 (**24 CFR Part 35**). The requirements apply to housing built before 1978, the year lead-based paint was banned nationwide for consumer use. The regulation sets hazard reduction requirements that give a much greater emphasis than previous regulations to reducing lead in house dust. The regulation requires dust testing after paint is disturbed to make sure the home is lead-safe. Specific requirements depend on whether the housing is being disposed of or assisted by the federal government, and also on the type and amount of financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied.

Types of Housing Covered

- Federally-owned housing being sold.
- Housing receiving a federal subsidy that is associated with the property, rather than with the occupants (project-based assistance).
- Public housing
- Housing occupied by a family (with a young child) receiving tenant-based subsidy (such as a voucher or certificate).
- Multifamily housing for which mortgage insurance is being sought.
- Housing receiving federal assistance for rehabilitation, reducing homelessness, and other special needs.
- All units constructed prior to January 1, 1978 assisted with NSP funds for rehabilitation, conversion, acquisition, down payment and closing cost assistance and tenant based assistance.

Types of Housing Not Covered

- Housing built on or after January 1, 1978, when lead paint was banned for residential use.
- Housing exclusively for the elderly or people with disabilities, unless a child under age 6 is expected to reside there for prolonged periods of time.
- Zero-bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks.
- Property that has been found to be free of lead-based paint by a certified lead-based paint inspector.
- Property where all lead-based paint has been removed and clearance has been achieved.
- Unoccupied housing that will remain vacant until it is demolished.
- Non-residential property
- Any rehabilitation of housing improvement that does not disturb a painted surface.

All lead-based paint activities shall be performed using safe work practice standards as required by 40 CFR Part 745. All lead-based paint activities must be undertaken by an EPA Lead-Based Paint Certified individual or firm. Refer to the definition of certified on page 6. When applicable, the lead-based paint disclosure rule requires that all tenants, owners and purchasers are provided with the pamphlet titled “**Protect Your Family from Lead In Your Home**”. A copy is provided as **Attachment A1** on pages 73 - 88. Additional copies are available at www.hud.gov/offices/lead/disclosure/index.cfm. Lead-based paint regulations apply to all units in a NSP project regardless of the occupancy of the unit.

Lead Based Paint Definitions

Abatement means any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards. Permanent means an expected design life of at least 20 years.

Abatement includes:

- The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and
- All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.

Certified means licensed or certified to perform such activities as risk assessment, lead-based inspection, or abatement supervision by the State with a lead-based paint certification program authorized by the Environmental Protection Agency (EPA).

Clearance Examination means an activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards exist in the dwelling unit or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples. Dust-lead standards for clearance are found at Toxic Substance Control Act 35.1320.

Containment means the physical measures taken to ensure that dust and debris created or released during lead-based paint hazard reduction are not spread, blown or tracked from inside to outside of the worksite.

Deteriorated Paint means any interior or exterior paint or other coating that is peeling, chipping, chalking or cracking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate.

Dust-Lead Hazard means surface dust that contains a dust-lead loading (area concentration of lead) at or exceeding the levels promulgated by the EPA pursuant to section 403 of the Toxic Substances Control Act or the standards in 35.1320.

Encapsulation means the application of a covering or coating that acts as a barrier between the lead-based paint and the environment and that relies for its durability on adhesion between the encapsulant and the painted surface, and on the integrity of the existing bonds between paint layers and between the paint and the substrate. Encapsulation may be used as a method of abatement if it is designated and performed so as to be permanent.

Enclosure means the use of rigid, durable construction materials that are mechanically fastened to the substrate in order to act as a barrier between lead-based paint and the environment. Enclosure may be used as a method of abatement if it is designated to be permanent.

Evaluation means a risk assessment, a lead hazard screen, a lead-based paint inspection, paint testing, or a combination of these to determine the presence of lead-based paint hazards or lead-based paint.

Hazard Reduction means measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of the two.

Interim Controls means a set of measures designated to reduce temporarily human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.

Lead-Based Paint Hazard means any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

Lead-Based Paint Inspection means a surface-by-surface investigation to determine the presence of lead-based paint and the provision of a report explaining the results of the investigation.

Paint Stabilization means repairing any physical defect in the substrate of a painted surface that is causing paint deterioration, removing loose paint and other material from the surface to be treated, and applying a new protective coating or paint.

Painted Surface to be Disturbed means a paint surface that is to be scraped, sanded, cut, penetrated or otherwise affected by rehabilitation work in a manner that could potentially create a lead-based paint hazard by generating dust, fumes, or paint chips.

Risk Assessment means:

- An on-site investigation to determine the existence, nature, severity, and location of lead-based paint hazards; and
- The provision of a report by the individual or firm conducting the risk assessment explaining the results of the investigation and options for reducing lead-based paint hazards.

Safe Work Practices means hazard reduction using approved methods of paint stabilization, occupant protection and specialized cleaning.

Standard Treatments means a series of hazard reduction measures designed to reduce all lead-based paint hazards in a dwelling unit without the benefit of a risk assessment or other evaluation.

Visual Assessment means looking for, as applicable:

- Deteriorated paint
- Visible surface dust, debris and residue as part of a risk assessment or clearance examination; or
- The completion or failure of a hazard reduction measure.

Lead-Based Paint Notification Requirements

NSP recipients must provide documentation that these four notification requirements have been met when applicable:

1. **Lead Hazard Information Pamphlet:** Occupants, owners, and purchasers must receive the EPA/HUD/Consumer Product Safety Commission lead hazard information pamphlet (**Attachment A1 on pages 73 - 88**)
2. **Disclosure:** Recipients are responsible for checking that property owners have provided purchasers and lessees with available information or knowledge regarding the presence of lead-based paint and lead-based paint hazards prior to selling or leasing a residence.
3. **Notice of Lead Hazard Reduction Evaluation or Presumption:** Occupants, owners, and purchasers must be notified of the results of any lead hazard evaluation work or the presumption of lead-based paint or lead hazards.
4. **Notice of Lead Hazard Reduction Activity:** Occupants, owners, and purchasers must be notified of the results of any lead hazard reduction work.

The following lead-based paint documents have been provided as attachments:

A1 Lead-Based Paint Pamphlet “Protect Your Family from Lead in Your Home”.....	73-88
A2 Lead-Safe Housing Rule Applicability Form	89
A3 Lead-Safe Housing Rule Checklist.....	90
A4 Notice that Lead-Based Paint Hazards are Presumed Present	91
A5 Summary Notice of Completion of LBP Hazard Reduction Activity	92
A6 Summary Notice of LBP Risk Assessment.....	93
A7 Receipt of “Protect Your Family from Lead in Your Home” Pamphlet.....	94
A8 Receipt of Lead-Based Paint Evaluation Results	95
A9 Receipt of Lead-Based Paint Clearance Activities	96

Summary of NSP LBP Requirements by Activity

	Rehabilitation (Subpart J)			Homebuyer DPA (Subpart K)
	\$5,000 or less per unit	\$5,001 - \$25,000 per unit	More than \$25,000 per unit	No monetary Threshold
Approach	Do no harm	Identify & Control	Identify & Abate	Identify & stabilize deteriorated paint
Notification	Yes	Yes	Yes	Yes
Evaluation Required	Paint Testing	Paint Testing & Risk Assessment	Paint Testing & Risk Assessment	Visual Assessment
Safe Work Practices	Yes	Yes	Yes	Yes
Clearance Required	Yes	Yes	Yes	Yes
Ongoing Maintenance	Rental Only	Rental Only	Rental Only	Yes (if ongoing relationship)
EIBLL Requirements	No	No	No	No
Options	Presume LBP present, use safe work practices on all surfaces	Presume LPB paint and/or hazards present, Use standard treatments	Presume LPB paint and/or hazards present, Abate all applicable surfaces	Test deteriorated paint, Use safe work practices only on LBP surfaces

1. Safe work practices and occupant protection are always required. Clearance is required after abatement, interim controls, paint stabilization, or standard treatments, except when the amount of deteriorated paint is below the de minimis levels specified in Subpart R.
2. Notifications to occupants are always required and must include results of evaluations (paint testing, inspection, and risk assessment) and clearance, where applicable.
3. Information on certification and training requirements can be found at the following web-sites.: www.Hud.gov/offices/lead and www.epa.gov/lead .
4. EIBBL means Environmental Intervention Blood Lead Level.

Four Approaches to Implementing Lead Hazard Evaluation and Reduction

Approach 1. DO NO HARM		
<p>Lead Hazard Evaluation</p> <p>Paint testing performed on surfaces to be disturbed.</p>	<p>Lead Hazard Reduction</p> <p>Repair surfaces disturbed during work.</p> <p>Safe work practices used when working on areas identified as lead-based paint</p> <p>Clearance performed</p>	<p>Options</p> <p>Presume lead-based paint is present and use safe work practices on all surfaces being disturbed.</p>
Approach 2. IDENTIFY AND STABILIZE DETERIORATED PAINT		
<p>Lead Hazard Evaluation</p> <p>Visual assessment performed to identify deteriorated paint.</p>	<p>Lead Hazard Reduction</p> <p>Paint Stabilization of identified deteriorated paint</p> <p>Safe work practices used.</p> <p>Clearance performed</p>	<p>Options</p> <p>Perform paint testing on deteriorated paint. Safe work practice requirements only apply to lead-based paint.</p>
Approach 3. IDENTIFY AND CONTROL LEAD HAZARDS		
<p>Lead Hazard Evaluation</p> <p>Paint testing performed on surface to be disturbed.</p> <p>Risk assessment performed on entire dwelling</p>	<p>Lead Hazard Reduction</p> <p>Interim controls performed on identified hazards.</p> <p>Safe work practices used.</p> <p>Clearance performed</p>	<p>Options</p> <p>Presume lead based paint and/or lead based paint hazards are present and perform standard treatments.</p>
Approach 4. IDENTIFY AND ABATE LEAD HAZARDS		
<p>Lead Hazard Evaluation</p> <p>Paint testing performed on surfaces to be disturbed.</p> <p>Risk assessment performed on entire dwelling</p>	<p>Lead Hazard Reduction</p> <p>Abatement performed on identified hazards.</p> <p>Interim Controls performed on identified hazards on the exterior that are not disturbed by rehabilitation.</p> <p>Safe work practices used.</p> <p>Clearance performed</p>	<p>Options</p> <p>Presume lead-based paint and/or lead-based paint hazards are present and perform abatement on all applicable surfaces – deteriorated, impact, friction, chewable surfaces, and surfaces to be disturbed.</p>

PROCUREMENT:

In all cases, procurement shall be performed when costs exceed \$100,000. Even when not required, NHS OC strongly encourages and recommends that all HAC members as NSP recipients use procurement procedures to promote open competition and keep costs down. All HAC members must have an NHS OC approved procurement policy they will follow prior to NSP fund awards being made. Procurement policies or bid selection procedures must comply with the regulations of section 3, MBE/WBE, and minority outreach requirements, and federal labor standards when applicable. Section 3 requires that economic opportunities generated by HUD funded projects for housing and community development programs are targeted toward low- and very low-income persons. See pages 16 - 19 for more information regarding Section 3 requirements.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid to be evaluated by the recipient. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

A minimum of three bids is preferred. The bids shall be from general contractors who are licensed in the State of California. All bids shall be submitted with line item costs. The acceptable bid shall be no more than 10% higher or lower than the independent cost analysis or the public body estimate. Any exception to the above items shall be approved in writing by NHS OC.

Procurement records and files for purchases shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids are not obtained, and (c) basis for award cost or price. It is recommended that open competition through the use of two or more bidders be used. Procurement records should be retained for a minimum of 5 years.

Procurement by Sealed Bids (formal advertising)

In this process, bids are publicly solicited and a firm fixed-price contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is preferred, but not only method approved for procuring construction.

In order for sealed bidding to be feasible, the following conditions should be present:

- a) A complete, adequate, and realistic specification or purchase description is available;
- b) Two or more responsible bidders are willing and able to compete effectively for the business; and
- c) The procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a) The invitation for bids should be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- b) The invitation of bids, which should include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- c) All bids should be publicly opened at the time and place prescribed in the invitation for bids;

- d) A firm fixed-price contract award should be made in writing to the lowest responsive and responsible bidder; and
- e) Any or all bids may be rejected if there is a sound document reason.

Procurement by Competitive Proposals

Competitive proposals are normally conducted with more than one source submitting an offer, and either a fixed-price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- a) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- b) Proposals will be solicited from an adequate number of qualified sources;
- c) Recipients have a method for conducting technical evaluations of the proposals received and for selecting awardees;
- d) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- e) Recipients may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms or a potential source to perform the proposed effort.

Procurement by Noncompetitive Proposals

Procurement by noncompetitive proposals is procurement through solicitations of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- a) The item is available only from a single source;
- b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c) NHS OC authorizes noncompetitive proposals; or
- d) After solicitation of a number of sources, competition is determined inadequate.

Procurement by Small Purchase Procedures

Procurement by small purchase procedures is an eligible method for securing services, supplies, or other property when costs do not exceed the simplified acquisition threshold fixed at 41 USC 403(11), which is currently set at \$100,000. If this method is utilized, price or rate quotations must be obtained from an adequate number of qualified sources.

Conflict of Interest

Recipients must maintain a written code of standards of conduct within their procurement policies governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the recipient shall participate in the selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when:

- i. The employee, officer or agent,
- ii. Any member of his immediate family,
- iii. His or her partner, or
- iv. An organization which employs, or is about to employ any of the above, has a financial or other interest in the firm selected for award.

Recipients, officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

Procurement Requirements and Economic Opportunity

Each recipient should take necessary affirmative steps to assure that minority firms and women's business enterprises are used whenever possible. Procurement regulations at 24 CFR Part 85.36(e) specify that MBE/WBE outreach activities apply to all contracting opportunities facilitated by NSP-funded activities, including contracts related to construction, rental assistance, and NSP program administration. There are no monetary thresholds that trigger MBE/WBE outreach requirements. They apply to all contracts awarded in conjunction with NSP projects.

Outreach to Minority, Women and Small Business Enterprises

NSP regulations require the following **minimum** affirmative steps are taken to ensure MBE/WBE are afforded every opportunity to participate in NSP generated contracts.

- Placing minorities and women on solicitation lists;
- Assuring that MBE and WBE firms are solicited when ever they are potential sources;
- Dividing the total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business enterprises, and women business enterprises;
- Where the requirement permits, establishing delivery schedules that encourage participation by small and minority business enterprises, and women business enterprises;
- Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontractors are to be let, to take all the same affirmative steps listed here.

If a contractor cannot demonstrate an ability to meet Section 3, MBE/WBE, and minority outreach requirements, it should not be selected to perform work in connection with any NSP funded projects. It is important to effectively communicate up front all applicable NSP requirements related to HUD generated economic opportunities by clearly stating in all contract solicitations:

- Criteria for determining the eligibility of minorities and women; entities owned by minorities and women or Section 3 businesses
- The Authority's preferences for contracting with Section 3 businesses;
- Selected contractor's hiring and contracting obligations, as they relate to Section 3 and minority outreach; and
- Selected contractor's reporting obligations, as they relate to Section 3 and minority outreach.

CONTRACT PROVISIONS:

Contracts and subcontracts awarded for NSP-assisted projects must contain all of the following provisions as applicable:

- **Compliance with Executive Order 11246**, as amended: (41 CFR Part 60) prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effectuate this prohibition must be included in all construction contracts exceeding \$10,000.
- **Section 3 of the Housing and Urban Development Act of 1968**: (24 CFR Part 135) Requires that to the greatest extent feasible economic and employment opportunities generated from HUD funding shall be provided to low-income persons and business concerns. Section 3 is triggered by projects funded with HUD funds in excess of \$200,000 for construction and rehabilitation activities. See required **Section 3 Clause** on page 18.
- **Minority and Women's Business Enterprise**: (24 CFR Part 85.36e) Under Executive Orders 11625, 12432 and 12138 NSP participants must prescribe procedures acceptable to HUD for a minority outreach program to ensure their inclusion to the maximum extent. Applicable to all contracts and subcontracts.
- **Davis-Bacon and Related Act** (40 USC 276(A)-7): Every contract for the construction (new construction or rehabilitation) of housing that includes 8 or more units assisted with NSP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, to all laborers and mechanics employed in the development of any part of the housing along with the appropriate Wage Decision. The required **Federal Labor Standards Provisions** are provided on pages 157 - 160 as **Attachment M8**. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act.
- **Contract Work Hours and Safety Standards Act**, as amended (40 USC 327-333): Provides the mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week and addresses safe and healthy working conditions. Applies to every contract for the construction (new construction or rehabilitation) of housing that includes 12 or more units assisted with NSP funds.
- **Copeland "Anti-Kickback" Act** (40 USC 276c) as supplemented in the Department of Labor regulations (29 CFR Part 3): Regulates what are allowable deductions from paychecks. Makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which they are entitled and requires all contractors to submit weekly payrolls and statements of compliance. Applicable to all contracts and subcontracts for construction or rehabilitation.
- **Fair Labor Standards Act of 1938**, as amended (29 USC 201, et. seq.): Establishes basic minimum wage and requires the payment of overtime at the rate of at least time and one half and establishes child labor standards.
- **Clean Air Act** (42 USC 7401 et seq.) and the **Federal Water Pollution Control Act** (33 USC 1251 et seq.) as amended. Contracts and subcontracts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with applicable standards, orders or regulations.

- **Byrd Anti-Lobbying Amendment** (31 USC 1352) Contractors who apply or bid for awards in excess of \$100,000 shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization influencing or attempting to influence an officer employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 USC 1352. Each tier should disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient.
- **Debarment and Suspension** (E.O.s 12549 and 12689) No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689. Contractors and subcontractors with awards exceeding \$100,000 shall provide the required certification regarding its exclusion status.
- **Access to Records** (OMB Circular A-110, .48d) All contracts and subcontracts exceeding \$100,000 shall include a provision to the effect that the recipient, federal awarding agency, the Comptroller General of the United States, or any other duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the NSP program for the purpose of making audits, examination, excerpts and transcriptions.

BONDING REQUIREMENTS:

Payment and Performance Bonds or Direct Pay Irrevocable Letters of Credit are required for all contracts that exceed \$100,000 when the recipient plans to draw NSP funds during the construction phase. The amount of the bonds or letters of credit must be equal to the contract amount. Recipients must make an election to draw funds during construction or and the completion of the project. Acceptable letters of credit must be payable directly to the SC State Housing Finance and Development Authority in the amount equal to the contract amount to ensure payment in full for all completed work in place. All letters of credit will be reviewed to limit the NHS OC and HAC Liability

SECTION 3:

Section 3 regulations apply to the following NSP- assisted projects:

- Projects assisted with HUD funds for construction and rehabilitation activities in excess of \$200,000.
- Contracts and subcontracts exceeding \$100,000 that were awarded in connection with projects assisted with HUD funds for construction and rehabilitation activities in excess of \$200,000.

If a new construction or rehabilitation project is assisted with any HUD program funds in excess of \$200,000 but no single contractor or subcontractor is awarded more than \$100,000 in association with the project then only the organization that directly received the NSP assistance is subject to comply with the Section 3 Regulations concerning training, employment and contracting activities. If there are contracts and subcontracts awarded in conjunction with the Section 3 applicable project, then Section 3 regulations apply to the organization that directly received the NSP funds and all the contracts and subcontracts for work awarded in connection with the NSP project that are in excess of \$100,000. These include **all** contracts and subcontracts awarded in excess of \$100,000, even those not funded with NSP

funds and those that are for non-construction related activities.

Purpose

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135), as amended is to ensure that “the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the **greatest extent feasible**, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing.” To the greatest extent feasible, NSP participants and their contractors and subcontractors must provide opportunities for job training, employment, contracting and subcontracting to Section 3 residents and businesses.

Training and Employment Goals

NSP recipients and contractors that are required to be in compliance with Section 3 regulations must demonstrate preferences for providing training and employment opportunities to low-income persons to the greatest extent feasible. Priority consideration for hiring qualified low-income persons should be demonstrated as follows:

1. Low-income persons residing in the service area or neighborhood in which the project is located.
2. Participants in HUD Youthbuild programs
3. If the project is assisted with McKinney Act funds, homeless persons in the area of the project.
4. Other Section 3 residents.

