



CITY OF CHANDLER

HOME MODIFICATION PROGRAM

FOR PERSONS WITH DISABILITIES



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[Adopted by Resolution 4425 August 19, 2010](#)
[Revised by Resolution 4550 January 12, 2012](#)



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I. PURPOSE

The City of Chandler's Home Modification Program for Persons with Disabilities is designed to provide low and moderate-income disabled homeowners with assistance necessary to make home improvements or modifications to remove accessibility barriers.

The City of Chandler's Community Development Section, through the Neighborhood Resources Division, developed this Program Manual to guide the implementation of its Community Development Block Grant (CDBG) funded home modification activities. The following sections define commonly used terms, discuss environmental standards, explain the application and eligibility processes, and outline construction and contractor standards, as well as financial management and record-keeping requirements. The procedures herein comply with the federal regulations at 24 CFR 570 and 24 CFR 92, which govern the implementation of the CDBG program, respectively.

The City staff person who is most directly involved with the Home Modification Program for Persons with Disabilities is the Housing Rehabilitation Specialist. Responsibility for the home modification contract is between the property owner ("Owner") and the contractor ("Contractor") who performs the modification work.

II. SUMMARY

The Home Modification Program for Persons with Disabilities offers federal grant assistance up to \$10,000 to eligible homeowners city-wide, to complete structural modifications for single-family homes, condos, townhouses, and mobile units if the land is owned. The Home Modifications Program preferences single-family detached housing. Home modifications may include; wheelchair ramps, widening doorways to accommodate wheelchairs, grab bars, railings, door hardware, and modifications to showers, sinks and toilets.

The Home Modification Program for Persons with Disabilities has an application process, which includes verification of home ownership, income verification and an assessment of modifications needed on the home. Once an applicant is approved to participate in the Program, a review process is conducted, which includes a home inspection, scope of work, bid process and selection of contractor(s). Licensed contractor(s) selected by the homeowner and City staff will complete repairs on the home within 45 days.

Once the home modifications are completed and approved by the homeowner and City staff, a Certificate of Final Inspection and contractor Certificate of Release will be signed. All warranty information will be provided to the homeowner.

III. PROGRAM ELIGIBILITY

a. Priorities

The City’s Home Modification Program for Persons with Disabilities is available to residents citywide. The homeowner must have lived in their residence a minimum of one year prior to applying for assistance. Residents applying for modification assistance must have a minimum of one household member with a disability and in need of home modifications. Proof of disability will be required during the application process.

b. Income

The income eligibility requirement for CDBG funded programs is an annual household income at or below 80% Area Median Income (AMI). The 2011 income limits are reflected below, but will be updated annually when HUD releases new limits. Household income varies based on household size. Income sources include, but are not limited to: wages, salaries, overtime pay, commissions, fees, tips, bonuses, business profits, investment income, TANF, child support, social security, and unemployment. Any and all income for EVERY person residing in the dwelling age 18 and over is considered when determining household income and must be submitted and verified.

Income is calculated utilizing HUD’s guidelines as specified in the Technical Guide for Determining Income and Allowances for the HOME Program, 3rd Edition, January, 2005.

If an hourly rate is verified through approved documentation, the hourly rate will be entered into the calculator tool which multiplies the rate at 2,080 hours if the individual is working full time, or will multiply by the specified given hours if working part-time. State assistance, unemployment, etc. is estimated at the maximum rate an individual can receive the assistance and the amount of time the individual has received assistance up to the time of application. In these cases, income is estimated by weeks based on 52 weeks per year.

FY 2011 Income Limits for Maricopa County (<i>Appendix Item A</i>)								
FY 2011 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Area Median Income	\$13,800	\$15,750	\$17,700	\$19,650	\$ 21,250	\$ 22,800	\$ 24,400	\$ 25,950
50% Area Median Income	\$22,950	\$26,200	\$29,500	\$ 32,750	\$ 35,400	\$ 38,000	\$ 40,650	\$ 43,250
80% Area Median Income	\$36,700	\$41,950	\$47,200	\$ 52,400	\$ 56,600	\$ 60,800	\$ 65,000	\$ 69,200

c. Assets

The City must also determine the total value of assets owned by all adult members of each applicant household. Assets include but are not limited to: all financial accounts (i.e. bank, retirement, brokerage), trusts, and real estate (other than primary place of residence). The City must calculate anticipated income from the total value of all assets owned within the household. HUD establishes the rate of return (the “Passbook Rate”) that must be used to calculate asset income for households with asset values of \$5,000 and above. The current Passbook Rate is 2% and is subject to change per HUD revision.

