

General Contractor Handbook

The City of Grand Haven Neighborhood Housing Services

General Contractor Handbook

If you have any questions or need any additional information,
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PURPOSE

The purpose of this document is to clearly define the relationship between the City of Grand Haven's Neighborhood Housing Services and its General Contractor(s) and delineate the responsibilities of each.

HOLD HARMLESS

The Contractor indemnifies and holds harmless the Property Owner from liability for any personal property damages, bodily injury, death, sickness, disease, or loss of expense resulting from the Contractor's work under the Contract.

CONTRACTOR ASSURANCE

By submitting a proposal or executing a Contract, the Contractor asserts that Neighborhood Housing Services (NHS) *Contractor Handbook* has been read and understood and that the required forms and documents have been completed to the satisfaction of NHS.

CONTRACT DOCUMENTS

The Contract consists of the Construction Specifications, Bid Sheet, Order to Proceed, architectural plans and drawings (when necessary), Project Timelines, Construction Contract, and NHS *Contractor Handbook*. These documents cover all labor, materials, appliances, and services necessary to meet the Owner's and NHS performance standards and the terms and conditions for payment.

SITE INSPECTION

- A. *Site Inspection:* In order to bid on an NHS project all General Contractors must visit the site and examine all structures. The bidder should address all items on the specifications and compare them to existing field conditions. Unusual conditions or deviations which exist at the time of the Field inspection should be noted on the bid and reflected in the bid amount.
- B. *Omissions From the Spec:* In cases where materials or equipment are omitted from the spec or drawing and are necessary to fulfill the intent of the spec or drawing, it will be the responsibility of the Contractor to furnish and install the necessary items. All materials and equipment must meet the specifications of the Contract Documents.
- C. *Verification of Measurement:* No extra compensation will be allowed because of differences between actual measurements and dimensions shown on the spec. Refer such differences to NHS for consideration before submitting the bid.
- D. *Unforeseen Repairs:* The Contractor shall notify NHS of any conditions or repairs not covered in the Contract Documents, which are required for successful completion of the job. Defects which become evident as the work progresses shall be reported not concealed.

WARRANTY OF CONSTRUCTION

- A. *General Guaranty:* The Contractor shall remedy at his own expense any defect due to faulty material or workmanship and pay for any damage to other work resulting from the Contractor's failure to conform to the Contract Documents. This guarantee shall be in effect for a period of 24 months from the completion date of the entire contract. The Contractor will furnish home owner with all manufacturers and supplier's written guarantees and warranties covering materials and equipment furnished under the Contract.

- B. Labor Quality: All labor furnished by Contractors and their Subcontractors must be performed by licensed contractors. Whenever lead is present, certified lead contractors must be used. NHS reserves the right to have persons who are not performing their services in a safe or acceptable manner removed from the job site.
- C. Material Quality: The Contractor will furnish all materials, supplies, equipment, etc. to satisfactorily execute the Contract. The materials used and installed must be new and of the quality specified.
- D. Work Site Conditions: The Contractor will protect all property around the work site and will repair or replace any work damaged during the execution of his contract, at his own expense. This includes pavements, utilities, trees, fencing, landscaping, and other existing conditions damaged in carrying out the Contract. Any pre-existing damage or conditions must be brought to the attention of NHS staff prior to beginning work. Photo documentation of such conditions is required.

CONSTRUCTION TIMELINES

NHS will hold General Contractors to project timelines dictated by grant requirements. The Construction Contract includes a detailed timeline that must be adhered to. Changes to the timeline must be agreed upon by the owner/NHS and the contractor.

Construction jobs not completed by the agreed completion date and without written approval for an extension will result in a monthly charge to the General Contractor of not more than **1.5% of the Construction Contract**. Charges will be assessed in full upon the completion date as determined by the Construction Contract project timeline and every 30 days following the completion date.

NHS will process invoices for work completed.

