

**NOTICE TO HOME IMPROVEMENT CONTRACTORS
INVITATION TO BID
Housing Rehabilitation
Worcester County, Maryland**

The Worcester County Commissioners are currently accepting bids for rehabilitation work to be performed on a single-family home located in the Snow Hill area of Worcester County. Bid specification packages and bid forms are available to licensed Maryland Home Improvement Contractors. Packages may be picked up from the Office of the County Commissioners, Worcester County Government Center, One West Market Street - Room 1103, Snow Hill, Maryland 21863, obtained online at www.co.worcester.md.us under the "Bids" drop-down menu in the lower right hand side of the home page, or by calling the Commissioners' Office at 410-632-1194 to request a package by mail.

The projects are proposed to be funded by the Community Development Block Grant (CDBG) Program and are thus subject to all applicable Equal Opportunity and Civil Rights guidelines. **Sealed bids will be accepted until 1:00 p.m. on Monday, February 28, 2022**, in the Office of the County Commissioners at the above address at which time they will be opened and publicly read aloud. Envelopes shall be marked "**Housing Rehabilitation Bid – February 28 – Snow Hill #2**" in the lower left-hand corner. Bids will be reviewed by staff and awarded by the County Commissioners at a future meeting. In awarding the bids, the Commissioners reserve the right to reject any and all bids, waive formalities, informalities and technicalities therein, and to take whatever bids they determine to be in the best interest of the County considering lowest or best bid, quality of goods and work, time of delivery or completion, responsibility of bidders being considered, previous experience of bidders with County contracts, or any other factors they deem appropriate.

All inquiries regarding the bid specifications shall be directed to the Housing Program Inspector, Dave Walter, at 410-603-4096. All other inquiries shall be directed to **David Washington**, at 410-632-1200, ext. 1171.

Bid Submission Checklist

- Contractor Qualification Form
- Contractor Conflict of Interest Disclosure Form
- Bid Form- on your company letterhead using Worcester format
- Scope of Work with Line Item Breakdown- all lines completed and total price
- Section 3 Compliance Bid Form * if you are not a Section 3 employer and expect no new hires, check 3rd option and enter "0" new employees
- Section 3 Business Certification * if you are not Section 3 employer check bottom option; unable to certify
- Site visit: X Required Not Required
- Signed Bid Submission Checklist

Signature

Date

Please check off items submitted above, sign and include this checklist with your submission package. If you have any questions as to if a previously submitted Contractor Qualification Form has expired, please contact Davida Washington at 410-632-1200, ext. 1171. Bids submitted with no Contractor Qualification form on file dated within the past 6 months may not be considered. Please note HUD 4010 enclosed for informational purposes.

WORCESTER COUNTY HOUSING REHABILITATION PROGRAM

GENERAL SPECIFICATIONS

These specifications cover general items of information relating to this bid solicitation. Detailed specifications for the home to be rehabilitated is attached. Bids will be accepted until 1:00 p.m. on Monday **February 28, 2022**, at the Worcester County Commissioners Office, Room 1103, One West Market Street, Snow Hill, Maryland 21863 at which time they will be opened and read aloud. General telephone inquiries may be directed to **David Washington** at 410-632-1200, ext. 1171. Questions of a technical nature may be directed to the Program Inspector, Dave Walter, at 410-603-4096. Bids may be mailed or delivered in person. Faxed bids are not acceptable. Bids must be clearly marked **“Housing Rehabilitation Bid – February 28 – Snow Hill, MD #2”**. Each bid must be signed and dated.

Contractor qualifications: Any contractor who has not submitted a Contractor Qualification form to the Program within the past six (6) months must complete and return the enclosed form. Contractors for this project must be a licensed Maryland Home Improvement Contractor as well as possess active liability insurance (\$100,000/\$300,000 for personal injury and \$50,000/\$100,000 for property damage).

Completion of job: Contractors are expected to commence work within thirty (30) days of the issuance of the Notice To Proceed. Work must be completed within thirty (30) days of commencement of job. If anticipated start date and completion schedule is different than outlined above, please write estimated dates on enclosed Bid Form.