Section 3 hiring goals apply to new hires only. Payroll records should be retained to document an organization's determination of new hires. Employment goals apply to both construction and non-construction positions.

Contracting Goals

Efforts must also be directed toward the use of Section 3 businesses to the greatest extent feasible. Section 3 business priorities should be demonstrated in the following preference order:

1. Section 3 businesses that operate in the project area.
2. Entities that carry out HUD Youthbuild programs.
3. Other Section 3 business concerns.

Businesses must be able to demonstrate that they have the capability to perform within the terms and conditions of applicable contracts and persons hired should be qualified to perform the work required. Refer to 24 CFR Part 135 for all the requirements related to Section 3.

Numerical goals for meeting the greatest extent feasible

- For training and employment opportunities resulting from Section 3 covered housing assistance, a commitment to employ 10% of the aggregate number of new hires each year over the duration of the Section 3 project.
- For training and employment opportunities resulting from Section 3 covered community development assistance, a commitment to employ 30% of the aggregate number of new hires for a one year period.
- For contracts awarded in connection with Section 3 covered projects, a commitment to award at least 10% of the total dollar amount of contracts for building trades work **and** at least 30% of the total dollar amount of all other Section 3 covered contracts.
- At least 3% of the total dollar amount of all other Section 3 covered contracts, meaning contracts for any other work other than building trade work such as landscaping, architectural, environmental or legal services.

Section 3 Definitions

A Section 3 business is:

- 51% or more owned by a Section 3 resident(s)
- Employs Section 3 residents for at least 30% of its full-time, permanent staff; or employees that were Section 3 residents within three years of the date of first employment with the business concern.
- A business that can provide evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contracts.

A Section 3 Resident is a:

- Public housing resident or;
- Persons who live in the area where the HUD-assisted project is located and who have a household income that falls below HUD's income limits. A low income resident has an annual income that falls below 80% of the area median income limit for the county the NSP funds are expended in. A very low income resident has an annual income that falls below 50% of the area median income limit for the county the NSP funds are expended in.

Other Section Residents means low income and very low income residents of the metropolitan area or non-metropolitan county who do not reside in the project area.

New hires means full-time employees, for permanent, temporary, or seasonal employment opportunities.

HUD Youthbuild Program means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act which provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low and very low income families. Information about local Youthbuild programs can be located by conducting a zip code search at:

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/youthbuild/index/cfm>

Section 3 Compliance and Recordkeeping Requirements

Participants with projects that are subject to Section 3 requirements must have employment and procurement policies that are in compliance with Section 3 regulations and include the **Section 3 clause** (provided below) in all covered contracts and subcontracts. Participants are also required to keep on file documentation supporting their best efforts and success at hiring Section 3 residents. NSP participants are responsible for submitting **Section 3 Summary Report Forms Contract and Subcontract Activity Forms** to NHS OC after the execution of all applicable contracts and subcontracts. At a minimum, participants with projects that are subject to Section 3 requirements must maintain and have available the following records:

- Documentation of the good faith efforts made to make low-income persons aware of the employment positions, and to encourage and facilitate their application.
- The number and dollar value of all contracts awarded to businesses and, in particular, Section 3 businesses during the fiscal year.
- A description of the best efforts made to award contracts and subcontracts to Section 3

businesses.

- The mechanisms by which they ensured that contractors and subcontractors complied with the Section 3 preferences for training, employment, and contract awarding.
- The **Section 3 Clause** included in all covered contracts and subcontracts.
- Written employment and procurement policies that are in compliance with Section 3 regulations.

Section 3 Clause

In accordance with 24 CFR Part 135.38 all Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low- income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of
- D. apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- E. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause , upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- F. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- G. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- H. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to

Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

DEBARMENT:

NSP funded projects may not employ any contractors or subcontractors that have been debarred or suspended from participating in federally funded programs. A listing of debarred contractors can be found on the **Excluded Parties Listing System's (EPLS)** web-site at www.epls.arnet.gov/index. A Debarment Certification Form is provided as **Attachment D** on page 103. All contractors and subcontractors awarded contracts in excess of \$100,000 must submit the "Debarment Certification Form" certifying that they are not included on the Excluded Parties Listing System and are eligible to participate in federally assisted projects.

SITE AND NEIGHBORHOOD STANDARDS:

NSP regulations (24 CFR Part 983.6b) require that all new construction rental projects meet the following site and neighborhood standards:

1. Site must be adequate in size to accommodate the number of units proposed and have adequate utilities and streets to service the site.
2. Site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063 and Implementing HUD Regulations.
3. The site must not be located in an area of minority concentration and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
4. The site may be located in an area of minority concentration ONLY if:
 - a) Sufficient comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or
 - b) The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

ENERGY STAR:

NHS OC in partnership with HUD encourages the use of Energy Star qualified products and practices when conducting rehabilitation and new construction activities for NSP projects. New housing constructed with NSP funds must meet the standards of the 1992 Model Energy Code, or higher. Energy Star specifications go beyond the required HUD standards and result in lowering utility costs, improving comfort, increasing project value, reducing air pollution and improving the environment.

The use of Energy Star products and practices is encouraged, but is not required. Weatherization expenses are eligible NSP costs only if the property meets minimum property standards upon completion. Additional information about Energy Star standards, products and procurement resources can be found online at the Energy Star homepage at <http://www.energystar.gov/>



General Conditions for Construction (Sample)

Standards that will apply to both Rehabilitation and New Construction:

- A. All exterior doors must have peepholes and single key deadbolt locks. (both rehabilitation and new construction)
- B. Both single and multi-family units must have smoke detectors inside each bedroom and in each hallway. All detectors must be interconnected so that the activation of one will activate all others. The detectors must be hardwired with a battery backup in the event of a power failure to the residence. (both rehabilitation and new construction)
- C. All change orders must be approved by the Authority prior to beginning work. (both rehabilitation and new construction)
- D. All work performed shall be finished and complete. All material shall be new and of standard or better grade. (both rehabilitation and new construction)
- E. Under rehabilitation, ALL major system deficiencies shall be corrected before any general property improvement work is done.
- F. Payments are disbursed for work in place. Payments can not be requested for stored materials.
- G. Screens are required for all windows.
- H. All rental units shall be furnished with blinds.

General Conditions for Construction (Sample):

1. Scope of Services: The Owner employs the Contractor to make renovation improvements as specified in the work write-up or plan and specifications upon premises known as _____. The Contractor shall perform all of the services and furnish all the material and equipment necessary to construct and/or make the improvements set forth in the Designs/Plans and Specifications, which are attached and made a part by this reference.
2. Indemnification: Contractor agrees to indemnify, defend and hold the Owner harmless from any and all claims, liabilities, obligations, governmental penalties, fines and causes of action of whatsoever nature, including injury to or death of any person or damage to or destruction of any property, or court costs or attorney's fees resulting from any and all negligent acts or omissions of Contractor or any Subcontractor to this Agreement or any of their respective Directors, Officers, Partners, Principals, Employees or Agents. Neither this Agreement nor any Subcontract will create any contractual relationship between any Subcontractor and Engineer, nor any liability of Engineer to any Subcontractor.
3. Time of Bid and Time for Completion: The bid must be received by the Owner no later than _____ P.M. on _____, 19____. The bid will be delivered to _____. The bid shall bear the address of the structure to be constructed/improved. The Contractor will be notified by the Owner of the acceptance or rejection of the bid within 10 days from the date of receipt. If the Contractor is not so notified, the bid can be withdrawn. If accepted, the Contractor shall not commence any work until receipt of final approval of the bid and a written Notice To Proceed. The Contractor will then commence work within five (5) days after issuance of the Notice to Proceed. The Contractor shall satisfactorily complete all work under this contract within ____days after the issuance of the Notice to Proceed by the Owner. If the work is not completed by the specified date and the

contractor has not requested in writing and received in writing a contract extension, the Owner shall have the option to hire another Contractor to complete the work.

4. Equal Employment and Federal Labor Standards: The Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The Contractor shall abide by Federal, State and local regulations pertaining to Equal Employment as set forth in Executive Order 11246 and by the rules and regulations and orders of the Secretary of Labor and the Secretary of Housing and Urban Development. In addition, the Contractor certifies that he will abide by the terms and conditions of Title VI of the Civil Rights Act of 11964, Title VIII of the Civil Rights Act of 1968, and all other applicable non-discrimination rules for legislation.
5. Insurance: The Contractor shall furnish evidence of comprehensive public liability insurance coverage protecting the Owner for not less than \$100,000 per person/\$1,000,000 per accident and property damage insurance coverage for not less than \$100,000 for any one accident arising from work performed by the Contractor, any of his subcontractors, or any direct or indirect employee of either of them. Contractor shall also provide automobile liability in the amount of \$100,000 per occurrence
6. Evidence of insurance or other coverage required by local laws governing Workmen's Compensation will also be proved by the Contractor.
7. Payment and Performance Bond: The development of units exceeding \$100,000 must be bonded if NSP funds are used during the construction phase.
8. Assignment of Contract: The Contractor shall not assign the Contract without written consent of the Owner.
9. Permits, Fees, Engineering Studies and Registered Surveys: The contractor shall obtain and pay for all necessary permits as stipulated in the construction contract with HAC Members, inspection charges (not conducted by the Owner) and licenses for the authorization and execution of the work and labor performed. The Owner shall furnish all engineering studies as required and specified.
10. Compliance with Code: The Contractor shall perform all work under the Contract in conformance with applicable codes, ordinances, regulations and requirements per Federal, State and local regulations.
11. Cooperation: The Owner shall cooperate with the Contractor to provide access to the dwelling units for the performance of the work.
12. Occupancy of Premises: Unless otherwise stated, it shall be assumed that the premises will be unoccupied during the course of the renovation.
13. Inspection by Contractors: The Contractor shall visit the dwelling units and familiarize himself with all existing conditions so that his bid will be complete in every detail. A pre-bid walk-through of the housing units will be conducted by the Owner.
14. Inspection: The Contractor shall permit authorized persons access to the unit to inspect and examine the work during all working hours. These persons include agents of the U.S. Government, its designee, and the Owner or his designees. If any work is covered up without approval or consent of the Owner, it must, if required, be exposed for inspection at the Contractor's expense. All defects caused by the Contractor, or his subcontractors, shall be corrected at the Contractor's expense.

15. Guarantee: The Contractor shall guarantee the work performed and materials and equipment for a period of one year from the date of final acceptance of all work required by the contract documents. Further, the Contractor shall furnish the Owner with all manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under the requirements of the contract documents. All defects appearing within the one-year period, which are the fault of the Contractor or are the result of defective material, shall be corrected at his expense.
16. Bid and Proposal Contract: The contract consists of the general conditions, instruction to bidders, the specifications bid schedule, worker protection and safety work and any drawings and sketches, as applicable.
17. Quotations: All quotations for any project shall include costs of permits, licenses and fees applicable to work quoted. All quotations for material and/or equipment shall include all transportation and freight cost to the job.
18. Drawings/Test: If required for fabrication, installation or if required by General contractor, all subcontractors and suppliers will be required to furnish shop drawings, certificates, tests and/or samples for approval.
19. Debris/Trash: Each subcontractors performing work on any project will be required to remove completely form the job site his own construction debris, trash, etc. and to leave his work in a neat and workmanlike manner.
20. Default: In case of default by the Contractor, the Owner may procure articles or services from other sources and hold the Contractor responsible for any excess cost incurred.
21. Notice: Notices to the Contractor shall be considered delivered for the purpose of the contract, if mailed by regular mail or hand delivered to the Contractor at the address that was given on the Bid.
22. Changes: It is agreed that there shall be no changes to the contract and the work covered unless, for essential work which causes a change in cost and/or performance time, a mutually-agreed-to change has been put in writing and signed by the Owner and Contractor and with the concurrence of the locality administering the program.
23. Time for Performance: The Contractor shall, within five (5) days after issuance of the Notice To Proceed, begin performance. Work to be performed by the Contractor shall be completed within the period of time stated in the Contract. However the Contractor, on written notification to and approval of the Owner, will be excused from delay charges and a performance time extension granted if, at any time in the progress of the work, delays are caused by:
 - a. Any act or neglect of the Owner
 - b. Changes ordered in the work
 - c. Strikes
 - d. Lockouts
 - e. Fire (if not caused by the Contractor)
 - f. Delay in transportation
 - g. Unavoidable casualties
 - h. Or any other causes beyond the Contractor's control.
 - i. Liquidated damages can be added in the contract as long as the daily charges can be justified.
23. Disputes: The Owner shall, within a reasonable time, make decisions on all claims of the Contractor submitted to the Owner in writing. In the event of a dispute that cannot be resolved

between the Owner and the Contractor, the dispute shall be presented to NHS OC, and if not resolved, then to an independent arbitrator. The decision of the independent arbitrator shall be final.

24. Workmanship: The work provided by the Contractor shall be executed pursuant to the plans, specifications, and other contract documents in a sound, workman-like, and substantial manner. Materials used in the construction, rehabilitation, renovating, remodeling, and improving shall be new, unless otherwise expressly set forth in the specifications.
25. Supervision: The Contractor shall provide a competent supervisor who is capable of understanding the plans and specifications. All supervisors shall have successfully completed the Worker Protection and Safety course. The Contractor shall keep a complete set of approved plans and specifications on the job site.
26. Termination: This contract may be terminated if:
 - a. At any time the Contractor fails to furnish materials or execute work in accordance with the provisions of the contract documents, fails to proceed with or complete the work within the time limit specified in the contract documents or otherwise violates any provision of the Agreement, the Owner shall have the right to terminate the Agreement upon ten (10) days written notice to the Contractor. In this event, the Owner will proceed to have the work completed and apply the cost to any money due under the Contract. The Contractor shall be responsible for any damages or added cost resulting by reason of this default.
 - b. At any time the Owner fails to cooperate with the Contractor by denying access to the property, refusing to furnish necessary services, or otherwise prohibiting completion of work as specified in the Agreement, the Owner shall have ten (10) days from notice to cure such deficiencies. Notice to Owner shall contain the reason for the Contractor's intention to terminate. Unless the deficiency ceases or a satisfactory arrangement has been made for its correction, the Contractor shall have the right to terminate the Agreement at the end of the ten (10) day notice period. After termination, the Contractor will be reimbursed for services rendered to the termination date upon submission to the Owner of detailed supporting documentation. The Contractor will not be entitled to profit or other compensation on services not performed.
27. Payments: The amount of ten (10) percent will be retained until the Contractor submits a request for final payment. Final payment for this Contract shall be made only after final inspection, final clearance, acceptance of all work specified and the Contractor furnishing the Owner satisfactory releases of liens or claims against the property by his subcontractors, laborers, and material suppliers. The amount of ten (10) percent of the final payment may be retained in escrow for a period of up to thirty (30) days to cover contract compliance or until completion of all work.
28. Non-Collusive Affidavit: Each person submitting a bid for any portion of the work contemplated by the bidding documents shall execute an affidavit in the form provided by the Owner to the effect that he has not colluded with any other person, firm or corporation in regard to any bid submitted. Such affidavit shall be attached to the bid.
29. Equal Employment Opportunity: A certification of Non-segregated Facilities must be submitted prior to the award of a federally assisted construction contract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. Such a certification is printed on the bid form and is deemed executed by submission of the bid.

30. Limitations of Indemnification: In any and all claims against the Owner or any of its agents or employees by any employee of the Contractor, anyone directly or indirectly employed by it or anyone for whose acts it may be liable, the indemnification obligation under Paragraph Two (2) of these General Conditions shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor under Workman's Compensation, Disability Benefit or other Employee Benefits Acts.
31. Captions: The Captions in these General Conditions are for the purposes of convenience only and form no part of the General Conditions. In no event shall they be deemed to limit or modify the text of the General Conditions.
32. Severability: The invalidity or unenforceability of any portion(s) or provisions(s) of this agreement shall in no way affect the validity or enforceability of any other portions(s) or provision(s) thereof. Any invalid or unenforceable provision(s) shall be severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion(s) or provision(s) held to be invalid and/or unenforceable.



Building Requirements – Rehabilitation and New Construction

BUILDING CODES:

All work must be in compliance with the International Code Series. Electrical codes must comply with the current NED or the version accepted by the locality in which the work is being performed.

WORK WRITE-UPS AND COST ESTIMATES:

An initial inspection of the property should be conducted to determine the cost and type of work necessary to bring the property into compliance with the established property rehabilitation standard. This is termed a work write-up and cost estimate. The work write-up should be designed so that it can form the basis for bid specifications.

The work write-up should specify all the work that must be done to bring the building into compliance with health and safety standards and other applicable codes. The technical specification used in the NSP Program should be included, or incorporated by reference in the work write-up.

Work write-ups are usually done on a room-by-room basis and are sufficiently detailed as to quantity and quality of the work to be performed. The recipient should certify, by signature to the work write-up, that the specified repairs are adequate to bring the unit up to health and safety and other applicable codes.

A document often used by recipients to ensure consistency in the quality of work and materials is the Authority's Construction Manual. This manual accompanies the work write-up and outlines in more detail the full scope of the work, the quality and type of materials required and the manner in which work is to be performed. All contractors in the program should receive a copy of the Manual for reference.

Once the work write-up has been prepared, the cost of the work has to be estimated. The cost estimate should be professionally derived and based on the scope of the work and the technical specifications contained in the work write-up. The cost estimate is necessary to determine that the work can be done within the grant limits.

Cost estimates should be figured on a line item basis. "Lump sum" estimates are prohibited as they are not very accurate and may lead to cost overruns and a great deal of confusion. In addition, the bid accepted by the recipient should not exceed the cost estimate by more than ten (10%) percent. If the low bid is more than ten (10%) percent below the cost estimate, the contractor shall have the option to withdraw the bid or to accept a contract for the amount of his bid.

CHARACTERISTICS OF ACCURATE AND EFFECTIVE WORK WRITE-UPS and SPECIFICATIONS:

Quantity

Always include quantity measures (sq. ft., numbers, etc.) as opposed to phrases such as "as needed".

Example:

Incorrect: Install new bath tiles as needed.
Correct: Install 25 sq. ft. of 2 inch x 2-inch new bath tiles.

Dimensions

Specification of size is essential; if the doors are to be 7-6 by 3-6 feet say so.

Example:

Incorrect: Re-plaster walls in living room as needed.
Correct: Re-plaster 3 feet x 5 feet section in center of north wall of living room as indicated on sketch.

Location

Be specific

Example:

Incorrect: Scrape and repaint porch (which one - front or back, all of it or just some of it?)
Correct: Scrape and repaint floor and columns of front porch.

Quality

If the new wall to wall carpet is supposed to be first quality, acrylic pile carpet of 15 denier or coarser, and not wool or lesser density, say so.

Method

There are usually many ways to fix something and how it is done makes a difference in cost, time, and aesthetics.

Example:

Incorrect: Repair damaged plaster in rear bedroom.
Correct: Re-plaster 1 x 1 floor damaged plaster on northeast corner of rear bedroom.

Use "repair" or "replace", but not together!

There are major differences in cost, quality and expectations.
When using repair, couple with the construction method.

Example:

Incorrect: Repair or replace tub.
Correct: Repair tub in front bath by (method).....
Correct: Replace tub in front bath with

Use "and" or "or" but never together!

Example:
Incorrect: Repair and/or replace defective windows.
Correct: Repair sashes on two north windows of front bedroom and replace two east windows with....

Find the active, imperative voice!

The active, imperative voice (command) is clearest, strongest and requires the least number of words.

Example:

Incorrect: The contractor shall install ceiling lighting which will be provided by the owner.
Correct: Install ceiling light fixture. Owner shall furnish the fixture.