CONTRACTOR RESPONSIBILITIES ON THE JOB SITE

The Contractor agrees to keep the job site clean and orderly during construction and to remove all debris at the completion of the job. Materials and equipment that have been removed and replaced as part of the work shall belong to the Contractor unless stated in writing beforehand. Upon completion of work, all stains, labels, tags, debris, and protective covering will be removed and the job site will be left in broom clean condition.

The Contractor will take all precautions to protect persons from injury or inconvenience and will leave passageways unobstructed for pedestrians and vehicles and access to fire hydrants.

The Contractor will assume full responsibility for the protection and safekeeping of all products and materials stored on the premises in relation to the contract.

HOMEOWNER RESPONSIBILITIES ON THE JOB

- A. Utilities: Homeowner will permit, at no cost, use of all existing utilities (light, heat, power, and water) necessary for completion of the work.
- B. Work Site Preparation: Homeowner will have the job site prepared for the Contractor by removing furniture and furnishings and other valuables that may get in the Contractor's way or such activity will be part of the contract.
- C. Property Insurance: Homeowner must purchase and maintain property insurance at

the job site to the property's full insurable value. This insurance must cover the structure and improvements in the event of fire, vandalism, etc.

REQUIRED INSURANCE

Before an Order to Proceed can be signed, Contractors must submit certificates of insurance to NHS, with City of Grand Haven Neighborhood Housing Services named as additional insured. This applies to the following insurance:

- A. Liability Insurance: The contractor shall purchase and maintain liability insurance for him, all employees, and subcontractors. The amount of Comprehensive General Liability Insurance to be maintained and kept in force shall, under no circumstances, be less than \$1,000,000 for each person and not less than \$500,000 for each accident.
- B. Workman's Compensation Insurance: The General Contractor must purchase Workman's Compensation and Employees' Liability insurance for all persons employed at the construction site.

An individual may be present on site without Workman's Compensation Insurance or employee liability provided by the General Contractor only if the following conditions are met:

They are covered under workman's compensation and employee's liability insurance provided by another entity.

They can satisfy the requirements of the State of Michigan for Independent Contractors. At a minimum, this means that the Independent Contractor does not hire out work, including subcontractors, other independent contractors or employees. It is the responsibility of the General Contractor to obtain a waiver from the State of Michigan and submit this waiver to NHS.

- C. Automobile Insurance: During the period of construction the General Contractor will maintain automobile liability coverage, including hired and non-owned automobile liability coverage, in an amount not less than one million dollars(\$1,000,000.00). Combined Single Limit per occurrence coverage for bodily injuries and property damage.

NHS reserves the right to request documentation to verify that all of the conditions are met, and to remove any individuals or companies from the job site that do not meet these requirements. Violation of NHS insurance policies is considered a breach of the construction contract and could result in stoppage of all work and withholding further payment until proper insurance documentation is provided.

REQUIRED PAPERWORK

- A. Construction Specifications: A detailed set of Construction Specifications will be developed by NHS to delineate the exact scope of work to be bid.
- B. Sub-Contractor Bids: The General Contractor will keep on file a master list of all sub-contractors that are invited to bid on a project and documented results of these invitations. Copies of all bids submitted on each project will be kept on file by the General Contractor, and be made available to NHS upon request. The Equal Employment Opportunity Commission's Minority Contractor's guidelines must be followed at all times, along with their required documentation.