In addition, participants in the Home Modification Program cannot own rental property(s) or have other assets, that when liquidated, have a total value that exceeds \$25,000. If the participant does have assets that exceed \$25,000 they will be denied participation in the program. The value of residential property to be improved plus the first \$100,000 of retirement accounts are excluded from this requirement.

A regular list of included and excluded income and asset resources and required documentation is available in Chapter 5 of the Housing Voucher Program Guidebook (available at www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm). Applicants must provide a signed Declaration of Income form to disclose all included and excluded income and asset sources claimed within total household income.

d. Third Party Income Verification

The City verifies income through third party verification or document review. . The City will submit a Verification of Employment Form (*Appendix Item: B*) to the applicant’s employer to verify income. Staff may also utilize copies of current check stubs to determine income in the case where the data obtained from the employer is incongruent with aspects of current income such as hours worked or new deductions. Staff will also verify other forms of income such as U.S. Social Security Administration benefits or public assistance. Staff will attempt to verify asset information and current bank balance information through the third party. In addition, staff will utilize follow up conference calls with the bank and the client, when necessary. An Authorization to Release Information (*Appendix Item: C*) must be signed by the applicant and all household members generating income authorizing the third party to release the required information.

e. Ownership and Residency

Program participants must have owned and occupied the proposed property for at least one year prior to application for assistance. The City requires that applicants submit a copy of the deed or title as proof of ownership. Individuals, who use their home to conduct business or as rental property, in whole or in part, are ineligible to participate in the Program. Homes that are used to conduct business are not eligible for the City’s Home Modification Program for Persons with Disabilities Program including businesses operated from a separate structure on

[the property. An exemption is available for home-based businesses where no general public or business related traffic comes to the home.](#) Applicants who currently have a second mortgage or reverse mortgage on the property are eligible to apply.

f. Property Taxes

All Home Modification Program applicants must demonstrate that their City of Chandler and Maricopa County property taxes are not delinquent. Either a current tax bill with a cancelled check or a downloaded statement from the Maricopa County Assessor's Office demonstrate compliance with this requirement.

g. Conflicts of Interest

Applicants must disclose all familial or legal relationships they have with City employees, Council members or other City Boards and Commissions. A relationship does not necessarily bar participation in the City's Home Modification Program, though further investigation will be required and will be completed according to the City's adopted Conflict of Interest policy.

h. Code Violations

Applicants requesting assistance from the Program must not have any current or outstanding City Code violations at any time during participation in the Home Modification Program. Any open code violations at time of application submission must be satisfied and closed by the City's Code Enforcement Division and/or Transportation and Development Department (Zoning code violations) before the application will be considered for consideration in the Program. However, if the applicant has code violations that may be satisfied due to receiving modification assistance, the code violations will be deferred until assistance is completed.

i. Existing City Lien

Applicants with an existing lien on the property from a City of Chandler housing assistance program are ineligible to receive assistance until the original City lien is paid in full.

j. Non-Discrimination Policy

The City of Chandler does not discriminate on the basis of disability in the admission or access to, or treatment or employment in its programs or activities. Leah Powell, 235 S. Arizona Ave., Chandler, AZ 85225, 480-782-4352, has been designated to coordinate compliance with the non-discrimination requirements contained in the Department of Justice regulations implementing Title II of the Americans with Disabilities Act (ADA), including section 35.107. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA coordinator, Leah Powell.

k. Limited English Proficiency Policy

The City of Chandler is committed to providing equal opportunity in all programs and services to ensure full compliance with all civil rights laws, including Title VI of the 1964 Civil Rights Act, which requires non-discrimination on the basis of national origin. Equal opportunity includes physical and program access for persons with disabilities and program access for persons with Limited English Proficiency (LEP). The City of Chandler’s Limited English Proficiency Policy is intended to ensure Chandler’s compliance with the “Improving Access to Services for Persons with Limited English Proficiency.” The City of Chandler will take all required steps including, translation services, providing documents and interpretation services for other languages other than English to meet the needs of eligible individuals requesting this service and seeking participation in the City of Chandler Community Development Section programs.