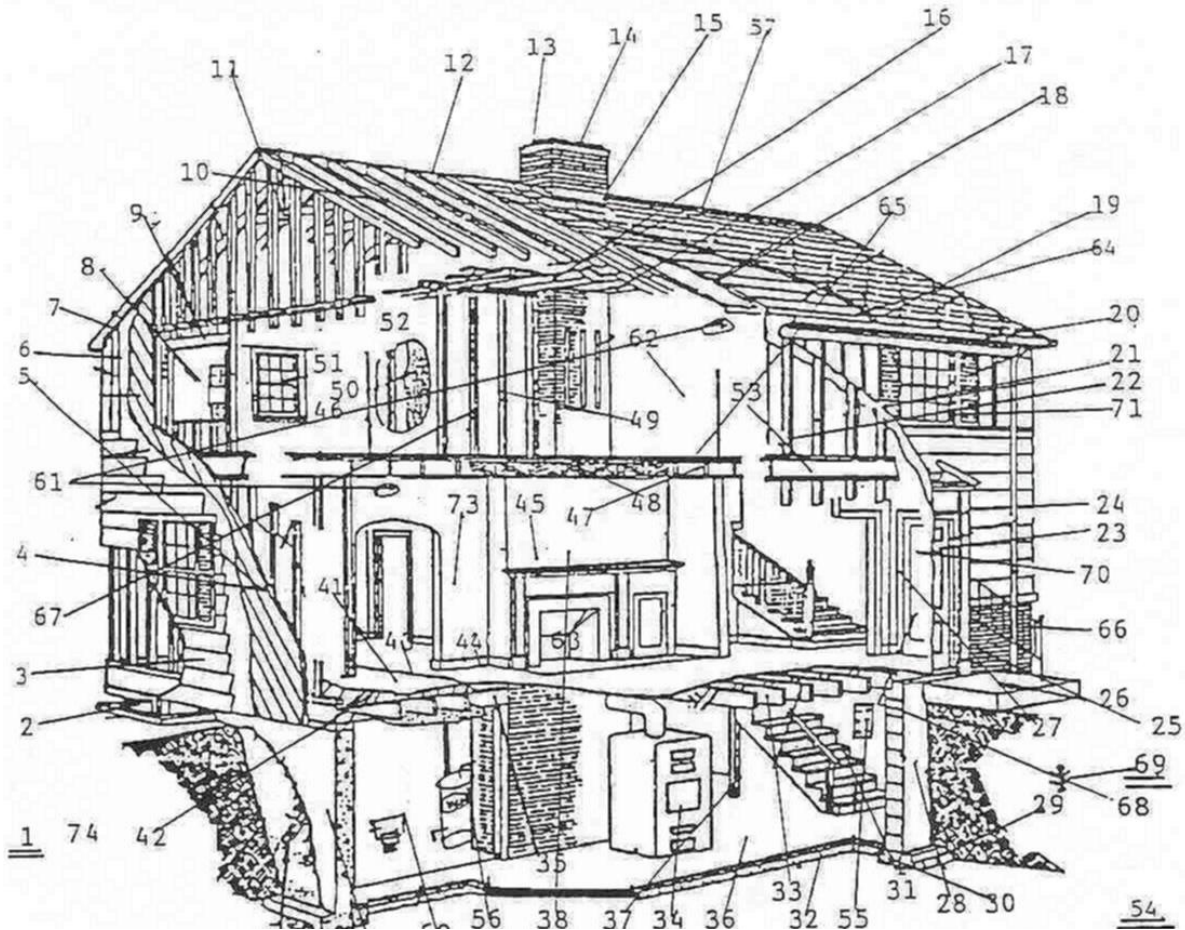
Avoid: etc., standard size, approximately, as necessary, all missing or damaged and/or any.

Use formats appropriate to the audience!

Trade by trade - this is most helpful to general contractors and their subcontractors who need to have a sense of the total amount of work they are bidding on; code inspectors prefer this method too.

Room by Room - this format is easy to prepare and easiest for the property owner to understand but does not provide information in a format most accessible to contractors; easy for HQS and rehab inspectors to use when inspecting for payments.

HOUSE DIAGRAM



1. (Grade/Lot Clean-up)	26. Concrete Stoop	51. Double hung window
2. Basement sash areaway	27. Interior doors and trim	52. Insulation
3. Siding	28. Concrete block basement wall	53. Header joist
4. Building paper (64)	29. Drain title	54. Demolition (Rental equipment)
5. Sheathing (diagonal)	30. Wall footing	55. Elect. panel box (150 to 200) Ground fault-Kitchen & bath area
6. Board and batten siding	31. Basement stair treads and risers	56. Water heater
7. Fascia	32. Gravel base	57. Ridge vent or turbine (Elec./Wind)
8. Rough window opening	33. First floor joists	58. Light fixtures & wall receptacle
9. Window header	34. Heating unit (Central) (Name of Mfg.)	59. Cabinets (base or wall)
10. Rafters	35. Beam	60. Plumbing fixtures (specify) Kitchen, Bathroom, Washer, Sink, Water closet
11. Collar beams	36. Concrete floor	61. Smoke Alarms
12. Ridge board	37. Basement column	62. Painting
13. Chimney cap	38. Plaster	63. Fireplace
14. Chimney flute	39. Concrete basement wall	64. 151 B Felt
15. Flashing	40. Waterproofing	65. 5/8" Underlayment plywood
16. Ceiling joists	41. Building paper	66. Hard Railing (Treated Lumber)
17. Furring strips	42. Sub-floor (diagonal)	67. Rough Carpentry
18. Roof sheathing	43. Finish floor (hardwood/vinyl)	68. Concrete Blocks
19. Roof shingles	44. Baseboard	69. Treat Home for termites
20. Gutter	45. Plaster or drywall	70. Doors
21. Shutters	46. Insulation	71. Storm windows
22. Wall studs	47. Second floor joists	72. Shelves, Rods casing, window stop, baseboard and shoe molding
23. Entrance, frame and door	48. Bridging	73. Pre-finish paneling 4 X 8
24. Downspout	49. Partition studs	74. Shower curtain rods
25. Brick veneer	50. Plaster base gypsum lath	

Inspection and Payment Process

A Notice to Proceed (dated at least three days after the contract signing) should be issued to the contractor, which should specify the time period within which the work should begin and when the work should be completed. Project milestones triggering progress payments should be specified in the contract. Systematic, thorough inspections are critical to successful projects. Conducting thorough, regular inspections throughout the process can prevent many problems that arise at the end of a job. Inspections should identify and remedy problems as early as practical. Inspections of the work performed by each contractor should be made at least once a week, and preferably daily, to ensure that the contractor is in compliance with aspects of the contract. The inspections should be documented by completion of an inspection report and signed and dated by the inspector. The inspections should compare actual work completed with the contract requirements. A sample copy of the Inspection Sheet is provided as **Attachment G, Page 105**

Payments are the primary leverage in dealing with contractors and should be withheld until faulty work is corrected. If serious deficiencies are identified through inspection, they should be itemized in writing and given to the contractor. The recipient can terminate the contract if the contractor fails to satisfactorily correct the deficiency. Progress payments should be tied to acceptable completion of items listed on the work write-up or plans and specifications and supported by documented progress inspection reports. A sample copy of the "Contractor Payment Request" form, **Attachment I, Page 111** of this Manual.

Any change orders should be agreed upon and signed by the owner and contractor and submitted to the Authority for review and approval. Change orders should be evaluated for cost via a cost estimate to determine if the change order will result in increases that exceed the grant/loan amount prior to approval. A sample copy of the "Change Order" form is provided "K" page 113.

An Inspection Request form is provided as **Attachment "H" page 110**. This form must be completed and submitted with the Draw Request for Payment Form for each draw request. A HAC staff member should inspect for work in place against the amount requested. The check request will be processed after the inspection has been completed and approved. It will take approximately 7 days to process your request.

When funds are used for construction financing a minimum of two (2) payment requests are required for each project. NHS OC will automatically withhold a 10% retainage from the total award amount prior to the first draw, except for acquisition. Disbursement of the retainage will occur when all applicable documentation from contractor (e.g. lien, waivers, certificate of occupancy) is received to coincide with the completion of the project. Participants electing to draw funds at the completion of the project are exempt from the two payment policy, but are required to request inspections at 33%, 66% and 100% complete. Developer fees and/or project delivery costs will not be disbursed until the completion of the project.

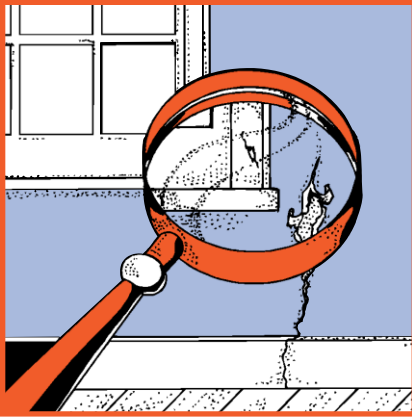
Project Completion

Under no circumstances is it allowable for tenants or home buyers to occupy units before the unit has passed a final inspection conducted by each Consortium Member and as required Building Inspector from the local jurisdiction. Do not close on any homeownership units or allow tenants to move into any rental units until the final inspection has been passed.

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If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

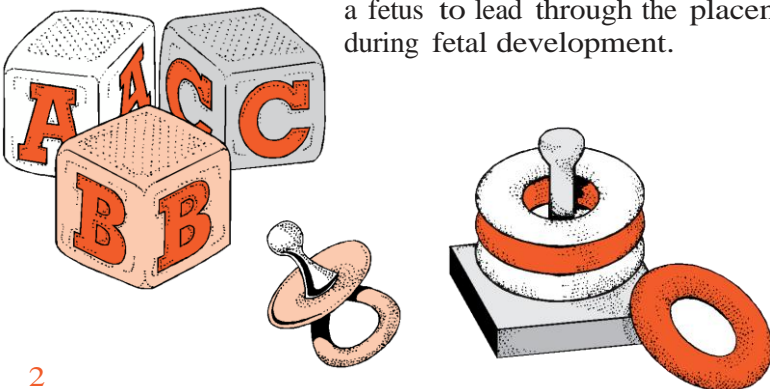
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- ◆ At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- ◆ Children's growing bodies absorb more lead.
- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- ◆ Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

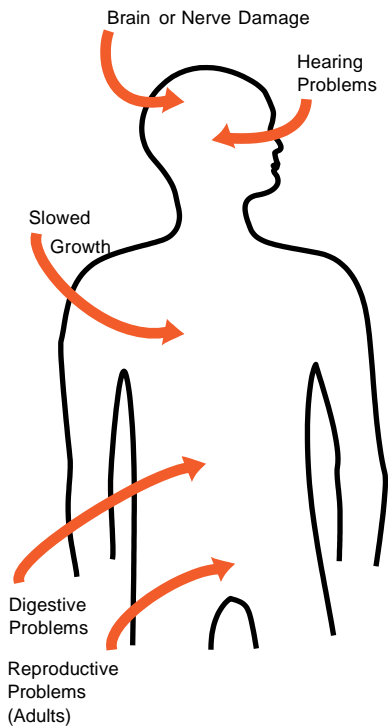
- ◆ Nervous system and kidney damage.
- ◆ Learning disabilities, attention deficit disorder, and decreased intelligence.
- ◆ Speech, language, and behavior problems.
- ◆ Poor muscle coordination.
- ◆ Decreased muscle and bone growth.
- ◆ Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- ◆ Increased chance of illness during pregnancy.
- ◆ Harm to a fetus, including brain damage or death.
- ◆ Fertility problems (in men and women).
- ◆ High blood pressure.
- ◆ Digestive problems.
- ◆ Nerve disorders.
- ◆ Memory and concentration problems.
- ◆ Muscle and joint pain.



**Lead affects
the body in
many ways.**

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside and outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 400 parts per million (ppm) and higher in play areas of bare soil.
- ◆ 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.



You can get your home tested for lead in several different ways:

- ◆ A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- ◆ A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- ◆ A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.

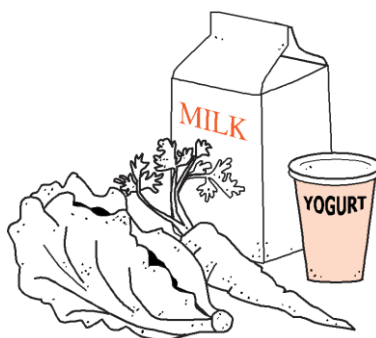
There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called “interim controls”) are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you should hire a certified lead “abatement” contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



- ◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
 - Use only cold water for drinking and cooking.
 - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- ◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- ◆ Old painted **toys** and **furniture**.
- ◆ Food and liquids stored in **lead crystal** or **lead-glazed pottery** or **porcelain**.
- ◆ **Lead smelters** or other industries that release lead into the air.
- ◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- ◆ **Folk remedies** that contain lead, such as “greta” and “azarcon” used to treat an upset stomach.

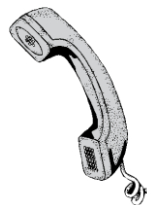


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For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.

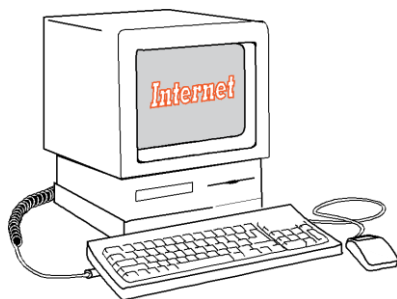


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov**.



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RAL)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center

Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center

Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center

Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development

Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
June 2003



A2 - Lead-Safe Housing Rule Applicability Form

Address/location of subject property: _____

Regulation Eligibility Statements (check all that apply):

_____ Property is receiving Federal funds.

_____ Unit was built prior to 1978.

***Note: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date the form.**

Regulation Exemption Statements [24 CFR 35.115] (check all that apply):

_____ Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.

_____ The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.

_____ Housing "exclusively" for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.

_____ An inspection performed according to HUD standards found the property contained no lead-based paint.

_____ According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.

_____ The rehabilitation will not disturb any painted surface.

_____ The property has no bedrooms.

_____ The property is currently vacant and will remain vacant until demolition.

_____,
(Printed Name)

that the information listed above is true and accurate to the best of my knowledge.

Signature

Date

Organization



GENERAL COMPLIANCE DOCUMENTATION

(Program participants can use this checklist as a guide for determining whether or not they are proceeding in a manner required by the LSHR, and that they are maintaining documentation for each CPD-assisted project. Field Office staff can use the checklist as a means for familiarizing themselves with the kinds of documentation that should be maintained in order to demonstrate LSHR compliance. Compliance with the program-specific requirements may not be substantiated solely by the documents included on this general checklist. Additional guidance is provided as referenced in the checklist.)

As appropriate, the following documents should be maintained in CPD-assisted project files for properties constructed before January 1, 1978, in order to demonstrate general knowledge and compliance with basic LSHR requirements. Standard forms are available in the Federal Register (FR), as indicated by the sources noted below. Citations from 24 CFR part 35 are also provided as additional references.

_____ **Applicability Form [§35.115]** – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.¹

(Note: (A) If the property is exempt, the file should include the reason for the exemption and no further documentation is required; (B) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below.)

_____ **Summary Paint Testing Report or Presumption Notice [§35.930(a)]** – A copy of any report to indicate the presence of lead based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces.²

_____ **Risk Assessment Report [§35.930(c)(2)]** – A copy of a report (in addition to the requirements of §35.930(a)) to indicate any presence of lead-based paint hazards for projects receiving more than \$5,000 per unit in rehabilitation assistance.⁴

(Note: If the property receives more than \$25,000 in assistance, more stringent requirements apply, including compliance with applicable state requirements, as appropriate. [See §35.930(d)].

_____ **Notice of Evaluation [§35.125(a)]** – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing.^{3, 4}

_____ **Clearance Report [§35.930(b)(3)]** – A report indicating a “clearance examination” was performed of the work-site completion.

_____ **Notice of Hazard Reduction Completion [§35.125(b)]** – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.⁵

Source: Federal Register (FR), 64 FR 50139-50231, published September 15, 1999 – Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally owned Residential Property and Housing Receiving Federal Assistance. The appendices are on pages 50230-50231.

¹ LSHR Regulation Applicability Form (See Attachment B to this memorandum.)

² Appendix C – “Sample Summary Presumption Notice Format”

³ Appendix A – “Sample Summary Inspection Notice Format”

⁴ Appendix B – “Sample Summary Risk Assessment Notice Format”

⁵ Appendix D – “Sample Hazard Reduction Completion Notice Format”



A4 - Notice That Lead-Based Paint Hazards Are Presumed Present

Address/location of property or structure(s) this notice of presumption applies to: _____

Type of presumption (check all that apply):

(a) _____ Lead-based paint is presumed to be present.

(b) _____ Lead-based paint hazard(s) is(are) presumed to be present.

Summary of presumption. List at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and types of lead-based paint hazards presumed to be present: _____

Contact person for more information about the presumption:

Printed Name: _____

Organization: _____

Street _____ City _____

State: _____ Zip: _____ Phone: () _____

Person who prepared this notice of presumption:

Printed Name: _____ Signature: _____

Organization: _____

Street and City: _____ State: _____ Zip: _____

Date: _____ Phone: () _____



A5 - Summary Notice of Completion of LBP Hazard Reduction Activity

Address/location of property or structure(s) this notice of presumption applies to: _____

Summary of the hazard reduction activity: Start and completion date(s): _____

Activity locations and types. List at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and types of hazard reduction activities performed at the locations listed

Dates(s) of clearance testing and/or soil analyses: _____

Location of building components with lead-based paint remaining in the rooms, spaces or areas where activities were conducted:

Summary of results of clearance testing and soil analysis:

- (a) _____ No clearance testing was performed.
- (b) _____ Clearance testing showed clearance was achieved.
- (c) _____ Clearance testing showed clearance was not achieved.

Contact person for more information about the hazard reduction:

Printed name: _____

Organization: _____

Street and City: _____

State: _____ Zip: _____ Phone: () _____

Person who prepared this summary notice:

Printed Name: _____ Signature: _____

Organization: _____

Street and City: _____ State: _____ Zip: _____

Date: _____ Phone: () _____



- Summary Notice of Lead-Based Paint Risk Assessment

Address/location of property or structure(s) this summary notice applies to: _____

Lead-Based paint risk assessment description:

Dates(s) of risk assessment: _____

Summary of risk assessment results (check all that apply):

- (a) _____ No lead-based paint hazards were found.
(b) _____ Lead-based paint hazards were found.
(c) _____ A brief summary of the findings of the risk assessment is provided below (required if any lead-based paint hazards were found).

Summary of types and locations of lead-based paint hazards. List at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and types of lead-based paint hazards found:

Contact person for more information about the risk assessment:

Printed Name: _____
Organization: _____
Street and City: _____
State _____ Zip: _____ Telephone (____) _____

Person who prepared this summary notice:

Printed name: _____ Date: _____
Signature: _____
Organization: _____
Address: _____ City: _____
State: _____ Zip: _____ Telephone: (____) _____



I have received a copy of the EPA/ USCPSC/ HUD notice entitled
Protect Your Family From Lead In Your Home

Print Name

Signature Date

HOME-assisted Unit Address

City, State, Zip

An executed copy of this form along with a complete copy of the clearance report must be submitted to the Authority.



A8 - Receipt of Lead-Based Evaluation Results

I have been notified of the results of and received a copy of the attached Lead-Based Paint Evaluation that was conducted at the unit located at

_____.

Type of evaluation performed:

_____ Visual Assessment

_____ Paint Testing

_____ Paint Testing and Risk Assessment

Print Name

Signature

Date

An executed copy of this form along with a complete copy of the clearance report must be submitted to the Authority.



A9 - Receipt of Lead-Based Clearance Report

I have received a complete copy of the attached Lead-Based Paint Clearance Report for the unit located at:

Property Address

City, State, Zip

Print Name

Signature

Date

An executed copy of this form along with a complete copy of the clearance report must be submitted to the Authority.



NHS OC
IDENTITY OF INTEREST CERTIFICATION

The Recipient, _____, certifies that an identity of interest relationship exists and hereby disclose those entities with which I have an identity of interest relationship.

An "Identity of Interest" is considered to exist if any of the following conditions exist:

- When there is any financial interest of the Applicant, Principal, Owner and any other member of the development team;
• When one or more of the officers, directors, stockholders, members, or partners of the Applicant, Principal, or Owner is also an officer, director, stockholder, member, or partner of any other member of the development team;
• When any officer, director, stockholder, member or partner of the Applicant, Principal, or Owner has any financial interest whatsoever in any other member of the development team;
• When any other member of the development team advances any funds to the Applicant, Principal, or Owner;
• When any other member of the development team provides and pays, on behalf of the Applicant, Principal, or Owner, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other member of the development team in connection with its obligations under its contract with the Applicant, Principal, or Owner;
• When any other member of the development team takes stock or any interest in the Applicant, Principal, or Owner entity as part of the consideration to be paid him/her;
• When any relationship exists which would give the Applicant, Principal, or Owner or any other member of the development team control or influence over the price of the contract or the price paid to any other member of the development team or to a subcontractor, material supplier or lesser of equipment;
• When there exist (or come into being) any side deals, agreements, contracts, or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required application or closing (should there be a closing) documents;

If there is an "identity of interest", please state what the "identity of interest" is: _____

Four horizontal lines for providing details of the identity of interest.

