

## **CITY OF SAINT PAUL RENTAL REHAB LOAN PROGRAM AGREEMENT BETWEEN OWNER AND CONTRACTOR**

The Owner and Contractor acknowledge that financing for the Project is being provided by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") but that HRA is not a party to this Agreement, and hereby agree as set forth below:

1. **TIME, COMMENCE AND COMPLETION**

The work to be performed under this Agreement shall be commenced within **forty five (45) calendar days** of the date of the Proceed to Work Notice issued by the HRA and shall be satisfactorily completed within **ninety (90) calendar days** thereafter.

In the event Contractor is delayed in the process of the work by conditions not reasonably foreseeable or beyond the control and without the fault of Contractor, then the completion date shall be extended; provided, however, Contractor gives Owner and HRA written notice of any such delay within **five (5) calendar days** of the onset of such delay.

Owner accepts the HRA is not responsible for the timeliness, quality or performance of the Project or any portion thereof. Owner acknowledges it selected the Contractor and that the HRA is not responsible for that selection.

2. **HOLD HARMLESS**

Contractor will defend, indemnify, and hold harmless the Owner and the HRA, its officers, agents, and employees from liability and claims for damages because of bodily injury, death, property damage, sickness, disease or any loss and/or any expense arising from Contractor's operations under this contract.

3. **FINES**

The Contractor is fully responsible for the means and methods of executing the scope of work. The Contractor agrees to immediately satisfy any and all fines or judgments presented by OSHA, EPA, and the local or state health department.

4. **PROGRAM REQUIREMENTS**

Contractor will take affirmative action to ensure fair treatment of all employees, and will not discriminate against anyone on the basis of race, color, creed, sex or national origin in their employment practices (Executive Order 11246). Contractor agrees not to use lead based paint according to 24CFR part 35. Contractor is responsible for being aware of all public laws and executive orders pertaining to the use of such funds. The following compliance requirements may apply: Labor Standards (Little Davis-Bacon); Vendor Outreach Program; Two-bid Policy; PED/HRA Sustainability Initiative

5. **INSURANCE**

Before commencing work, Contractor shall furnish the HRA with certificates showing the following insurance is in force. Policies shall be submitted for approval to the HRA and shall be endorsed to provide that the policies will not be canceled or changed until **thirty (30) days** after written notice of change or cancellation has been delivered to the HRA. Policies must identify the HRA as additional insured. Coverages shall be at least as follows:

A. **commercial general liability** of not less than \$500,000 per person / \$1,500,000 per occurrence and shall not exclude explosion, collapse and underground property damage;

B. **workers' compensation insurance** with not less than statutory minimum limits and **unemployment insurance** as required by law.

6. **PAYMENT/LIEN WAIVERS**

Contractor shall protect, defend and indemnify Owner and HRA from any claims for unpaid work, labor, or materials. Payment shall not be due until the Contractor has delivered to the HRA complete release of all liens arising out of this contract, or receipts in full, covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien, all to the

satisfaction of the HRA.

Interim payments will be subject to a 10% retainage of invoice amount until the total completion of this agreement.

Owner shall make prompt payment to Contractor when work has been completed and accepted by Owner and HRA.

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**7. NOTICE OF LIEN RIGHTS IN THE STATE OF MINNESOTA**

**CONTRACTORS ARE REQUIRED BY MINNESOTA LAW TO PROVIDE OWNERS WITH THE FOLLOWING NOTICE REGARDING THE RIGHTS OF PERSONS OR COMPANIES FURNISHING LABOR AND MATERIALS:**

**A. ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS PROJECT MAY FILE A LIEN AGAINST OWNER'S PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THEIR CONTRIBUTIONS.**

**B. UNDER MINNESOTA LAW, OWNER HAS THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS PROJECT DIRECTLY AND DEDUCT THIS FROM THE CONTRACTOR'S PRICE, OR WITHHOLD PAYMENT UNTIL 120 DAYS AFTER COMPLETION OF THE PROJECT UNLESS OWNER IS GIVEN A LIEN WAIVER SIGNED BY CONTRACTOR WHO SUPPLIED LABOR OR MATERIALS FOR THE PROJECT AND WHO GAVE OWNER TIMELY NOTICE.**

**8. CHANGES IN THE WORK**

No modifications of the contract shall be made except by written Change Order, signed by the Contractor, accepted by the Owner, and approved by the HRA.

If changes in the quantity or quality of work beyond that indicated in the contract are requested by Owner, Owner shall assume responsibility for the additional costs and changes. The additional funds provided by the applicant must be provided at the loan closing and held in an escrow account by the HRA and paid out to the contractor as work progresses. Such changes shall be agreed to by Owner and Contractor and shall be evidenced by written change order.

**9. CONSTRUCTION DEFECTS AND WARRANTIES**

The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting there from which shall appear within the period of **two (2) years** from final payment. Further, Contractor will furnish Owner with all manufacturers and supplier's written guarantees and warranties covering materials and equipment furnished under this contract.

**10. ARBITRATION**

All claims, disputes and other matters in question arising out of, or relating to, this Agreement between Owner and Contractor or the breach thereof, and except the claims which have been waived by the making or acceptance of the final payment, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. Each party shall be responsible for its own costs and fees, unless decided otherwise by the arbitrator.

Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement between Owner and Contractor and with the American Arbitration Association. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question, and in no event shall it be made after the date when institution of legal equitable proceedings based on such a claim, dispute or other matter in question would be barred by the applicable statute of limitations.

The Contractor shall be bound by the arbitration decision, but only if the Owner has also agreed to be bound thereby prior to the commencement of the arbitration proceeding.

11. **SUBCONTRACTS AND ASSIGNMENTS**

No subcontract or assignment of this contract shall be made without the written consent of the Owner and the HRA.

12. **PERMITS AND CODES**

Contractor will secure all necessary permits and licenses required to do the work and to comply with all Building Code regulations and ordinances whether or not covered by the specifications and drawings for the work.

13. **CONTRACT DOCUMENTS**

Contract documents constituting this entire agreement for the rehabilitation of the property located at \_\_\_\_\_, St. Paul, MN \_\_\_\_\_ (“Project”), are as follows: Scope of Work, Bid Form dated \_\_\_\_\_ (date contractor signed Bid Form), Post Bid Addendum and Project Manual.

14. **CONTRACT SUM**

The Owner shall pay the Contractor for the performance of the work, subject to additions and deductions by written Change Order approved by the Owner and HRA provided in the Contract Documents, the Contract Sum of \$\_\_\_\_\_.

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**OWNER(S)**

**CONTRACTOR**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company