

**OAKLAND COUNTY  
HOME IMPROVEMENT PROGRAM**

# **CONTRACTOR PERFORMANCE REQUIREMENTS**

As of February 2, 2017

## **I. OCHIP CONTRACTOR LIST**

The Oakland County Home Improvement Program (OCHIP) maintains a Contractor List that is reviewed and revised regularly. Contractors are eligible for inclusion on the list without regard to race, creed, color, religion, age, sex, national origin, height, weight, handicap, marital status, familial status or sexual orientation.

A. To be placed on the Contractor List, the contractor must obtain and supply documentation of the following:

1. Current Michigan Department of Community Health Lead Abatement Contractor Certification.
2. Current State of Michigan Residential Builders' License.
3. Debarment and Suspension Certification.
4. Current certificates of insurance naming OCHIP as certificate holder. The certificates of insurance shall provide a 30-day notice of cancellation. Insurance coverage will be as follows:
  - a. Commercial General Liability Insurance in the minimum amount of \$500,000 combined single limit per occurrence, including coverage for:
    1. Independent Contractors
    2. Products & Completed Operations
  - b. Auto Coverage in the minimum amount of \$500,000 combined single limit per occurrence, to include the following riders:
    1. Hired Autos
    2. Non-Owned Autos
    3. Scheduled Autos

- c. Workers Compensation coverage as required by law & Coverage B Employers Liability in the minimum amount of \$100,000 per occurrence.
5. The contractor must cooperate with Oakland County Community and Home Improvement in obtaining credit/trades report from an approved agency. Contractors will **not** be added to the list if:
- a. There are outstanding State of Michigan or U.S. Internal Revenue Service tax liens against the contractor.
  - b. There is evidence that the contractor is not a good credit risk.
  - c. There is evidence that the contractor has not performed previous work according to the Residential Construction Performance Guidelines as established by the National Association of Home Builders.

B. Contractors may be removed from the Contractors' List for the following:

- 1. If work does not conform to the Michigan Residential Code, the Residential Construction Performance Guidelines as established by the National Association of Home Builders, the Oakland County Community and Home Improvement Division Home Improvement Guidelines and any and all codes adopted by the governmental unit in which the property is located.
- 2. Failure to maintain a current State of Michigan Lead Abatement contractor certification on file with OCHIP.
- 3. Failure to maintain a current Michigan Residential Builders' License on file with OCHIP.
- 4. Failure to maintain required current insurance coverage with an updated certificate on file with OCHIP.
- 5. Failure to respond to three OCHIP bid invitations.
- 6. Failure to complete an OCHIP project that requires the OCHIP to hire a new contractor in order to complete the project.
- 7. Performing unauthorized work on a home that is under an OCHIP contract.
- 8. Failure to obtain and close required permits from designated communities.

9. Submitting false waivers and/or sworn statements.
10. Failure to pay sub-trades and suppliers fully and on time.
11. Failure of the contractor to guarantee the work performed for a period of one (1) year.
12. Such other actions or inaction that are harmful to the spirit and intent of the OCHIP program.

## II. **BIDS**

- A. Only qualified OCHIP Contractors are permitted to bid projects.
- B. A minimum of three (3) contractors, including one woman or minority owned business enterprise (W/MBE), are invited to bid each contract on a rotating basis.
- C. Bid invitations are accompanied by a Bid Invitation Letter, Specifications that have been completed by an OCHIP technician and a Bid Proposal Sheet that is to be completed by the contractor.
- D. Bid Proposals received from contractors shall be completed in the following manner:
  1. The Bid Proposal Sheet must contain the current property owners name, case number, address, homeowner telephone number, contractor name, contractor license number, contractor address and contractor telephone number.
  2. Each numbered item on the Bid Proposal Sheet must correspond to a numbered item on the Specifications. All numbered items identified on the specifications must have a bid amount.
  3. Each bid amount must be in numerals (not written out), must be in ink or typed and must be entered in the spaces provided.
  4. Each bid amount and job total must be rounded to the nearest dollar.
  5. The total amount of the bid must equal the total of all items.
  6. Alternate item amounts, **if any**, must be entered in the spaces provided and must **NOT** be included in the total bid amount.

7. Bid total shall be in numerals and in the spaces provided.
8. The bid proposal must be signed and dated **in ink** by a designated official of the contracting firm.

**NOTE:** Contractors are encouraged to use an electronic spread sheet that is formatted to replicate the Oakland County Bid Proposal Sheet. Please request this information from the OCHIP staff.

E. Bid Proposals shall be submitted in the following manner:

1. No proposal will be accepted after the designated time and date.
2. Submit the Bid Proposal Sheet form.
3. One sealed envelope containing the Bid Proposal Sheet will be accepted for each job.
4. Each envelope must be clearly labeled with the following:
  - a. Name of the homeowner
  - b. File number of homeowners project
  - c. The word Bid must be on the envelope
5. Faxed or e-mailed bids will not be accepted.

F. Rejection/Disqualification of bids.

Bids may be rejected/disqualified for the following reasons:

1. Name of the homeowner is not on the envelope.
2. File number is not on the envelope.
3. The word "Bid" is not on the envelope.

G. Rejection/Disqualification of bids.

Bids shall be rejected/disqualified for the following reasons:

1. No bid will be accepted after the designated time and date.
2. Failure to submit the bid proposal form (HR111).
3. One sealed envelope containing the bid proposal form will be accepted for each job.