The above Applicant certifies that fees and charges collected by one of the parties from related parties does not exceed the norm for such services etc., for the area the development is located in.

The undersigned hereby certifies that the information submitted is true and accurate and further certifies that failure to disclose any identity of interest to NHS OC could possibly result in the suspension and debarment from participating in any NHS OC or Federal programs.

Applicant: _____

Date: _____

Signature: _____

Title: _____

C - Independent Cost Analysis

1. Project Development Costs -- Construction Budget

	\$ MATERIALS	\$ LABOR	\$ TOTAL
Concrete Footings			
Backfill-slab, Crawl Space			
Slab-concrete/Rebar/Gravel			
Drive/Sidewalk/Porch			
Foundation			
Brick Veneer			
Site Utilities			
Steel/Structure/Rails			
Framing/Lumber/Nails			
Trusses			
Crane Rental			
Windows/Grilles/Screens			
Playground Equipment			
Exterior Doors			
Roofing			
Fencing			
Vinyl Siding/Trim/Box			
Gutters/Shutters			
Insulation			
Drywall			
Interior Doors			
Int. & Final/Stair/Trim/Shelves			
Cabinets & Tops			
Painting			
Plumbing			
Marble - Tub/Shower/Tops			
Electrical			
Heating/Air Conditioning			
Floor Covering			
Wall Paper			
Mailboxes/Special Features			
Blinds/Shades/Window Coverings			
Light Fixtures/Fans			
Mirror/Shower Door/Enclose./ Bath Access., Toilets			
Appliances			
Landscaping			
Interior Clean			
Exterior Clean/Dumpster			
Plans and Drawings			
Other (specify)			
TOTAL COSTS *			

C - Independent Cost Analysis (continued)

2. Project Development Costs -- General Requirements

ITEM	\$ TOTAL
Supervision	
Job Site Office/Trailer Rental	
Impact Fees	
Office Supplies	
Security/Watchman	
Water and Sewer Connection Fees	
Project Signage	
Tools and Equipment	
Gas, Oil, and Maintenance	
Cleanup/Dumpster Rental	
Temporary Water, Electric, and Telephone	
Storage/Hauling	
Driveway Access Permit	
Porta-John Rental/Dumping	
Builders Risk Insurance	
Re-inspection Fees	
Extra Plans and Specifications	
Miscellaneous, Casual Labor	
Equipment Rental	
Inspection Services	
Permits	
Special Inspections, IE: Lead, Asbestos, Mold.	
Total	

C - Independent Cost Analysis (continued)

3. Project Development Costs -- Site Improvement

ITEM	\$ TOTAL
Subsurface Exploration/Perk Testing/Site Engineering	
Clearing/Grading/Final Grading/Excess and Borrow	
Demolition	
Earthwork/Excavation/Aerating	
Soil Treatment	
Pile Foundations	
Caissons	
Shoring/Bracing	
Site Drainage	
Site Utilities/Site Lighting	
Paving and Surfacing/Curb and Gutter	
Walk-ways	
Site Signage	
Parking Lot Painting	
Dumpsite Pads/Fencing	
Fencing/Gates	
Landscaping/Topsoil	
Waterproofing/De-Watering	
Operation of Construction Equipment/Fuel/Oil	
Crane Rental	
Rock and Hardpan Excavation	
Site Supervision Personnel	
Other	
Other	
TOTAL COSTS*	

Performed By:

Name: _____
(Please Print)

Agency: _____

Address: _____

Telephone: _____

I have provided this cost analysis with the understanding that I will not be allowed to participate in the procurement process for the construction of this project.

Signature

Date



Contractor Application In the NHS OC Approved Vendor Pool Form (sample)

Name of Company: _____

Owner's Name: _____ CA Builder's License No.: _____

Dunns Number: _____ CCR Reg. No _____

Address: _____

Phone: Office: _____ Home: _____

Office Hours: _____

After What Hour May We Call You At Home? _____

Are You A General Contractor (All Phases of Work): Yes: _____ No: _____

When Were You Established As An Independent Contractor? _____

What Is Your Specialty: _____

Can You Contract In All Areas Of The City? Yes: _____ No: _____

How Many Tradesmen Do You Employ Other Than Sub-Contractors? _____

Can You Handle More Than One \$5,000 Job At A Time? _____

List Suppliers: Starting With Largest Volume Credit Account:

Name: _____ Address: _____ Phone: _____

Name: _____ Address: _____ Phone: _____

Name: _____ Address: _____ Phone: _____

List Three Most Recent Jobs Completed:

Name: _____ Address: _____ Phone: _____

Name: _____ Address: _____ Phone: _____

Name: _____ Address: _____ Phone: _____

Do You Carry Bodily Injury and Property Damage Insurance: Yes _____ No _____

Do You Carry Workman's Compensation Insurance? Yes _____ No _____

(Attach A Certificate Of Insurance To This Application.)

Do You Guarantee Your Work For One (1) Year? Yes _____ No _____

Do You Comply With A Nondiscrimination Policy Concerning Employees and Sub-Contractor? Yes _____ No _____

If No, State Why? _____

Circle Yearly Gross Volume of Contracted Work:

- \$0 - \$25,000
- \$25,000 to \$50,000
- \$50,000 to \$100,000
- Over \$100,000

I CERTIFY THAT THE ABOVE IS TRUE AND COMPLETE.

Signature: _____ Date _____

I AUTHORIZE A REPRESENTATIVE TO VERIFY ALL INFORMATION SUPPLIED ON THE APPLICATION AND OBTAIN A CREDIT REPORT.

Signature: _____ Date _____



C-2 Major Subcontractors (sample)

Listed below are the names, addresses and California license number of the proposed Subcontractors for review and approval by the Owner. A bidder shall submit, along with the bid, the name and the location of the place of business of each subcontractor who will perform work or render service to the prime contractor to or about the construction. No prime contractor whose bid is accepted shall substitute any person as subcontractor in place of listed subcontractor, except with the consent of the owner, for good cause shown.

#1. Work to be subcontracted: _____

Name of Subcontractor: _____

License Number: _____

Address: _____

#2. Work to be subcontracted: _____

Name of Subcontractor: _____

License Number: _____

Address: _____

#3. Work to be subcontracted: _____

Name of Subcontractor: _____

License Number: _____

Address: _____

#4. Work to be subcontracted: _____

Name of Subcontractor: _____

License Number: _____

Address: _____



D – Debarment Certification Form

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 34 CFR Part 85, Section 85.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS BELOW)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name and Address of Participant:

Participant Number

Name and Title of Authorized Representative

Signature

Date

INSTRUCTIONS FOR CERTIFICATION

- 1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.



E - Notice of Award (Sample)

To: _____

Project Description: (Demolition, rehabilitation or construction) of a single-family dwelling located at _____ as per Bid number: _____.

The OWNER has considered the Bid submitted by you for the work described above in response to its Solicitation for Bids dated _____, and Information for Bidders.

You are hereby notified that your Bid has been accepted in the amount of _____ (\$_____).

You are required by the Information for Bidders to execute the Agreement and furnish the required Payment Bond and certificates of insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and furnish said Bonds within ten (10) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your Proposal as abandoned and as a forfeiture of your BID BOND. The Owner will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated: _____
_____ City, Owner, Local Facility Printed Name

By: _____ Title: _____

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged

Date: _____
_____ Contractors Printed Name

By: _____ Title: _____

PRE-CONSTRUCTION CONFERENCE REPORT
READ CAREFULLY BEFORE SIGNING

I, the undersigned, hereby certify that the pre-construction conference was held on this date between the Owner(s), construction advisor and myself. I understand the procedures to be followed for change orders and requests for payment and inspections. I understand and agree that the work performed must meet the standards of performance required by the program as established by the program specifications and work write-up.

Signature of Contractor and Title

Date

I, the undersigned, hereby certify that I participated in a pre-construction conference on this date.

Signature of Construction Advisor

Date

HAC Member/ Owner

Date

NOTICE TO PROCEED

I, the undersigned, hereby authorize the contractor to commence work on the property known as _____ within _____ days of the execution of this document. The property will be available to the contractor to perform the work stated in the contract between the hours of _____ a.m. and _____ p.m., Monday through Friday, unless otherwise specified by the owner. If the contractor does not commence work within the specified time, the owner may upon proper notification, consider the contract to be in default.

Signature of HAC / Property Owner

Date

Approved by: _____ Date: _____

Title/ NHS OC : _____

**G – NHS OC Sample Inspection
Form**

Developer/Administrator:				Telephone:
Contractor:				Contractors Telephone:
Owner:				Date:
Project Name:		Inspection #:		Project Cost: \$
Address:				Inspector:
Interior				
Kitchen	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Refrigerator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Range Hood: Vent w/light	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Cabinets: Wall, Base	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sink: Single Double	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Counter Tops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ground Fault Interrupter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Stove/Oven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Living Room/Family Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Draperies Rods/Blinds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Closets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Entry Door	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dining Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Closets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Entry Door	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Hallways, Stairways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Railing				
Smoke Alarm				

Interior				
----------	--	--	--	--

Bedroom 1	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures				
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Drapery Rods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Closet Doors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Smoke Alarm				
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bedroom 2	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures				
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Drapery Rods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Closet Doors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Smoke Alarm				
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bedroom 3	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling: Painted, Blown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures				
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Drapery Rods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Closet Doors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Smoke Alarm				
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bathroom I	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling, Vents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sink, Vanity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tub, Shower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Linen Closet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
GFI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Toilet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Medicine Cabinet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Towel Bars, Accessories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



Interior				
Bathroom 2	S	U	I	Comments
Floor: Vinyl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walls: Drywall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceiling, Vents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Lights: Fixtures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sink, Vanity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Linen Closet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
GFI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tub, Shower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Toilet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Medicine Cabinet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Towel Bars, Accessories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Utility Room/Storage (Interior)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Comments
Exterior				
Patio Balcony				Comments
<u>Sliding Door & Screen</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Deck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Railing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Porch Area (Front or Rear)				Comments
<u>Floor: Concrete</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Hand Rails	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Banister	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Steps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ceilings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Awnings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Columns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Foundation				Comments
<u>Access Door to Crawl Space</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Underpinning: Brick or Block	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Termite Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Footings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Foundation Walls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Masonry Porch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Utility Room/Storage (Exterior)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Comments
Exterior Doors				Comments
Solid Core or Metal Entrance (w/Deadbolt Locks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Screen Doors (Front and Rear)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Storm Doors (Front and Rear)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Exterior Walls				Comments
Paint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vinyl Siding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Brick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Window: Double Hung Sash, Frame, Pane Trim, Sill; Cap, Caulking, Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Window Screens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

General				
Insulation				Comments
R-19 - Floors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
R-30 Ceiling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
R-11 - Walls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Roof Area				Comments
Singles, Fiberglass (20 yr.) and 15 lb. Felt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Decking & Metal Drip Edge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Soffit and Eaves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vent, Turbine or Conventional Gable vents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Flashing at Intersection of roof & wall surfaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Boxing, Fascia Boards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rafters, joists, ridgeboard, hip, valley rafters, braces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Gutters, Downspouts, Splash blocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Plumbing				Comments
Hot Water Heater (40 Gal.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Plumb Entire Residence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Washer Hook-up (Catch basin in wall cavity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Heating/Air Cooling System				Comments
Floor Furnaces				
Wall Heaters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Central System (Gas or Elect. Heat Pump)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical				Comments
Service (Include Panel Box 150 to 200 amp.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Install minimum of 4 outlets per room (wire to code)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Smoke Detector (hardwire w/battery backup)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Door bell (chimes/2 buttons)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
TV and phone outlets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dryer connections w/vent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ground Fault Interrupters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Exterior GFI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Landscaping Sprinkler/Valves				
Landscaping Electronic/Timer Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other Exterior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

_____ % of unit(s) completed

Additional Comments: _____

S – Satisfactory – work has been completed.

U – Unsatisfactory – requires additions or corrections

I – Incomplete – work has not been completed but is satisfactory to date.

Inspector: _____ Date: _____



H - Inspection Request Form

- NSP HOME HTF Program LIHTC Program Bond Program
Cost Analysis/Plans/Specs/Change Order Review Interim Inspection Without Draw
Initial Inspection Interim Inspection with Draw Final Inspection

Identifying Number: Date of Request:
Participant Name: Contact Person:
Participant Address: Phone #:
City, State, Zip: Fax #:

(Check all that apply)

- Project Type: Homeownership Rental Owner-Occupied Group Home Shelter ER Repair
Activity Type: Acquisition New Construction Rehabilitation Down Payment & Closing Costs
Total # of Units:

Project/Beneficiary Name:
Project Address:
City, State, Zip:
Project County:
Date closing is scheduled for:

Attachments Included:

- Draw Report (Should include related invoices for soft costs/AIA documentation of Building in Progress Report.)
Inspection Report from Local Inspector Exhibit G
Pictures Written Directions
Change Order (s) Other
% Draw Percentage Requested

Authority Use Only: Program Coordinators Name:

Date Given to Scheduler: Inspectors Name:

Inspection has been: Approved Disapproved Date Inspection:
Initial Final

Plans/Specs/Cost Analysis has been: Approved Disapproved Date Reviewed:
Initial Final



I – Contractor Payment Request (Sample)

CONTRACTOR PAYMENT REQUEST

Owner: _____

Date: _____

Address: _____

Contract Amount: _____

Contractor: _____

Address : _____

Type of Payment: Progress Final

Contractor: I/We hereby request an inspection to receive payment #_____for the amount of \$_____. I certify that I have satisfactorily completed the necessary work to justify this request and that all bills incurred for labor used and materials furnished in making said repairs and improvements have been paid in full to this date. See attached cost breakdown.

Contractor's Signature: _____ Date: _____

HAC/ Owner: I/We agree that the work stated by the contractor has been completed and approve payment to the contractor in accordance with the Agreement and contingent upon inspection and concurrence by the Construction Advisor. It is understood that the actual amount disbursed will be based on the findings of that inspection.

Owner's Signature: _____ Date: _____

Title: _____

Construction Advisor: I hereby certify that all work is completed as indicated on the contractor's payment request. I hereby request approval of the payment to the contractor in the amount of \$_____.

Construction Advisor: _____ Date: _____



J – Construction Progress Report

PROGRESS REPORT OF BUILDING UNDER CONSTRUCTION

Owner(s): _____

Project No: _____

Location of Property: _____

Contractor: _____

Construction Cost: \$ _____

No.	Items Completed	\$ Value	%	1st	2nd	3rd	4th
1.	Clearing Lot () Rough Grading () Excavation () Permits ()						
2.	Water Connections ()						
3.	Concrete Footings ()						
4.	Foundations () Piers ()						
5.	Floor Framing ()						
6.	Framing: Outside Studs () Inside Studs () Wall Sheat ()						
7.	Roof Framing: Rafters (Truss) () Ceiling Joists () Sheathing ()						
8.	Plumbing Roughed () Tubs Set ()						
9.	Electrical Roughed ()						
10.	Window Units Set () Outside Doors ()						
11.	Roof Shingles ()						
12.	Insulation: Walls () Ceiling () Floors ()						
13.	Boxing Outside ()						
14.	Painting Primed Exterior ()						
15.	Heating: Furnace () Ductwork ()						
16.	Siding or Veneer: Walls () Gables ()						
17.	Drywall: Walls () Ceilings () Paneling ()						
18.	Inside Trim: Window Fac. () Doors () Moldings () Closets ()						
19.	Plumbing Finish: Sinks () Faucets () Wash Con () W/C () W/H ()						
20.	Millwork: Kitchen Cabinets () Bath Cabinets ()						
21.	Painting: Interior Primed ()						
22.	Floors: Underlayment ()						
23.	Concrete: Porches () Walks/Drive ()						
24.	Painting: Outside Final Coats () Caulking ()						
25.	Interior Finish: Paint () Wallpaper ()						
26.	Hardware: Finish ()						
27.	Electrical Fixtures ()						
28.	Sewer Connections ()						
29.	Floor Finish: Carpet () Vinyl ()						
30.	Built-in Appliances: Stove/Oven						
31.	Outside Finish: Gutters () Screens () Columns ()						
32.	Air Conditioner Compressor						
33.	Finish Grading () Landscaping () Grass () Cleanup ()						
Total Percentages			100				
Total Percentages Completed to Date							
Amount to be Disbursed		\$					

Date	Construction Advisor/Inspector	Authorized Recipient Representative	Amount Disbursed
1.			\$
2.			\$
3.			\$
4.			\$



K - Change Order Request Form

Project Address: _____

Change Order No. _____

Project No.: _____

Contractor's Name _____

Original Contract Date _____

Owner's Name _____

Property Address(s) _____

EXPLANATION OF CHANGE/SPECIFICATIONS (Describe each change in specific terms. Provide complete specifications for all new work to be completed.)

Original Contract Amount	\$ _____
Amount of this Change Order	\$ _____
Amount of Previous Change Order	\$ _____
Revised Total contract Amount	\$ _____

Completion time extended? Yes ____, until _____ No _____

When executed by all parties, this document will become an amendment to the above-referenced construction contract.

ACCEPTED _____
Owner _____ Date _____

ACCEPTED _____
Contractor _____ Date _____

FOR INTERNAL USE ONLY:

Change order acceptable? _____ Yes __ No __

Is project still financially feasible? Yes _____ No _____

NHS OC Approval _____
NHSOC Representative _____ Date _____

Approved _____
Recipient Representative _____ Date _____



RELEASE OF LIEN

KNOW ALL MEN BY THESE PRESENT:

That the undersigned, for and in consideration of the payment of the sum of _____ Dollars (\$_____) paid by the City, Owner or Other Principal, receipt of which is hereby acknowledged, hereby releases and quit claims to the said _____(Contractor) its successors and assigns to the City, Owner or Other Principal of all liens, lien rights, claims or demands of any kind whatsoever, which the undersigned now has or might have against the work legally described as _____

_____ on account of labor performed and/or material furnished for work or construction of any improvements thereon. That all labor and materials used by the undersigned for said work or improvements have been fully paid for.

I hereby acknowledge that the statements contained in the foregoing Release of Lien are true and correct.

Contractor's Signature

Date

STATE OF CALIFORNIA
COUNTY OF _____

Subscribed and sworn to before me this _____ day of _____, 19__

My commission expires _____

Signed
Notary Public State of CALIFORNIA



M1 - Recipient Davis-Bacon File Checklist

Designated Labor Standards Officer: _____

Project Name: _____ Project Amount \$ _____

Participant #: _____ Contractor: _____

Project Address: _____ Address: _____

City/State Zip: _____ City/State/Zip: _____

Owner/Developer: _____ Phone: _____

Address: _____ Fax: _____

City/State Zip: _____ Email: _____

Required Documentation

Procurement Documents (containing Federal labor standards): _____

Executed Construction Contracts (containing Federal labor standards & wage determination): _____

Copy of Applicable Wage Determination: _____

Debarment Certification Form (Exhibit D - Construction Manual): _____

Bid Opening Date (official record of bid opening): _____

Contract Award Letter: _____

Copy of Executed Exhibit M5: _____

Construction Start Date (e.g., "Notice to Proceed" letter): _____

Statement Authorizing someone other than Owner, Pres, VP, or Treas to sign Statement of Compliance: _____

DOL-Approved Apprenticeship Program (if applicable): _____

Payrolls:	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____
	Month _____	Week 1 _____	Week 2 _____	Week 3 _____	Week 4 _____	Week 5 _____

Evidence of Poster AND Wage Decision on Job-Site: _____

Employee Interviews: #1 _____ #2 _____ #3 _____

Date Construction Completed: _____ Release of Final Payment: _____



I have received a copy of the HUD publication titled “**Making Davis-Bacon Work, A Contractor’s Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects**” and understand my responsibilities for complying with the regulations of the Davis-Bacon Act. It is also understood that the Authority reserves the right to withhold funds if it is determined that any of the compliance requirements are not met.

Print Name

Signature Date

General Contractor/Organization Name

Address

City, State, Zip

Name of NSP-assisted Project

This form must be completed by the General Contractor and submitted to NHS OC.

