

City of McPherson 2020 Community Development Block Grant Contractor Guidelines

In order to be eligible to work on houses in the McPherson Housing Rehabilitation program, contractors must meet the following program requirements.

I. Contractor Eligibility

- A. Contractors are placed on the Bidders List through contact with the City.
- B. All contractors must obtain a minimum of a local residential license as defined by McPherson City Code with the City of McPherson Inspection Department. The City Building Inspector can be reached at (620) 245-2547.
- C. All plumbing, electrical and mechanical subcontractors must be licensed and have qualifications information on file with the City.
- D. Contractors may be asked to provide work and credit references.
- E. Contractors must have good references.
- F. Contractors must be in good standing which means they will not appear on the Department of Labor's debarment list.

II. Contractor Requirements

- A. Contractors must comply with all federal and state guidelines, rules, regulations and orders issued by the U.S. Department of Housing & Urban Development, the U.S. Department of Labor, and the Kansas Department of Commerce governing the McPherson Housing Rehabilitation program.
- B. Contractors may not awarded more than two (2) rehabilitation houses in the City at one time, unless the dollar value of a housing rehabilitation contract is less than \$2,500; except under special exceptions granted by the City Commission. Contractors who have an open contract from a past round of houses can only have a total of three (3) contracts open. A rehabilitation house is deemed complete when a certificate of completion has be completed and issue by the City of McPherson.
- C. Contractors shall provide and shall require any subcontractors to provide certificates or other evidence of insurance prior to signing a contract certifying that for the period covered by any contract all contractors and subcontractors carry:
 - 1. Workmen's Compensation Insurance for all owners, employees and employees of subcontractors engaged in work on the premises, in accordance with Kansas Workmen's Compensation Laws.
 - 2. Manufacturers and Contractors Public Liability Insurance with limits of \$100,000/\$300,000 to protect the contractor, his subcontractors, and the

owners, as their interest may appear, against claims for injury to, or death of, one or more than one person, due to accidents which may occur or result from operations under any contract; such insurance shall cover the use of all equipment, machinery, hoists and motor vehicles used in the performance of work.

3. Property damage insurance in an amount not less than \$25,000 pep to protect the contractor, his subcontractors and the owners, as their interests may appear, from claims for property damage that might arise from operations under any contract.
4. Any and all additional insurance required by the laws of the State of Kansas.
5. Lead Based Paint Certification for themselves, all employees and subcontractors, as applicable by law.
6. Renovation Firm License through the Kansas Department of Health and Environment.
7. Kansas Roofing Contractor Registration Certificate through the Kansas Attorney General's Office

D. An invitation to bid will be sent to all contractors. Those contractors interested will be sent a bid package which will include:

1. Instructions to bidders, which will include bid tour date and bid opening.
2. The final bid specifications for each house.
3. A required Bid Proposal form for each house.
4. General and Material Specifications.
5. A notice of where lead hazards have been identified.
6. A copy of the Construction Contract (for informational purposes only).

E. Contractors should send sealed bids to City Clerk, Tamra Seely, with the City of McPherson at 400 E. Kansas, PO Box 1008, McPherson, Kansas 67460.

F. Bid selection will be determined by the following factors for each house:

1. Lowest bid.
2. Each contractor will only be allowed to have three open CDBG housing contracts at one time.
3. Low bid on individual line items that are selected for inclusion in the final contract document specifications.

4. Quality of workmanship on previous projects.
5. Performance on previous contracts with federal and state funds.
6. References supplied by the contractor.

G. City Commission approves the best eligible bid taking provision number F(2) of these guidelines into consideration.

H. Conference is held between the Grant Administrator and the contractor to finalize the contract specifications, contract terms and to go over federal and state rules, regulations, and laws. Contract specifications may need to be revised due to a maximum allowable limit per house placed on grants to homeowners. The contract specifications will contain only the highest priority repairs on each house. Change orders must be approved by the inspector.

I. Conference is held between the Grant Administrator, the contractor and the homeowner to sign the contract and issue the Notice to Proceed.

J. All contractors will be required to receive a City of McPherson Building Permit prior to beginning any work on the project. Building permit fees shall be waived for all portions of the rehabilitation work funded with CDBG Funds. Contractors are required to receive all inspections that would otherwise be required.

K. CDBG Projects are eligible for Sale Tax Exemptions filed through Kansas Department of Revenue. Ultimate exemption is determined by the State of Kansas. For it to be sent for consideration to the State of Kansas, the following information will be required to be provided to the Public Works Administrative Assistant:

1. Start date of the project.
2. Expected end date of the project.
3. Cost of the Project
4. Companies Official Name and Address
5. Address of project where work is occurring
6. Scope of the work being completed at the project
7. Notification must be provide upon completion of the project and a date shall be provided for completion. Final completion notification shall be sent to Public Works Administrative Assistant.

L. In conjunction with signing a contract the selected contractor is required to complete Part One of Lien Prevention Documents, the Subcontractor Disclosure Document.

L. Terms of payment must be met for payment to be made by the City.

1. Work must pass inspection.
2. Certificate of Completion will be signed.
3. Part Two of the Lien Prevention Document, the Lien Release, must be completed and submitted prior to payment being issued by the City of McPherson.
4. Contractor will submit an invoice for the amount of the work no later than the Monday prior to the next scheduled payment date of Monday (checks mailed every Monday). Checks are normally issued weekly, but payment within 5 days cannot be guaranteed. Submittal of invoices one week prior to the next payment date is encouraged to ensure that payment can be made at the next scheduled payment date.

These Contractor Guidelines and all related attachments was approved and adopted by the City Council of the City of McPherson on the 23rd day of March, 2020 and modified based on guidance by the Kansas Department of Commerce on the 20th day of April, 2020.

City of McPherson, Kansas

BY: Thomas G. Brown

Thomas Brown, Mayor

ATTEST: Tamra K. Seely

Tamra Seely, City Clerk