- C. Estimate/Contract: The General Contractor will develop a bid specifying an amount on each line of the Construction Specifications. The estimate will be reviewed by NHS to assure fairness and accuracy. NHS and the Contractor will review and agree on the scope of work to be done prior to the Contract signing and Order to Proceed. A copy of the Bid must be kept on file with NHS.
- D. Sub-contractor Contracts: The General Contractor will execute a contract with each sub-contractor being used on a project and inform them of their responsibility to provide a notice of furnishing. These Contracts will detail the work to be done and the amount to be paid for said work. These contracts will be kept on file and made available to NHS upon request.
- E. Order to Proceed: The purpose of the Order to Proceed is to give notice to the Contractor to proceed with the rehab specified bid. Homeowner and General Contractor sign the Order to Proceed and a copy is kept on file. The Order to Proceed will be issued when the Contractor meets all insurance requirements.
- F. Sworn Statements: The purpose of the Sworn Statement is:
 - To provide a record of work progress;
 - To maintain a record of payments made to the Contractor, Subcontractors, and major suppliers;
 - To alert NHS that payment is being requested for work completed. Each subcontractor, supplier and laborer must be listed separately on the Sworn Statement.
 - All work invoiced with the Sworn Statement must be inspected by NHS. Checks will not be released until work has been inspected.
- G. Waiver of Lien: The purpose of the Waiver of Lien is to protect the lender and NHS against future claims for payment. Waivers of Lien must be obtained from the Contractor, all Subcontractors, and major material suppliers. These waivers will be kept by NHS and must be completed each time a check is disbursed.
- H. Change Orders: The purpose of the Change Order is to document agreed upon changes in the Contract and to assure that adequate financing is available for the changes. The following procedure will be used for all Change Orders:
 - Contractors requesting a Change Order should communicate that a Change Order is needed with the scope of change needed and the cost.
 - NHS will draft a Change Order for agreed upon changes.
 - Signatures of owner and the contractor are required to make changes valid. A copy of this signed document will be provided for all parties.
 - If the Contractor elects to proceed without an approved Change Order, he/she will do so at his/her own expense, and relinquish any liens or legal action to be paid for this work.

PERMITS AND LICENSES

The Contractor will secure all necessary permits and licenses required prior to starting the work and will comply with all City, State, and Federal codes, regulations and ordinances. NHS reserves the right to hold any funds until all necessary permits and final inspections have been secured and a copy has been provided to NHS.

NHS RIGHT TO TERMINATE THE CONTRACT

- A. NHS Right to Stop the Work: If the Contractor fails to correct defective work or

persistently fails to supply materials, equipment and/or labor in accordance with the Contract Documents, NHS may order the Contractor to stop the work.

- B.** *NHS Right to carry out the Work:* If the Contractor neglects to carry out the work in accordance with the Contract Documents, NHS may, after seven days written notice to the Contractor, hire another Contractor to complete the work. In such a case, a Change Order will be unilaterally issued deducting from the Contract the cost of correcting the deficiencies. If there are not sufficient funds to pay for the approved Change Order, the Contractor will pay the difference to NHS.

CONSTRUCTION SPECIFICATIONS-GENERAL INSTRUCTIONS

All construction work shall be performed according to the 2015 Michigan Residential Code and all applicable mechanical and plumbing codes. Where applicable, work shall be in accordance with regulations on lead based paint abatement and standards for energy conservation. All construction work shall be inspected and approved by the Local Building Officials.

ETHICAL BUSINESS PRACTICES

NHS holds itself to a high standard of ethical business practices and expects the same from its General Contractor. As such we expect our General Contractor to:

- Pay Sub-contractors and suppliers on time.
- Pay employees on time.
- Provide employees with compensation that is commensurate with industry standards and within a reasonable range of the fees charged for the work performed by that employee.
- Maintain a professional demeanor with NHS staff, homeowners, and other community members.
- Follow all applicable building codes.
- Charge only for work that has been completed.
- Provide quality building materials.
- Perform quality work.
- Adhere to all contracts.
- Avoid any practice that discriminates against employees, suppliers, sub-contractors, and/or customers on the basis of race, color, national origin, religion, creed, sex, age, or handicap. NHS expects General Contractors to actively seek participation from minority and women owned enterprises.
- Perform high-quality work, as judged by NHS staff, local building official and when applicable the Local Government Agency, MSHDA, and/or HUD.

CONTRACTOR HANDBOOK ACKNOWLEDGMENT

I have received, read, understand, and will comply with the City of Grand Haven Neighborhood Housing Services Contractors Handbook.

Contractor: _____
 Print Name

Contractor: _____
 Signature

Date: _____