Contracting Policy: Attached to this bid is a copy of the Rehabilitation Program Guidelines. Contractors are urged to read this document carefully.

**WORCESTER COUNTY HOUSING REHABILITATION PROGRAM
CONTRACTOR QUALIFICATION FORM**

Contractor _____

Address _____

Phone Number _____

Federal I.D. or S.S. # _____

Insurance Company, Agent, & Coverages: _____

List of Company Officers: _____

List of Licenses Currently Held:

_____ MHIC Number _____ Exp. Date

_____ MBR Number _____ Exp. Date

_____ MDE Lead Cert. _____ Exp. Date

_____ EPA Lead Cert. _____ Exp. Date

Trade References (2)

_____ Name _____ Phone

_____ Name _____ Phone

Client References (2)

_____ Name _____ Phone

_____ Name _____ Phone

Is contractor in a State of Bankruptcy? _____ Yes _____ No

Is contractor on HUD's debarred list? _____ Yes _____ No

Is contractor any of the following? (not required to qualify)

- _____ Minority Business Enterprise
- _____ Women's Business Enterprise
- _____ Disadvantaged Business Enterprise
- _____ Section 3 Employer

WORCESTER COUNTY IS REQUESTING QUOTATIONS FROM QUALIFIED CONTRACTORS FOR REPAIRS TO:

PROPERTY OF: **Barbara Thune**
ADDRESS: **5906 Wallace Drive**
Snow Hill, MD 21863
TELEPHONE: **410-632-2024**

TOTAL QUOTE: _____

CONTRACTOR: _____ DATE: _____

NO QUOTATIONS AFTER: **February 28, 2022**

PART ONE: GENERAL CONDITIONS

PART TWO: SCOPE OF WORK

PART ONE – GENERAL CONDITIONS

- 1) The Contractor shall coordinate all work in progress with the homeowner so as not to severely disrupt living conditions. Inside work which is disruptive, or displaces the use of the kitchen, bathroom, or bedrooms, shall be pursued continuously on normal working days.
- 2) The Contractor shall be responsible for removing and replacing furniture and other articles, to and from other storage areas on premises, as needed to allow work space or to protect such possessions. Provide plastic film protection over all furniture (if not removed), carpets, finished floors, etc. – also install film at doorways as required.
- 3) The Contractor shall remove all excess material, construction debris, and other existing debris and material specified herein, to an approved dumpsite off premises. Work area shall be broom swept at the end of each work day.
- 4) The Contractor shall contact the Program Inspector or Housing Administrator for direction in the event that coordination or clarification problems arise with the homeowner or other contractors.
- 5) The Contractor shall coordinate closely with the homeowner as to which possessions are considered “junk and debris” and which are valuable before hauling anything away.
- 6) The Contractor shall leave all work areas on the premises in a neat and clean condition, and shall instruct the homeowner in the care and use of all installed equipment and appliances. Owner’s manuals and warranty booklets are to be provided to the homeowner for all applicable equipment, appliances, and materials.
- 7) The Contractor shall not undertake or engage in any additional work intended to be billed to the Program as an “extra” or as additional cost to the original contract without a written change order signed by the Program Inspector, Housing Administrator, and homeowner. A written change order as outlined above is also

required for substitutions or additions to the original scope of work not involving additional costs.

- 8) The Contractor shall obtain and pay for all building, plumbing, electrical, well, septic and other permits required for specified work.
- 9) The Contractor shall call for all inspections required by County law as well as inspections to receive draw payments and any special inspections required by the Program Inspector. All work shall conform to code.
- 10) All of the above general conditions shall be adhered to unless otherwise specifically described in the following scope of work.

Contractor Conflict of Interest Disclosure

All businesses submitting bids for projects and activities which include funding through the Maryland Community Development Block Grant Program must disclose any potential conflict of interest. A conflict of interest may occur if the business owner/principals are related to or have a business relationship with an employee, officer or elected official of **Worcester County**. If it is determined there is a conflict of interest or potential conflict of interest, you may not be selected even if your bid is determined to be the lowest, most qualified. The **County** can request for the State of Maryland CDBG Program to review and make a determination which could result in a waiver allowing for approval.