4. Failure of each numbered item on the bid proposal sheet doesn't correspond to the numbered item on the specification. All items on identified on the specifications shall have a numerical bid amount.
  5. If the each bid amount and the total aren't rounded to the nearest dollar.
  6. If the total amount of the bid doesn't equal the total of all items.
  7. Failure to sign the bid proposal form in ink by a designated official of the contracting firm.
- H. Rejection/Disqualifications will be reviewed and approved by the Field Service Supervisor.

**NOTE:** Failure to comply with any OCHIP bidding requirement may cause a Bid Proposal to be declared invalid. Any or all bids may be rejected if there is sound documented reason. Invalid proposals will be maintained in the project case file.

### **III. BID OPENINGS**

- A. Homeowners and contractors will be notified in writing the time and date of the bid opening.
- B. Contractors may:
  1. Attend bid openings.
  2. Record bid amounts as they are read aloud.
  3. Review other contractors' written proposals.
  4. Protest a bid opening in writing. The written protest must be submitted to the Manager, Community and Home Improvement Division.
- C. Contractors shall not:
  1. Attempt to win a bid by offering inducements to a homeowner, whether in monetary or some other form.
  2. Attempt to win a bid by degrading the work or reputation of other

bidders.

3. Deviate in any other way from commonly accepted ethical standards for construction bidding.

D. Homeowners:

1. May attend bid openings.
2. Will receive copies of all bid proposals for their property.
3. May select a bid that is greater than the low bid, provided that they pay the difference between the selected bid and the low bid. The homeowner must submit a cashier's or certified check payable to the contractor for this difference at the contract closing.

E. Homeowner shall not:

1. Accept inducements from bidding contractors in monetary or some other form.
2. Attempt to distort the bidding process in favor of contractors who may be friends, relatives or associates.

#### **IV. CONTRACTS**

- A. Home Improvement contracts are between the homeowner and the contractor and must be signed by both parties prior to work being initiated.
- B. The contract may not exceed the maximum loan amount of \$18,000. Exceptions may be granted based on extenuating circumstances determined by Oakland County Home Improvement Program staff.
- C. In the event of an unforeseen situation arises, a change order request must be initiated in writing by the contractor to address the problem or condition. Oakland County staff will review the change and prepare a cost estimate. The request must be agreed upon in writing (agreed to, dated and signed) by the contractor in consultation with the homeowner and Oakland County prior to fulfilling the change order request.
- D. The Contractor must commence work within thirty (30) days after the signing of the Contract by all parties concerned and the issuance of a written Proceed to Work Order by the Owner and satisfactorily complete the work within one-hundred-twenty (120) calendar days from the date of the proceed

to work order. Effective on contracts signed May 1, 2013 and later.

## V. CONTRACTOR PAYMENTS

- A. OCHIP uses the following Progress Payment system:
1. A check for half the contract amount can be drawn when sixty percent (60%) or more of the work has been completed, inspected and approved by an OCHIP technician. Change Orders may be released by the OCHIP Technician prior to the completion of the job.
  2. A final check will be released at the completion of the job and the submittal of the following:
    - a. Completed **ORIGINAL SWORN STATEMENT**. This form can be obtained from any title company and must list all subcontractors used on the project and also must be **signed** by the company representative and **notarized**.
    - b. Completed **ORIGINAL FULL UNCONDITIONAL WAIVERS** from each subcontractor, plus an **ORIGINAL FULL UNCONDITIONAL WAIVER** from the contracting firm.
    - c. Completed **ORIGINAL HOMEOWNERS COMPLETION ACKNOWLEDGEMENT**. This form is mailed to the contractor with the Proceed to Work Order.
    - d. Completed **MINORITY BUSINESS ENTERPRISES REPORT (FORM 2516)**. This form is mailed to the contractor with the Proceed to Work Order.
    - e. Completed **ORIGINAL PERMIT VERIFICATION FORM**. This form must be completed by the local building department. The form is mailed to the contractor with the Proceed to Work Order.
- B. Any deviation from the above payment system must be approved by the Supervisor, Field Services.
- C. Contractor checks will be mailed to the company's current address on file with the OCHIP office.

## **VI. GENERAL PERFORMANCE OF CONTRACTORS**

### A. Contractors will:

1. Be responsible for all inspections and clearances.
2. Set inspection appointment with the Homeowner and OCHIP technician or official for a reasonable hour.
3. Contact the OCHIP technician or official regarding any proposed deviations from the OCHIP Specifications.
4. All work must be in compliance and conformance with the Michigan Residential Code, the Residential Construction Performance Guidelines published by the National Association of Home Builders, the Oakland County Community and Home Improvement Division Home Improvement Guidelines and any and all codes adopted by the governmental unit in which the property is located. The contractor shall obtain and pay for all permits and licenses and shall give all notices, pay all fees and comply with all laws, ordinances, rules and regulations in reference to the work. If the work of the contractor or the contractor's subcontractors shall be done contrary to such laws, ordinances, rules and regulations, without such notice, the contractor shall bear all costs arising therefrom.
5. Notify OCHIP of changes in business address, telephone number or any other changes in business circumstances that might affect work performance.
6. Supply warranties to the homeowner.

### B. Contractors shall not:

1. Leave the dwelling unit being worked on without running water or sanitary facilities for more than 24 hours, except when arrangements have been made with the homeowners.

2. Schedule work outside the hours of 8 a.m. to 6 p.m. Monday through Friday except when arrangements have been made with the homeowners.