Project Address: _____

Participant #: _____

I am the Designated Labor Standards Officer for the _____ NSP Project and understand my responsibilities for complying with the regulations of the Davis-Bacon Act which include the following:

1. Ensure contracts/subcontracts contain:
 - a. Federal labor standards; and
 - b. Applicable wage decision
2. Avoid ineligible contractors
3. Conduct on-site inspections:
 - a. ensure wage decision and Dept. of Labor "Notice to Employees" are posted
 - b. review certified payrolls
 - c. on-site interviews
4. Review payrolls (Davis-Bacon requires weekly payment of wages)
5. Maintain full documentation
6. Contact the Authority if suspect violations or potential violations

It is also understood that the Authority reserves the right to withhold funds if it is determined that any of the compliance requirements are not met.

Print Name

Signature

Date

Recipient

Telephone Number

Email Address

Name of NSP-assisted Project

This form must be completed by the Designated Labor Standards Officer and submitted to NHS OC.



M4 - Contractor Davis-Bacon Payroll Checklist

Project Name: _____

Project Address: _____

City/State Zip: _____

Owner/Developer: _____

Phone: _____

Address: _____

Fax: _____

City/State Zip: _____

Email: _____

Check off each item below when preparing your payrolls:

- _____ 1. Authorized Signature on Statement of Compliance (pg. 2) for each payroll sheet.
- _____ 2. Certificate authorizing others to sign the State of Compliance (SOC) for payrolls. If someone other than the Owner, President, Vice President, or Treasurer will be signing the payrolls, make sure that the Federal funds recipient receives this authorization with the payrolls being sent.
- _____ 3. Statement of Compliance is completed and signed on each payroll sheet (pg. 2). Original signatures are required for each payroll sheet. No copies of signatures are allowed.
- _____ 4. Appropriate block is checked regarding payment of fringe benefits on the SOC.
- _____ 5. Payrolls are numbered. First payroll marked "Initial #1" and the last and final payroll for a project should be marked "FINAL."
- _____ 6. Days and dates appear under item number 4 on payroll sheet.
- _____ 7. Project Number, Name, and Location should be listed on each payroll sheet. Some projects are similar in name.
- _____ 8. Worker's address and Social Security Number appears on first payroll on which the name appears. Each time a new employee comes on board, then for that payroll... the worker's address and social security number should be completed.
- _____ 9. Fill in job classification in column 3.
- _____ 10. Note in column 3 if worker is an apprentice, and also attach on the payroll proof of registration in a DOL-approved program.
- _____ 11. Make sure net wages, gross wages, and deductions are shown. Gross amount in column 7 minus deductions should equal net in column 9.
- _____ 12. Time-and-a-half (1 ½) is paid for all hours over 40 in a week. The employee may work over 8 hours a day. But, for all hours over 40 for the WEEK, the employee must be paid 1 ½ for overtime.

Record of Employee Interview

U.S. Department of Housing and Urban Development Office of Labor Relations

OMB Approval No. 2501-0009
(exp. 08/31/2007)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information is collected to ensure compliance with the Federal labor standards by recording interviews with construction workers. The information collected will assist HUD in the conduct of compliance monitoring; the information will be used to test the veracity of certified payroll reports submitted by the employer. **Sensitive Information.** The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. **The information collected herein is voluntary, and any information provided shall be kept confidential.**

1a. Project Name			2a. Employee Name		
1b. Project Number			2b. Employee Phone Number (including area code)		
1c. Contractor or Subcontractor (Employer)			2c. Employee Home Address & Zip Code		
			2d. Verification of identification? Yes <input type="checkbox"/> No <input type="checkbox"/>		
3a. How long on this job?	3b. Last date on this job before today?	3c. No. of hours last day on this job?	4a. Hourly rate of pay?	4b. Fringe Benefits?	4c. Pay stub?
				Vacation Yes <input type="checkbox"/> No <input type="checkbox"/> Medical Yes <input type="checkbox"/> No <input type="checkbox"/> Pension Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

5. Your job classification(s) (list all) --- continue on a separate sheet if necessary

6. Your duties

7. Tools or equipment used

CONFIDENTIAL

8. Are you an apprentice or trainee?	Y <input type="checkbox"/>	N <input type="checkbox"/>	10. Are you paid at least time and 1/2 for all hours worked in excess of 40 in a week?	Y <input type="checkbox"/>	N <input type="checkbox"/>
9. Are you paid for all hours worked?	Y <input type="checkbox"/>	N <input type="checkbox"/>	11. Have you ever been threatened or coerced into giving up any part of your pay?	Y <input type="checkbox"/>	N <input type="checkbox"/>

12a. Employee Signature	12b. Date
-------------------------	-----------

13. Duties observed by the Interviewer (Please be specific.)

14. Remarks

15a. Interviewer name (please print)	15b. Signature of Interviewer	15c. Date of interview
--------------------------------------	-------------------------------	------------------------

Payroll Examination

16. Remarks

17a. Signature of Payroll Examiner	17b. Date
------------------------------------	-----------

Instructions

General:

This form is to be used by HUD and local agency staff for recording information gathered during on-site interviews with laborers and mechanics employed on projects subject to Federal prevailing wage requirements. Typically, the staff that will conduct on-site interviews and use this form are HUD staff and fee construction inspectors, HUD Labor Relations staff, and local agency labor standards contract monitors.

Information recorded on the form HUD-11 is evaluated for general compliance and compared to certified payroll reports submitted by the respective employer. The comparison tests the veracity of the payroll reports and may be critical to the successful conclusion of enforcement actions in the event of labor standards violations. The thoroughness and accuracy of the information gathered during interviews is crucial.

Note that the interview itself and the information collected on the form HUD-11 are considered confidential. Interviews should be conducted individually and privately. All laborers and mechanics employed on the job site must be made available for interview at the interviewer's request. The employee's participation, however, is voluntary. Interviews shall be conducted in a manner and place that are conducive to the purposes of the interview and that cause the least inconvenience to the employer(s) and the employee(s).

Completing the form HUD-11

Items 1a - 1c: Self-explanatory

Items 2a – 2d: Enter the employee's full name, a telephone number where the employee can be reached, and the employee's home address. Many construction workers use a temporary address in the locality of the project and have a more permanent address elsewhere from which mail may be forwarded to them. Obtain a more permanent address, if available. Ask the employee for a form of identification (e.g., driver's license) to verify their name.

Items 3a – 4c: Enter the employee's responses. Ask the employee whether they have a pay stub with them; if so, determine whether the pay stub is consistent with the information provided by the employee.

Items 5 – 7: Be certain that the employee's responses are specific. For example, job classification (#5) must identify the trade involved (e.g., Carpenter, Electrician, Plumber) – responses such as "journeyman" or "mechanic" are not helpful for our purposes.

Items 8 – 12b: Self-explanatory

Items 13 – 15c: These items represent some of the most important information that can be gathered while conducting on-site interviews. Please be specific about the duties you observed the employee performing. It may be easiest to make these observations before initiating the interview. Please record any comments or remarks that may be helpful. For example, if the employee interviewed was working with a crew, how many workers were in the crew? Was the employee evasive?

The level of specificity that is warranted is directly related to the extent to which interview(s) or other observations indicate that there may be violations present. If interviews indicate that there may be underpayments involving a particular trade(s), the interviewer is encouraged to interview as many workers in that trade(s) that are available.

Items 16 – 17b: The information on the form HUD-11 may be reviewed for general compliance, initially. For example, are the job classification and wage rate stated by the employee compatible with the classifications and wage rates on the applicable wage decision? Are the duties observed by the interviewer consistent with the job classification?

Once the corresponding certified payroll reports are received, the information on the HUD-11 shall be compared to the payroll reports. Any discrepancies noted between the HUD-11 information and that on the payroll report shall be noted in Item 16, Remarks. If discrepancies are noted, follow-up actions to resolve the discrepancies must be taken.

1 Historial de Entrevista del Empleado

Departamento de Vivienda y Desarrollo Urbano de EE.UU.
Oficina de Relaciones Laborales

Aprobación de OMB No. 2501-0009
(exp. 08/31/2007)

Se estima que la tarea de recolección de esta información pública es de aproximadamente 15 minutos por respuesta, incluso el tiempo para examinar instrucciones, buscar fuentes de datos existentes, recopilar y mantener datos necesarios, y completar y examinar la recopilación de la información. Esta agencia no puede recopilar esta información y no se requiere que usted llene este formulario, a menos que éste exhiba un número de control válido de la Oficina de Administración y Presupuesto (OMB, por sus siglas en inglés). La información que se recopila tiene la finalidad de garantizar la conformidad a las normas laborales Federales mediante entrevistas con obreros de construcción. La información recopilada asistirá a HUD a conducir el monitoreo de conformidad; la información se usará para examinar la veracidad de los informes de nómina certificados presentados por el patrón. **Información confidencial.** La información recopilada en este formulario es considerada confidencial y está protegida por la Ley de Privacidad. La Ley de Privacidad requiere que estos archivos se mantengan con salvaguardas administrativas, técnicas, y físicas apropiadas para garantizar su seguridad y confidencialidad. Además, estos archivos deberán ser protegidos contra cualquier amenaza anticipada o riesgos a su seguridad o integridad, que podría causar daño sustancial, vergüenza, inconveniencias, o injusticias a cualquier individuo de quien se mantiene la información. **La información recopilada aquí es voluntaria y cualquier información proporcionada será mantenida como confidencial.**

1a. Nombre del proyecto			2a. Nombre del empleado		
1b. Número del proyecto			2b. Número de teléfono del empleado (incluso prefijo local)		
1c. Contratista o subcontratista (Patrón)			2c. Dirección residencial del empleado y código postal		
			2d. ¿Verificación de identificación? Sí <input type="checkbox"/> No <input type="checkbox"/>		
3a. ¿Cuánto tiempo en este trabajo?	3b. ¿Último día en este trabajo antes de hoy?	3c. ¿No. de horas en su ultimo día en este trabajo?	4a. ¿Salario por hora?	4b. ¿Beneficios complementarios?	
				Vacaciones Sí <input type="checkbox"/> No <input type="checkbox"/> Médicos Sí <input type="checkbox"/> No <input type="checkbox"/> Pensión Sí <input type="checkbox"/> No <input type="checkbox"/>	
4c. ¿Talonario de paga? Sí <input type="checkbox"/> No <input type="checkbox"/>					
5. Clasificación(es) de su trabajo(s) (enumere todas) --- continúe en una página separada si es necesario					
6. Sus deberes					
7. Herramientas o equipo usado					
CONFIDENTIAL					
8. ¿Es aprendiz?	S <input type="checkbox"/>	N <input type="checkbox"/>	10. ¿Le pagan al menos tiempo y medio por todas las horas trabajadas superior a 40 horas semanales?		S <input type="checkbox"/> N <input type="checkbox"/>
9. ¿Le pagan todas las horas trabajadas?	<input type="checkbox"/>	<input type="checkbox"/>	11. ¿Alguna vez ha sido amenazado o coaccionado a entregar parte de su paga?		<input type="checkbox"/> <input type="checkbox"/>
12a. Firma del empleado			12b. Fecha		
13. Deberes observados por el entrevistador (Por favor sea específico.)					
14. Comentarios					
15a. Nombre del entrevistador (use letra de imprenta)		15b. Firma del entrevistador		15c. Fecha de la entrevista	

Examinación de Nómina

16. Comentarios	
17a. Firma del examinador de nómina	17b. Fecha

Instrucciones

Generalidades:

Este formulario será utilizado por personal de HUD y agencias locales a fin de anotar toda información recopilada durante las entrevistas en sitio con obreros y mecánicos empleados en proyectos sujetos a requisitos de pago de salario vigente federal. Por lo general, el personal que efectúe entrevistas en sitio y use este formulario será personal de HUD e inspectores de construcción con comisión, personal de la Oficina de Relaciones Laborales de HUD, e inspectores de contratos de la agencia de normas laborales local.

La información recopilada en este formulario HUD-11 es evaluada para su conformidad general y comparada con informes de nóminas certificados presentados por el empleador correspondiente. La comparación examina la veracidad de los informes de nómina y puede ser crítica para la exitosa conclusión de gestiones de cumplimiento en caso de existir violaciones a las normas laborales. La meticulosidad y exactitud de la información recopilada durante las entrevistas es trascendental.

Tenga en cuenta que tanto la entrevista misma y la información recopilada en el formulario HUD-11 se consideran ser de carácter confidencial. Las entrevistas se deberán efectuar en forma individual y en privado. Todos los trabajadores y mecánicos empleados en el sitio de trabajo deben ser puestos a disposición para las entrevistas a petición del entrevistador. Sin embargo, la participación del empleado es voluntaria. Las entrevistas serán conducidas en una manera y lugar que sean conducentes a los objetivos de la entrevista y ocasionen el menor inconveniente al patrón(nes) y empleado(s).

Instrucciones para rellenar el formulario HUD-11

Líneas 1a - 1c: Auto aclaratorio

Líneas 2a – 2d: Anote el nombre completo del empleado, un número telefónico donde se le pueda contactar, y su dirección residencial. Muchos trabajadores de construcción usan una dirección temporal en la localidad del proyecto y tienen una dirección más permanente en algún otro lugar a donde se les puede enviar correspondencia. Si puede, obtenga una dirección más permanente. Pida al empleado algún tipo de identificación (por ej., licencia de conducir) para verificar su nombre.

Líneas 3a – 4c: Anote las respuestas del empleado. Pregunte a los empleados si tienen un talonario de paga con ellos; si no, determine si el talonario de paga concuerda con la información provista por el empleado.

Líneas 5 – 7: Asegúrese de que las respuestas del empleado sean específicas. Por ejemplo, la clasificación de trabajo (#5) debe identificar el tipo de oficio que desempeña (por ej., carpintero, electricista, plomero) – respuestas tales como “jornalero” o “mecánico” no ayudan para nuestros propósitos.

Líneas 8 – 12b: Auto explicatorio

Líneas 13 – 15c: Estos asuntos representan alguna de la información más importante que se puede recopilar durante una entrevista en sitio. Por favor sea específico en cuanto a los deberes que según su observación desempeñó el empleado. Quizás sea más fácil hacer estas observaciones antes de iniciar la entrevista. Por favor anote cualquier comentario que pueda ser de importancia. Por ejemplo, si el empleado entrevistado estaba trabajando con un equipo, ¿cuántos trabajadores tenía el equipo? ¿Se mostraba el empleado evasivo?

El nivel de precisión garantizado está directamente relacionado al grado que la(s) entrevista(s) u otras observaciones pueden indicar que existen posibles violaciones. Si las entrevistas indican que puede haber paga de salario insuficiente relacionado a algún particular oficio (s), se recomienda al entrevistador conducir entrevistas con tantos trabajadores en ese oficio(s) estén disponibles.

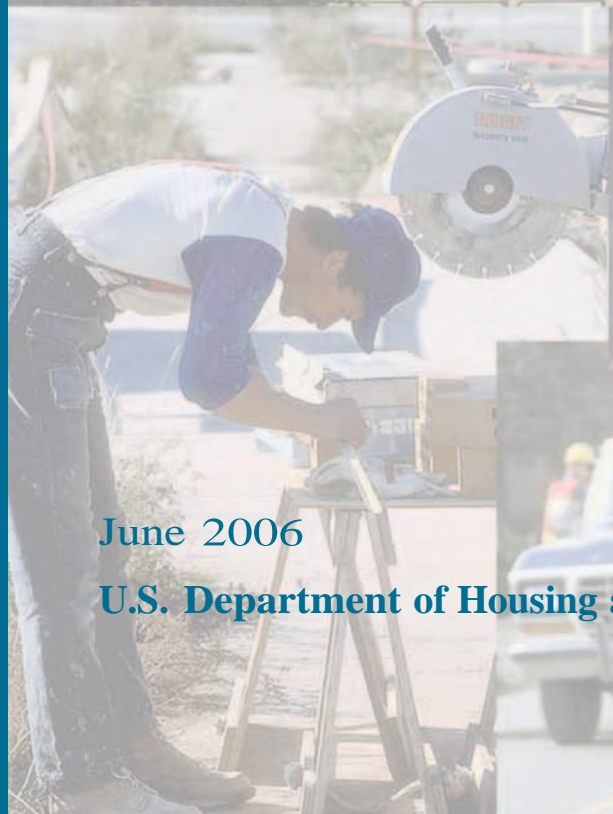
Líneas 16 – 17b: Inicialmente, la información en el formulario HUD-11 puede ser examinada para conformidad general. Por ejemplo, ¿está la clasificación de trabajo y el salario declarado por el empleado compatible con las clasificaciones y tasas de salario en la decisión de salario aplicable? ¿Concuerdan los deberes observados por el entrevistador con la clasificación de trabajo?

Una vez se reciben los informes de nómina certificados correspondientes, se hará una comparación de la información anotada en el formulario HUD-11 con los informes de nómina. Cualquier discrepancia entre la información del formulario HUD-11 y la del informe de nómina será anotada en la línea 16, Comentarios. Si se hacen observaciones de discrepancias se deberán tomar pasos de seguimiento para resolver las discrepancias.



MAKING DAVIS- BACON WORK

*A Contractor's
Guide to
Prevailing
Wage
Requirements
for
Federally-Assisted
Construction
Projects*



June 2006

U.S. Department of Housing and Urban Development



MAKING DAVIS-BACON WORK

A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects

Introduction

This Guide has been prepared for you as a contractor performing work on construction projects that are **assisted** by the Department of Housing and Urban Development and subject to Davis-Bacon prevailing wage requirements. This Guide **does not** address contractor requirements involved in **direct** Federal contracting where HUD or another Federal agency enters into a procurement contract. In this latter case, the Federal Acquisition Regulations (FAR) are applicable. While the guidance contained in this Guide is generally applicable to **any** Davis-Bacon covered project, specific questions pertaining to direct Federal contracts should be addressed to the Contracting Officer who signed the contract for the Federal agency.

Our objective here is to provide you with a guide which is simple and non-bureaucratic yet comprehensive and which will help you better understand and comply with Davis-Bacon labor standards. HUD's Office of Labor Relations worked closely with the Department of Labor's Wage and Hour Division to make sure that the labor standards provisions in your contract and the specifics of complying with them represent the latest information. It is the Department of Labor which has general administrative oversight of all Federal contracting agencies, such as HUD, which administer the day-to-day responsibilities of enforcing Davis-Bacon provisions in construction contracts they either fund or assist in funding.

There are three chapters in this Guide. The first chapter offers a brief description of the laws and regulations associated with Federal labor standards administration and enforcement and discusses both what's in your contract that requires Davis-Bacon compliance and your responsibilities. The second chapter deals with labor standards and payroll reporting requirements. The third chapter discusses what can happen in the event there is a dispute about the wage rates that should be (or have been) paid and any back wages that may be due.

Finally, not all HUD construction projects are covered by Davis-Bacon wage rates. For the purpose of this Guide, we are assuming that a determination has already been made that Davis-Bacon wage rates are applicable. Should you wish assistance in determining whether Davis-Bacon wage rates apply to a particular project or if you need other related technical assistance, please consult with the HUD Labor Relations Field staff for your area. If you don't know which staff to contact, a list of Labor Relations field offices and their geographic areas and telephone numbers can be found on HUD's Home Page at the address below.

Visit the Office of Labor Relations
on the World Wide Web HUD Home Page at:
<http://www.hud.gov/offices/olr>

Obtain additional copies of this Guide and other publications at our web site or by telephone from HUD's Customer Service Center at (800) 767-7468.



MAKING DAVIS-BACON WORK

*A Contractor's Guide
to Prevailing
Wage Requirements
for Federally-Assisted
Construction Projects*

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CHAPTER 1. Laws, Regulations, Contracts and Responsibilities

The following paragraphs describe what the labor standards laws and regulations actually say and what they mean to you on HUD projects:

1-1 Davis-Bacon and Other Labor Laws

a. The Davis-Bacon Act (DBA)

The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

Most HUD construction work **is not** covered by the DBA itself since HUD seldom contracts directly for construction services. Most often, if Davis-Bacon wage rates apply to a HUD project it is because of a labor provision contained in one of HUD's "Related Acts" such as the U.S. Housing Act of 1937, the National Housing Act, the Housing and Community Development Act of 1974, the National Affordable Housing Act of 1990, and the Native American Housing Assistance and Self-Determination Act of 1996. The Related Acts are often referred to as the **Davis-Bacon and Related Acts or DBRA**.

b. The Contract Work Hours and Safety Standards Act (CWHSSA)

CWHSSA requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on the covered project. The CWHSSA applies to both direct Federal contracts and to indirect Federally-assisted contracts **except** where the assistance is solely in the nature of a loan guarantee or insurance. CWHSSA violations carry a liquidated damages penalty (\$10/day per violation). Intentional violations of CWHSSA standards can be considered for Federal criminal prosecution.

