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CONSTRUCTION CONTRACTS

Bulletin No. 9 on Policy and Procedure

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September 1, 1939

CONSTRUCTION CONTRACTS

This Bulletin has been prepared to aid Local Authorities in drafting, awarding and administering contracts for the construction of low-rent housing projects in accordance with applicable provisions of the United States Housing Act of 1937, as amended, and of the Loan Contracts between the respective Local Authorities and the USHA.

This Bulletin is divided into two chapters:

Chapter I deals generally with the relationship between the USHA and Local Authorities during construction.

Chapter II discusses specifically the set of contract document forms (hereinafter referred to as the Appendix) which have been prepared and appended for the guidance of Local Authorities.

The revision of this Bulletin has been made in order to incorporate therein some of the suggestions of contractors' associations, architects and Local Authorities as well as to clarify some of the items therein and to make necessary changes in the light of experience gained through the use of the forms included.

THE FORMS SET FORTH IN THE APPENDIX COVER ONLY ONE TYPE OF CONTRACT WHEREIN ALL WORK, EXCEPT DEMOLITION AND LANDSCAPING, IS INCLUDED UNDER ONE CONTRACT. LOCAL AUTHORITIES ARE WARNED THAT IF THE WORK IS DIVIDED INTO MORE THAN ONE CONTRACT EITHER GEOGRAPHICALLY OR BY TRADES OR IF DEMOLITION OR LANDSCAPE WORK IS INCLUDED, THE FORMS MUST BE REVISED TO MEET THESE CONDITIONS.

SEPARATE FORMS FOR DEMOLITION AND LANDSCAPE WORK HAVE BEEN PREPARED AND ARE AVAILABLE.

In using the forms attached hereto, Local Authorities are requested:

- (1) to take into consideration the particular nature of their contract, and if changes in the form are required to make such changes and not follow verbatim the form attached.
- (2) not to amplify through a series of supplemental General Conditions or other attachments provisions inconsistent with those set forth in the Appendix.
- (3) to coordinate the provisions of the detailed specifications with the forms in the Appendix.
- (4) not to complicate bidding by numerous alternates and bids.

- (5) not to restrict bidding by indicating preferences for local materials, supplies, labor, equipment, insurance, etc., or by narrowing the type of material to be used to a few suppliers.
- (6) if the work is divided into several contracts to assign to each contractor his proper work and not to include in every contract general items such as job offices, signs, temporary heating, etc., when it is only intended that they be furnished by one contractor; and
- (7) not to include work that the City has agreed to do or that is not proper work to be paid for out of the development fund.

Chapter I

General

1. Construction Adviser. Prior to the time the Local Authority invites bids for the construction of a project or any part thereof, the Administrator will designate a representative of the USHA at the site of the project, who will be known as the Construction Adviser. After the final plans and specifications for the project have been approved by the USHA, all matters in connection with the project which involve construction work will be taken up with or through the Construction Adviser. The Construction Adviser shall render advice and suggestions to the Local Authority, but shall not give orders to the Contractor.

2. Scope of Authority. In all matters relating to construction, the Construction Adviser shall be the representative of the Administrator on the site. The scope of authority of the Construction Adviser shall be so defined by the Administrator as to permit as many decisions and approvals as feasible on the site. In connection with the powers of the Construction Adviser, he will be instructed by the Administrator as to such matters as must be first submitted to the Administrator or to such other representatives of the USHA as he may designate, for consideration and approval before action thereon can be taken by the Construction Adviser.

3. Other USHA Field Forces. In addition to the Construction Adviser, there will be such additional field force of the USHA, either permanently or periodically at the site, as the USHA may consider necessary to observe and review the construction of the project for compliance with the provisions of the Loan Contract between the USHA and the Local Authority. The Local Authority will be advised by the Construction Adviser as to the scope of the duties of such additional personnel.

4. Land Acquisition. (See USHA Bulletin No. 8 on Policy and Procedure). Before the USHA will authorize the Local Authority to advertise for bids for construction work, the Local Authority shall have acquired the site or assured the USHA that the site will be acquired within sufficient time to enable the Local Authority to execute a contract based upon any bids received. Authorization to accept any proposal or to enter into any contract for construction work will not be given by the USHA unless good title to the project site has been obtained by the Local Authority.

5. Plans and Specifications. Plans and specifications for the construction of the project or any part thereof, together with the other contract documents, should be submitted to and approved by the USHA before the Local Authority invites bids for such work. Suggestions as to the manner in which the plans and specifications should be prepared and submitted to the USHA for approval are set forth in USHA Bulletin No. 11 on Policy and Procedure. The contract documents, as proposed for advertising, should be in the hands of the USHA at least 15 days before the proposed date of advertisement.

6. Responsibility for Project. While the USHA will review the plans and specifications and all other documents submitted to it and furnish technical assistance, the responsibility for design and specifications and the observance of all the requirements of the Loan Contract rests with the Local Authority.

7. Type of Contract. All work should be performed on a "Fixed Price Contract" basis. It is recommended, in those cases where such procedure is locally deemed advisable, that the Local Authority give consideration to the dividing of the project into several sections, so that separate bids can be requested for the work included in each such section, as well as bids for the entire work as noted hereinafter. This would enable smaller contractors who cannot undertake the entire project to bid on part of the work and would thereby encourage competition, particularly where a large project is involved. If the project is divided into several sections, all trades within each such section should, so far as possible, be included in one contract. It is not recommended, unless required by State or local law, that the work be divided in accordance with the several trades (plumbing, heating, masonry, etc.) or a contract awarded on such a basis.

If the work is thus divided into sections, the sections should be so laid out that the different contractors may proceed with their work independently of each other. Care should also be taken to define exactly the work to be performed in each section so there will be no conflict. If such a division is made, bids for the work in the several sections, as well as for the entire work, should be advertised and opened at the same time so that a determination can be made of the cost of the entire work. In the interest of economy of construction and unless prohibited

by state law, the USHA will require that one over-all bid which shall include all work in connection with the development of the project shall be requested. Demolition and landscape work and the purchase of items of equipment such as ranges, refrigerators, shades, etc., need not be included in such a bid.

8. Advertisement for Bids. In accordance with the provisions of the Terms and Conditions, all contracts for work in connection with the development of the project shall be let only after public advertisement. Such advertisement shall run for a sufficient time and be circulated in such a manner as to give opportunity to bidders to secure plans and specifications and to figure the work. The Local Authority is urged to seek the widest possible competition. In order to cooperate with the Local Authority, the USHA has made arrangements through contractors' associations to obtain a wide dissemination of information to contractors and the Local Authority shall, promptly after publication of any advertisement for bids, furnish 12 copies of the advertisement to the USHA. These copies shall be forwarded to the USHA in Washington marked for the attention of the "Informational Service Division".

9. Award of Contract. The Local Authority should not take any final action in regard to the acceptance or rejection of any bid without first submitting the details of its proposed action to the USHA, and has been advised by the USHA that there is no objection to the proposed action. In the event it is proposed to accept any bid, the Local Authority should submit to the Construction Adviser a written statement of all bids received, the name of the contractor to whom the Local Authority proposes to make the award and the alternates, if any, it proposes to accept. If the award is to be made to any one other than the lowest bidder, the reasons therefor shall be stated. The policy of the USHA in regard to the acceptance and rejection of bids is being incorporated in a further Bulletin.

10. Representative of the Local Authority. The Local Authority should, through appropriate action of its governing body, designate the person who will represent it in the administration of the construction contract and should define the scope of his authority. Such representative should be empowered to perform the functions of the Local Authority as required by the General Conditions, with such limitations as the Local Authority may desire. As delays in arriving at decisions and ordering changes when they become necessary often interfere with construction work and may result in claims for damages by the Contractor against the Local Authority, it is essential that the person designated as the representative of the Local Authority be readily available to the Contractor at all times.

11. Local Authority's Inspection. During the development of the project, the Local Authority shall provide and maintain competent and adequate architectural and engineering supervision and inspection of the project. Adequate supervision will necessitate a sufficient force of

capable architects, engineers, and construction men to enable the Local Authority to supply to the Contractor promptly any additional or changed designs that may be needed, and to enforce compliance by the Contractor with the provisions of the contract. While the USHA will have representatives at the site of the project and will cooperate with the Local Authority in calling to its attention any matters that it may not consider in conformity with the contract, the USHA does not undertake the responsibility for the performance of any of the duties required under the Loan Contract to be performed by the Local Authority.

The General Conditions, as set forth in the Appendix, contemplate that the Architect will supervise the work to be performed under the construction contract. If the Architect is not to provide such supervision, the Local Authority should designate a supervising engineer and staff to perform this function, and in this event, the General Conditions should be modified accordingly.

12. Submittals to Construction Adviser.

(a) After entering into a construction contract, the Local Authority should submit to the USHA, before final decision is made thereon by the Local Authority:

(i) All matters required by the Terms and Conditions to be submitted to the USHA before a decision is made thereon by the Local Authority, including any change order involving more than \$1,000. (See Terms and Conditions, PART III, Paragraph I, and Section 2 of the General Conditions).

(ii) All proposed interpretations and decisions of the Local Authority or the Architect as to whether items of work are required under the contract, the omission of which might affect the cost of the project in an amount exceeding \$1,000.

(iii) All samples required to be submitted by the Contractor.

(iv) All proposed decisions of the Local Authority which might impair the rights of the USHA under the Loan Contract. (See Terms and Conditions, Part III).

(v) All proposed Change Orders or interpretations extending the time of completion of any work.

In submitting any of the matters set forth in (a) (i), (ii), (iii), (iv) and (v) above, there should also be submitted all data in connection therewith such as estimates, drawings, and correspondence between the Local Authority, the Architect, and the Contractor.

(b) In addition to the foregoing, there should also be submitted by the Local Authority (though not necessarily prior to the action of the Local Authority thereon):

(i) Copies of change orders, interpretations, and decisions (other than those mentioned in (a) (i) and (ii) of this Paragraph which are required to be submitted prior to the decision thereon by the Local Authority).

(ii) Copies of shop drawings after approval by the Architect; and copies of approved as-built and change-order drawings showing clearly all deviations of work as actually installed from contract drawings.

(iii) Copies of all pertinent correspondence relating to the contract between the Local Authority, the Architect, and the Contractor.

(iv) Copies of all complaints to the Local Authority by employees of the Contractor.

(c) Construction reports, Reports to the U. S. Department of Labor, project data and records, and pay rolls and affidavits relating to the Kick-Back Statute should be submitted as required by the Terms and Conditions. (See Terms and Conditions, Part III, Paragraphs 17, 18, 19 and Part IV).

Chapter II

Contract Documents

The forms of contract documents now to be discussed, and appended to this Bulletin, were not prepared with any particular project or State in mind, and hence must be revised or amended so that every contract as advertised and entered into will conform with applicable State and local laws. It is requested, however, for the sake of uniformity and in order to expedite the checking of documents by the USHA, that the general form thereof be maintained so far as possible and the order of the particular divisions of the documents followed.

The following specific discussion of the forms of contract documents falls into four main sections conforming to the four main types of forms contained in the Appendix:

Section A - Advertisement and Bid Documents (Bid, Affidavit, Bidders Qualifications and Bid Bond).

Section B - Instructions to Bidders.

Section C - Contract and Performance Bond.

Section D - General Conditions.

Section A - Advertisement and Bid Documents (Bid, Affidavit,
Bidders Qualifications and Bid Bond).

1. Advertisement. The form and method of advertising should comply with State or local laws and should indicate the type of work, and clearly designate the place where and the time when bids are to be received and opened, and the address at which contract documents can be obtained. The period of advertising should be sufficient to allow prospective bidders ample time to visit the site and examine the contract documents for the purposes of preparing their estimates. A suggested form of advertisement is included in the Appendix.

2. Bid. The bid form incorporated in the Appendix sets forth in general the matters which should be covered. Care should be exercised in setting up the Bid Form so that bidders will understand them and that the bids when submitted will be clear and unambiguous, particularly, in those instances where the work has been divided or where one or more alternates have been requested. Particular attention is called to Bulletin No. 13 on Policy and Procedure, revised April 17, 1939, Pages 6 and 7, Paragraph (j), for a full discussion of this subject.

3. Affidavit as to Collusive Practices. In order to effect the intent of Section 24 of the United States Housing Act, each bidder should be required to sign an affidavit in the form of that set forth in the Appendix. In addition, subcontractors and materialmen for the electrical, heating and plumbing work, whether such work is included in one general contract or let separately, will be required to furnish the affidavits and information as set forth in Section 17 of Instructions to Bidders.

4. Bidders' Qualifications and Bid Bond. The Appendix includes a form of statement of bidders' qualifications, which should be completed in order to show the responsibility of the bidder. The Associated General Contractors of America, Inc. has suggested the use of the standard form of the Contractor's Financial Statement, as prepared and issued by the Joint Conference on Construction Practices, Standard Form No. 42. The substitution of this Form for the one included in the Appendix is left for the discretion of the Local Authority. The Appendix also includes a suggested form of bid bond. An investigation of the State law governing the Local Authority should be made to determine whether any particular form of bid guaranty or bid bond is required. The bid guaranty should be in a sufficient sum to insure the bidder's financial responsibility and to protect the Local Authority against damage occasioned by the failure or refusal of the successful bidder to enter into

a contract. In general, where bids are anticipated to be in excess of one million dollars (\$1,000,000), two and a half per cent ($2\frac{1}{2}\%$) of the bid price is usually considered sufficient. Where the bid price is anticipated to be less than one million dollars (\$1,000,000), the percentage of the bid price required as security should be increased. The Appendix (Section C) also contains directions for preparation and execution of bid, performance and payment bonds.

