**This contract is provided for assistance only. It does not constitute legal advice and is not a substitute for the Grantee’s independent legal obligations. If Grantee has any question about its legal responsibilities, it should seek the advice of a licensed attorney.**

**Construction Contract for Micro Projects (under $25,000)**

This agreement is made by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Contractor) and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Owner).

WITNESSETH:

The Owner does hereby employ the Contractor to do all the work and provide all the materials, tools, machinery and supervision necessary for the construction of

Scope of Work: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

OR - attach Proposal)

at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. (Project location)

for the total sum of **$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

The Contractor shall commence the work by**\_\_\_\_\_\_\_\_\_\_\_** and shall complete the work by \_\_\_\_\_\_\_\_\_\_\_\_

1. LABOR STANDARDS PROVISIONS The contractor and all sub-contractors shall comply with Federal Labor Standard Provisions **(See Attachment A)**

2. DAVIS-BACON AND RELATED ACTS. Requires workers to receive no less than the prevailing wages as computed by the USDOL and issued in the form of federal wage decisions for each classification of work. The law applies to construction, alteration or repair contracts over $2,000 aggregate. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Part 1, 3, and 5 are herein incorporated by reference in this contract. (**See Attachment B)**

3. HOLD HARMLESS. Contractor shall agree to defend, indemnify, and hold harmless the Owner and the Idaho Department of Commerce from liability and claim for damages because of bodily injury, death, property damage, sickness, disease or less and expense arising from Contractor’s Performance under this agreement to install or construct housing rehabilitation to be paid for out of the proceeds of the Owner’s rehabilitation loan. Contractor is acting in the capacity of an independent Contractor with respect to the Owner.

4. LIEN WAIVERS. Contractor agrees to protect, defend, and indemnify Owner from any claims for unpaid work, labor, or materials with respect to Contractor’s Performance. Final payment shall not be due until the Contractor has delivered to the Owner complete release of all liens for work completed arising out of Contractor’s Performance or a receipt in full covering all labor and materials for which a lien could be filed or a bond satisfactory to the Owner indemnifying him against any lien.

5. GENERAL WARRANTY. The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting therefrom which shall appear within the period of one year from final payments. Further, the Contractor will furnish Owner with all manufacturers and supplier’s written guarantees and warranties covering materials and equipment furnished under this Contract.

6. CONTRACT AMOUNT AND PAYMENT SCHEDULE. Payments will be subject to the Owner’s acceptance of work done. The Owner agrees to make payments to the Contractor within twenty-one days of approving work.

7. CHANGE ORDERS. Owner and Contractor expressly agree that no material changes or alterations in the description of work or price provided above shall be made unless in writing and mutually agreed to by both parties and authorized by the Owner.

8. PERMITS AND CODES. Contractor agrees to secure and pay for all necessary permits and licenses required for Contractor’s Performance and to adhere to applicable local codes and requirements whether or not covered by the specifications and drawings for the work, including any Contractor registration requirements.

9. SCOPE OF WORK. Contractor acknowledges that it has prepared the Contractor’s Proposal and that such proposal is accurate and consistent as to the name of Contractor, scope of work that the Contractor will undertake, and price. Contractor acknowledges the performance requirement established in the write up and warrants that all work undertaken will conform to said specifications.

10. SUBCONTRACTORS. Contractor agrees that all the warranties contained herein shall apply to all work performed under the Contract, including that performed by any Subcontractors. The Contractor shall be responsible for the compliance of all provisions within this contract for all subcontractors or lower tier subcontractors.

11. RESOLUTION OF DISPUTES. All claims or disputes between the Owners and Contractor arising out of or related to the work shall be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. The Owner and Contractor shall submit all disputes or claims, regardless of the extent of the work’s progress, to the American Arbitration Association/Better Business Bureau unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement, and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitration shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the arbitrator’s award is in a sum which is less than that which was offered in settlement by the Contractor, the arbitrator may award costs and attorney’s fees in favor of the Contractor. If the award of the arbitrator is in a sum greater than that which was offered in settlement by the Owner, the arbitrator may award costs and attorney’s fees in favor of the Owner.

12. PROHIBITION OF KICKBACKS. The price or prices quoted are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

13. INSURANCE DURING CONSTRUCTION**:** By executing this Contract, the contractor(s) or other parties selected to perform construction work on the project shall have in effect without interruption from the date of construction commencement until final payment is made the types of insurance deemed necessary for the construction of the project.

The contractor warrants such insurance coverage shall be written on an "occurrence" basis and will be obtained with the following minimum liability limits:

a. Workers’ Compensation Insurance and Employer's Liability Insurance:

(1) State: Statutory Limits

(2) Employer’s Liability: $100,000 per accident

 $500,000 Disease, Policy Limit

 $100,000 Disease, Each Employee

b. Comprehensive or Commercial General Liability Insurance which shall be endorsed to name the Department of Commerce as an additional insured. It shall include premises operation, owners and contractor’s protective liability, products and completed operations liability, personal injury liability including employee acts, broad form property damage liability and blanket contractual liability, with no exclusion for explosion (X), collapse (C) and underground (U) hazards:

(1) $1,000,000 Each Occurrence

(2) $1,000,000 Personal Injury

(3) $2,000,000 Products/Completed Operations to be maintained for two (2) years following final payment

(4) $2,000,000 General Aggregate

c. Automobile Liability Insurance which shall be endorsed to name the Department of Commerce as an additional insured. It shall include for bodily injury and property damage: $1,000,000 Combined Single Limit

d. Property or Builder’s Risk Insurance. If required by the owner, the contractor shall have in effect Property or Builder’s Risk Insurance. The Property or Builder’s Risk Insurance shall include coverage for all direct physical loss, also known as “Special Causes of Loss” in an amount equal to one-hundred percent (100%) of the estimated maximum value of the Project upon completion with the broadest form of “all risk” coverage possible.