CWHSSA does not apply to *prime contracts* of \$100,000 or less. In addition, some HUD projects are not covered by CWHSSA because some HUD programs only provide loan guarantees or insurance. CWHSSA also does not apply to construction or rehabilitation contracts that are not subject to Federal prevailing wage rates (e.g., Davis-Bacon wage rates, or HUD-determined rates for operation of public housing and Indian block grant-assisted housing). However, even though CWHSSA overtime pay is not required, Fair Labor Standards Act (FLSA) overtime pay is probably still applicable. (See also Labor Relations Letter *SL-95-01*, *CWHSSA Coverage threshold for overtime and health and safety provisions*, available on-line at the HUD Labor Relations Library at: www.hud.gov/offices/olr/library.cfm)

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c. **The Copeland Act (Anti-Kickback Act)**

The Copeland Act makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally-assisted project) to **kickback** (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer (contractors and subcontractors) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.

d. **The Fair Labor Standards Act (FLSA)**

The FLSA contains Federal minimum wage rates, overtime (O/T), and child labor requirements. These requirements generally apply to any labor performed. The DOL has the authority to administer and enforce FLSA. HUD will refer to the DOL any possible FLSA violations that are found on HUD projects.

1-2 **Davis-Bacon Regulations**

The Department of Labor (DOL) has published rules and instructions concerning Davis-Bacon and other labor laws in the Code of Federal Regulations (CFR). These regulations can be found in **Title 29 CFR Parts 1, 3, 5, 6 and 7**. *Part 1* explains how the DOL establishes and publishes DBA wage determinations (*aka wage decisions*) and provides instructions on how to use the determinations. *Part 3* describes Copeland Act requirements for payroll deductions and the submission of weekly certified payroll reports. *Part 5* covers the labor standards provisions that are in your contract relating to Davis-Bacon Act wage rates and the responsibilities of contractors and contracting agencies to administer and enforce the provisions. *Part 6* provides for administrative proceedings enforcing Federal labor standards on construction and service contracts. Last, *Part 7* sets parameters for practice before the Administrative Review Board. These regulations are used as the basis for administering and enforcing the laws.

DOL Regulations are available on-line on the World Wide Web:
http://www.dol.gov/dol/allcfr/Title_29/toc.htm

1-3 **Construction Contract Provisions**

Each contract subject to Davis-Bacon labor standards requirements must contain labor standards clauses and a Davis-Bacon wage decision. These documents are often bound into the contract specifications.

a. **The Labor Standards Clauses**

The labor standards clauses describe the responsibilities of the contractor concerning Davis-Bacon wages and obligate the contractor to comply with the labor requirements. The labor standards clauses also provide for remedies in the event of violations, including withholding from payments due to the contractor to ensure the payment of wages or liquidated damages which may be found due. These contract clauses enable the contract administrator to enforce the Federal labor standards applicable to the project. HUD has standard forms that contain contract clauses. For example, the HUD-2554, Supplementary Conditions to the Contract for Construction, which is issued primarily for FHA multifamily housing and other construction projects administered by HUD; the HUD-4010, Federal Labor Standards Provisions, which is used for CDBG and HOME projects, and the HUD-5370, General Conditions of the Contract for Construction – Public and Indian Housing Program.

HUD program labor standards forms are available on-line at:
www.hudclips.org/cgi/index.cgi



b. Davis-Bacon Wage Decisions

The Davis-Bacon wage decision (or wage determination) is a listing of various construction work classifications, such as Carpenter, Electrician, Plumber and Laborer, and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid.

Davis-Bacon wage decisions are established by the DOL for various types of construction (e.g., residential, heavy, highway) and apply to specific geographic areas, usually a county or group of counties. Wage decisions are modified from time to time to keep them current. In most cases, when the contract is awarded or when construction begins, the wage decision is “locked-in” and no future modifications are applicable to the contract or project involved.

All current Davis-Bacon wage decisions can be accessed on-line at no cost at:

www.wdol.gov

1-4 Responsibility of the Principal Contractor

The principal contractor (also referred to as the **prime or general contractor**) is responsible for the full compliance of all employers (the contractor, subcontractors and any lower-tier subcontractors) with the labor standards provisions applicable to the project. Because of the contractual relationship between a prime contractor and his/her subcontractors, subcontractors generally should communicate with the contract administrator only through the prime contractor. (*See Contract Administrator, below.*)

To make this Guide easier to understand, the term “**prime contractor**” will mean the principal contractor; “**subcontractor**” will mean all subcontractors including lower-tier subcontractors; and the term “**employer**” will mean all contractors as a group, including the prime contractor and any subcontractors and lower-tier subcontractors.

1-5 Responsibility of the Contract Administrator

The **contract administrator** is responsible for the proper administration and enforcement of the Federal labor standards provisions on contracts covered by Davis-Bacon requirements. We use this term to represent the person (or persons) who will provide labor standards advice and support to you and other project principals (e.g., the owner, sponsor, architect), including providing the proper Davis-Bacon wage decision (see ¶2-1, **The Wage Decision**) and ensuring that the wage decision and contract clauses are incorporated into the contract for construction. The contract administrator also monitors labor standards compliance (see ¶2-6, **Compliance Reviews**) by conducting interviews with construction workers at the job site and reviewing payroll reports, and oversees any enforcement actions that may be required.

The contract administrator could be an employee or agent of HUD, or of a city or county or public housing agency. *For HUD projects administered directly by HUD staff, usually FHA-insured multifamily projects, the contract administrator will be the HUD Labor Relations field staff.* But many HUD-assisted projects are administered by local contracting agencies such as Public Housing Agencies (PHAs),

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Indian tribes and tribally-designated housing entities (TDHEs), and States, cities and counties under HUD's Community Development Block Grant (CDBG) and HOME programs. In these cases, the *contract administrator* will likely be local agency staff. In either case, the guidance for you remains essentially the same.

The DOL also has a role in monitoring Davis-Bacon administration and enforcement. In addition, DOL has independent authority to conduct investigations. A DOL investigator or other DOL representative may visit Davis-Bacon construction sites to interview construction workers or review payroll information.



CHAPTER 2. How to Comply with Labor Standards and Payroll Reporting Requirements

Where to start?

Now that you know you're on a Davis-Bacon project and you know some of the legal and practical implications, what's next?

SECTION 1 — THE BASICS

2-1 The Wage Decision

Davis-Bacon labor standards stipulate the wage payment requirements for *Carpenters, Electricians, Plumbers, Roofers, Laborers, and other construction work classifications* that may be needed for the project. The **Davis-Bacon wage decision** that applies to the project contains a schedule of work classifications and wage rates that must be followed. If you don't have it already (and by now you should), you'll want to get a copy of the applicable **Davis-Bacon wage decision**.

Remember, the wage decision is contained in the contract specifications along with the labor standards clauses. See ¶1-3, *Construction Contract Provisions*.

a. The Work Classifications and Wage Rates

A Davis-Bacon wage decision is simply a listing of different work classifications and the minimum wage rates that must be paid to anyone performing work in those classifications. You'll want to make sure that the work classification(s) you need are contained in the wage decision and make certain you know exactly what wage rate(s) you will need to pay. Some wage decisions cover several counties and/or types of construction work (for example, residential and commercial work) and can be lengthy and difficult to read. Contact the *contract administrator* (HUD Labor Relations field staff or local agency staff) if you have any trouble reading the wage decision or finding the work classification(s) you need.

To make reading lengthy wage decisions easier for you, the contract administrator may prepare a Project Wage Rate Sheet (HUD-4720). This Sheet is a one-page transcript that will show only the classifications and wage rates for a particular project. A blank copy of a Project Wage Rate Sheet is provided for you in the appendix. Also, a fillable version of this form is available on-line at HUDClips (see web address in the Appendix). Contact the contract administrator monitoring your project for assistance with a Project Wage Rate Sheet.

b. Posting the Wage Decision

If you are the prime contractor, you will be responsible for posting a copy of the wage decision (or the Project Wage Rate Sheet) and a copy of a DOL poster called *Notice to All Employees* (Form WH-1321) at the job site in a place that is easily accessible to all of the construction workers employed at the project and where the wage decision and poster won't be destroyed by wind or rain, etc. The *Notice to All Employees* poster is available on-line at HUDClips (see address in the Appendix).

2-2 Additional “Trade” Classifications and Wage Rates

What if the work classification you need isn't on the wage decision? If the work classification(s) that you need doesn't appear on the wage decision, you will need to request an **additional classification and wage rate**. This process is usually very simple and you'll want to start the request right away. Basically, you identify the classification you need and recommend a wage rate for DOL to approve for the project. There are a few rules about additional classifications; you'll find these rules in the DOL regulations, Part 5, and in the labor clauses in your contract. The rules are summarized for you here:

a. Additional Classification Rules

Additional classifications and wage rates can be approved if:

- 1) The requested classification is used by construction contractors in the area of the project. (The area is usually defined as the *county* where the project is located).
- 2) The work that will be performed by the requested classification is not already performed by another classification that is already on the wage decision. (In other words, if there already is an Electrician classification and wage rate on the wage decision you can't request another Electrician classification and rate.)
- 3) The proposed wage rate for the requested classification “fits” with the other wage rates already on the wage decision. (For example, the wage rate proposed for a trade classification such as Electrician must be at least as much as the lowest wage rate for other trade classifications already contained in the wage decision.) And,
- 4) The workers that will be employed in the added classification (if it is known who the workers are/will be), or the workers' representatives, must agree with the proposed wage rate.

b. Making the Request

A request for additional classification and wage rate must be made in writing through the contract administrator. (If the contract administrator is a local agency, the agency will send the request to the HUD Labor Relations staff.) If you are a subcontractor, your request should also go through the prime contractor. All you need to do is identify the work classification that is missing and recommend a wage rate (usually the rate that employer is already paying to the employees performing the work) for that classification. You may also need to describe the work that the new classification will perform.



c. HUD Review

The HUD Labor Relations field staff will review the requested classification and wage rate to determine whether the request meets the DOL rules outlined in paragraph 2-2(a), above. If additional information or clarification is needed, the staff will contact the prime contractor (or contract administrator for local agency projects) for more information, etc. If the Labor Relations review finds that the request meets the rules, the staff will give preliminary approval on the request and refer it to the DOL for final approval. The staff will send to you a copy of the preliminary approval/referral letter to the DOL.

If the HUD Labor Relations staff doesn't think the request meets the rules and if agreement can't be reached on the proper classification or wage rate for the work described, the HUD Labor Relations staff will *not* approve the request. In this case, the staff will send your request to the DOL with an explanation why HUD believes that the request shouldn't be approved. The DOL still has final decision authority. You will receive a copy of the disapproval/referral letter to the DOL.

d. DOL Decision

The DOL will respond to HUD Labor Relations in writing about the additional classification and wage rate request. HUD Labor Relations will notify you of the DOL decision in writing. If the DOL approves the request, the prime contractor must post the approval notice on the job site with the wage decision.

If the DOL *does not* approve the request, you will be notified about what classification and wage rate should be used for the work in question. You will also receive instructions about how to ask for DOL reconsideration if you still want to try to get your recommendation approved.

It's always a good idea to talk to the contract administrator before submitting an additional classification and wage rate request. The contract administrator can offer suggestions and advice that may save you time and increase the likelihood that DOL will approve your request. Usually, the contract administrator can give you an idea about what the DOL will finally decide.

2-3 Certified Payroll Reports

You'll need to submit a weekly certified payroll report (CPR) beginning with the first week that your company works on the project and for every week afterward until your firm has completed its work. It's always a good idea to number the payroll reports beginning with #1 and to clearly mark your last payroll for the project "Final."

a. Payroll Formats

The easiest form to use is DOL's WH-347, **Payroll**. A sample copy of the WH-347 is included in the back of this Guide. You may access a fillable version of the WH-347 on-line at HUDClips (see web address in the Appendix). Also, the contract administrator can provide a few copies of the WH-347 that you can reproduce.

You are *not required* to use Payroll Form WH-347. You are welcome to use any other type of payroll, such as computerized formats, as long as it contains all of the information that is required on the WH-347.

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If you number your payroll reports consecutively, you *do not* need to submit “no work” payrolls!

b. Payroll Certifications

The weekly payrolls are called *certified* because each payroll is signed and contains language certifying that the information is true and correct. The payroll **certification** language is on the reverse side of the WH-347. If you are using another type of payroll format you may attach the certification from the back of the WH-347, or any other format which contains the same certification language on the WH-347 (reverse).

DOL’s website has Payroll Instructions, and the Payroll Form WH-347, in a “fillable” PDF format at this address:
www.dol.gov/esa/programs/dbra/forms.htm and at HUDClips.

c. “No Work” Payrolls

“No work” payrolls may be submitted whenever there is a temporary break in your work on the project, for example, if your firm is not needed on the project right now but you will be returning to the job in a couple of weeks. (*See Tip Box, below, for “no work” payroll exemption!*) However, if you know that your firm will not be working on the project for an extended period of time, you may wish to send a short note to the contract administrator to let them know about the break in work and to give an approximate date when your firm will return to the project. If you send a note, you do not need to send “no work” payrolls.

d. Payroll Review and Submission

The prime contractor should **review** each subcontractor’s payroll reports for compliance **prior** to submitting the reports to the contract administrator. Remember, the prime contractor is responsible for the full compliance of all subcontractors on the contract and will be held accountable for any wage restitution that may be found due to any laborer or mechanic that is underpaid *and* for any liquidated damages that may be assessed for overtime violations. All of the payroll reports for any project must be submitted to the contract administrator *through* the prime contractor.

An alert prime contractor that reviews subcontractor payroll submissions can detect any misunderstandings early, prevent costly underpayments and protect itself from financial loss should underpayments occur.

e. Payroll Retention

Every contractor (including every subcontractor) must keep a complete set of their own payrolls and other basic records such as time cards, tax records, evidence of fringe benefit payments,



for a Davis-Bacon project for at least 3 years after the project is completed. The prime contractor must keep a complete set of all of the payrolls for every contractor (including subcontractors) for at least 3 years after completion of the project.

f. Payroll Inspection

In addition to submitting payrolls to the contract administrator, every contractor (including subcontractors) must make their *own* copy of the payrolls and other basic records available for review or copying to any authorized representative from HUD or from DOL.

2-4 Davis-Bacon Definitions

Before we discuss how to complete the weekly payroll forms, we need to review a couple of definitions. These definitions can help you understand what will be required of you:

a. Laborer or Mechanic

“Laborers” and “mechanics” mean anyone who is performing construction work on the project, including trade journeymen (carpenters, plumbers, sheet metal workers, etc.), apprentices, trainees and, for CWHSSA purposes, watchmen and guards. “Laborers” and “mechanics” are the two groups of workers that must be paid not less than Davis-Bacon wage rates.

- 1) **Working foremen.** Foremen or supervisors that regularly spend **more** than 20% of their time performing construction work and do not meet the exclusions in paragraph 2 below are covered “laborers” and “mechanics” for labor standards purposes for the time spent performing construction work.
- 2) **Exclusions.** People whose duties are primarily administrative, executive or clerical are not laborers or mechanics. Examples include superintendents, office staff, timekeepers, messengers, etc. (Contact the contract administrator if you have any questions about whether a particular employee is excluded.)

b. Employee

Every person who performs the work of a laborer or mechanic is “employed” regardless of any contractual relationship which may be alleged to exist between a contractor or subcontractor and such person. This means that even if there is a contract between a contractor and a worker, the contractor must make sure that the worker is paid at least as much as the wage rate on the wage decision for the classification of work they perform. Note that there are no exceptions to the prevailing wage requirements for relatives or for self-employed laborers and mechanics.

For more information about working subcontractors, ask the contract administrator or your HUD Labor Relations Field Staff for a copy of Labor Relations Letter LR-96-01, *Labor standards compliance requirements for self-employed laborers and mechanics*. Labor Relations Letters and other helpful Labor Relations publications are available at HUD’s Labor Relations web site (see the list of web site addresses in the *Appendix*).

c. Apprentices and Trainees

The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training



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programs, including *Step-Up* apprenticeship programs designed for Davis-Bacon construction work. Approved programs are those which have been registered with the DOL or a DOL-recognized State Apprenticeship Council (SAC). Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program.

Most often, the apprentice/trainee wage rate is expressed as a series of percentages tied to the amount of time spent in the program. For example, 0-6 months: 65%; 6 months – 1 year: 70%; etc. The percentage is applied to the journeyman's wage rate. On Davis-Bacon projects, the percentage must be applied to the journeyman's wage rate *on the applicable wage decision* for that craft.

- 1) **Probationary apprentice.** A “probationary apprentice” can be paid as an apprentice (less than the rate on the wage decision) if the DOL or SAC has certified that the person is eligible for probationary employment as an apprentice.
- 2) **Pre-apprentice.** A “pre-apprentice”, that is, someone who is not registered in a program and who hasn't been DOL- or SAC-certified for probationary apprenticeship is **not** considered to be an “apprentice” and must be paid the full journeyman's rate on the wage decision for the classification of work they perform.
- 3) **Ratio of apprentices and trainees to journeymen.** The maximum number of apprentices or trainees that you can use *on the job site* can not exceed the ratio of apprentices or trainees to journeymen allowed in the approved program.

d. Prevailing Wages or Wage Rates

Prevailing wage rates are the wage rates listed on the wage decision for the project. The wage decision will list a minimum basic hourly rate of pay for each work classification. Some wage decisions include fringe benefits which are usually listed as an hourly fringe rate. If the wage decision includes a fringe benefit rate for a classification, you will need to add the fringe benefit rate to the basic hourly rate *unless* you provide bona fide fringe benefits for your employees.

- 1) **Piece-work.** Some employees are hired on a piece-work basis, that is, the employee's earnings are determined by a factor of work produced. For example, a Drywall Hanger's earnings may be calculated based upon the square feet of sheetrock actually hung, a Painter's earnings may be based upon the number of units painted. Employers may calculate weekly earnings based upon piece rates **provided** the weekly earnings are sufficient to satisfy the wage rate requirement based upon actual hours, including any overtime, worked. *Accurate time records must be maintained for any piece-work employees.* If the weekly piece rate earnings are not sufficient, the employer must recompute weekly earnings based upon the actual hours worked and the rate on the wage decision for the work classification(s) involved.



e. Fringe Benefits

Fringe benefits can include health insurance premiums, retirement contributions, life insurance, vacation and other paid leave as well as some contributions to training funds. Fringe benefits **do not** include employer payments or contributions required by other Federal, State or local laws, such as the employer's contribution to Social Security or some disability insurance payments.

Note that the *total* hourly wage rate paid to any laborer or mechanic (basic wage or basic wage plus fringe benefits) may be no less than the total wage rate (basic wage or basic wage plus fringe benefits) on the wage decision for their craft. If the value of the fringe benefit(s) you provide is less than the fringe benefit rate on the wage decision, you will need to add the balance of the wage decision fringe benefit rate to the basic rate paid to the employee. For example, if the wage decision requires \$10/hour basic rate plus \$5/hour fringe benefits, you must pay no less than that total (\$15/hour) in the basic rate or basic rate plus whatever fringe benefit you may provide. You can meet this obligation in several ways: you could pay the base wage and fringe benefits as stated in the wage decision, or you could pay \$15 in base wage with no fringe benefits, or you could pay \$12 basic plus \$3 fringe benefits. You can also *off-set* the amount of the base wage if you pay more in fringe benefits such as by paying or \$9 basic plus \$6 fringe benefits; as long as you meet the total amount. The amount of the base wage that you may off-set with fringe benefits is limited by certain IRS and FLSA requirements.

f. Overtime

Overtime hours are defined as all hours worked on the contract in excess of 40 hours in any work week. Overtime hours must be paid at no less than one and one-half times the regular rate of basic pay plus the straight-time rate of any required fringe benefits.