Section B - Instructions to Bidders

1. General. The "Instructions to Bidders" should advise bidders as to any special conditions that might exist in connection with the work and set forth the time for completion and the amount of liquidated damages to be charged in the event the work is not completed within the specified time. It should also inform bidders as to the general requirements in regard to the preparation and submittal of bids, and should cover the issuance of any addenda that might be required for revisions in the plans and specifications. Suggested "Instructions to Bidders" are included in the Appendix.

2. Time for Completion. The original Bulletin Contained the following suggestion:

"The Local Authority should give consideration to permitting the bidder to specify, within a restricted range, the number of days that will be required by him to complete the job. No bonus should be provided for completing ahead of time. If the bidder is asked to specify the number of days required to complete, provision should be made in the contract documents for the method of evaluating such bids. Section 14 of the Instructions to Bidders sets forth a suggested method for bidding in this manner. For the purpose of evaluating bids, it is suggested that the amount per day inserted in Section 14 be the same as that inserted in Section 15, so that the same amount be deducted for each day saved as is required by the contract to be paid for liquidated damages for delay in completion."

Experience has indicated that the use of this method of determining the time of completion has tended to complicate bidding, and, for this reason, it is not now recommended for use by the USHA. The Local Authority should determine and fix a time for completion which has a reasonable relationship to the amount of work to be performed and the difficulties attendant upon the same.

The Local Authority should set the amount of liquidated damages to be paid by the Contractor in such sum as will be in reasonable proportion to the actual loss that might be sustained by the Local Authority through the

failure of the Contractor to complete on time. In this connection, consideration should be given to the loss that the Local Authority will sustain by virtue of a corresponding delay in receiving Federal annual contributions. The amount of liquidated damages, however, should not be fixed so high as to discourage the submittal of bids by responsible bidders.

3. Estimates of Cost of Dwelling Facilities. This Bulletin previously required a breakdown in the bid of certain items of costs to be used for the purpose of determining whether the cost of the work was within the limitations of the United States Housing Act. Due to the unfamiliarity of bidders with the intent of these provisions, the figures, in many instances, submitted with the bid have been valueless. For this reason, this requirement has been eliminated, and in lieu thereof, the successful bidder is now required, after the opening of bids, to assist in the breakdown of his bid price in order to show the division of costs between the dwelling facilities and non-dwelling facilities. (See Paragraph 19 of the Instructions to Bidders).

4. Discrimination. Paragraph 6, Part III, of the Terms and Conditions and Section 43 of the suggested General Conditions appearing in the Appendix provide that there shall be no discrimination because of race, creed, color, or political affiliations in the employment of persons for work on the project. Section 18 of the Instructions to Bidders sets forth the method by which the Local Authority shall give effect to these provisions with respect to Negro labor.

5. Taxes. The Local Authority should ascertain whether or not State or local sales or business privilege taxes are applicable to the work to be performed by the contractor. If the applicability of the law is not clear, every effort should be made by the Local Authority to obtain a ruling from the appropriate officer of the State or locality, i.e., the Attorney General of the State, the Collector of Taxes, the State Tax Commission, etc. If it appears clear to the Local Authority that any such sales or public privilege taxes are not applicable to the work to be performed by the contractor, an appropriate clause should be inserted in the Instructions to Bidders informing them of this fact and instructing them not to include in their bids any amounts to pay such sales or business privilege taxes. If, however, contractors on work of this kind, are required to pay such sales or business privilege taxes, no reference to such taxes should be made in the Instructions to Bidders or in any other part of the Specification.

6. The form of Instructions to Bidders contains a section on unit prices drafted upon the theory that unit prices for extras will be predetermined by the Local Authority and inserted in the contract. It is recommended that this practice be followed. If the prices are determined in advance and are equitable, any possible controversy between the contractor and the Local Authority in regard to the cost of extra work is eliminated as to those items for which units have been established. In the form attached, the usual items which are commonly the subject of

changes in the average contract, have been listed. These may be amplified or restricted in accordance with the needs of a particular contract. The USHA does not recommend the asking of bids on a unit price basis wherein bidders are permitted to bid separately both on the cost of additional work and the cost for deductions from the work specified. Such a practice has been found to upset bids in that the prices quoted by contractors for deductive units are much smaller than those given by the contractor for additions. As an alternative to either predetermining unit prices and including them in the contract or requesting that bids be given on a unit price, it is possible to agree with the contractor, after the opening of bids, upon acceptable units and unless the prices are predetermined and included in the contract, this method is recommended.

Section C - Contract and Performance Bond.

1. Contract. The contract form should contain a description and location of the work and the Specification and Drawings should be identified by number, name and date of issuance. The adjusted contract price (that is, the amount determined by adding to or subtracting from the base bid the amount of any alternates accepted) should be set forth in the contract. In many instances, it is customary to accept a bid by a letter of acceptance to be conditioned upon the execution of the formal contract and the submitting of the required bonds by the contractor. However, such procedure is not required of the Local Authority, and the procedure of accepting the bid and entering into the contract may be adjusted to conform to the procedure prevailing in the particular locality where the work is to be performed. Care should be taken to have the proposal accepted and the contract signed by a duly authorized agent or officer of the Local Authority. A contract form is included in the Appendix, as well as directions for the preparation of contract.

2. Performance Bond. The performance and payment bond or bonds should conform to State Law. If the amount of such bond or bonds is not prescribed by State Law, the amount of such bond or bonds should be not less than 50% of the contract amount. Most of the States have laws prescribing the conditions of such bond or bonds and a complete investigation of the law applicable to each project should be made. If there is no applicable statute, such bond or bonds should be used as have been passed on by the State courts as valid. The bond or bonds in addition to affording protection to the Local Authority should require payment by the contractor to all persons furnishing labor and material incorporated in the project. Suggested forms of performance and payment bonds are not included in the Appendix as it is necessary to conform the provisions thereof in each instance with State or local laws. The USHA will, upon request, assist the Local Authority in the preparation of proper forms of performance and payment bonds.

The Local Authority should exercise care in the administration of its contracts which are secured by performance bonds (particularly in ordering changes) to avoid any act which might release the surety. In any doubtful case the consent of the surety to any contemplated action should be obtained in advance.

Section D - General Conditions

Note: The paragraphs of this Section are numbered in the same relation to their subject matter as are the sections in the Form of General Conditions contained in the Appendix.

1. Definitions. The definition of all terms which might not be familiar to the Contractor should be included in the contract documents.

2. Changes in the Work. The amount (as contemplated by Paragraph 1(a) (5) of Part III of the Terms and Conditions) to be fixed in the contract as the limit of the amount involved which should not be exceeded in any change without the submittal of the change to the USHA should, in general, be One Thousand Dollars (\$1,000). This amount may in particular contracts be increased or decreased when the size of the contract or other circumstances would make some other amount more appropriate. Aside from the above this Section should not be changed substantially.

3 to 6, inclusive, are suggested sections. It is believed that the substance of these sections, together with the other suggested sections, should be embodied in the contract documents for the protection of the Local Authority and for clearly setting out the general obligations and duties of the Contractor. In special instances, particularly where the contract is for supplemental work, some of these provisions, such as the one covering temporary heating, may not be applicable.

7 should not be changed.

The Local Authority's attention is called to the fact that specification writers on occasion require guarantees of results as differentiated from a guarantee as to workmanship and material. In the event that such a guarantee is required, it should be made explicit that the result is required irrespective of the details of the specification and that the contractor in bidding on the work accepts the plans and specifications as adequate for the accomplishment of the result guaranteed. Unless the language is clear and explicit, it is often difficult to determine, should the question arise, whether the guarantee requires only good workmanship and material or requires the result even though the claim is urged that the plans and specifications are inadequate to produce that result. A provision to this effect was included in the previous draft of this Bulletin under Section 4 of Instructions to Bidders. However, contractors have so

strenuously objected to the broad language used therein that it is felt desirable to eliminate this language in the general forms. Should such a guarantee be desired for any part of the work it should be inserted in the detailed specification and made applicable to that portion of the work only.

8 to 12, inclusive, are suggested sections.

13. Permits. The Cooperation Agreement between the Local Authority and the City usually provides that permits will be issued without cost to the Local Authority and that there will be no inspection fees. Accordingly, this section has been drafted to advise the contractor that he shall not include in his estimates any costs for the permits or inspection. The Local Authority is cautioned in drafting the detailed specifications, particularly, for the mechanical trades, not to include a requirement that the contractor pay for such permits and inspection. This section, as drafted, provides that the work be done in accordance with applicable local, state and national codes, and further provides that in the event the plans and specifications vary from the codes and a change is required in order to meet code requirements, that the contract price will be adjusted. It is, therefore, essential for the Local Authority to assure itself, that the specifications, as drafted, comply with all codes, laws and ordinances or that approved amendments or modifications of the same have been obtained.

14, 15 and 16 are suggested sections.

17. Disputes. In this Section, provision is made for the settlement of certain disputes by the Architect with the right of either party to such dispute to appeal the decision of the Architect to arbitrators. This procedure is suggested as it follows the common practice of the building industry. Attention is called, however, to the possibility that, because of their public character, some Local Authorities may not have the legal authority to delegate to the Architect, a board of arbitrators, or other third parties the power to render decisions that are binding on the Local Authority. If such is the case, it is recommended that a procedure similar to that followed by the Federal Government in its construction contracts be followed, i.e., that an official or employee of the Local Authority be designated as its representative with power to settle all such questions subject to the right of the Contractor to appeal to the governing body of the Local Authority in the event the Contractor refuses to accept the decisions of such representative. It is further to be noted by the Local Authority that throughout this Bulletin certain duties are delegated to the "Architect". In this connection, the general contract forms have been drafted upon the theory that the architect will superintend the construction operations. If because of the nature of the arrangement between the Local Authority and the architect, such superintendence is not included among the architect's duties, the proper party shall be named in this and other sections to whom disputes should be referred and to whom the contractor is to look for certain instructions and interpretations.

18 to 27, inclusive, are suggested sections.

28. Subcontracts. This section should not be changed. One facsimile copy of each subcontract delivered to the Local Authority by the Contractor should be transmitted to the USHA. (See Terms and Conditions, Part III, 5 (a)).

29 and 30 are suggested sections.

31. Warranty of Title. The Local Authority should investigate State laws to determine whether the project is subject to mechanics' lien claims. As the Terms and Conditions require a bond for the protection of those furnishing labor and material, the Local Authority should, if possible under State or local law, prohibit the right of anyone to assert a mechanic's lien claim against the project. Some State laws require either actual notice or recorded notice of contractual provisions prohibiting liens being filed against property. In the States where either actual or recorded notice is required, the provisions of the Statute should be followed and, if necessary, the contract should be recorded in the proper office.

32 is a requirement of the Terms and Conditions and should not be changed.

33. Payments to Contractor. (See also Paragraphs 2, 3 and 4 of Part II of Terms and Conditions). The section as set forth in the Appendix provides that payments shall be made on estimates certified by the Architect and signed by the Local Authority. The Local Authority should advise the Contractor the name of the person who has been designated by it to sign such certificates. If persons other than the Architect are to certify such estimates, the persons so designated should be clearly defined by the Local Authority. The Terms and Conditions require that payment be made not less than the 15th day of each calendar month for work done during the preceding month and that 10% of the estimated amount due be retained until final completion. After 50% of the work has been completed the USHA will not object to the making of the remaining partial payments for work subsequently completed without the 10% deduction, provided the work is proceeding satisfactorily. The suggested form so provides. While this section also provides for payment to the Contractor without requiring the estimates on which said payments are based to be submitted to the USHA, the Local Authority is referred to certain terms which will be found in the Development Fund Agreement or the Trust Indenture provided for by the Terms and Conditions, which provisions in general will require that in withdrawing funds the Local Authority must set forth the purposes for which said funds are being withdrawn together with a certificate stating that the Local Authority is not in default under the Loan Contract with the USHA and that the funds previously withdrawn have been used in accordance with Certificates of Purposes filed with the USHA by the Local Authority.

34. Office Facilities. This Section should be included if adequate facilities are not already on the site. In addition to the provision contained in the Appendix, the Local Authority should specify in sufficient detail the requirements for office facilities for the representatives of both the USHA and the Local Authority on the site. These facilities will differ on various projects depending on their size, and the USHA should be consulted at the time the specifications are being drafted in order that the Local Authority may be advised of the USHA's requirements.

35. Project Signs. This section should be included unless signs complying with the Terms and Conditions have already been placed on the site by other contractors. In addition thereto, the materials, size and color of the signs should be specified and the number of signs to be placed on the project should be set forth; the Local Authority should consult with the USHA in this regard at the time the specifications are being drafted in order that it may be advised of the USHA's requirements.

36 is a requirement of the Terms and Conditions and should not be changed.

37. Domestic and Foreign Materials. The only foreign articles, materials or supplies that may be listed under this section are those which in fact have been exempted by the USHA because of findings made by the USHA that the use of domestic articles, materials or supplies is impractical or because the use of them would unreasonably increase the cost of the work. If the Local Authority desires to use foreign articles, materials or supplies which have not been so exempted by the USHA, application for such exemption should be made to the USHA. No change should be made in this section except to list such exempted materials.

38 is a requirement of the Terms and Conditions and should not be changed.