1. Are owner(s)/principal(s) ever been an employee, agent, consultant, officer, elected official or appointed official of _____? Yes No
If yes, please identify: _____

2. Are owner(s)/principal(s) related (including through marriage or domestic partnership) to an employee, agent, consultant, officer, elected or appointed official of _____? Yes No If yes, please identify: _____

3. Do owner(s)/principal(s) have a business or professional relationship with anyone identified under Question #1? Yes No
If yes, please identify: _____

I/We certify that the above information is true and correct. I/We understand that providing false statements or information is grounds for termination of assistance and is punishable under federal law.

Signed: _____
Date: _____

Name: _____ (Print)

Signed: _____
Date: _____

Name: _____ (Print)

**For all non-construction contracts and for single family housing rehabilitation only
9/2017*

For Grantee Use Only:

CDBG Grant Number:	Date Received:
<input type="checkbox"/> Conflict of Interest does not exist <input type="checkbox"/> Conflict of Interest exists	
Date Sent to State:	<input type="checkbox"/> Waiver Granted <input type="checkbox"/> Waiver Denied

ATTENTION: THIS BID FORM MUST BE REPRODUCED ON YOUR COMPANY LETTERHEAD AND BE SUBMITTED WITH YOUR BID PACKAGE. ALL PAGES OF WORK SCOPE WITH LINE ITEM PRICING DETAIL MUST BE INCLUDED. ANY MISSING INFO OR WORDING MAY DISQUALIFY YOUR BID. THE BID PACKAGE IS ALSO AVAILABLE ON-LINE AT www.co.worcester.md.us

BID FORM

***must be signed to be valid**

**Property of Barbara Thune
5906 Wallace Drive
Snow Hill, MD 21863**

I have reviewed the specifications and provisions for rehabilitation work on the above referenced property and understand said requirements. I hereby propose to perform this work for the total price of:

Total Quote : \$ _____

Date Available To Start: _____

Date: _____

Signature

Typed Name

Title

Company Name

Address

Phone Number(s)

MHIC license # Exp. Date

*Environmental Programs has determined that a Well Permit is necessary for this project.

Barbara Thune
5906 Wallace Drive
Snow Hill, MD 21863
TM 55 Parcel 52 Lot 3

01/20/2022

Septic Scope of Work

- Site visit is required. Any prospective bidder needs contact Eddie Lawson of Environmental Programs at 410-632-1220 to review prior to submitting bid.
- 500 square foot stone seepage bed.
- Installation depth of 18 inches.
- Installation may go in old drain field. Any contaminated material is to be incorporated in cover or disposed of properly.
- Installer is responsible for tree/brush clearing as needed.
- Installer responsible for removing/relocating shed.
- Nitrogen pretreatment septic tank is required, applicant has applied for BRF funding.
- Installer to determine if a lift station and pump are needed. Include electrical hook up in bid if needed.
- Old tank to be pumped, crushed, and filled. A pump out prior to installation to allow the existing system time to dry may be helpful.
- Final stabilization of seed and straw is required.
- Site is to be cleaned and stockpile areas graded.
- County Environmental Programs will give final approval before heavy equipment is pulled from the jobsite.
- The fee of \$60 to Clerk of Court must be included in quote

Date of site visit: _____

Project Total= _____

Date: _____

Signature

Typed Name

Title

Company Name

Address

Phone Number(s)

Barbara Thune
5906 Wallace Drive
Snow Hill, MD 21863
TM 55 Parcel 52 Lot 3

01/20/2022



SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause (referred to as the "Section 3 Clause"):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected by before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

MARYLAND CDBG PROGRAM I PROCUREMENT

SECTION 3 COMPLIANCE BID FORM

Name of Business: _____

Address of Business: _____

Type of Business: __ Corporation __ Partnership __ Sole Proprietorship __ Other

Business Activity: _____

_____ I am certified as a Section 3 Business. I have attached a Section 3 Business Certification.

OR

_____ I will subcontract 25% of the contract amount to one or more certified Section 3 Businesses. I have attached Section 3 Business Certifications for selected subcontractors.