Referring to our example above where the wage decision requiring a \$15 total wage obligation (\$10 basic wage plus \$5 fringe benefits) was met by paying \$9 base wage plus \$6 fringe benefits: Note that overtime rates must be based on one and one-half times the basic rate *as stated on the wage decision*. In the above example, the employer must pay for overtime: \$15/hr (\$9 basic + \$6 fringe) plus \$5 (one-half of \$10, the wage decision basic rate) for a total of \$20 per hour.

g. Deductions

You may make payroll deductions as permitted by DOL Regulations 29 CFR Part 3. These regulations prohibit the employer from requiring employees to "kick-back" (i.e., give up) any of their earnings. Allowable deductions which do not require prior DOL permission include employee obligations for income taxes, Social Security payments, insurance premiums, retirement, savings accounts, and any other legally-permissible deduction authorized by the employee. Deductions may also be made for payments on judgements and other financial obligations legally imposed against the employee.



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h. Proper Designation of Trade

You must select a work classification on the wage decision for each worker based on the actual type of work he/she performed and you must pay each worker no less than the wage rate on the wage decision for that classification regardless of their level of skill. In other words, if someone is performing carpentry work on the project, they must be paid no less than the wage rate on the wage decision for Carpenters *even* if they aren't considered by you to be fully trained as a Carpenter. **Remember**, the only people who can be paid less than the rate for their craft are apprentices and trainees registered in approved programs.

1) **Split-classification.** If you have employees that perform work in more than one trade during a work week, you can pay the wage rates specified for each work classification in which work was performed **only** if you maintain accurate time records showing the amount of time spent in each classification. If you do not maintain accurate time records, you must pay these employees the highest wage rate of all of the classifications of work performed.

i. Site of Work

The “site of work” is where the Davis-Bacon wage rates apply. Usually, this means the boundaries of the project. “Site of work” can also include other adjacent or virtually adjacent property used by a contractor or subcontractor in the construction of the project, like a fabrication site that is dedicated exclusively, or nearly so, to the project.

SECTION II REPORTING REQUIREMENTS

2-5 Completing a Payroll Report

What information has to be reported on the payroll form?

The weekly payroll form doesn't ask for any information that you don't already need to keep for wage payment and tax purposes. For example, you need to know each employee's **name, address and social security number**; his or her **work classification** (who is working for you and what do they do?), the hours worked during the week, his or her **rate of pay**, the **gross amount earned** (how much did they earn?), the amounts of any **deductions** for taxes, etc., and the **net amount paid** (how much should the paycheck be made out for?). No more information than you need to know in order to manage your work crew and make certain they are paid properly. And, certainly, no more information than you need to keep for IRS, Social Security and other tax and employment purposes.

You are required to submit certified payrolls to illustrate and document that you have complied with the prevailing wage requirements. The purpose of the contract administrator's review of your payrolls is to verify your compliance. Clearer and complete payroll reports will permit the contract administrator to complete reviews of your payroll reports quickly.

For many contractors,
the Weekly Certified
Payroll is the only
Davis-Bacon paperwork
you need to submit!



a. Project and Contractor/Subcontractor Information

Each payroll must identify the contractor or subcontractor's name and address, the project name and number, and the week ending date. Indicate the *week dates* in the spaces provided. Numbering payrolls is optional but strongly recommended.

b. Employee Information

The first payroll on which each employee appears must contain the employee's name, address and Social Security Number. Afterward, the address and Social Security Number only need to be reported if there is a change in this information.

c. Work Classification

Each employee must be classified in accordance with the wage decision based on the type of work they actually perform.

- 1) **Apprentices or Trainees.** The first payroll on which any apprentice or trainee appears must be accompanied by a copy of that apprentice's or trainee's registration in a registered or approved program. A copy of the portions of the registered or approved program pertaining to the wage rates and ratios shall also accompany the first payroll on which the first apprentice or trainee appears.
- 2) **Split classifications.** For an employee that worked in a split classification, make a separate entry for each classification of work performed distributing the hours of work to each classification, accordingly, and reflecting the rate of pay and gross earnings for each classification. Deductions and net pay may be based upon the total gross amount earned for all classifications.

d. Hours Worked

The payroll should show **ONLY** the regular and overtime hours worked on this project. Show both the daily and total weekly hours for each employee. If an employee performs work at job sites other than the project for which the payroll is prepared, those "other job" hours *should not* be reported on the payroll. In these cases, you should list the employee's name, classification, hours for this project only, the rate of pay and gross earnings for this project, and the gross earned for *all projects*. Deductions and net pay may be based upon the employee's total earnings (for all projects) for the week.

e. Rate of Pay

Show the basic hourly rate of pay for each employee for this project. If the wage decision includes a fringe benefit and you **do not** participate in approved fringe benefit programs, **add** the fringe benefit rate to the basic hourly rate of pay. Also list the overtime rate if overtime hours were worked.

- 1) **Piece-work.** For any piece-work employees, the employer **must** compute an *effective hourly rate* for each employee each week based upon the employee's piece-work earnings for that week. To compute the effective hourly rate, divide the piece-work earnings by the total number of hours worked, including consideration for any overtime hours.



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The effective hourly rate must be reflected on the certified payroll and the hourly rate may be no less than the wage rate (including fringe benefits, if any) on the wage decision for the classification of work performed. It does not matter that the effective hourly rate changes from week-to-week, only that the rate is no less than the rate on the wage decision for the classification of work performed.

Remember, the overtime rate is computed at one and one-half times the *basic* rate of pay plus any fringe benefits. For example, if the wage decision requires \$10/hour basic plus \$5/hour fringe benefits, the overtime rate would be: $(\$10 \times 1\frac{1}{2}) + \$5 = \$20/\text{hour}$.

Only one employee authorization is needed for recurring (e.g., weekly) other deductions. Written employee authorization is not required for income tax and Social Security deductions.

f. Gross Wages Earned

Show the gross amount of wages earned for work performed on this project. *Note:* For employees with work hours and earnings on other projects, you may show gross wages for this project over gross earnings all projects (for example, \$425.40/\$764.85) and base deductions and net pay on the “all projects” earnings.

g. Deductions

Show the amounts of any deductions from the gross earnings. “Other” deductions should be identified (for example, Savings Account or Loan Repayment). Any voluntary deduction (that is, not required by law or by an order of a proper authority) must be authorized in writing by the employee or provided for in a collective bargaining (union) agreement. A short note signed by the employee is all that is needed and should accompany the first payroll on which the other deduction appears.

h. Net Pay

Show the net amount of wages paid.

i. Statement of Compliance

The Statement of Compliance is the certification. It is located on the reverse side of a standard payroll form (WH-347). Be sure to complete the identifying information at the top, particularly if you are attaching the Statement of Compliance to an alternate payroll form such as a computer payroll. Also, you must check either 4(a) or 4(b) if the wage decision contains a fringe benefit. Checking 4(a) indicates that you are paying required fringe benefits to approved plans or programs; and 4(b) indicates that you are paying any required fringe benefit amounts directly to the employee by adding the fringe benefit rate to the basic hourly rate of pay. If you are paying a portion of the required fringe benefit to programs and the balance directly to the employee, explain those differences in box 4(c).

Only one Statement of Compliance is required for each employer’s weekly payroll no matter how many pages are needed to report the employee data.



j. Signature

Make sure the payroll is **signed** with an original signature. The payroll must be signed by a principal of the firm (owner or officer such as the president, treasurer or payroll administrator) or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports). Signature authorization (for persons other than a principal) should be submitted with the first payroll signed by such an agent.

SECTION III PAYROLL REVIEWS AND CORRECTIONS

2-6 Compliance Reviews

The contract administrator or other inspector may visit the project site and interview some of the workers concerning their employment on the project. The DOL may also independently conduct its own reviews (see ¶1-5). In addition, the contract administrator will periodically review payrolls and related submissions, comparing the interview information to the payrolls, to ensure that the labor standards requirements have been met. You will be notified by the contract administrator if these reviews find any discrepancies or errors. You will be given instructions about what steps must be taken to correct any problems.

a. On-Site Interviews

Every employer (contractor, subcontractor, etc.) must make their employees available for interview at the job site with the contract administrator or other agency representative, or HUD or DOL representative. The interviews are confidential and the employee will be asked about the kind of work they perform and their rate of pay. Every effort will be made to ensure that these interviews cause as little disruption as possible to the on-going work. The interviewer will record the interview information, usually on a form HUD-11, *Record of Employee Interview*, and forward the interviews to the contract administrator.

b. Project Payroll Reviews

The contract administrator will compare the information on the interview forms to the corresponding payrolls to ensure that the workers are properly listed on the payrolls for the days, work classification and rate of pay. The contract administrator will also review the payroll submissions to make certain that the payrolls are complete and signed; that employees are paid no less than the wage rate for the work classification shown; apprentice and trainee certifications are submitted (where needed); employee or other authorizations for other deductions are submitted (where needed); etc.

2-7 Typical Payroll Errors and Required Corrections

The following paragraphs describe common payroll errors and the corrective steps you must take.

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a. **Inadequate Payroll Information**

If an alternate payroll format used by an employer (such as some computer payrolls) is inadequate, e.g., does not contain all of the necessary information that would be on the optional form WH-347, the employer will be asked to resubmit the payrolls on an acceptable form.

b. **Missing Addresses and Social Security Numbers**

If the first payroll on which an employee appears does not contain the employee's address and Social Security Number, the employer will be asked to supply the missing information. A short note providing the information is all that is needed.

c. **Incomplete Payrolls**

If the information on the payroll is not complete, for example, if work classifications or rates of pay are missing, the employer will be asked to send a corrected payroll.

d. **Classifications**

If the payrolls show work classifications that do not appear on the wage decision, the employer will be asked to reclassify the employees in accordance with the wage decision **or** the employer may request an **additional classification and wage rate** (See ¶2-2). If reclassification results in underpayment (i.e., the wage rate paid on the payroll is less than the rate required for the new classification), the employer will be asked to pay **wage restitution** to all affected reclassified employees. (See ¶2-8 for instructions about wage restitution.)

e. **Wage Rates**

If the wage rates on the payroll are less than the wage rates on the wage decision for the work classifications reported, the employer will be asked to pay wage restitution to all affected employees.

f. **Apprentices and Trainees**

If a copy of the employee's registration or the approved program ratio and wage schedule are not submitted with the first payroll on which an apprentice or trainee appears, the employer will be asked to submit a copy of each apprentice's or trainee's registration and/or the approved program ratio and wage schedule. If the ratio of apprentices or trainees to journeymen on the payroll is greater than the ratio in the approved program, the employer will be asked to pay wage restitution to any excess apprentices or trainees. Also, any apprentice or trainee that is *not* registered in an approved program must receive the journeyman's wage rate for the classification of work they performed.

g. **Overtime**

If the employees did not receive at least time and one-half for any overtime hours worked on the project, the following will occur:

- 1) If the project is subject to *CWHSSA overtime* requirements, the employer will be asked to pay wage restitution for all overtime hours worked on the project. The employer may also be liable to the United States for liquidated damages computed at \$10 per day per violation. Or,



- 2) If the project is **not** subject to CWHSSA, the employer will be notified of the possible *FLSA overtime* violations. Also, the contract administrator may refer the violations to the DOL for further review.

h. Computations

If the payroll computations (hours worked times rate of pay) or extensions (deductions, net pay) show frequent errors, the employer will be asked to take greater care. Wage restitution may be required if underpayments resulted from the errors.

i. Deductions

If there are any “Other” deductions that are not identified, or if employee authorization isn’t provided, or if there is any unusual (very high, or large number) deduction activity, the employer will be asked to identify the deductions, provide employee authorization or explain unusual deductions, as necessary.

HUD does not enforce or attempt to provide advice on employer obligations to make deductions from employee earnings for taxes or Social Security. However, HUD may refer to the IRS or other responsible agency copies of certified payroll reports that show wages paid in gross amounts (i.e., without tax deduction) for its review and appropriate action.

j. Fringe Benefits

If the wage decision contains fringe benefits but the payroll does not indicate how fringe benefits were paid [neither 4(a) nor 4(b) is marked on the Statement of Compliance], the employer may be asked to submit corrected payrolls **and** will be required to pay wage restitution if underpayments occurred. *However*, if the basic hourly rates for the employees are at least as much as the total wage rate on the wage decision (basic hourly rate *plus* the fringe benefit rate), no correction is necessary.

k. Signature

If the payroll *Statement of Compliance* is not signed or is missing, the employer will be asked to submit a signed Statement of Compliance for each payroll affected. If the Statement of Compliance is signed by a person who is not a principal of the firm and that person has not been authorized by principal to sign, the employer will be asked to provide an authorization or to resubmit the Statement(s) of Compliance bearing the signature(s) of a principal or other signatory.

l. On-Site Interview Comparisons

If the comparison of on-site interviews to the payrolls indicates any discrepancies (for example, the employee does not appear on the payroll for the date of the interview), the employer will be asked to submit a corrected payroll report.

2-8 Restitution for Underpayment of Wages

Where underpayments of wages have occurred, the employer will be required to pay wage restitution to the affected employees. Wage restitution must be paid promptly in the full amounts due, less permissible and authorized deductions.

a. Notification to the Employer/Prime Contractor

The contract administrator will notify the employer and/or prime contractor in writing of any underpayments that are found during



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The contract administrator may communicate directly with a subcontractor when the underpayments are plainly evident and the subcontractor is cooperative. It is best to work through the prime contractor when the issues are complex, when there are significant underpayments and/or the subcontractor is not cooperative. In all cases, the subcontractor must ensure that the prime contractor receives a copy of the required corrective documentation.

In most cases, HUD no longer requires employers to submit checks or copies of checks (certified, cashiers, canceled or other) to correct underpayments. Restitution payments are reported and certified by the employer on a correction payroll.

payroll or other reviews. The contract administrator will describe the underpayments and provide instructions for computing and documenting the restitution to be paid. The employer/prime contractor is allowed 30 days to correct the underpayments. Note that the prime contractor is responsible to the contract administrator for ensuring that restitution is paid. If the employer is a subcontractor, the subcontractor will usually make the computations and restitution payments and furnish the required documentation through the prime contractor.

b. Computing Wage Restitution

Wage restitution is simply the difference between the wage rate paid to each affected employee and the wage rate required on the wage decision for all hours worked where underpayments occurred. The difference in the wage rates is called the *adjustment rate*. The adjustment rate times the number of hours involved equals the gross amount of restitution due. You may also compute wage restitution by calculating the total amount of Davis-Bacon wages earned and subtracting the total amount of wages paid. The difference is the amount of back wages due.

c. Correction Payrolls

The employer will be required to report the restitution paid on a correction certified payroll. The correction payroll will reflect the period of time for which restitution is due (for example, Payrolls #1 through #6; or a beginning date and ending date). The correction payroll will list each employee to whom restitution was paid and their work classification; the total number of work hours involved (daily hours are usually not applicable for restitution); the adjustment wage rate (the difference between the required wage rate and the wage rate paid); the gross amount of restitution due; deductions and the net amount actually paid. A signed Statement of Compliance must be attached to the correction payroll.

d. Review of Correction CPR

The contract administrator will review the correction certified payroll to ensure that full restitution was paid. The prime contractor shall be notified in writing of any discrepancies and will be required to make additional payments, if needed, documented on a supplemental correction payroll within 30 days.

e. Unfound Workers

Sometimes, wage restitution cannot be paid to an affected employee because, for example, the employee has moved and can't be located. After wage restitution has been paid to all of the workers who could be located, the employer must submit a list of any workers who could not be found and paid (i.e., unfound workers) providing their names, Social Security Numbers, last known addresses and the gross amount due. In such cases, at the end of the project the prime contractor will be required to place in a deposit or escrow account an amount equal to the total amount of restitution that could not be paid because the employee(s) could not be located. The contract administrator will continue attempts to locate the unfound workers for 3 years after the completion of the project. After 3 years, any amount remaining in the account for unfound workers will be credited and/or forwarded by the contract administrator to HUD.



CHAPTER 3.

Labor Standards Disputes, Administrative Reviews, Withholding, Deposits and Escrow Accounts, and Sanctions

What happens when things go wrong?

3-1 Introduction

Even in the best of circumstances, things can go wrong. In a Davis-Bacon context, “things going wrong” usually means there’s a difference of opinion or a dispute about whether and to what extent underpayments have occurred. These disputes are usually between the contract administrator and one or more employers (the prime contractor and/or a subcontractor). The dispute may involve something simple such as an additional classification request that is pending before the DOL; or something as significant as investigative findings following a complaint of underpayment. This chapter discusses some of what you may expect and what you can do to make your views known and to lessen any delays in resolving the problem or issue.

3-2 Administrative Review on Labor Standards Disputes

As mentioned in the Introduction above, a dispute about labor standards and compliance can arise for a number of reasons. The labor standards clauses in your contract and DOL regulations provide for administrative review of issues where there is a difference of views between the contract administrator and any employer. The most common circumstances include:

a. Additional Classifications and Wage Rates

Additional classification and wage rate requests are sometimes denied by the DOL. An employer that is dissatisfied with the denial can request reconsideration by the DOL Wage and Hour Administrator. The employer may continue to pay the wage rate, as requested, until a final decision is rendered on the matter. When the final decision is known, the employer will be required to pay any additional wages that may be necessary to satisfy the wage rate that is established.

- 1) **Reconsideration.** The DOL normally identifies the reasons for denial in its response to the request. Any interested person (*for example*, the contract administrator, employer, representatives of the employees) may request reconsideration of the decision on the additional classification request. The request for reconsideration must be made in writing and must thoroughly



address the denial reasons identified by the DOL. Employer requests for reconsideration should be made through the contract administrator but may be made directly to the DOL. (See ¶2-2(d), and also DOL Regulations 29 CFR 1.8.) All requests initiated by or made through the contract administrator or HUD must be submitted through the HUD Headquarters Office of Labor Relations.

- 2) **Administrative Review Board.** Any interested party may request a review of the Administrator's decision on reconsideration by **DOL's Administrative Review Board**. DOL regulations 29 CFR Part 7 explain the procedures for such reviews. (See also 29 CFR 1.9.)

b. Findings of Underpayment

Compliance reviews and other follow-up enforcement actions may result in findings of underpayment. The primary goal in every case and at every step in this process is to reach agreements about who may have been underpaid and how much wage restitution may be due and, of course, to promptly deliver restitution to any underpaid workers. The contract administrator will usually work informally with you to reach such agreements. You will have an opportunity to provide additional information to the contract administrator that may explain apparent inconsistencies and/or resolve the discrepancies.

If informal exchanges do not result in agreement, the final determination and schedule of back wages due will be presented to you in writing and you will be permitted 30 days in which to correct the underpayment(s) *or* to request a hearing on the matter before the DOL. The request for hearing must be made in writing through the contract administrator and must explain what findings are in dispute and the reasons. In such cases, HUD is required to submit a report to DOL for review and further consideration. All requests for DOL hearing must be submitted through the HUD Headquarters Office of Labor Relations.

- 1) **DOL review.** The DOL will review the contract administrator's report and the arguments against the findings presented in the hearing request. The DOL may affirm or modify the findings based upon the materials presented. You will be notified in writing by the DOL of the results of its review; you will be given an opportunity to correct any underpayments *or* to request a hearing before a DOL Administrative Law Judge (ALJ). (See DOL Regulations 29 CFR 5.11 (b) and 29 CFR Part 6, *Rules of Practice for Administrative Proceedings*.)
- 2) **Administrative Review Board.** Contractors and/or subcontractors may request a review by the Administrative Review Board of the decision(s) rendered by the DOL ALJ in the administrative hearing process. See DOL regulations 29 CFR Part 7 for more information about this proceeding.

3-3 Withholding

The contract administrator shall cause withholding from payments due to the prime contractor to ensure the payment of wages which are



believed to be due and unpaid, for example, if wage underpayments or other violations are not corrected within 30 days after notification to the prime contractor. DOL may also direct the withholding of contract payments for alleged wage underpayments. Withholding is considered to be serious and is not taken unless warranted. If withholding is deemed necessary, you will be notified in writing. Only the amounts needed to meet the contractor's (and/or subcontractors') liability shall be withheld.

Remember, the prime contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors and any lower-tier subcontractors. See ¶1-4, *Responsibility of the Principal Contractor*, and ¶2-8, *Restitution for Underpayment of Wages*.