39. Wage Rates. The provisions of this section should not be changed, except as to the itemized classification of the workers on the project, which classification is necessarily dependent upon the type of work to be performed and the trades and occupations employed in such work. In the sample list included in the Appendix, a classification is made of the mechanics and laborers ordinarily engaged in work on projects of the type contemplated. This list, however, does not include architects, technical engineers, draftsmen or technicians who might be employed by the Contractor. These and any other classes of workmen covered by the provisions of the United States Housing Act of 1937 may have to be added to the list. Classification of workers and prevailing wage rates should be investigated by the Local Authority as soon after the execution of the Loan Contract as possible, so that recommendations of wage rates may be submitted by the Local Authority to the USHA without undue delay. If the State or local

law makes provision for the determination of prevailing wages, the Local Authority should recommend to the USHA the prevailing wages so determined, and furnish evidence of the findings of the State or local body making such determination and a reference to the law under which such determination was made. The provisions of this section in the Appendix will be construed to apply only to those employees of the Contractor and his sub-contractors who work on or about the project site.

40 to 45, inclusive, are requirements of the Terms and Conditions and should not be changed.

46. Contract Security. (See Chapter II, Section C, paragraph 2 of this Bulletin under the heading Performance Bond). Alternative sections have been included in the suggested form of General Conditions. If the State law requires a separate payment bond in addition to the Performance Bond, Section 46 (Alternate) should be used. The furnishing of contract security is a requirement of the Terms and Conditions, but as State laws on this subject vary, these paragraphs will, in individual projects, have to be modified to meet the applicable provisions of State laws.

47. Insurance. Subsection A relating to workmen's compensation insurance is required by the Terms and Conditions and should not be changed unless there is no State workmen's compensation statute applicable to the employees of the Contractor. In the latter event, employers' liability insurance supplemented by workmen's collective insurance should be required. An alternate subsection A providing for such form of coverage is included in the suggested form.

Subsection B relating to public liability insurance is required by the Terms and Conditions and should not be changed. It is believed that public liability insurance coverage with limits of \$20,000/40,000 will be sufficient under most contracts.

In subsection C, it is suggested that fire insurance be carried by the Contractor, since construction contracts usually require the Contractor to be responsible for the project until its final completion, and in order to avoid conflict of interest during the construction period. Insurance carried by the Contractor during construction will, to the extent of such coverage, satisfy the requirements of Paragraph 8 of Part I of the Terms and Conditions. If, however, the Local Authority carries fire insurance on its insurable interest during construction, this subsection of the General Conditions should be changed.

48. Reports to the U. S. Department of Labor. This section should not be changed. The forms will be furnished by the Department of Labor. These forms will, after they have been filled out, be turned over to the Construction Adviser for transmittal to the Department of Labor.

49 to 53, inclusive, are required by the Terms and Conditions and should not be changed. Before approving any assignment of a contract, all facts in connection with such assignment should be submitted to the USHA.

Nathan Straus
NATHAN STRAUS,
Administrator.

September 1, 1939.

A P P E N D I X

Section A. Advertisement and Bid Documents
(Bid, Affidavit, Bidders Qualifications
and Bid Bond).

1. Form of Advertisement for Bids.
2. Bid Documents.
 - (a) Bid Form.
 - (b) Affidavit Form.
 - (c) Form of Statement of
Bidder's Qualifications.
 - (d) Bid Bond Form.

Section B. Instructions to Bidders.

Section C. Contract and Performance Bond.

- (a) Contract Form.
- (b) Directions for Preparation
of Contract.
- (c) Directions for Preparation and
Execution of Bid, Performance
and Payment Bonds.

Section D. General Conditions.

Form of Advertisement for Bids

ADVERTISEMENT FOR BIDS

(Should be modified if law requires other form)

The _____ (Name of Local Authority) will receive sealed bids for _____ (Brief description of contract and project) until _____ M. (E.S.T.) (C.S.T.) (Daylight Savings Time) on the day of _____, 193____, at _____ (Address of Local Authority) _____ (Name of city or town), State of _____, at which time and place all bids will be publicly opened and read aloud.

The successful bidder will be required to furnish satisfactory performance and payment bond or bonds.

Attention is called to the fact that not less than the minimum wage rates as set forth in the specifications must be paid on this project.

Proposed forms of contract documents, including plans and specifications, are on file at the office of the _____ (Name of Local Authority) at _____ (Address of Local Authority).

Copies of the documents may be obtained by depositing \$ _____ with the _____ (Local Authority) for each set of documents so obtained. The amount of the deposit will be refunded to each person who returns the plans and documents in good condition within 10 days after the opening of bids.

The _____ reserves the right to reject any or all bids and to waive any informalities in bidding.

A certified check or bank draft payable to the _____ (Name of Local Authority), U. S. Government Bonds, or a satisfactory bid bond executed by the bidder and a surety company, in an amount equal to _____ per cent of the bid shall be submitted with each bid.

No bid shall be withdrawn for a period of sixty (60) days subsequent to the opening of bids without the consent of the _____ (Name of Local Authority).

(Name of Local Authority)

(Title of Officer)

(Date)

Bid Form (Bid Documents)

BID _____

To the _____ (Name of Local Authority)
_____ (Address)

Gentlemen:

1. The undersigned, having familiarized _____ with the local conditions affecting the cost of the work and with the Drawings, the Specification (including the advertisement for bids, instructions to bidders, general conditions, the bid form, the form of contract, the form of bonds, and the detailed specifications) and Addenda Nos. _____, _____, and _____ thereto, as prepared by _____

_____ and on file in the office of _____, hereby proposes to furnish all labor, materials and equipment required for _____

_____ (Description of Work)
all in accordance therewith, for the sum of _____ dollars (\$ _____) herein referred to as the "Base Proposal".

2a. The Base Proposal may be decreased or increased in accordance with such of the following alternate proposals as may be selected:

Alternates:	<u>Deductions</u>	<u>Additions</u>
No. 1	Deduct \$ _____	Add \$ _____
No. 2	Deduct \$ _____	Add \$ _____
No. 3	Deduct \$ _____	Add \$ _____
No. 4	Deduct \$ _____	Add \$ _____

(Continue alternates as required or eliminate paragraph 2a if no alternates are included)

3. In submitting this bid it is understood that the right is reserved by _____ (Local Authority) to reject any and all bids, and it is agreed that this bid may not be withdrawn for a period of sixty (60) days from the opening thereof.

4. Security in the sum of _____ dollars (\$ _____) in the form of _____, is submitted herewith in accordance with the Specification.

Bid Form, Continued (Bid Documents)

5. Attached hereto is an affidavit in proof that the undersigned has not entered into any collusion with any person in respect to this proposal or any other proposal or the submitting of proposals for the contract for which this proposal is submitted. Also attached is a statement of contractors' qualifications.

_____, 193__ FIRM NAME _____

OFFICIAL ADDRESS

By _____

_____ TITLE _____

Form Bid Bond (Bid Documents)

BID BOND

KNOW ALL MEN BY THESE PRESENTS, That we,

(See Instructions)

as PRINCIPAL, and

as SURETY,

(See Instructions)

are held and firmly bound unto (Name of Local Authority) hereinafter called the "Local Authority", in the penal sum of _____ Dollars, lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal has submitted the accompanying bid, dated _____, 19____, for _____

NOW, THEREFORE, if the principal shall not withdraw said bid within the period specified therein after the opening of the same, or, if no period be specified, within sixty (60) days after said opening; and shall within the period specified therefor, or, if no period be specified, within ten (10) days after the prescribed forms are presented to him for signature, enter into a written contract with the Local Authority in accordance with the bid as accepted, and give bond with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such contract; or in the event of the withdrawal of said bid within the period specified, or the failure to enter into such contract and give such bond within the time specified, if the principal shall pay the Local Authority the difference between the amount specified in said bid and the amount for which the Local Authority may procure the required work or supplies or both, if the latter amount be in excess of the former, then the above obligation shall be void and of no effect, otherwise to remain in full force and virtue.

Bid Bond Form, Continued (Bid Documents)

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this _____ day of _____, 193____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body. In presence of--

(Address) _____ (Individual Principal) (SEAL)
_____ (Business Address) _____

(Address) _____ (Individual Principal) (SEAL)
_____ (Business Address) _____

(Address) _____ (Individual Principal) (SEAL)
_____ (Business Address) _____

(Address) _____ (Individual Principal) (SEAL)
_____ (Business Address) _____

Attest: _____ (Corporate Principal)

_____ (Business Address)

Affix
corporate
seal)

By _____

Attest:

_____ (Corporate Surety)

_____ (Business Address)

Affix
corporate
seal)

By _____

The rate of premium on this bond is _____ per thousand.
Total amount of premium charged, \$ _____.

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____, secretary of the corporation named as principal in the within bond; that _____, who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

(CORPORATE SEAL)

AFFIDAVIT BY INDIVIDUAL SURETY

State of _____)

ss:

County of _____)

I, _____, being duly sworn, depose and say that I am one of the sureties to the foregoing bond; that I am a citizen of the United States, and of full age and legally competent; that I reside at _____ and that I am worth in real estate and personal property the sum of _____ dollars, over and above (1) all my debts and liabilities, owing and incurred, (2) any property exempt from execution, (3) and aggregate full penalties on all other bonds on which I am surety, and (4) any pecuniary interest I have in the business of the principal on said bond; that I own, unincumbered, real estate, the fee of which is in my name, worth _____ dollars, located in _____ that said property is not exempt from seizure and sale under any homestead law, community, or marriage law, or upon any attachment, execution, or judicial process, and that I am not surety on any other bonds, except as follows:

(State character and amount of each bond. If not

on other bonds, so state)

(Surety's signature)

Bid Bond Form, Continued (Bid Documents)

Subscribed and sworn to before me this _____ day of _____,
193___, at _____

(Title of official administering oath)

Official seal

CERTIFICATE OF SUFFICIENCY

I, _____ do hereby certify that _____
_____, one of the sureties named above, is personally
known to me, and that, to the best of my knowledge and belief, the facts
stated by such surety in the foregoing affidavit are true.

(address)

INSTRUCTIONS TO BIDDERS.

1. Special Notice to Bidders. Attention is directed to the fact that this Specification has bound hereto a complete set of bidding and contract forms; these are for the convenience, only, of bidders and are not to be detached from the Specification or filled out or executed. Separate copies of Bid Forms are furnished for that purpose, in quadruplicate, three to be submitted with bid and one to be retained by the bidder for his records.

2. Bid Form. (A) All bids must be submitted in triplicate and shall be prepared in conformity with and shall be based upon and submitted subject to all requirements of the Specification and Drawings.

(B) Bid Documents shall be enclosed in envelopes (outer and inner), both of which shall be sealed and clearly labeled "Bid Documents" so as to guard against opening prior to the time set therefor. The Bidder shall be responsible for the placement of his firm name and the name and number of the project on the outside of both of such bid envelopes.

(C) The Local Authority may consider as informal any bid on which there is an alteration of or departure from the Bid Form hereto attached.

(D) The Bidder is required to bid on all Alternates. The term "No Bid" shall not be used but the Bidder shall set forth in the space provided therefor the amount to be added to or deducted from the Base Bid. In the event the Bidder does not desire to make a change from the Base Bid he shall so indicate by using the words "No Change."

(E) The Contract will be based upon the completion of the work according to the Drawings and the Specification together with all addenda thereto and any alternates which may be accepted by the Local Authority.

3. Interpretations. No oral interpretations will be made to any bidder as to the meaning of the Drawings and Specification. Every request for such an interpretation shall be made in writing and addressed and forwarded to the Local Authority at _____ . No inquiry received within _____ days of the date fixed for opening of bids will be given consideration. Every interpretation made to a bidder will be in the form of an addendum to the Specification which, if issued, will be sent as promptly as is practicable to all persons to whom the Drawings and Specification have been issued. All such addenda shall become part of the contract documents. Failure of the Local Authority to send, or of any bidder to receive, any such interpretation shall not relieve any bidder from any obligation under his bid as submitted.

4. Examination of Site, Drawings, Etc. Each bidder shall visit the site of the proposed work and fully acquaint himself with conditions as they exist so that he may fully understand the facilities, difficulties

and restrictions attending the execution of the work under his contract. Bidders shall also thoroughly examine and be familiar with the Drawings and the Specification. The failure or omission of any bidder to receive or examine any form, instrument or document or to visit the site and acquaint himself with conditions there existing shall in nowise relieve any bidder from any obligation with respect to his bid.

5. Statement of Bidder's Qualifications. Each bid must be accompanied by a statement, on the form furnished for that purpose, a copy of which is included in the Specification, of the bidder's financial resources, his construction experience, and his organization available for the work contemplated. The Local Authority shall have the right to take such steps as it deems necessary to determine the ability of the bidder to perform the work and the bidder shall furnish to the Local Authority all such information and data for this purpose as the Local Authority may request. The right is reserved to reject any bid where an investigation of the evidence or information submitted by such bidder does not satisfy the Local Authority that the bidder is qualified to carry out properly the terms of the Contract Documents.

6. Bid Guaranty. (A) The bid must be accompanied by a bid guaranty which shall not be less than _____ percent (_____) of the amount of the bid, and at the option of the bidder may be a certified check, bank draft, U. S. Government Bonds (at par value), or a bid bond in the form attached to the Bid Form. No bid will be considered unless it is so guaranteed. Certified check or bank draft must be made payable to the order of _____ (Local Authority). Cash deposits will not be accepted. The bid guaranty shall insure the execution of the contract and the furnishing of performance and payment bonds by the successful bidder as specified in the Contract Documents.