OR

_____ I anticipate hiring _____ new employees under this contract, if awarded. I understand that if any new hires are required under this contract, I will need to comply with Section 3 hiring requirements.

I attest that the above information is true and correct.

Signature

Print Name

Title

Date

**REHABILITATION GUIDELINES FOR WORCESTER COUNTY,
MARYLAND**

INTRODUCTION

This rehabilitation plan sets forth the guidelines and procedures governing the operation of the Worcester County Housing Rehabilitation Program.

This program will make available financial and/or technical assistance for the rehabilitation of eligible substandard housing units located in the unincorporated areas of Worcester County. Rehabilitation work will correct deficiencies in the eligible home and make the units safe, sound and sanitary for the occupants. All properties will be rehabilitated to the County's Livability Code.

The legal authority for this rehabilitation program comes from the applicable grant agreement for the Community Development Block Grant Program administered by the Maryland Department of Housing and Community Development.

The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

The Civil Rights Act of 1964

Executive Order 11246 concerning Equal Employment Opportunity
Standards of Conduct for the CDBG recipients – Conflict of Interest

Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity

Standard of Equal Opportunity Construction Contract Specifications
Certification of Non-Segregated Facilities for Contracts over \$10,000

Title VI of Civil Rights Act of 1964

Section 109 of Housing & Community Development Act of 1974

Section 3 Compliance

Age Discrimination Act of 1975

Section 504 Affirmative Action for Handicapped Lead Based Paint Hazards

Access to/Maintenance of Records

Past experience with the Program has shown that there are sufficient applicants to utilize the available funds. If this should cease to be the case, the Administration will market the Program via newspaper and television stories, public service announcements, and contacts with civic and charitable organizations.

The County Commissioners shall have the right to waive certain limits and eligibility criteria on a case-by-case basis as justified by unusual circumstances and with the approval of the State.

SECTION I – ELIGIBILITY

1. Beneficiaries of the Program must be of low-to-moderate income, as defined by income limits provided by the Maryland Department of Housing and Community Development.

The limits may be revised form time to time. Current limits are as follows:

Persons Per Household	Maximum Annual Income
1	40,600
2	46,400
3	52,200
4	58,000
5	62,650
6	67,300
7	71,950
8	76,600

2. The dwelling to be rehabilitated must be located within the unincorporated areas of Worcester County or in a township that does not receive CDBG funding.
3. The dwelling must be in substandard condition and economically feasible of being brought into compliance with the standards of the County’s Livability Code. Exceptions may be made for emergency cases to correct an immediate threat to the health and safety of the occupant(s). All health and safety problems will be documented on a separate form.
4. Program emphasis is the rehabilitation of owner-occupied dwellings, however, landlords who rent to persons of low-to-moderate income may be considered for CDBG funded interest subsidies for bank loans, provided such assistance has been approved by the State.
5. Owner-occupants must not own any house other than the one to be rehabilitated under the program and must not have substantial assets which would enable the applicant to secure rehabilitation funds from other sources.
6. If the dwelling lies within a flood zone, the applicant must agree to obtain flood insurance coverage.
7. Vacant dwellings may be considered for rehabilitation if the dwelling has been vacated due to its substandard condition, and if the owner agrees to occupy the dwelling upon completion.
8. Applicants without property insurance must obtain such insurance prior to the initiation of any work.
9. Homes owned by more than 1 party (other than a husband and wife who reside together) may be rehabilitated even if not all members reside in the home. At least one of the owners must live in the home. All others must sign all program documents, including the application and the final loan documents.
10. The total income of all persons residing in the house will be counted. The income of household members who are presented as residing temporarily in the house will be counted for eligibility purposes until evidence is that the person has moved out.