14.PRECONSTRUCTION CONFERENCE**.** After the contract has been awarded but before the start of construction, a conference will be held for the purpose of discussing requirements on such matters as project supervision, progress schedule and reports, payrolls, payment to contractors, contract change order, insurance, safety and other items pertinent to the project. The contractor shall arrange to have all subcontractors and supervisory personnel connected with the project on hand to meet with representatives of the engineer and owner to discuss any issues anticipated

15. CONFLICT OF INTEREST. No member, officer, or employees of the grantee, or its designees or agents, no members of the grantee’s governing body and no other public official of the grantee who exercises any functions or responsibilities with respect to this contract during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in work to be performed in connection with this contract. All contractors shall incorporate, or cause to be incorporated, in all subcontracts, a provision prohibiting such interest.

16. MINORITY BUSINESS ENTERPRISE. Affirmative steps will be taken to assure that small, minority and female businesses and firms located in labor surplus areas are used when possible as sources of supplies, equipment, construction and services.

17. PUBLIC WORKS CONTRACTORS LICENSE. For construction projects in excess of $50,000 in the aggregate, no contractor, subcontractor, or specialty contractor shall be required to have a current license as a Public Works contractor in the State of Idaho in order to submit a bid on any project; however, at or prior to the award of the contract, the successful bidder shall secure a Public Works Contractor’s License. The contractor understands the time required to secure the Public Works Contractor’s License.

18. CERTIFICATION OF NON-SEGREGATED FACILITIES. For contracts in excess of $10,000, the contractor certifies that he/she does not maintain or provide for his/her employees any segregated facility at any of his/her establishments, and that he/she does not permit employees to perform their services at any location, under his/her control, where segregated facilities are maintained. He/she certifies further that he/she will not maintain or provide for employees any segregated facilities at any of his/her establishments, and he/she will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained.

19. INSPECTION OF WORK. All materials and workmanship will be subject to inspection, examination, and test, by the owner or representative, who will have the right to reject defective material and workmanship or require its correction.

20. CLEANING UP. The contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work shall remove from the premises all rubbish, implements and surplus materials and leave the construction site clean.

21. DATA, PATENT, AND COPYRIGHT. The contractor shall hold and save the owner and its officers, agents, servants and employees harmless from liability of any nature or kind, including cost and expenses for, or on account of, any patented or unpatented invention, process, article or appliance manufactured or used in the performance of the contract, including its use by the owner, unless otherwise specifically stipulated in the contract documents.

22. ACCESS TO RECORDS. The grantee, the federal grantor agency, the Comptroller General of the United States, the Idaho Department of Commerce, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to this specific contract, for the purpose of making audit, examination, excerpts, and transcriptions. All required records must be maintained by the contractor for three (3) years after grantee makes final payments and all other pending matters are closed. (24 CFR Part 85.36(i)(10))

23. STANDARD ENVIRONMENTAL MITIGATION MEASURES.

* The construction contractors must comply with the Rules for the Control of Air Pollution in Idaho, IDAPA 58.01.01.651, by implementing precautions to prevent particulate matter from becoming airborne.
* If any items of suspected historical or archaeological value are uncovered during construction, the contractor will be required to stop work and contact the Idaho State Historic Preservation Office and the Idaho Department of Commerce.
* The collection and disposal of storm and surface water runoff from the project site must comply with the Idaho Department of Environmental Quality’s (DEQ) Catalog of Storm Water Best Management Practices for design of all storm water treatment and disposal systems.

21. ASBESTOS CONTAINING MATERIAL

* For any building renovation or demolition suspected asbestos containing material should be tested for asbestos.
* The removal or management of asbestos containing material shall be in compliance with federal and state laws, including the National Emission Standards for Hazardous Air Pollutants (NESHAP) and OSHA’s Occupational Exposure to Asbestos Standards.

24. LEAD BASED PAINT. For all residential new construction or rehabilitation*,* use of lead based paint on any interior surface, whether accessible or inaccessible, and exterior surfaces readily accessible to children under seven (7) years of age is prohibited. *The surfaces of all existing structures must be inspected.* If lead based paint is found on any interior surfaces or accessible surfaces, it must be treated and repainted with two (2) coats of nonlead paint; or completely removed; or covered with a suitable material such as gypsum wallboard, plywood or plaster. (42 USC 4801 et seq., 24 CFR Part 35)

25. EQUAL EMPLOYMENT OPPORTUNITY. The Contractor shall not discriminate against any employee or applicant for employment on the basis of race, color, sex, religion, or national origin. During the performance of this contract, the contractor agrees the utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirement of Executive Order 11246, as amended and 29 CFR Part 30.

26. CONTRACT TERMINATION, DEBARMENT. A breach of the labor standards clauses in this contract may be grounds for termination of the contract and for debarment as a Contractor and a subcontractor as provided in 29 CFR 5.12.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 CONTRACTOR OWNER

BY: BY:

 Contractor Official’s Signature

 Title Title

 Date Date