(B) Revised Bids, whether forwarded by mail or telegram, if representing an increase in excess of two percent (2%) of the original bid, must have the bid guaranty adjusted accordingly; otherwise the revision of the bid will not be considered and the original bid shall remain in force.

(C) In case Bid Guaranty is in the form of a certified check, bank draft, or U. S. Government Bonds, the Local Authority may make such disposition of the same as will accomplish the purpose for which submitted. Certified checks or bank drafts may be held uncollected at the bidder's risk. Certified checks or bank drafts, or the amount thereof, and U. S. Government bonds of unsuccessful bidders will be returned as soon as practicable after the opening of Bids.

7. Alternative Bids. Alternative bids will not be considered unless called for.

8. Corrections. Erasures or other changes in the bids must be explained or noted over the signature of the bidder.

9. Time for Receiving Bids. (A) Bids received prior to the time of opening will be securely kept, unopened. The officer whose duty it is to open them will decide when the specified time has arrived, and no bid received thereafter will be considered; except that when a bid arrives by mail after the time fixed for opening, but before award is made, and it is shown to the satisfaction of the officer authorized to make the award that the non-arrival on time was due solely to delay in the mails for which the bidder was not responsible, such bid will be received and considered. No responsibility will attach to an officer for the premature opening of a bid not properly addressed and identified. Unless specifically authorized, telegraphic bids will not be considered, but modifications by telegraph of bids already submitted will be considered if received prior to the hour set for opening: Provided, that such modifications are confirmed in writing over the signature of the bidder within 48 hours thereafter.

(B) Bidders are cautioned that, while telegraphic modifications of bids may be received as provided above, such modification, if not explicit and if in any sense subject to misinterpretation, shall make the bid so modified or amended subject to rejection.

(C) Bidders are cautioned to allow ample time for transmittal of bids by mail or otherwise. Bidders should secure correct information relative to the probable time of arrival and distribution of mail at the place where bids are to be opened; and, so far as practicable, make due allowance for possible delays in order to avoid the necessity for investigations of claims that such delays in receipt of bids were due solely to delay in the mails as provided in this section.

10. Withdrawal of Bids. Bids may be withdrawn on written or telegraphic request dispatched by the Bidder in time for delivery in the normal course of business prior to the time fixed for opening: Provided, that telegraphic withdrawal is confirmed in writing over the signature of the bidder within 48 hours thereafter. Negligence on the part of the bidder in preparing the bid confers no rights for the withdrawal of the bid after it has been opened.

11. Bidders Present. At the time fixed for the opening of bids, their contents will be made public for the information of bidders and others properly interested who may be present either in person or by representative.

12. Award of Contract; Rejection of Bids. The Contract will be awarded to the lowest responsible bidder complying with the conditions of the advertisement for bids, provided his bid is reasonable and it is to the interest of the Local Authority to accept it. The bidder to whom

the award is made will be notified at the earliest possible date. The Local Authority, however, reserves the right to reject any and all bids and to waive any informality in bids received whenever such rejection or waiver is in the interest of the Local Authority. The Local Authority also reserves the right to reject the bid of any bidder who has previously failed to perform properly, or complete on time, contracts of a similar nature; who is not in a position to perform the contract; or who has habitually and without just cause neglected the payment of bills or otherwise disregarded his obligations to subcontractors, materialmen, or employees. In determining the lowest responsible bidder the following elements, in addition to those above mentioned, will be considered: whether the bidder involved (a) maintains a permanent place of business; (b) has adequate plant equipment to do the work properly and expeditiously; (c) has a suitable financial status to meet the obligations incident to the work; (d) has appropriate technical experience.

13. Performance Bond, Payment Bond, Execution of Contract. (A) The successful bidder shall furnish a Performance and Payment Bond in a penal sum of at least fifty percentum (50%) of the total amount payable by the terms of the contract. Such bond shall be in the form of Bond, a copy of which is included in the Specification.

(If a separate Payment Bond is required this provision should be modified.)

(B) The successful bidder shall execute the Contract with the Local Authority in the form of the Contract included in the Specification in such number of counterparts as the Local Authority may request.

(C) Such Performance and Payment Bond shall be furnished and such Contract shall be executed and delivered by the successful bidder within ten (10) days after the receipt by the successful bidder of notice of acceptance of his bid by the Local Authority.

14. Time for Completion. The work shall be commenced at the time stated in the notice to the Contractor to proceed and shall be completed in _____ consecutive calendar days from the date stated in said notice.

15. Liquidated Damages. As actual damages for delay in completion are impossible of determination, the Contractor and his sureties shall be liable for and shall pay to the Local Authority the sum of \$ _____ as fixed, agreed and liquidated damages for each calendar day of delay (not beyond the control of the Contractor, see Section 12 of the General Conditions) until the work is completed or accepted.

16. Unit Prices. The following unit prices have been predetermined and in adjusting all changes in the work or extra work which has been ordered, the prices and rules of measurement contained herein shall be used for all such classifications of work irrespective of the quantities involved. The unit prices contained herein include all items of labor and materials, the use of power tools and equipment, power and all items of cost such as public liability and workmen's compensation insurance and pro rata charges for foremen, but do not include any costs of pumping if the same are found necessary. The Contractor's overhead and profit is not included, but in addition to the unit prices stated herein, the Contractor shall be given for his overhead and profit, the percentages as mentioned in the General Conditions of the Specification under the heading, "Changes in the Work". This overhead and profit includes, but is not limited to, insurance other than mentioned above, bond or bonds, superintendent, time keepers, clerks, watchmen, use of small tools and other incidental job burdens and general office expenses.

- | | |
|--|-------------------|
| (1) General Excavation (Machine)
Left on site as directed | per cu. yd. _____ |
| (2) General Excavation (Machine)
Removed from the site | per cu. yd. _____ |
| (3) Hand Excavation to 5 ft. depth,
Left on site as directed | per cu. yd. _____ |
| (4) Hand Excavation to 5 ft. depth,
Removed from the site | per cu. yd. _____ |
| (5) Hand Excavation, per 1 foot
depth extra
(Add to Items #3 and #4 for
each additional foot below 5
ft. depth | per cu. yd. _____ |
| (6) Removal of Stacked excavated
material from the site | per cu. yd. _____ |
| (7) Backfill (due to extra
excavation) | per cu. yd. _____ |
| (8) Rock excavation, encountered
in General Excavation or
Grading, using explosives | per cu. yd. _____ |

- (9) Rock excavation, encountered in General Excavation or Grading, where explosives are prohibited, per cu. yd. _____
- (10) Rock excavation in Trenches, using explosives, per cu. yd. _____
- (11) Rock Excavation in Trenches, where explosives are prohibited, per cu. yd. _____
- (12) Removal from site of excavated rock, per cu. yd. _____
- (13) Additional piles of contract length (architect to indicate type of pile) per pile _____
- (14) Omission of piles of contract length (architect to indicate type of pile) per pile _____
- (15) Furnishing and driving piles of longer or shorter lengths (architect to indicate type of pile other than wood) per lin. ft. _____
- (16) Unit prices for wood piles in place, for other than contract lengths. (Prices to be for various lengths in multiples of 5 feet) per lin. ft. _____
- (17) Foundation concrete in place, not including forms of reinforcing steel.
 (a) 2,000 lbs. per cu. yd. _____
 (b) 2,500 lbs. per cu. yd. _____
 (c) 3,000 lbs. per cu. yd. _____
- (18) Filling concrete in place, per cu. yd. _____
- (19) Footing Forms per contact area including stripping, per sq. ft. _____
- (20) Wall Forms per contact area including stripping, per sq. ft. _____
- (21) Column Forms per contact area including stripping, per sq. ft. _____

- (22) Reinforcing steel in place including accessories, per lb. _____
- (23) Concrete units for foundation walls, in place,
- | | |
|---------|-------------------|
| (a) 8" | per sq. ft. _____ |
| (b) 10" | per sq. ft. _____ |
| (c) 12" | per sq. ft. _____ |
| (d) 14" | per sq. ft. _____ |
| (e) 16" | per sq. ft. _____ |
- (24) Pargeting of foundation walls, per sq. ft. _____
- (25) Membrane waterproofing walls, per sq. ft. _____
- (26) Sheet piling of banks, including removal, per sq. ft. _____

RULES FOR MEASUREMENT

- (a) General Excavation shall be assumed to extend 2 feet outside of wall lines.
- (b) The quantity of Hand Excavation shall be computed from the level at which hand excavation starts.
- (c) Excavation for footings shall be assumed to be 6 inches outside of concrete footing lines.
- (d) Trenches for walls shall be assumed to be 2 feet wider than wall thickness, but in no case less than 3 feet in width. Trenches for pipes shall be 2 feet wider than outside diameter of pipes.
- (e) Backfilling shall be computed on the volume of excavation, according to the foregoing rules less volume of displacement, by foundation walls and footings.
- (f) Sheet piling for banks required in addition to that covered by contract shall be computed on the basis of the additional or lessened board measure or weight of steel required.
- (g) Where rock excavation replaces earth excavation required under the contract, the Local Authority shall be credited with the earth excavation omitted. Boulders of less than 1/2 cubic yard shall not be counted as rock excavation.

- (h) Form work quantities shall be based on contact areas.
- (i) Concrete quantities shall be based on dimensions (sizes) shown on the drawings, or in the event there is no drawing, form actual measurements of the work ordered and performed.

17. Collusive Agreements. Each Bidder is required to submit with his bid an affidavit in the form attached to the Bid Form to the effect that the bidder has not colluded with any other person in regard to any bid submitted.

The Contractor, after the execution of the contract, will be required to submit copies of all bids received by him for all electrical, heating, and plumbing work, together with figures for all such work used by the Contractor in preparing his estimate. The Contractor shall in each contract with a subcontractor for any work in the trades enumerated require the subcontractor to execute an affidavit similar to that which he (the Contractor) is required to execute, and to furnish to the Contractor copies of all subbids or quotations, received by the subcontractor where the amount of the subbid or quotation is in excess of \$500, together with the figure or figures in connection with the work or materials covered by the subbid or quotation used by the subcontractor in making his proposal to the Contractor. All such affidavits, bids and figures shall upon their receipt by the Contractor be delivered to the Local Authority.

18. Discrimination. For the purpose of determining whether discrimination has been made in regard to Negro labor in violation of the provisions of Section 43 of the General Conditions it is hereby provided that if the Contractor pays to the Negro skilled labor at least _____% of the total amount paid in any period of four weeks under the contract for all skilled labor (irrespective of individual trades) and pays Negro unskilled labor at least _____% of the total amount paid in any period of four weeks under the contract for all unskilled labor, it shall be considered as prima facie evidence that the Contractor has not discriminated against Negro labor. (For the information of the Contractor these percentages are based upon percentages of Negro skilled and unskilled building construction laborers employed in the City of _____, as reflected by _____ Census, 193____).

19. Estimates of Cost of Dwelling Facilities. The successful bidder will be required to cooperate with the Local Authority and the Architect in a breakdown of his bid price in order to show the division of costs between dwelling facilities and non-dwelling facilities. Definitions of dwelling facilities and non-dwelling facilities are set out in USHA Bulletin No. 4 on Policy and Procedure, Revised June 30, 1939, entitled, "Development Cost of a Low Rent Housing Project".

CONTRACT

THIS AGREEMENT made the _____ day of _____ in the year nineteen hundred thirty _____ by and between _____ hereinafter called the "Contractor", and* _____ hereinafter called the "Local Authority".

WITNESSETH, That the Contractor and the Local Authority for the consideration stated herein agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all labor and materials and perform all work required for _____
(Description of Work)
in strict accordance with the Specification and the Drawings, all of which are made a part hereof and designated as follows:

(Identify Specification and Drawings.)

ARTICLE 2. Time of Completion. The Contractor shall commence work under this contract on a date to be specified in a written order of the Local Authority and shall fully complete all work thereunder within _____ consecutive calendar days from and including said date.

ARTICLE 3. The Contract Price. The Local Authority shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided therein, in current funds as follows: _____

Base Proposal: _____ Dollars
(\$ _____).

*Note: The Local Authority should be identified in the opening paragraph by its official name, a designation of its corporate status and the law under which it was created, for example, "The Housing Authority of _____"

- (a) (a public corporation);
- (b) (a body politic and corporate);
- (c) (a municipal corporation) etc.

created by the Housing Authorities Law of the State of _____."

Contract Form, Continued

Alternates:

No. 1 Deduct \$	_____	Add \$	_____
No. 2 Deduct \$	_____	Add \$	_____
No. 3 Deduct \$	_____	Add \$	_____
Subtotal \$	_____	Subtotal \$	_____

Deduct (Add) \$ _____
Contract Price \$ _____

ARTICLE 4. As actual damages for delay in completion are impossible of determination, the Contractor and his sureties shall be liable for and shall pay to the Local Authority the sum of \$ _____ as fixed, agreed and liquidated damages for each calendar day of delay (not beyond the control of the Contractor) until the work is completed or accepted.

ARTICLE 5. Contract Document. Contract Documents shall consist of the following component parts:

1. General Conditions.
2. Advertisement for Bids.
3. Instructions to Bidders.
4. The Detailed Specifications.
5. The Drawings.
6. Contractor's Bid as accepted by the Local Authority.
7. This Instrument.

This Instrument together with the documents enumerated in this Article 5 form the Contract, and they are as fully a part of the Contract as if hereto attached or herein repeated. In the event that any provision in any of the component parts of this Contract conflicts with any provision of any other component part, the provision in the component part first enumerated in this Article 5 shall govern, except as otherwise specifically stated.