II. APPLICATION PROCEDURES

1. Applications will be accepted continuously. The following must be submitted prior to application review and underwriting: property tax bill; proof of insurance or commitment to obtain such on property; verification of mortgage (if applicable); and proof of income. The following will be acceptable as proof of income: social security or pension award letters, last two pay stubs, W-2 form for the previous year, or income tax returns. Mortgage verification forms will be used. Employment verification forms will be used at the discretion of the Administrator.
2. The number of applicants which meet eligibility guidelines will be referred to the Program Inspector for completion of a preliminary inspection. This will occur during the times in which the program has sufficient funds to handle the stream of applicants coming in. Preliminary inspections will not be completed for "backlogged" applicants. The purpose of the preliminary inspection is to determine whether the rehabilitation is economically feasible and to determine the health and safety violations which will end in the prioritization of applications. Preliminary inspections will be made in writing and will include the estimated cost time.
3. The Administrator will perform general prioritization of applications for the purpose of presentation to the review board. Priorities are covered in Section III, "Selection".
4. Excess housing demand will be partially addressed by the prioritization discussed in #3, above. In addition, applicants deemed to have greater repayment ability will be referred to the State Special Loans Programs. Consideration will be given in developing programs which will expend the CDBG funds in a timely manner, but yet maximize the number of families served. A prioritized waiting list will be developed so that as more funds become available, families will be reviewed in priority order. All Special Loans Programs cases will be handled using regular SLP procedures
5. Underwriting will be performed prior to presentation to the Housing Review Board. The Administrator will utilize the State Special Loans Program underwriting form. Applicants who expend more than 28% of their income for housing expenses will be deemed unable to repay a loan.
6. The Administrator will prepare recommendations for action by the Review Board and will mail this material to the Board in advance of the meeting at which action is being requested. In order to receive a conditional grant, the applicant must meet one of the following criteria: have income below 80% of the AREA median; be 62 years of age or older; or is spending more than 30% of his gross income on housing, exclusive of utilities.

III. SELECTION

1. Efforts will be made to provide assistance on a first-come, first-served basis, however, severity of need will take precedence. Severity of need will be based on the following criteria:
 - One or more occupants of the dwelling is age 62 or older.
 - One or more occupants of the dwelling is handicapped.
 - Condition of the dwelling is a threat to the health and/or safety of the occupants.
 - Total household income is below 50% of the County median.
2. The Housing Review Board will meet as needed. The Board will review applications and recommendations from the Program Administrator and will make decisions as to which shall be funded and the method of financing. Grievances and appeals against the decision of the Housing Review Board will be made in writing within 30 days after notification of the Board's decision. Additional information not presented at the time of the meeting must be requested with the request for an appeal hearing. Appeals will be referred to the County Administrator who will act on them within 30 days of receipt. Applicants may further appeal to the County Commissioners within 30 days after the decision of the County Administrator. Applicants will be notified of the grievance procedures upon notification of action by the Board on their cases.
3. Upon application approval, the Administrator will send appropriate documentation to the Maryland Historical Trust for the Section 106 review.
4. The Inspector will perform a detailed, written work-up for each approved case.

IV. STRUCTURE OF FINANCIAL ASSISTANCE

1. The average amount of assistance is expected to be \$20,000. The maximum grant amount will be \$30,000. Total improvements may exceed \$30,000 if the after-rehab value of the dwelling is in excess of all mortgage amounts and the home can be brought into compliance using what is still considered to be moderate to of these substantial rehabilitation guidelines. CDBG Awards exceeding \$30,000 shall be in the form of 0% interest loans; payment amounts to be determined using the Special Loans Program underwriting worksheet. Recipients must make payments as scheduled to the County Treasurer's Office until the entire principal amount of the debt is retired; there is no expiration on the term of the loans. The Board may alternatively elect to supplement the \$30,000 maximum grant amount with loan funding through the State Special Loans Program. Payment and interest would be set by SLP according to their Program guidelines and loans would be serviced through their agency.
2. In cases of the sale or cash-out re-financing of rehabilitated properties, the County must be re-paid the balance of the loan or grant per the terms outlined in the agreement. Reverse mortgages are not permitted while liens are still in effect. The following tiered system applies for liens placed on houses rehabilitated through a CDBG grant:
 - Tier I- \$0 to \$12,500 grant requires a five (5) year lien

Tier II- \$12,501 to \$25,000 grant requires a ten (10) year lien
 Tier III- \$25,001 to \$30,000 grant requires a fifteen (15) year lien.