3-4 Deposits and Escrows

In every case, we attempt to complete compliance actions and resolve any disputes before the project is completed and final payments are made. Sometimes, corrective actions or disputes continue after completion and provisions must be made to ensure that funds are available to pay any wage restitution that is ultimately found due. In these cases, we allow projects to proceed to final closing and payments **provided** the prime contractor deposits an amount equal to the potential liability for wage restitution and liquidated damages, if necessary, in a special account. The deposit or *escrow account* is controlled by the contract administrator. When a final decision is rendered, the contract administrator makes disbursements from the account in accordance with the decision. Deposit/escrow accounts are established for one or more of the following reasons:

- a. **Where the parties have agreed to amounts of wage restitution that are due** *but* the employer hasn't furnished evidence yet that all of the underpaid workers have received their back wages, e.g., some of the workers have moved and could not be located. The amount of the deposit is equal to the total amount of restitution due to workers lacking payment evidence. As these workers are paid and proper documentation is provided to the contract administrator, amounts corresponding to the documented payments are returned to the depositor. Amounts for any workers who can not be located are held in the deposit/escrow account for three years and disbursed as described in ¶2-8(e) of this Guide.
- b. **Where underpayments are suspected or alleged and an investigation has not yet been completed.** The deposit is equal to the amount of wage restitution and any liquidated damages, if applicable, that are estimated to be due. If the final determination of wages due is less than the amount estimated and placed in the escrow account, the escrow will be reduced to the final amount and the difference will be returned to the depositor. If the parties agree to the investigative findings, the amounts due to the workers will be disbursed from the escrow account in accordance with the schedule of wages due. Amounts for unfound workers will be retained as described above (See ¶2-8(e) and 3-4(a)).

If the parties *do not* agree and an administrative hearing is requested, the escrow will be maintained as explained in ¶3-4(c), below.



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- c. **Where the parties are waiting for the outcome of an administrative hearing** that has been or will be requested contesting a final determination of wages due. The deposit shall be equal to the amount of wage restitution and liquidated damages, if applicable, that have been determined due. Once a final decision is rendered, disbursements from the escrow account are made in accordance with the decision.

3-5 Administrative Sanctions

Contractors and/or subcontractors that violate the labor standards provisions may face administrative sanctions imposed by HUD and/or DOL.

a. DOL Debarment

Contractors and/or subcontractors that are found by the Secretary of Labor to be in aggravated or willful violation of the labor standards provisions of the Davis-Bacon and Related Acts (DBRA) will be ineligible (**debarred**) to participate in any DBRA or Davis-Bacon Act contracts for up to 3 years. Debarment includes the contractor or subcontractor and any firm, corporation, partnership or association in which the contractor or subcontractor has a substantial interest. Debarment proceedings can be recommended by the contract administrator or can be initiated by the DOL. Debarment proceedings are described in DOL regulations 29 CFR 5.12.

b. HUD Sanctions

HUD sanctions may include Limited Denials of Participation (LDPs), debarments and suspensions.

- 1) **LDPs.** HUD may issue to the employer a limited denial of participation (LDP) which prohibits the employer from further participation in HUD programs for a period up to one year. The LDP is usually effective for the HUD program in which the violation occurred and for the geographic jurisdiction of the issuing HUD Office. HUD regulations concerning LDP's are found at 24 CFR 24.700-24.714.

- 2) **Debarment and suspensions.** In certain circumstances, HUD may initiate its own debarment or suspension proceedings against a contractor and/or subcontractor in connection with improper actions regarding Davis-Bacon obligations. For example, HUD may initiate debarment where a contractor has been convicted for making false statements (such as false statements on certified payrolls or other prevailing wage certifications) or may initiate suspension where a contractor has been indicted for making false statements. HUD regulations concerning debarment and suspension are found at 24 CFR Part 24.

Remember, if you have any questions or need assistance concerning labor standards requirements help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Relations staff in your area.

3-6 Falsification of Certified Payroll Reports

Contractors and/or subcontractors that are found to have willfully falsified payroll reports (Statements of Compliance), including correction certified payroll reports, may be subject to civil or criminal prosecution. Penalties may be imposed of \$1,000 and/or one year in prison for each false statement (see Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code).



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Acronyms and Symbols

CDBG	– Community Development Block Grant
CFR	– Code of Federal Regulations
CPR	– Certified Payroll Report
CWHSSA	– Contract Work Hours and Safety Standards Act
DBA	– Davis-Bacon Act
DBRA	– Davis-Bacon and Related Acts
DOL	– Department of Labor
FHA	– Federal Housing Administration
FLSA	– Fair Labor Standards Act
HUD	– Housing and Urban Development (Department of)
IHA	– Indian Housing Authority
LCA	– Local Contracting Agency
LDP	– Limited Denial of Participation
O/T	– Overtime
PHA	– Public Housing Agency
S/T	– Straight-time
SAC	– State Apprenticeship Council/Agency
TDHE	– Tribally-Designated Housing Entity
§	– Section
¶	– Paragraph

Davis-Bacon – Related Web Sites*

HUD Office of Labor Relations:

www.hud.gov/offices/olr

HUD Regulations:

www.access.gpo.gov/nara/cfr/cfr-table-search.html

HUDClips (Forms and Publications):

www.hudclips.org/cgi/index.cgi

DOL Davis-Bacon and Related Acts Homepage:

www.dol.gov/esa/programs/dbra/index.htm

DOL Regulations:

www.dol.gov/dol/allcrf/Title_29/toc.htm

Davis-Bacon Wage Decisions:

www.wdol.gov

DOL Forms:

www.dol.gov/esa/programs/dbra/forms.htm

*Web addresses active as of June 2006



Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR

5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR

5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the

classification and wage rate (including the amount designated for fringe benefits where

appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor

the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part

of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll

period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the

journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph **HUD-4010 (07/2003)**
ref. Handbook 1344.1

graph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the sub-contractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

NOTICE TO ALL EMPLOYEES



Working on Federal or Federally Financed Construction Projects

MINIMUM WAGES

You must be paid not less than the wage rate in the schedule posted with this Notice for the kind of work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 a week. There are some exceptions.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, contact the Contracting Officer listed below:



or you may contact the nearest office of the Wage and Hour Division, U.S. Department of Labor. The Wage and Hour Division has offices in several hundred communities throughout the country. They are listed in the U.S. Government section of most telephone directories under:

U.S. Department of Labor
Employment Standards Administration





M-10 Davis-Bacon Wage Decision (Sample)

GENERAL DECISION: **SC20070013** 02/09/2007 SC13

Date: February 9, 2007

General Decision Number: **SC20070013** 02/09/2007

Superseded General Decision Number: SC20030013

State: South Carolina

Construction Types: Residential

Counties: Aiken, Allendale, Bamberg, Barnwell, Calhoun, Edgefield and Orangeburg Counties in South Carolina.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories)

Modification Number	Publication Date
0	02/09/2007

SUSC1980-003 08/01/1980

	Rates	Fringes
Air Conditioning & Heating Mechanic.....	\$ 5.15	
Bricklayer.....	\$ 6.35	
Carpenter.....	\$ 5.15	
Concrete Finisher.....	\$ 5.50	
Drywall Finisher.....	\$ 6.19	
Drywall Hanger.....	\$ 5.45	
Electrician.....	\$ 5.30	
Insulation Installer.....	\$ 5.15	
Laborers:		
Mortar Mixer.....	\$ 5.15	
Pipelayer.....	\$ 5.15	
Unskilled.....	\$ 5.15	
Painter, Brush.....	\$ 5.15	
Plumbers and Pipefitters.....	\$ 6.30	
Power equipment operators:		
Backhoe.....	\$ 5.55	
Bulldozer.....	\$ 5.15	
Roofer.....	\$ 5.15	
Sheet metal worker.....	\$ 5.25	

Soft Floor Layer.....\$ 5.15
Tile Setter.....\$ 5.15
Truck Driver.....\$ 5.15

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.
=====

Unlisted classifications needed for work not included within
the scope of the classifications listed may be added after
award only as provided in the labor standards contract clauses
(29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates
listed under the identifier do not reflect collectively
bargained wage and fringe benefit rates. Other designations
indicate unions whose rates have been determined to be
prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can
be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on
a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests
for summaries of surveys, should be with the Wage and Hour
Regional Office for the area in which the survey was conducted
because those Regional Offices have responsibility for the
Davis-Bacon survey program. If the response from this initial
contact is not satisfactory, then the process described in 2.)
and 3.) should be followed.

With regard to any other matter not yet ripe for the formal
process described here, initial contact should be with the
Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an
interested party (those affected by the action) can request
review and reconsideration from the Wage and Hour Administrator
(See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====
END OF GENERAL DECISION

NSP Program Annual Section 3 Summary Report Economic Opportunities for Low and Very Low Income Persons

IMPORTANT! Read instructions provided on page 3 before completing this form. **Submit annually before October 15th**

Part I: Project Information

Date: _____	Participant Number: _____
Participant Name: _____	Project Address: _____
Project Name: _____	City, State, Zip: _____
Contact Person: _____	Amount of NSP Award: _____
Phone Number: () - _____	Amount of HUD Funds Awarded to Project: _____

Check all that apply and follow the directions below:

- 1. The total amount of HUD funds awarded to the project for construction/rehabilitation activities exceeds \$200,000.
- 2. The total amount of HUD funds awarded to the project for construction/rehabilitation activities exceeds \$200,000 and contracts and subcontracts have been awarded in connection with the project that exceed \$100,000.
- 3. The total amount of HUD funds awarded to the project for construction/rehabilitation activities does not exceed \$200,000.

If box (1.) is applicable, the project is subject to Section 3 requirements. Complete the remainder of this form and submit to the Authority.

If box (1.) and box (2.) are applicable to the project: Complete this form and submit to the Authority, **AND** provide a copy of the **Contract and Subcontract Activity Form (Attachment N-2)** to all contractors and subcontractors that receive awards in connection with this project that exceed \$100,000 and submit the information to the Authority annually throughout the award period **not later than October 15th**.

If box (3.) is checked, the project does not fall under the requirements of Section 3. Sign and date the exemption statement and submit this form to the Authority.

Exemption Statement:

This project does not fall under the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended by the Section 915 of the Housing and Community Development Act of 1992. Nonetheless, even though it is not required, it is understood that the Authority strongly encourages all NSP participants to follow the Section 3 preferences.

NSP Participant Signature _____	Date _____
---------------------------------	------------

Part II: Contracts Awarded

A. Construction Contracts:

Total dollar amount of all **construction contracts** awarded on the project: _____

Total dollar amount of **construction contracts** awarded to **Section 3** businesses: _____

% of the total dollar amount that was awarded to **Section 3** businesses: _____

Total number of **Section 3** businesses that received **construction contracts**: _____

B. Non-Construction Contracts:

Total dollar amount of all **non-construction contracts** awarded on the project: _____

Total dollar amount of **non-construction contracts** awarded to **Section 3** Businesses: _____

% of the total dollar amount that was awarded to **Section 3** businesses: _____

Total number of **Section 3** businesses that received **non-construction contracts**: _____

Part III - Employment and Training

Employment and Training: (**Include New Hires in Columns E & F)

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Section 3 Residents	D. % of Aggregate Number of Staff Hours of New Hires that are Section 3 Residents	E. % of Total Staff hours for Section 3 Employees & Trainees *	F. Number of Section 3 Employees and Trainees*
Professionals					
Technicians					
Office/Clerical					
Construction (list by trade)					
Trade_____					
-					
Trade_____					
-					
Trade_____					
-					
Trade_____					
Trade_____					
Other_____					
Total:					

Part IV - Summary of Efforts

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing.

Check all that apply:

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the area in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD Program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD Program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the area in which the Section 3 covered project is located.
- Other: (Describe) _____

Form Completed by: _____
(HOME Participant Signature)

(Date)

NSP Program

Instructions for Section 3 Summary Report

Part I: Project Information

This form is to be completed by the NSP participant. If the project falls under Section 3 requirements, complete the entire form and submit it to the Authority. Provide each contractor and subcontractor awarded funds in excess of \$100,000 in connection with this project copies of the **Section 3 Contract and Subcontract Activity Form (Attachment N-2)** to be completed and submitted to the Authority. If the project does not fall under the Section 3 requirement, sign the exemption statement and submit it to the Authority.

Note: If the project is subject to Section 3 requirements, contracts and subcontracts awarded for both construction and non-construction activities in excess of \$100,000 are also subject to Section 3 regulations.

Part II: Contracts Awarded

Section 3 Business:

- a. 51% or more owned by a Section 3 resident, a public housing resident or a low or very low-income person(s); or
 - b. Has permanent employees which include persons, at least 30% of whom are Section 3 residents or were Section 3 residents within 3 years of first employment, or;
 - c. Can provide evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.
-

Part III: Employment and Training

Section 3 Residents: are public housing residents or persons who live in the area where the HUD-assisted project is located that are low-income or very low-income. Low-income households have income levels that are below 80% of the Area Median Income (AMI) and very low-income households have incomes that are below 50% of the Area Median Income (AMI) as defined by HUD.

In **Column B** enter the number of new hires for each category of workers identified in Column A in connection with this award.

In **Column C** enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award.

New hire refers to a person who is not on the contractor's or NSP participant's payroll for employment at the time of selection for the Section 3 covered award or at the time of the receipt of Section 3 covered assistance.

In **Column D** enter the % of all staff hours of new hires in connection with this award.

In **Column E** enter the % of the total staff hours worked for Section 3 employees and trainees, including new hires connected with this award.

In **Column F** enter the number of Section 3 residents that were trained and employed in connection with this award.

NSP Program Section 3 Contract and Subcontract Activity Form

IMPORTANT! Read instructions provided on page 3 before completing this form. **Submit annually before October 15th.**

Part I: Project Information

This section is to be completed by NSP participant.

Date:	_____	Participant Number:	_____
Participant Name:	_____	Project Address:	_____
Project Name:	_____	City, State, Zip:	_____
Contact Person:	_____	Amount of NSP Award:	_____
Phone Number:	() -		

Part II: Contracts Awarded

Sections II through IV are to be completed by the contractor or subcontractor.

Contractor/Subcontractor Name: _____

Address: _____

City, State, Zip: _____

Contact Person: _____

Phone Number: () - _____

Dollar Amount of Contract/Subcontract: _____

Type: General Contractor Subcontractor

Type of Trade: (1.) New Construction (5.) Project Management (9.) Architecture/Engineering/
 Appraisal

(2.) Substantial Rehabilitation (6.) Professional (10.) Other

(3.) Repair (7.) Tenant Services

(4.) Service (8.) Education/Training

Contractor/Subcontractor Racial/Ethnic: (1.) White (4.) Hispanic

(2.) Black (5.) Asian/Pacific

(3.) Native American (6.) Hasidic Jews

Is this a Woman owned business?: Yes No

Contractor/Subcontractor Federal Identification Number: _____

Section 3 Contractor/Subcontractor? Yes No
(see instructions)

Part III - Employment and Training

Employment and Training: (**Include New Hires in Columns E & F)

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Section 3 Residents	D. % of Aggregate Number of Staff Hours of New Hires that are Section 3 Residents	E. % of Total Staff hours for Section 3 Employees & Trainees *	F. Number of Section 3 Employees and Trainees*
Professionals					
Technicians					
Office/Clerical					
Construction (list by trade)					
Trade_____					
-					
Trade_____					
-					
Trade_____					
-					
Trade_____					
Trade_____					
Other_____					
Total:					

Part IV - Summary of Efforts

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing.

Check all that apply:

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the area in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD Program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD Program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the area in which the Section 3 covered project is located.
- Other: (Describe) _____

Form Completed by: _____
(Contractor/Subcontractor Signature)

(Date) Page 170

Section 3 Instructions for Completing the Contract and Subcontract Activity Form

Part I: Project Information

This section is to be completed by the NSP participant and then should be provided to all applicable contractors and subcontractors to complete Parts II through IV. Upon completion, the NSP participant is required to submit this form to the Authority annually throughout the award period **not later than October 15**.

This form is to be completed by all contractors and subcontractors that were awarded contracts or subcontracts in excess of \$100,000 in association with projects awarded HUD funds for construction or rehabilitation activities in excess of \$200,000.

Note: Section 3 requirement apply to both construction and non-construction contracts/subcontracts awarded in excess of \$100,000.

Part II: Contracts Awarded (This section is to be completed by contractors and subcontractors.)

NSP Participant: means the organization or individual who applied for and received the NSP award from the South Carolina State Housing Finance and Development Authority.

Section 3 Residents: are public housing residents or persons who live in the area where the HUD-assisted project is located that are low-income or very low-income. Low-income households have income levels that are below 80% of the Area Median Income (AMI) and very low-income households have incomes that are below 50% of the Area Median Income (AMI) as defined by HUD.

Section 3 Business:

- a. 51% or more owned by a Section 3 resident, a public housing resident or a low or very low-income person(s); or
- b. Has permanent employees which include persons, at least 30% of whom are Section 3 residents or were Section 3 residents within 3 years of first employment, or;
- c. Can provide evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

Business Racial/Ethnic and Gender Codes: Check the box which best indicates the racial/ethnic/gender character of the owner(s) and controller(s) of 51% of the business.

Contractor/Subcontractor Identification Numbers: Enter the Employer Federal ID (IRS) Number. This must be provided for each contractor/subcontractor awarded.

Part III: Employment and Training (This section is to be completed by contractors and subcontractors.)

In **Column B** enter the number of new hires for each category of workers identified in Column A in connection with this award.

In **Column C** enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award.

New hire refers to a person who is not on the contractor's or NSP participant's payroll for employment at the time of selection for the Section 3 covered award or at the time of the receipt of Section 3 covered assistance.

In **Column D** enter the % of all staff hours of new hires in connection with this award.

In **Column E** enter the % of the total staff hours worked for Section 3 employees and trainees, including new hires connected with this award.

In **Column F** enter the number of Section 3 residents that were trained and employed in connection with this award.

Environmental Statutory Checklist

Federal laws and authorities listed at Sec. 58.6 And Permits, licenses, forms of compliance under other laws – Federal, State, and Local

Project Name and Identification No. _____

Statutory Checklist

Area of Statutory or Regulatory Compliance (Precise citations for applicable statutes and regulations are printed on the back of this Checklist.)	Not Applicable to This Project	Consultation Required	Review Required*	Permits Required*	Determination of Consistency – Approvals, Permits Obtained	Conditions and Actions Required	Reference to Note Providing Documentation Sources and Correspondence
HISTORIC PROPERTIES							
FLOODPLAIN MANAGEMENT							
WETLANDS PROTECTION							
COASTAL AREAS PROTECTION MANAGEMENT							
WATER QUALITY: SOLE SOURCE AQUIFERS							
ENDANGERED SPECIES							
WILD AND SCENIC RIVERS							
AIR QUALITY							
FARMLANDS PROTECTION							
MANMADE HAZARDS: Airport Clear Zone Notification							
THERMAL AND EXPLOSIVE HAZARDS							
WATER QUALITY							

<p>Area of Statutory - Regulatory Compliance</p> <p>(Precise citations for applicable statutes and regulations are printed on the back of this Checklist.)</p>	<p>Not Applicable to This Project</p>	<p>Consultation Required</p>	<p>Review Required*</p>	<p>Permits Required*</p>	<p>Determination of Consistency – Approvals, Permits Obtained</p>	<p>Conditions and/or Actions Required*</p>	<p>Reference to Note Providing Documentation Sources and Correspondence</p>
<i>SOLID WASTE DISPOSAL</i>							
<i>FISH AND WILDLIFE</i>							
<i>STATE OR LOCAL STATUTES (TO BE ADDED BY LOCAL COMMUNITY)</i>							
<i>NOISE</i>							
Flood Insurance – 58.6 (a)							
Toxic Sites							
Environmental Justice							
Airport Clear Zones							
Coastal Barriers – 58.6 (b)							
<i>STATE OR LOCAL STATUTES (TO BE ADDED BY LOCAL)</i>							

Prepared by: _____

Title: _____

Date: _____

Attachments to the checklist should include: 1.) Photos showing at least four views of subject property and surrounding area (front of subject property, area to the left of subject property, area to the right of subject property, street view, area behind subject property); 2.) Copy of area map with property location noted; 3.) Copy of flood plain map (FIRM) with property location, flood zone, and panel number indicated. Also, if a noise study or eight-step flood process is required, please provide supporting documentation.

Summary of Findings and Conclusions:

Summary of Environmental Conditions:

Project Modifications and Alternatives Considered:

Additional Studies Performed (Attach Study or Summary):

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