Contract Form, Continued

IN WITNESS WHEREOF, the parties hereto have caused this Instrument to be executed in _____ original counterparts the day and year first above written.

Contractor

By _____

Countersigned:

Title

Title

Name of Local Authority

By _____

Title

Attest:

I, _____, certify that I am the _____ secretary of the corporation named as Contractor herein; that _____ who signed this Contract on behalf of the Contractor, was then _____ of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Corporate Seal

I HEREBY CERTIFY that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this Contract for the _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

DIRECTIONS FOR PREPARATION OF CONTRACT

1. The blank space of article 1 is intended for the insertion of a statement of the work to be done, together with place of performance or for the enumeration of papers which contain the necessary data.

2. All blank spaces must be filled in or ruled out. The Contract must be dated and the bond must bear the same or subsequent date.

3. An officer of a corporation, a member of a partnership, or an agent, signing for the principal shall place his signature and title after the word "By" under the name of the principal. A Contract executed by an attorney or agency on behalf of the Contractor shall be accompanied by two authenticated copies of his power of attorney or other evidence of his authority to act on behalf of the Contractor.

4. If the Contractor is a corporation, one of the certificates following the signatures of the parties must be executed. If the Contract is signed by the secretary of the corporation, then the first certificate must be executed by some other officer of the corporation under the corporate seal, or the second certificate executed by a representative of the Local Authority. In lieu of either of the foregoing certificates there may be attached to the Contract copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

5. The full name and business address of the Contractor must be inserted and the Contract signed with his usual signature. Typewrite or print name under all signatures to Contract and bond.

DIRECTIONS FOR PREPARATION AND EXECUTION
OF BID, PERFORMANCE, AND PAYMENT BONDS

1. The surety on the bond for any bid or for the performance of the contract may be any corporation authorized and qualified to act as surety in the State of _____, or two responsible individual sureties. Each individual surety shall justify in sum not less than the penalty of the bond.

2. A firm as such, will not be accepted as a surety, nor a partner for co-partners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States and residents of _____.

3. The name, including full Christian name, and residence of each individual party to the bond shall be inserted in the body thereof, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine, Massachusetts, or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the body of the bond, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. The signature of a witness shall appear in the appropriate place, attesting the signature of each individual party to the bond.

6. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the appropriate place in the body of the bond, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

7. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form attached thereto. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

8. Each individual surety shall justify, under oath, according to the form appearing on the bond, before some officer having authority to administer oaths generally. If the officer has an official seal it shall be affixed, otherwise the proper certificate as to his official character shall be furnished.

9. The certificate of sufficiency shall be signed by an officer of a bank or trust company, or by a judge or clerk of a court of record, or any other officer of the United States or the State of _____ acceptable to the Local Authority.

10. The date of the bond must not be prior to the date of the instrument for which it is given.

GENERAL CONDITIONS

(For use where the Architect is
to supervise construction)

1. Definitions. Wherever used in any of the contract documents, the following meaning shall be given to the terms herein defined:

(A) The "Contract" means the contract executed by the Local Authority and the Contractor of which these General Conditions form a part. The entire list of Contract Documents is set forth in the contract form.

(B) The terms "Local Authority" and "Contractor" mean the respective parties to the contract.

(C) The term "USHA" means the United States Housing Authority, an agency and instrumentality of the United States of America created by the United States Housing Act of 1937 (Public No. 412-75th Congress), which (subject to the provisions of a certain Loan Contract, dated _____, between the Local Authority and the USHA) has agreed to purchase certain obligations of the Local Authority to aid in financing the work to be performed under the Contract.

(D) The "Architect" is the person, firm or corporation under contract with the Local Authority for architectural services related to the work.

(E) The term "Construction Adviser" means the person designated by the Administrator of the USHA to perform certain functions in connection with the Loan Contract between the USHA and the Local Authority.

(F) The term "Project" means the housing project, the construction work for which is contemplated in whole or in part under this contract.

(G) The "Drawings" refer to the drawings enumerated in the Specification and the specifications refer to the detailed description of the work.

(H) The Specification is comprised of the following:

Advertisement for bids; bid form, together with forms of bid bond, affidavit, and statement of contractor's qualifications; instructions to bidders; contract form; the performance bond form; general conditions; schedule of drawings; alternates and detailed specifications.

2. Changes in the Work.

- (a) The Local Authority may make changes in the work of the Contractor by making alterations therein or by making additions thereto or by omitting work therefrom, without invalidating the Contract, and without relieving or releasing the Contractor from any guarantee given by him pursuant to the provisions of the Contract, and without affecting the validity of the guaranty bonds, and without relieving or releasing the Sureties of said bonds. All such work shall be executed under the conditions of the original Contract.
- (b) Every change in the work of the Contractor involving a change in the Contract Price shall be broken down to indicate the amounts included therein for dwelling and non-dwelling facilities as the same are defined in U.S.H.A. Bulletin No. 4 on Policy and Procedure, revised June 30, 1939. This break down is to be used for statistical purposes only.
- (c) Except for minor modifications in the work not involving extra cost or additional time and not inconsistent with the purposes of the Project, and except in an emergency endangering life or property, no extra work or change shall be made unless in pursuance of a written order from the Local Authority countersigned by the Architect authorizing the extra work or change, and no claim for an addition to the contract amount shall be valid unless so ordered.
- (d) No order for any changed or extra work involving more than One Thousand Dollars (\$1,000) shall be valid unless, in addition to the counter-signature of the Architect, the order is accompanied by evidence that it has been submitted to and approved by the Construction Adviser. In any change involving the substitution of one type, kind, or design of work for another or one material for another, the cost of the change shall be considered as involving more than One Thousand Dollars (\$1,000), if either (a) the value of the work or materials omitted, or (b) the value of the work or materials substituted exceeds One Thousand Dollars (\$1,000). In no event shall the Local Authority order changes or extras which will, together with the cost of all previous changes or extras increase the contract price in an aggregate amount exceeding 2% of the original contract price without the prior written approval of the Construction Adviser.
- (e) The value for the change ordered shall be determined in one of the following methods prior to the issuance of the order for the extra or changed work. The Local Authority will decide which of the methods shall be used.
- i. The order shall fix the total lump sum value of the change in the work of the Contractor and shall set out the price which shall be added to or deducted from the contract price, and the number of days, if any, which are to be added to the Time for Completion.

ii. By ascertaining the number of unit quantities of each part of the work which is changed and then multiplying the ascertained number of such unit quantities by the price for a unit quantity thereof.

iii. By ordering the Contractor to proceed with the work and to keep and present in such form as the Architect may direct a correct account of the cost of the extra or change work together with all vouchers therefor. This authorization shall fix an amount which the Contractor guarantees the actual cost of the change will not exceed.

(f) In the event that the Contractor is ordered to proceed in accordance with either Method ii or iii, there shall be added to such cost an allowance for overhead and profit of 15% to the Contractor on all work which he himself performs; 15% shall be allowed to the Subcontractor for his overhead and profit on all work which he does, and an additional 15% to the Contractor for work done by the subcontractor and superintended by the Contractor. These percentages shall apply to the net additions of any one change. (No percentages will be allowed on items of insurance and taxes.) If deductions are ordered the credits shall be the net cost.

(g) Should the Contractor or the Local Authority encounter during the process of the work sub-surface or latent conditions at the site materially differing from those shown on the drawings or indicated in the Specifications, the attention of the Architect shall be called immediately to such conditions before they are disturbed. If the Architect finds that they materially differ from those shown on the Drawings or indicated in the Specifications, he shall at once make such changes in the drawings or specifications as he may find necessary and any increase or decrease in cost or extension of time resulting from such changes shall be adjusted in the same manner as provided for changed or extra work, provided the proper written order signed by the Local Authority and countersigned by the Architect (and if the amount involves more than One Thousand Dollars (\$1,000), or if the change, together with all previous changes, increases the contract price in an aggregate amount of 2% of the original contract price, evidence that the Construction Adviser has approved the same) has been received.

3. Claims for Extra Cost. If the Contractor claims that any instructions by drawings or otherwise involve extra cost or an extension of time, he shall give the Local Authority written notice thereof within ten days after the receipt of such instructions and in any event before proceeding to execute the work. The procedure shall then be the same as provided for in Changes in the Work. No such claim shall be valid unless so made.

4. Inspection. (A) All material and workmanship (if not otherwise designated by the specifications) shall be subject to inspection, examination, and test by the Local Authority and the Architect at any and all times during manufacture or construction and at any and all places where such manufacture or construction are carried on. The Local

Authority shall have the right to reject defective material and workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected. Rejected material shall be promptly segregated and removed from the premises and satisfactorily replaced with proper material without charge therefor. If the Contractor fails to proceed at once with the correction of rejected defective material or workmanship, the Local Authority may by contract or otherwise have the defects remedied or rejected materials removed from the site and charge the cost of the same against any moneys which may be due to Contractor, without prejudice to any other rights or remedies of the Local Authority in the premises.

(B) The Contractor shall furnish promptly without additional charge, all materials reasonably necessary for any tests that may be required. All tests by the Local Authority shall be performed in such manner as not to unnecessarily delay the work and unless otherwise provided for shall be made at the expense of the Local Authority. Special, full size, and performance tests shall be as described in the specifications. The contractor shall be charged with any costs of additional tests when the material tested does not meet specifications.

(C) If any work be covered up without approval or consent of the Architect or the Local Authority, it must, if requested by the Architect or Local Authority be uncovered at the expense of the Contractor. Should it be considered necessary or advisable by the Local Authority at any time before final acceptance of the entire work to make an examination of work already completed, by removing or tearing out same, the Contractor shall on request promptly furnish all necessary facilities, labor, and material. If such work is found to be defective in any material respect, due to fault of the Contractor or his subcontractors, he shall defray all the expenses of such examination and of satisfactory reconstruction. If, however such work is found to meet the requirements of the contract, the actual cost of labor and material necessarily involved in the examination and replacement, plus 15 per cent, shall be allowed the Contractor and he shall, in addition, if completion of the work has been delayed thereby, be granted a suitable extension of time on account of the additional work involved.

(D) Inspection of material and finished articles to be incorporated in the work at the site shall be made at the place of production, manufacture, or shipment, whenever the quantity justifies it, unless otherwise stated in the specifications; and such inspection and acceptance, unless otherwise stated in the specifications, shall be final, except as regards (i) latent defects, (ii) departures from specific requirements of the contract and the specifications and drawings made a part thereof, (iii) damage or loss in transit, or (iv) fraud or such gross

mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of material and workmanship for final acceptance as a whole or in part shall be made at the site.

5. Final Inspection. When the work is substantially completed the Contractor shall notify the Local Authority (in writing) that the work will be ready for final inspection on a definite date which shall be stated in such notice. Such notice shall be given at least 10 days prior to the date stated for final inspection.

6. Review by USHA. The USHA and its authorized representatives and agents shall, at all times, have access to and be permitted to observe and review all work, materials, pay rolls, records of personnel, conditions of employment, invoices of materials, and other relevant data and records; provided, however, that all instructions and approvals with respect to the work shall be given to the Contractor only by the Local Authority or the Architect.

7. General Guaranty. (A) Neither the final certificate of payment nor any provision in the Contract Documents nor partial or entire use or occupancy of the premises by the Local Authority shall constitute an acceptance of work not done in accordance with the Contract Documents or relieve the Contractor of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The Contractor shall remedy any defects in the work and pay for any damage to other work resulting therefrom which shall appear within a period of one year from the date of final acceptance unless a longer period is specified. The Local Authority will give notice of observed defects with reasonable promptness.

8. Deduction for Uncorrected Work. If the Local Authority deems it inexpedient to require the Contractor to correct work injured or not done in accordance with the Contract Documents, an equitable deduction from the Contract Price shall be made by agreement between the Contractor and the Local Authority subject to settlement, in case of dispute, as hereinafter provided.

9. Materials and Workmanship. Unless otherwise specifically provided for in the specification, all workmanship, equipment, materials, and articles incorporated in the work covered by this contract are to be of the best grade of their respective kinds for the purpose. Where equipment, materials, or articles are referred to in the specifications as "equal to" any particular standard, the Architect shall decide the question of equality. The Contractor shall furnish to the Architect for his approval the name of the manufacturer of machinery, mechanical and other equipment, which he contemplates installing, together with their respective performance capacities and other pertinent information. When required by the specifications, or when called for by the Architect, the

Contractor shall furnish the Architect for approval full information concerning the materials or articles which he contemplates incorporating in the work. Samples of materials shall be submitted for approval when and as directed. Machinery, equipment, materials, and articles installed or used without such approval shall be at the risk of subsequent rejection.

The Local Authority or the Architect may require the Contractor to dismiss from the work such employee or employees as the Local Authority or Architect deems incompetent, careless, insubordinate, or otherwise objectionable.

10. Superintendence by Contractor. The Contractor shall give his personal superintendence to the work or have a competent superintendent, satisfactory to the Local Authority or the Architect, on the work at all times during progress with authority to act for him. The Contractor shall also provide an adequate staff for the proper coordination and expediting of his work.

The Contractor shall lay out his own work and he shall be responsible for all lines, elevations, and measurements of the building, grading, paving and other work executed by him under the contract. He must exercise proper precaution to verify the figures shown on the drawings before laying out the work and will be held responsible for any error resulting from his failure to exercise such precaution.