A tiered portion of the grant amount must be repaid if the dwelling is sold after rehabilitation and prior to the expiration of the grant term. Repayment is required according to the following schedule:

For five year liens:

Sale in the first year:	100% grant repayment
Sale in the second year	80% grant repayment
Sale in the third year	60% grant repayment
Sale in the fourth year	40% grant repayment
Sale in the fifth year	20% grant repayment

The grant mortgage will be released after the fifth year and no repayment is required thereafter.

For ten year liens:

Sale in the first year:	100% grant repayment
Sale in the second year	90% grant repayment
Sale in the third year	80% grant repayment
Sale in the fourth year	70% grant repayment
Sale in the fifth year	60% grant repayment
Sale in the sixth year	50% grant repayment
Sale in the seventh year	40% grant repayment
Sale in the eighth year	30% grant repayment
Sale in the ninth year	20% grant repayment
Sale in the tenth year	10% grant repayment

The grant mortgage will be released after the tenth year and no repayment is required thereafter.

For fifteen year liens:

Sale in the first year:	100% grant repayment
Sale in the second year	93% grant repayment
Sale in the third year	87% grant repayment
Sale in the fourth year	80% grant repayment
Sale in the fifth year	73% grant repayment
Sale in the sixth year	67% grant repayment
Sale in the seventh year	60% grant repayment
Sale in the eighth year	53% grant repayment
Sale in the ninth year	47% grant repayment
Sale in the tenth year	40% grant repayment
Sale in the eleventh year	33% grant repayment
Sale in the twelfth year	27% grant repayment
Sale in the thirteenth year	20% grant repayment
Sale in the fourteenth year	13% grant repayment

general specifications which detail the level of materials and workmanship quality.

VI. CONTRACTING

1. The County will advertise publicly for bids based on the work write-up prepared by the Rehabilitation Specialist. Minority and female owned firms will be encouraged to bid.
2. Contractors must complete a Qualification Form to be considered as an eligible bidder.
3. Bids will be reviewed for accuracy and responsibility and a recommendation for award will be provided to the County Commissioners. Bids will generally be awarded to the lowest bidder. The County Commissioners reserve the right to accept or reject any or all bids.
4. The County may limit the number of contracts to be awarded to one contractor during any one bid solicitation and may negotiate with other bidders for remaining contracts.
5. Following award, the Owner-Contractor Agreement will be executed by the contractor and homeowner. The Program Administrator will then issue a Notice to Proceed.
6. The contractor may request progress payments as often as needed. Payments are made following inspection by the Program Inspector and upon approval by the Program Administrator. The contractor may receive up to 75% of the total contract in this manner; the final 25% will not be paid until satisfactory completion of a final inspection and the achievement of lead clearance on applicable projects. The homeowner, Program Inspector, contractor and Program Administrator are required to sign-off on the final payment request in order for payment to be processed.
7. All work involving well and septic installation will be bid separately and will not require the certification of the Program Inspector. The Administrator will work directly with the Environmental Programs Department for this procurement. E.P. will also perform the inspections.
8. The inspector will obtain the owner's signature on the Certificate of Completion prior to the final payment being made. If there is a dispute, the inspector and Program Administrator will make the determination and document the reasons for such.
9. Any homeowner who has problems with the work after its completion, (i.e., leaking pipes) should contact the Program Administrator who will

request the inspector to ascertain the cause of the problem. If the time frame is within the one-year guarantee period, all efforts will be made to encourage the Contractor to correct the problems voluntarily. If this should prove unfeasible, the program will engage the services of another contractor to correct the work, if ample funds are available.

VII. PERMITTING PROCESS

1. The Housing Administrator will send a copy of the final work write-up to the applicable Permitting Department for a permit review. The Permitting Department will respond with a written memo listing the permits required for the project and the code which is used by the jurisdiction. The Administrator will provide the contractor with a copy of this memo when the Owner-Contractor Agreement is signed.
2. The contractor will contact the property owner to sign the permit and submit the permit to the local Permitting Department along with any required drawings or site plan and all applicable fees .
3. The contractor will notify the Department of Planning, Permits and Inspections and the Housing Administrator of the construction start date.

VIII. FINAL REHABILITATION DOCUMENTS

1. Once the contract for the work is awarded, the Administrator will prepare the following documents for signature by the homeowner:
 - Owner-Contractor Agreement
 - Lead Paint Notice
 - Grant/Loan Agreement
 - Promissory Note
 - Notice of Right of Rescission
 - FHEO Self Identification FormIn addition, a copy of the work write-up will be included in this mailing.
2. When the documents are returned to the Administrator, he or she will obtain the signature of the contractor on the Owner-Contractor Agreement. Once this is done, the Contractor will be given a Notice to Proceed.
3. The Grant/Loan Agreement will be recorded in the Office of the Clerk of Court.
4. Copies of the promissory note and Grant/Loan Agreement will be provided to the County Treasurer's Office upon signing and recordation.

**BID AND CONTRACT PROCEDURES
WORCESTER COUNTY HOUSING REHABILITATION PROGRAM**

It shall be the policy of the Worcester County Rehabilitation Program to maximize participation by minority contractors. The Program Administrator shall consult all available resources for names of minority contractors.

The procedures contained herein apply only to work funded in whole or in part with County CDBG funds. Other agencies which supplement the CDBG funds have the option of using their own procedures.

CONTRACTOR QUALIFICATION

1. An advertisement soliciting interested rehabilitation contractors shall be placed in local newspapers by the Worcester County Housing Rehabilitation Program on behalf of the property owner. This ad will contain the information necessary to request a bid package and the date that bids are due.
2. Bid packages will be mailed to those contractors requesting them.
3. Bid packages will be mailed to those contractors known to be active in the area. The following will be required of contractors:
 - a. Adequate liability insurance (\$100,000/\$300,000 for personal injury and \$100,000 for property damage), listing agent's name, amount, expiration date and name of insurer.
 - b. Name of the company bank
 - c. The names of the usual subcontractors
 - d. The names and addresses of at least two (2) recent residential rehabilitation or remodeling customers
 - e. A list of all principal officers of the company
 - f. Number and date of the Maryland Home Improvement License
4. Contractors meeting the qualifications above will be deemed acceptable and will be allowed to bid on the rehabilitation projects. This privilege is contingent on the fact that no contractor is on HUD's debarred list, has filed bankruptcy or is otherwise deemed ineligible. The Housing Specialist/Inspector and the Housing Rehabilitation Program Administrator and award of the bid by the County Commissioners shall make final selection of the contractor after an evaluation of the bid. The name of contractors who do not perform satisfactorily will be submitted to the County Commissioners with a recommendation that they not be allowed to bid on future projects.

5. Contractors will return completed and sealed bid packages to the Budget Officer no later than the date established in the advertisement. No bids will be accepted after this deadline. Faxed bids are not acceptable.
6. No items are to be omitted. All bids are to be totaled on the first page of the work write-up and signed by the contractor on the last page. Any bid which contains omitted items will be disqualified.
7. The jobs are to be bid on an individual basis, group bidding is not allowed.
8. Any questions concerning the substance of the work write-up should be clarified before the bid is submitted. No change orders may be made without the approval of the Worcester County Housing Rehabilitation Program Administrator. The submitting of bids shall be taken as a contractor's acknowledgement of the adequacy of the scope of work unless the bid is accompanied by a statement expressing the contractor's questions or concerns.
9. Bids will be reviewed by the Housing Specialist/Inspector and the Program Administrator. All bids will be opened publicly and read aloud at a specified time.
10. The contract for approved applications will be awarded consistent with the County's purchasing policy. Generally this will be the low bidder provided that he or she has met all eligibility criteria, and that the bid covers all items on the work write-up and that the bid appears to be feasible and responsive. The County Commissioners will award the contract at a regular meeting. It is the general policy of the program to use general contractors. However, there may be instances where work to only one trade is to be done. In these cases, the Administrator may solicit the appropriate subcontractor. All well and septic work will be bid separately.
WORCESTER COUNTY RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS.