11. Right of Local Authority to Terminate Contract. If the Contractor should be adjudged a bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he should persistently or repeatedly refuse or fail to supply enough properly skilled workmen or proper materials, or if he should fail to make prompt payment to his employees or his subcontractors, or persistently disregard instructions of the Local Authority or Architect or fail to observe or perform the provisions of the Contract Documents, or otherwise be guilty of a substantial violation of any provision of the Contract Documents, then the Local Authority may, by at least five days prior written notice to the Contractor, without prejudice to any other rights or remedies of the Local Authority in the premises, terminate the Contractor's right to proceed with the work. In such event, the Local Authority may take over the work and prosecute the same to completion, by contract or otherwise, and the Contractor and his sureties shall be liable to the Local Authority for any excess cost occasioned to the Local Authority thereby; and in any such case the Local Authority may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. The foregoing provisions are in addition to, and not in limitation of the rights of the Local Authority under any other provisions of the contract documents.

12. Delays--Damages. If the Contractor refuses or fails to prosecute the work, or any separate part thereof, with such diligence as will insure its completion within the time specified or any extension thereof, or fails to complete said work within such time, the Local Authority may, by written notice to the Contractor, terminate his right to proceed with the work or such parts of the work as to which there has been delay. In such event the Local Authority may take over the work and prosecute the same to completion, by contract or otherwise, and the Contractor and his sureties shall be liable to the Local Authority for any excess cost occasioned by the Local Authority thereby. If the Contractor's right to proceed is so terminated, the Local Authority may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. If the Local Authority does not terminate the right of the Contractor to proceed, the Contractor shall continue the work, in which event the actual damages for the delay will be impossible to determine and in lieu thereof the Contractor shall pay to the Local Authority as fixed, agreed, and liquidated damages for each calendar day of delay until the work is completed or accepted the amount as set forth elsewhere in the Contract Documents and the Contractor and his sureties shall be liable for the amount thereof: Provided, That the right of the Contractor to proceed shall not be terminated or the Contractor charged with liquidated damages because of any delays in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the Local Authority, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and inclement weather, or delays of subcontractors due to such causes: Provided further, That the Contractor shall within 10 days from the beginning of any such delay notify the Local Authority in writing of the causes of delay. The Architect shall ascertain the fact and the extent of the delay and the Local Authority shall extend the time for completing the work when in the judgment of the Architect the findings of fact justify such an extension. Where the cause of the delay is due to weather conditions which render the performance of work impossible, an extension of one work day will be given the Contractor for each work day lost by the Contractor because of said weather conditions.

13. Permits and Building Codes. The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as drawn and specified. If the Contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the Local Authority in writing and the Local Authority shall instruct the Contractor as to his further procedure and in the event that any change in the plans and specifications shall become necessary in order to comply with any law, ordinance, rule or regulation, and such change shall involve an increase or decrease in the cost of performance, the contract price will be adjusted as provided in section 2, Changes in the Work, of the General Conditions.

The Local Authority will arrange for the issuance, WITHOUT COST TO THE CONTRACTOR by the appropriate governmental agency, of permits for water, demolition, sidewalks, sheds, removal of abandoned water taps, sealing of house connection drains, street openings, the repaving of streets and sidewalks and all other building, electrical, plumbing and heating permits necessary under any rule or regulation of the City or any of its agencies and the Contractor shall not include in his bid price the cost of any such permits nor shall he include therein any inspection fees which might otherwise be charged by the City Government or any of its departments or agencies. The Contractor, however, shall make all necessary applications for the securing of any such required permits and shall attend the office of the issuing department or agency and shall receive all such permits before commencing work.

14. Care of the Work. (A) The Contractor shall be responsible for all damages to persons or property that occur as a result of his fault or negligence in connection with the prosecution of the work and shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance, whether or not the same has been covered by partial payments made by the Local Authority.

(B) The Contractor shall provide sufficient competent watchmen, both day and night, including Saturdays, Sundays, and Holidays, from the time work is commenced until final completion and acceptance.

(C) In an emergency affecting the safety of life or property, including adjoining property, the Contractor, without special instructions or authorization from the Local Authority, is authorized to act at his discretion to prevent such threatened loss or injury, and he shall so act, if instructed to do so by the Local Authority or the Architect. Any compensation claimed by the Contractor on account of such emergency work shall be determined by the Architect subject to arbitration in case of dispute, as provided in the Contract Documents.

(D) The Contractor shall take adequate precautions to protect existing sidewalks, curbs, pavements, utilities, adjoining property, etc., and to avoid damage thereto, and he shall at his own expense completely repair any damage thereto caused by his operations.

(E) Wherever required by law, the Contractor shall shore up, brace, underpin and protect as may be necessary, all foundations and other parts of all existing structures adjacent and adjoining the site which are in any way affected by the excavations or other operations connected with the completion of this project. Whenever any notice is required to be given by the Local Authority or the Contractor to any adjoining or adjacent landowner or other party before commencement of any work, such notice shall be given by the Contractor. The Contractor shall indemnify the Local Authority and save it harmless from any damages on account of settlements or the loss of lateral support of adjoining property and from all loss or expense and all damages for which the Local Authority may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.

15. Other Contracts. The Local Authority may award other contracts for additional work, and the Contractor shall fully co-operate with such other contractors and carefully fit his own work to that provided under other contracts as may be directed by the Local Authority. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractors.

16. Mutual Responsibility of Contractors. If, through acts of neglect on the part of the Contractor, any other contractor or any subcontractor shall suffer loss or damage on the work, the Contractor agrees to settle with such other contractor or subcontractor by agreement or arbitration, if such other contractor or subcontractor will so settle. If such other contractor or subcontractor shall assert any claim against the Local Authority on account of any damage alleged to have been so sustained, the Local Authority shall notify the Contractor, who shall defend at his own expense any suit based upon such claim, and, if any judgment or claims against the Local Authority shall be allowed, the Contractor shall pay or satisfy such judgment or claim and pay all costs and expenses in connection therewith.

17. Disputes. All disputes concerning questions arising under Sections 35 to 53, inclusive, of these General Conditions shall be decided by the Local Authority and the Local Authority's decision thereon shall be final and binding, except as otherwise specifically provided in this contract.

All other disputes arising under this contract shall be decided by the Architect subject to arbitration as hereinafter provided. If either the Local Authority or the Contractor shall request arbitration of any such dispute, notice of the demand for arbitration shall be filed in writing with the Architect and the other party to the contract. Such notice shall be filed within ten days from the decision or demand concerning which arbitration is requested. In the event no such request for arbitration is filed, the decision or demand shall be considered as final and binding upon the other party to the contract. One arbitrator shall be appointed by the Local Authority and one arbitrator shall be appointed by the Contractor, such appointments being made in writing and communicated to the other party, and, upon receiving such communication, the party receiving the same will appoint his arbitrator and notify the other party of such appointment within a period of five days. In the event the arbitrators so appointed shall not agree within a period of ten days, then a third arbitrator, who shall be a competent and disinterested person, shall be appointed, and the decision of any two of the three arbitrators shall be conclusive. The third arbitrator shall be appointed by the two arbitrators theretofore appointed and acting, or, in case they shall not agree on such third arbitrator within a period of three days, then such third arbitrator shall be appointed by the Construction Adviser. The Construction

Adviser, however, shall in no case act as an arbitrator. Any decision of the arbitrators shall be in writing and shall be delivered to the parties immediately upon the making of such decision. The arbitrators shall have the right to retain and consult experts and competent authorities skilled in the matter or matters under arbitration. The fees, cost and expense of the arbitrators shall be borne by the party against whom the arbitration is determined, or partially by each party according to the determination if it is not entirely against one party, or, in the case of a determination by compromise, by such party or parties as may be designated by the arbitrators.

Decisions on disputes arising under Sections 35 to 53, inclusive, of the General Conditions, or questions, the final determination of which are otherwise specifically provided for in the contract, shall not be subject to arbitration.

18. Contractor. (A) Only one Contractor is recognized as a party to this Contract, and where the term "Contractor" is used the General Contractor is referred to. For convenience, the Specification has been divided into separate headings or divisions to cover the various trades represented in the work, and where subcontractors, such as "Mason Contractor", "Carpenter Contractor", and other subcontractors are referred to it has been for convenience only.

(B) It is understood that except as otherwise specifically stated in the Contract Documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, light, power, transportation, superintendence, temporary construction of every nature, all other services, facilities, and costs of every nature whatsoever necessary to execute and complete the entire work to be done under the Contract Documents and deliver it complete in every respect.

19. Drawings. (A) The general character of the detail work is shown on the Drawings, but minor modifications may be made in the full size drawings or models. The Contractor and the Architect shall from time to time prepare schedules showing the dates on which the various detail drawings will be required, and the Contractor shall not attempt to execute any part of the work requiring such drawings until he has received the same.

(B) Where the word "similar" occurs on the drawings, it shall be used in its general sense and not as meaning identical, and all details shall be worked out in relation to their location and their connection to other parts of the work.

(C) Where on any drawings a portion of the work is drawn out and the remainder is indicated in outline, the parts drawn out shall apply also to all other like portions of the work. Where ornament or other detail is indicated by starting only, such detail shall be continued throughout the courses or parts in which it occurs and shall also apply to all other similar parts in the work, unless otherwise indicated.

(D) In case of differences between small and large scale drawings, the larger scale drawing shall take precedence.

20. Ownership of Drawings and Specifications. Except the Contractor's executed set, all drawings and the Specification are the property of the Local Authority. The Local Authority will furnish the Contractor without charge forty sets of the Drawings and Specifications. Additional sets will be furnished upon request, at a cost as determined by the Local Authority. Such drawings and specifications are not to be used on other work, and those sets in usable condition shall be returned to the Local Authority, upon request, at the completion or cessation of the work or termination of the contract.

21. Shop Drawings. (A) Shop drawings of all fabricated work shall be submitted to the Architect for approval and no work shall be fabricated by the Contractor, save at his own risk, until approval has been given. The Contractor will be advised as to the exact procedure to be followed with respect to the number of prints required, where submitted, letters of transmittal, making corrections, etc. Five (5) prints of finally approved shop drawings will be required.

(B) The Contractor shall submit all shop drawings on dates sufficiently in advance of requirements to enable the Architect ample time for checking same, including time for correcting, resubmission, and recheck if necessary, and no claim for delay will be granted the Contractor by reason of his failure in this respect.

(C) All shop drawings submitted must bear the stamp of approval of the Contractor as evidence that the drawings have been checked by the Contractor. Any drawings submitted without this stamp of approval will not be considered and will be returned to the Contractor for resubmission. If the shop drawings show variations from the requirements of the Contract Documents because of standard shop practice or other reason, the Contractor shall make specific mention of such variation in his letter of transmittal in order that, if acceptable, suitable action may be taken for proper adjustment; otherwise the Contractor will not be relieved of the responsibility for executing the work in accordance with the Contract Documents even though such shop drawings have been approved.

(D) Where a shop drawing as submitted by the Contractor indicates a departure from the Contract which the Architect deems to be a minor adjustment in the interest of the Local Authority not involving a change in Contract price or extension of time, the Architect will approve the drawing but the approval will contain, in substance, the following:

The modification shown on the attached drawings is approved in the interest of the Local Authority to effect an improvement for the project and is ordered with the understanding that it does not involve any change in the

contract price or time; that it is subject generally to all contract stipulations and covenants; and that it is without prejudice to any and all rights of the Local Authority under the contract and bond or bonds.

(E) The approval of shop drawings will be general and shall not relieve the Contractor from the responsibility for adherence to the Contract, nor shall it relieve him of the responsibility for any error which may exist.

22. Reference to Materials by Name. Specific reference in the specification to any article, device, product, material, fixture, form, or type of construction, etc. by name, make or catalog number shall be interpreted as establishing a standard of quality and shall not be construed as limiting competition, and the contractor, in such cases, may at his option use any article, device, product, or material, fixture, form or type of construction, which in the judgment of the Local Authority is equal to that named.

23. Communications. (A) All notices, demands, requests, instructions, approvals, and claims must be in writing.

(B) Any notice to or demand upon the Contractor shall be sufficiently given if delivered at the office of the Contractor specified in the Bid (or at such other office as the Contractor may from time to time designate to the Local Authority in writing) or deposited in the United States mail in a sealed, postage-prepaid envelope, or if delivered, with charges prepaid, to any telegraph company for transmission, in each case addressed to such office.

(C) All papers required to be delivered to the Local Authority shall, unless otherwise specified in writing to the Contractor, be delivered to the

and any notice to or demand upon the Local Authority shall be sufficiently given if delivered to the office of said _____, or deposited in the United States mail in a sealed, postage-prepaid envelope, or delivered with charges prepaid to any telegraph company for transmission, in either of said last two cases to said _____ at such address, or to such other representative of the Local Authority or to such other address as the Local Authority may subsequently specify in writing to the Contractor for such purpose.

(D) Any such notice shall be deemed to have been given as of the time of actual delivery or (in the case of mailing) when the same should have been received in due course of post or (in the case of telegrams) at the time of actual receipt, as the case may be.

24. Temporary Heating. (A) The Contractor shall provide temporary heating, covering, and enclosures as necessary and to the satisfaction of the Local Authority to protect all work and material against damage by dampness and cold and facilitate completion of the work.

Temporary heating, covering, enclosures, and ventilation, shall be provided as required to dry out the buildings properly.

(B) The Contractor shall supply such heating equipment as may be required. He may utilize, with the approval of the Local Authority, the heating equipment to be installed under the Contract Documents, or such portions thereof as are ready and available, provided that he shall leave the same in proper and acceptable condition upon completion of the work. The fuel, equipment, and method of heating shall be at all times satisfactory to the Local Authority.

25. Temporary Toilet Accommodations. The Contractor shall furnish, install and maintain ample sanitary facilities for the workmen; toilets shall be placed at the time work starts. These temporary toilet facilities shall be placed where directed by the Local Authority and maintained as required by the local health ordinances. He shall provide the necessary temporary enclosures to accommodate the toilets. The toilets shall be maintained in a sanitary condition and contents removed from premises as often as required.

26. Removal of Debris, Cleaning, etc. The Contractor shall, as directed during the progress of the work, remove and properly dispose of the resultant dirt and debris, and keep the premises reasonably clear. Upon completion of the work he shall remove all equipment and unused materials provided for the work, and put the buildings and premises in a neat and clean condition, and do all cleaning and washing required by the Specification.

27. Use of Premises. (A) The Contractor shall confine his apparatus storage of materials, and construction operations to the limits indicated by ordinances or permits, or as may be directed by the Local Authority or the Architect, and shall not unreasonably encumber the premises with his materials.

(B) The Contractor shall not load or permit any part of any structure to be loaded to such an extent as to endanger its safety.

(C) The Contractor shall enforce any instructions of the Local Authority or the Architect regarding signs, advertising, fires, danger signals, barricades, and smoking.

28. Subcontracts. (A) The Contractor shall not award any work to any subcontractor without prior written approval of the Architect, which approval will not be given until the Contractor submits to him a written

statement concerning the proposed award to the subcontractor, the statement to contain such information as the Architect shall require.

(B) The Contractor shall be as fully responsible to the Local Authority for the acts and omissions of subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

(C) The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work to bind subcontractors to the Contractor by the terms of the General Conditions and other Contract Documents in so far as applicable to the work of subcontractors and to give the Contractor the same power as regards terminating any subcontract that the Local Authority may exercise over the Contractor under any provisions of the Contract Documents.

(D) Nothing contained in the Contract Documents shall create any contractual relation between any subcontractor and the Local Authority.

29. Fitting and Co-ordination of the Work. The Contractor shall be responsible for the proper fitting of all work and for the co-ordination of the operations of all trades, subcontractors, or materialmen engaged upon the work. He shall be prepared to guarantee to each of his subcontractors the dimensions which they may require for the fitting of their work to all surrounding work and shall do, or cause his agents to do, all cutting, fitting, adjusting, and patching necessary to make the several parts of the work come together properly and to fit the work to receive, or be received by, that of other Contractors.

30. Patents. The Contractor shall hold and save the Local Authority, its officers, and employees, harmless from liability of any nature or kind, including costs 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 Local Authority, unless otherwise specifically stipulated in the Contract Documents.

31. Warranty of Title. No material, supplies, or equipment for the work shall be purchased subject to any chattle mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. The Contractor warrants good title to all materials, supplies, and equipment installed or incorporated in the work and agrees upon completion of all work to deliver the premises together with all improvements and appurtenances constructed or placed thereon by him to the Local Authority free from any claims, liens, or charges and further agrees that neither he nor any

person, firm or corporation furnishing any material or labor for any work covered by this contract shall have any right to a lien upon the premises or any improvement or appurtenance thereon, provided that this shall not preclude any contractor from installing metering devices and other equipment of utility companies or of municipalities, the title to which is commonly retained by the utility company or the city. In the event of the installation of any such metering device or equipment, the contractor shall advise the Local Authority as to the owner thereof. Nothing contained in this paragraph, however, shall defeat or impair the right of such persons furnishing materials or labor under any bond given by the Contractor for their protection or any rights under any law permitting such persons to look to funds due the Contractor in the hands of the Local Authority. The provisions of this paragraph shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing materials for the work when no formal contract is entered into for such materials.

32. Construction Schedule and Periodical Estimates. Immediately after execution and delivery of the contract, the Contractor shall deliver to the Local Authority a building progress schedule in form satisfactory to the Local Authority showing the proposed dates of commencement and completion of each of the various subdivisions of work required under the contract documents and the anticipated amount of each monthly payment that will become due the Contractor in accordance with the progress schedule. The Contractor shall also furnish on forms to be supplied by the Local Authority, (1) a detailed estimate giving a complete breakdown of the contract price and (2) periodical itemized estimates of work done for the purposes of making partial payments thereon. The values employed in making up any of these schedules will be used only for determining the basis of partial payments and will not be considered as fixing a basis for additions to or deductions from the contract price.

33. Payments to Contractor. (A) Partial payments will be made as the work progresses on not later than the fifteenth day of each calendar month for work done during the preceding calendar month on estimates certified to by the Architect and signed by the Local Authority. In preparing estimates the material delivered on the site and preparatory work done may be taken into consideration. Estimates for monthly payments must be submitted at least ten (10) days in advance of the date set for payment.

(B) In making such partial payments for the work there shall be retained 10% of the estimated amount until final completion and acceptance of all work covered by the contract: Provided, however, that after 50% of the work has been completed, if the Architect certifies that satisfactory progress is being made, the Local Authority shall make the remaining partial payments in full for the work subsequently completed.

(C) All material and work covered by partial payments made shall thereupon become the sole property of the Local Authority, but this provision shall not be construed as relieving the Contractor from the sole responsibility for the care and protection of materials and work

upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Local Authority to require the fulfillment of all terms of the contract.

(D) Upon completion and acceptance of all work required hereunder, the amount due the contractor under this contract shall be paid upon certification by the Architect and approval by the Local Authority, after the contractor shall have furnished the Local Authority with a release, if required, of all claims against the Local Authority arising under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein, provided, the amounts of such excepted claims are not included in the voucher for final payment.

The Local Authority may before making any payment require the Contractor to furnish releases or receipts from all persons performing work and supplying material to the Contractor, if the Local Authority deems the same necessary in order to protect its interest. The Local Authority, however, may make payment in part or in full to the Contractor without requiring the furnishing of such releases or receipts and any payments so made shall in nowise impair the obligations of any surety or sureties on any bond or bonds furnished under this contract.

The Local Authority may withhold from any payment otherwise due the Contractor so much as may be necessary to protect the Local Authority against any claims that may be urged against the Local Authority and if it so elects may also withhold any amounts due from the Contractor to any subcontractors or materialmen, for labor or material furnished by them. The foregoing provisions shall be construed solely for the benefit of the Local Authority and shall not require the Local Authority to determine or adjust any claims or disputes between the Contractor and his subcontractors or materialmen, or to withhold any moneys for their protection unless the Local Authority elects so to do. The failure or refusal of the Local Authority to withhold any moneys from the Contractor shall in nowise impair the obligations of any surety or sureties under any bond or bonds furnished under this contract.

34. Office Facilities. The Contractor shall maintain during the construction of the Project adequate facilities at the site thereof for the use of the Local Authority's representatives, the Architect, the Construction Adviser and such other agents or representatives of the USHA as may be assigned to the review of the Project.

(There should be here specified in some detail the facilities required by the Local Authority, the Architect and the USHA.)

35. Signs. The Contractor shall erect on the site of the Project at points and in positions to be designated by the Local Authority (with the concurrence of the Construction Adviser), _____ signs bearing the following legend: _____ (number)

(Name of Local Authority)

LOW RENT HOUSING PROJECT

UNITED STATES HOUSING AUTHORITY

PROJECT NO. _____

(The material, size, color, etc. and number of signs should be specified.)

36. Convict-Made Materials. No materials manufactured or produced in a penal or correctional institution shall be incorporated in the project under this contract.

37. Domestic and Foreign Materials. Except for materials listed in this section, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States of America, and only such manufactured articles, materials, and supplies as have been manufactured in the United States of America substantially all from articles, materials, or supplies, mined, produced or manufactured, as the case may be, in the United States of America, shall be employed under this contract in the construction of the project.

The following materials have been exempted by the USHA from the foregoing provision:

cork	hemp
jute	mica
rubber	flax
carnauba wax	asbestos
antimony	tungsten
tin	chromium
nickel	manganese ore 35% and over
natural nickel alloys	titanium
sisal	

38. Accident Prevention. Precaution shall be exercised at all times for the protection of persons and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded in accordance with the safety provisions of the Manual of Accident Prevention in Construction, published by the Associated General Contractors of America, to the extent that such provisions are not in contravention of applicable law.

39. Wage Rates. (A) The Contractor and each Subcontractor shall pay to all architects, technical engineers, draftsmen, technicians, laborers and mechanics, engaged under this contract in work on or about the site of the project, not less than the wages or fees prevailing in the locality of the Local Authority, as determined or adopted [subsequent to a determination under applicable State (or territorial) law] by the USHA.

(B) A statement of all wages or fees so determined or adopted and all authorized deductions, if any, from unpaid wages or fees actually earned and the hours of work established pursuant to the provisions of Section 41, shall be posted at appropriate conspicuous points on the site of the Project. If any Contractor or Subcontractor finds it necessary or desirable to exceed the wage rates specified, any expense incurred by the Contractor or Subcontractor because of payment of wages in excess of those specified, shall not be cause for any increase in the amount payable under this contract. The Local Authority will not consider any claim for additional compensation made by the Contractor or any Subcontractor because of such payments.

(C) The following minimum wage rates have been determined and adopted in accordance with the foregoing provisions and not less than the rates as listed herein shall be paid to the following trades and occupations.*

Classification:	Rate per hour
Air Compressor Operators	_____
Air Hammer Operators	_____
Asbestos Workers	_____
Asbestos Workers' Helpers	_____
Asbestos Workers Improvers	_____
Asphalt Rakers	_____
Asphalt Tampers and Smoothers	_____
Blacksmiths	_____
Blacksmiths' Helpers	_____
Boilermakers	_____
Boilermakers' Helpers	_____
Bricklayers	_____
Bricklayers' Apprentices 1)	_____
2) year	_____
Brick Pavers 3)	_____
Brick Tenders	_____
Burners (Oxyacetylene)	_____
Carpenters	_____
Carpenters' Apprentices 1)	_____
2) year	_____
3)	_____

* This list must be amended to cover each particular contract.

Classification:

Rate per hour

Cement Finishers	_____
Curb Setters - Stone	_____
Dampproofers	_____
Electrical Lineman	_____
Electricians	_____
Electricians' Helpers (Apprentices)	_____
Elevator Constructors	_____
Elevator Constructors' Helpers	_____
Engineers	_____
Engineers' Apprentices	_____
Firemen	_____
Glaziers	_____
Granite Cutters	_____
Hod Carriers	_____
Ironworkers - Ornamental and Bronze	_____
Ironworkers - Structural	_____
Ironworkers' Apprentices - Structural	_____
Laborers - Common (Paving)	_____
Laborers - Concrete (Paving)	_____
Laborers - Building	_____
Lathers - Metal	_____
Lathers - Wood	_____
Linoleum Layers	_____
Marble Masons, Slate and Structural Glass Workers	_____
Marble Masons, Slate and Structural Glass Workers' Helpers	_____
Mosaic and Terrazzo Workers	_____
Mosaic and Terrazzo Workers' Helpers	_____
Oilers and Greasers	_____
Operators - Cement and Concrete Mixer (Under 21E)	_____
Operators - Cement and Concrete Mixer (21E and Over)	_____
Operators - Crane, Clamshell, Drag Line	_____
Operators - Derrick	_____
Operators - Trenching Machine	_____
Operators - Backfilling Machine	_____
Operators - Bulldozer	_____
Operators - Hoist (Enginemen) - One Drum	_____
Operators - Hoist (Enginemen) - Two Drum	_____
Operators - Machine Road Grader	_____
Operators - Power Shovel (Enginemen)	_____
Operators - Trucks	_____
Operators - Pile Drivers	_____
Operators - Roller Road	_____
Operators - Pumps	_____
Operators - Tractor 50 H.P. and under	_____
Operators - Tractor over 50 H.P.	_____
Painters and Decorators	_____
Painters - Steel Painting	_____
Plasterers	_____
Plasterers' Apprentice	1) _____
	2) year _____
	3) _____
Plasterers' Laborers and Tenders	_____
Plumbers	_____
Plumbers' Apprentices	_____
Reinforcing Steel Setters - Building	_____
Reinforcing Steel Setters - Paving	_____
Rock Blasters	_____

Classification:

Rate per hour

Rock Drillers		_____
Rock Powdermen		_____
Roofers - Composition		_____
Roofers - Composition - Kettlemen		_____
Roofers - Composition - Apprentices		_____
Roofers - Slate and Tile		_____
Sewermen		_____
Sheet Metal Workers		_____
Sheet Metal Workers' Apprentices	1)	_____
	2) Yrs.	_____
	3)	_____
Sheet Metal Workers' Helpers		_____
Sprinkler Fitters		_____
Sprinkler Fitters' Helpers		_____
Steam Fitters		_____
Steam Fitters' Apprentices	1)	_____
	2) Yrs.	_____
	3)	_____
Steam Fitters' Helpers		_____
Stone Masons		_____
Stone Masons' Helpers		_____
Teamsters		_____
Tile Layers		_____
Tile Layers' Helpers		_____
Watchmen		_____
Water Boys		_____

Architectural and Engineering

Rate Per Day or Per Week

Electrical Engineer
 Mechanical Engineer
 Asst. Engr. (Chief Draftsman)
 Junior Engineer
 Draftsman

Land Surveying

Field Engineer
 Chief of Party
 Transitman
 Rodman

(D) If after the award of the contract, it becomes necessary to employ any person in a trade or occupation not herein listed, such person shall be paid not less than such hourly rate or wage as shall be approved by the United States Housing Authority, and such minimum wage rates shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Local Authority of his intention to employ persons in trades or occupations not listed herein in sufficient time for the Local Authority to obtain wage rates for such trades.