CONTRACT PROCEDURES

1. A contract for construction work financed by a rehabilitation grant or loan shall be undertaken between the contractor and the property owner. The County will not be a party to such a contract, but will act on the recipient's behalf in bidding, contract award and inspections of work completed.
2. The form of the contract shall be as follows: a single document, containing the general conditions and specifications for the work performed. The bid form is included in the contract by reference.
3. General contract provisions shall be required in all rehabilitation construction contracts, including:

- A provision that a written “Proceed to Work” order within a “to be determined” number of days is issued
 - A provision that the Contractor will be paid the contract price according to a payment schedule specified within the contract when work is satisfactorily completed. Payment will be made as soon as possible after receipt of the contractor’s invoice and for final payments receipt of release of liens by the contractors, suppliers and laborers involved.
4. The Contractor shall be required to follow the following provisions:
- Comply with all County inspection requirements
 - Perform all work in accordance with applicable standards and requirements, whether or not covered by the work specifications.

OWNER/CONTRACTOR DISPUTES

If a dispute between the homeowner and contractor concerning workmanship, quality of materials, or scope of work occurs, the Program Inspector will meet with both parties to discuss their concerns. The Program Inspector will advise the homeowner and contractor, in writing, of the recommended resolution. If both parties are not satisfied with the recommended resolution, they may respond in writing to the Program Administrator within 10 days of the date of the notice from the Inspector. The Program Administrator will meet with the homeowner, contractor and inspector at the property, listen to the concerns of all parties and evaluate the disputed work. The Program Administrator will respond in writing within 10 days of the meeting. If the homeowner or contractor do not accept the final resolution of the Program, the dispute will be referred for independent arbitration as provided for in the terms of the Worcester County Housing Rehabilitation Owner-Contractor Agreement.

CHANGE ORDERS

It is the policy of the Worcester County Housing Rehabilitation Program to carefully evaluate change orders. Every effort will be made to ensure that the work write-ups are complete and accurate representations of the work to be done in accordance with program guidelines. We require contractors to clarify any questions regarding the work write-up prior to the submission of a bid.

For other items on which change orders may be required, the following procedures will apply, regardless of whether the request for a change is initiated by the contractor or a homeowner:

1. The contractor is required to telephone both the Program Administrator and the Project Inspector with a verbal explanation of the situation.

2. The Project Inspector will visit the job site to render an opinion on the need for the change. If the Project Inspector recommends denial of the change order, this decision shall be final.
3. If the Project Inspector finds that the request is justified, he will so inform the Program Administrator who will render the final judgment. The Inspector will also give his opinion as to the reasonable cost of the proposed change.
4. Change orders which would bring the total grant amount above the maximum are not permitted. In cases of this nature, every attempt will be made to substitute a change for an originally approved item which is of lesser importance or to seek funds from other programs.
5. The Program Administrator will require the contractor to fill out and sign a change order form prior to permitting work to proceed.

RECRUITMENT OF MINORITY, SMALL, AND FEMALE CONTRACTORS

It is the policy of the County to attempt to recruit and assist small, female and minority contractors. Solicitations for bids will be placed in local newspapers. Additionally, the Administrator will attempt to locate such contractors and place them on the builder's list. He/she will consult such sources as the Maryland Department of Transportation Business Directory, the Lower Shore Contractors Association (a minority association), Shore-Up!, and O.U.R. Community, as well as any other group known to have knowledge of minority, small and female contractors.

Applicability

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

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

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

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

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

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

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

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

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

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

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

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

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

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

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

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

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

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

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

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

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

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

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

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

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

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

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

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

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

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

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

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

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

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

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

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

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

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

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