40. Weekly Payments. Every employee of the contractor or a sub-contractor shall be paid in full less deductions made mandatory by law not less often than once each week and in lawful money of the United States, or by check if the Contractor provides or secures convenient and satisfactory facilities approved by the Local Authority for the changing of the same without cost or expense to the employee, in the full amount accrued to each individual at the time of closing of the pay roll, which shall be at the latest date practicable prior to the date of payment, and there shall be no deductions or rebates on account of goods purchased, rent, or other obligations, but such obligations shall be subject to collection only by legal process.

41. Hours of Work. Except in

(i) Emergencies, which are defined as unforeseen occurrences and combinations of circumstances involving the public welfare or the protection of work already done on the Project or which endanger life or property and call for immediate action or remedy; or

(ii) Special and unusual circumstances rendering it infeasible or impracticable to require adherence to the applicable limitations of hours herein set forth,

skilled, semiskilled, and unskilled workers employed in the development of the Project shall not be permitted to work thereon more than 8 hours per day nor more than 40 hours per week, nor shall clerical or other nonmanual workers be permitted to work thereon more than 48 hours per week, nor shall architects, technical engineers, draftsmen, and technicians employed on a salary or time basis be permitted to work more than _____ hours per week. Provided, that the limitations herein set forth shall not apply to executive, supervisory and administrative employees, as such. Where emergencies or special and unusual circumstances exist, the Local Authority will require that at least time and a half be paid for hours of work in excess of the limits prescribed above. In the event there is a State or local law applicable to any or all of the foregoing classes of employees prescribing hours of work not in excess of the hours above prescribed, the contractor shall require that, in lieu of the above requirements applicable to such class or classes, the State or local law be complied with.

42. Claims and Disputes Pertaining to Classification of Labor. Where there is a State or Territorial law requiring the determination of claims and disputes pertaining to the classification of labor employed on the Project, such claims and disputes will be handled in accordance with such law. In the absence of such law, claims and disputes pertaining to the classification of labor employed on the Project will be decided by the Local Authority: Provided, that instead of such claims and disputes being decided by the Local Authority, both the parties concerned may, if they so agree and if the Local Authority also agrees, submit such claims and disputes to the USHA for decision.

43. Qualifications for Employment. No persons under the age of sixteen (16) years and no convict labor shall be employed in the development of the Project. No person whose age or physical condition is such as to make his employment dangerous to his health or safety or to the health and safety of others shall be employed in the development of the Project: Provided, that this shall not operate against the employment of physically handicapped persons, otherwise employable, where such persons may be safely assigned to work which they can ably perform. There shall be no discrimination because of race, creed, color, or political affiliations, in the employment of persons for work on the Project.

44. Collective Bargaining. All employees engaged in the development of the Project shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection. The Contractor (including any Subcontractor and any person acting in his or their behalf, directly or indirectly) shall not interfere with, restrain or coerce such employees in the exercise of such rights; shall not dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it; shall not discharge or otherwise discriminate against any employee because he has filed charges or given testimony that the Contractor, or any subcontractor has violated any of the terms of their contracts; shall not refuse to bargain collectively with the representatives of their employees; shall not, by discrimination in regard to hire or tenure of employment or any term or condition of employment encourage or discourage membership in any labor organization; Provided, that nothing herein contained shall preclude the Contractor or any subcontractor from making an agreement with a labor organization to require, as a condition of employment, membership, therein, if such labor organization is the representative of the Contractor's or subcontractor's employees, and if the Contractor or subcontractor has not participated in its formation or administration or assisted it by financial or other support.

45. Persons Entitled to Benefits of Labor Provisions. The contractor and each subcontractor shall extend to every person who performs for him the work of a laborer or a mechanic on the Project, or on any part thereof, the benefits of the labor and wage provisions of this contract regardless of any contractual relationship between the contractor and such laborer or mechanic, or between any subcontractor and such laborer or mechanic.

46. Contract Security. The Contractor shall furnish a surety bond (form attached) in an amount at least equal to 50 per cent of the contract price as security for the faithful performance of this contract and for the payment of all persons performing labor and furnishing materials in connection with this contract.

47. Insurance. (A) The Contractor shall provide adequate workmen's compensation insurance for all labor employed on the Project who may come within the protection of such laws and shall provide, where practicable, employers' general liability insurance for the benefit of his employees not protected by such compensation laws, and proof of such insurance satisfactory to the Local Authority shall be given. Said insurance shall be written with such company as may be acceptable to the Local Authority and the policy shall be submitted to the Local Authority for examination. Satisfactory certificates of said insurance shall be filed with the Local Authority in duplicate prior to the commencement of operations by the Contractor. The Contractor will be charged with the responsibility for proper and adequate workmen's compensation coverage for all his subcontract operations, and in the event the Contractor's policy does not cover each and every subcontractor, certificates of insurance issued on policies by companies that may be acceptable to the Local Authority covering each and every subcontractor shall be filed with the Local Authority prior to the Commencement of such subcontract operations.

(B) The Contractor shall also carry manufacturers and contractors public liability insurance against injury to members of the public from accidents which may arise from operations performed under the Contract. Such insurance shall be in the amount of \$20,000 for the injury of one person in one accident, and \$40,000 to any number of persons in one accident. The insurance shall be placed with such company as may be acceptable to the Local Authority. The policy shall be submitted to the Local Authority for examination and satisfactory certificates of said insurance shall be filed with the Local Authority in duplicate prior to the commencement of operations by the Contractor. The Contractor will be charged with the responsibility for similar public liability protection for all his subcontract operations, and in the event that the Contractor's policy does not cover each and every subcontractor, certificates of insurance issued on policies by companies that may be acceptable to the Local Authority covering each and every subcontractor shall be filed with the Local Authority prior to the commencement of such subcontract operations.

(C) The Contractor shall effect and maintain builder's risk insurance against loss by fire, lightning, windstorm, cyclone, tornado, and hail, explosion, riot, riot attending a strike, aircraft, smoke and vehicle damage, upon all work in place and all materials stored at the building site, whether or not covered by partial payments made by the Local Authority. This insurance shall be in an amount equal to the full insurable value thereof at all times and shall be for the benefit of the Local Authority, the Contractor, and each subcontractor as their interest may respectively appear. This insurance shall be placed with such company or companies and where practicable reinsured with such other company or companies as may be acceptable to the Local Authority. The Local Authority shall be furnished with a certified copy of the policy and with certificates of said insurance, in duplicate, as soon after the work has started as is practicable and in any event prior to the issuance of the first certificate for partial payment under the Contract. Each month,

during the life of the Contract, the Contractor shall furnish, to the Local Authority certification in duplicate by the insurer evidencing the fact that the policy (or policies) remains in force and stating the basis upon which the monthly premiums are based.

(D) In the event the form of any policy or certificate, or the amount of the insurance or the companies writing same are not satisfactory to the Local Authority, the Contractor will secure other policies or certificates in form and amount, and with companies satisfactory to the Local Authority. The Contractor shall not cause any policies to be cancelled or permit them to lapse, and all insurance policies shall include a clause to the effect that the policy shall not be subject to cancellation or to a reduction in the required limits of liability or amounts of insurance until notice has been mailed to the Local Authority stating when, not less than 10 days thereafter, such cancellation or reduction shall be effective. All certificates of insurance shall contain true transcripts from the policy, authenticated by the proper officer of the insurer, evidencing in particular those insured, the extent of the insurance, the location and operations to which the insurance applied, the expiration date and the above mentioned notice of cancellation clause.

48. Reports to U. S. Department of Labor. The Contractor shall furnish to the United States Department of Labor, as early as practicable, the names and addresses of all of his subcontractors. The Contractor and each subcontractor shall report monthly to said Department no later than the 5th day following the close of each calendar month, on forms furnished by said Department, the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the total man hours worked, and itemized expenditures for materials.

49. Pay Rolls. The Contractor and each subcontractor shall prepare his pay roll on forms prescribed by the USHA and in accordance with instructions to be furnished with these forms. The forms will be furnished by the USHA through the Local Authority. Not later than the 7th day following the payment of the wages, each such contractor shall submit to the Local Authority for transmittal to the USHA, a certified legible copy of each such pay roll duly sworn to in accordance with the "Regulations Issued Pursuant to So-Called Kick-Back Statute" which Regulations are set forth in the next following paragraph. An additional conformed copy of each such pay roll shall be furnished for the Local Authority's records.

50. Kick-Back Statute and Regulations.

- (1) The so-called Kick-Back Statute is Public, No. 324, Seventy-third Congress, approved June 13, 1934 (48 Stat. 948), and reads as follows:

AN ACT to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes.

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That whoever shall induce any person employed in the construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof to give up any part of the compensation to which he is entitled under his contract of employment, by force, intimidation, threat of procuring dismissal from such employment, or by any other manner whatsoever, shall be fined not more than \$5,000, or imprisoned not more than five years, or both.

Section 2. To aid in the enforcement of the above section, the Secretary of the Treasury and the Secretary of the Interior jointly shall make reasonable regulations for contractors or subcontractors on any such building or work, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding week.

2. Regulations Issued Pursuant to So-Called Kick-Back Statute.
Pursuant to the provisions of Public, No. 324, Seventy-third Congress, approved June 13, 1934 (48 Stat. 948), concerning rates of pay for labor, the Secretary of the Treasury and the Secretary of the Interior have jointly made the following regulations:

Section 1. (This section quotes the Kick-Back Statute.)

Section 2. Each contractor and subcontractor engaged in the construction, prosecution, or completion of any building or work of the United States or of any building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof, shall furnish each week an affidavit with respect to the wages paid each employee during the preceding week. Said affidavit shall be in the following form:

State of _____

County of _____, ss:

I, _____ (Name the party signing affidavit),

_____ (Title), do hereby certify that I am

the employee of _____
(name of contractor or subcontractor), who supervises the payment
of the employees of said contractor (subcontractor); that the
attached pay roll is a true and accurate report of the full weekly
wages due and paid to each person employed by the said contractor
(subcontractor) for the construction of _____
(project), for the weekly pay roll
period from the _____ day of _____, 193____, to
the _____ day of _____, 193____; that no re-
bates or deductions from any wages due any such person as set out
on the attached pay roll have been directly or indirectly made;
and that, to the best of my knowledge and belief, there exists
no agreement or undertaking with any person employed on the
project, or any person whatsoever, pursuant to which it is con-
templated that I or anyone else shall, directly or indirectly,
by force, intimidation, threat or otherwise, induce or receive
any deductions or rebates in any manner whatsoever from any sum
paid or to be paid to any person at any time for labor performed
or to be performed under the contract for the above named project.

Sworn to before me this _____ day of _____, 193____.

Section 3. Said affidavit shall be executed and sworn to by the officer or employee of the contractor or subcontractor who supervises the payment of its employees.

Said affidavit shall be delivered, within seven days after the payment of the pay roll to which it is attached, to the Government representative in charge at the site of the particular project in respect of which it is furnished, who shall forward the same promptly to the Federal agency having control of such project. If no Government representative is in charge at the site, such affidavit shall be mailed within such seven-day period to the Federal agency having control of the project.

Section 4. At the time upon which the first affidavit with respect to the wages paid to employees is required to be filed by a contractor or subcontractor pursuant to the requirements of these regulations, there shall also be filed in the manner required by Section 3 hereof a statement under oath by the contractor or subcontractor, setting forth the name of its officer or employee who supervises the payment of employees, and that such officer or employee is in a position to have full knowledge of the facts set forth in the form of affidavit required by Section 2 hereof. A similar affidavit shall be immediately filed in the event of a change in the officer or employee who supervises the payment of employees. In the event that the contractor or subcontractor is a corporation, such affidavit

shall be executed by its president or a vice president. In the event that the contractor or subcontractor is a partnership, such affidavit shall be executed by a member of the firm.

Section 5. These regulations shall be made a part of each contract executed after the effective date hereof by the Government for any of the purposes enumerated in Section 2 hereof.

Section 6. These regulations shall become effective on January 15, 1935.

3. Construction of Regulations. The clause in the pay roll affidavit which reads "* * * that the attached pay roll is a true and accurate report of the full weekly wages due and paid to each person employed by the said contractor * * *" is construed to mean:

(a) Wages due are the wages earned during the pay period by each person employed by the contractor, less any deductions required by law.

(b) At the time of signing the affidavit, the wages due each employee have either been paid to him in full or are being held subject to claim by him.

(c) Such unpaid wages will be paid in full on demand of the employee entitled to receive them.

The clause "* * * that no rebates or deductions from any wages due any such person as set out on the attached pay roll have been directly or indirectly made" does not apply to any legitimate deductions mentioned above which enter into the computation of full weekly wages due.

The "Regulations Issued Pursuant to So-Called Kick-Back Statute" shall not be construed to prohibit deductions required by law.

51. Wage Claims and Adjustments. In cases of underpayment of wages by any contractor, the Local Authority will withhold from such contractor out of payments due an amount sufficient to pay persons employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the Local Authority, for and on account of the contractor, to the respective employees to whom they are due.

52. Interest of Member of Congress. No member of or delegate to the Congress of the United States of America shall be admitted to any

share or part of this contract or to any benefit to arise therefrom provided this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

53. Assignment. Neither this contract nor any part thereof shall be assigned by the Contractor to any person, firm or corporation without the prior written approval of the Local Authority to such assignment. This provision shall not preclude the Contractor from subletting parts of the work in accordance with the general practice of the building trades.