Any individual eligible for programs/services at the City of Chandler Community Development Section who cannot speak, read, write or understand the English language at a level that permits them to interact effectively with our staff has the following rights:

- A right to qualified interpretation services at no cost to them
- A right not to be required to rely on their minor children, other relatives, or friends as interpreters
- A right to file a grievance about the language access services provided them

l. Citizenship Requirements

Arizona state law now requires that an applicant for most types of federal, state or local public benefits is required to produce proof of legal presence in the United States and to sign a sworn affidavit stating that the proof presented is authentic. A grant made under the Home Modification Program is such a benefit.

Therefore, an applicant for such a grant must provide proof of legal presence, which can be one of the following:

- A birth certificate of delayed birth certificate issued in any state, territory or possession of the United States
- A United States certificate of birth abroad
- A United States passport
- A foreign passport with a United States visa
- An I-94 form with a photograph
- A United States citizenship and immigration services employment authorization document or refugee travel document
- A United States certificate of naturalization
- A United States certificate of citizenship
- A tribal certificate of Indian blood
- A tribal or Bureau of Indian Affairs affidavit of birth

- Other documents as listed on the “Affidavit of Lawful Presence in the United States form.

Such documentary proof of legal presence must be accompanied by a completed (signed and dated) "Affidavit of Lawful Presence in the United States" in the form included in the Home Modification Program guidelines, (*Appendix Item: CC*).

IV. APPLICATION PROCESS

The City of Chandler will accept Home Modification Program for Persons with Disabilities applications throughout each program year depending on the amount of funding available and need for assistance in the community.

Residents requesting participation in the Home Modification Program must complete an Application (*Appendix Item: D*) and submit required documents to the Community Development Staff.

Community Development staff will review all applications and documentation received for completeness. Staff will complete a checklist identifying required documents have been received (*Appendix Item: E*). The application will be date stamped and signed by the City staff person accepting the documents. If an application is incomplete, City staff will notify the applicant in writing of missing information. If the applicant is unable to provide the required documentation within ten (10) days of the application submission date, the application will be denied.

Completed applications will be reviewed for income and program eligibility by Community Development staff.

a. Application Completeness

A completed application and required documentation must be received for the application to be considered:

- Complete application
- Copy of proof of ownership
- Copies of 3 months worth of check stubs for all Adult household members
- Social Security Award Letter (if applicable)
- Proof of all other income which includes but is not limited to:
 - TANF
 - Child Support
 - Asset Income
 - Social Security
 - Retirement/Pensions
 - Unemployment
- Copy of photo ID for applicant and co-applicant
- Proof of disability
- Authorization to Release Information
- Signed Lead Based Paint Notification Form

b. Selection Process

Applications will be processed on a first come, first served basis. Residents will receive assistance until funding has been depleted. The Home Modification Program for Persons with Disabilities does not maintain a waiting list. If eligible applicants are not selected to receive assistance, they will be notified by City staff and asked to reapply during the next program year.

c. Final Determination

Once City staff receives and reviews all required documentation, staff will complete the applicant's income calculation.

- Upon determining eligibility or ineligibility, staff will send a letter of approval or denial for the program to the applicant.
- If the applicant is eligible for assistance, City staff will submit a request for a complete title report from a city approved title company, to verify the applicant's homeownership. Once verified, Community Development staff will contact the applicant stating they have been approved to receive assistance with the Home Modification Program for Persons with Disabilities and make an appointment to conduct an initial inspection.
- If the applicant's income exceeds 80% of the HUD income limit, City staff will notify the applicant in writing that they are ineligible for assistance. However, if circumstances change at a later date, the applicant can reapply during the next applicant acceptance time.

V. PRE-HOME MODIFICATION ACTIVITIES

Once the applicant has been notified as being approved to participate in the City's Home Modification Program for Persons with Disabilities, the Housing Rehabilitation Specialist will conduct an initial inspection of the property. The Housing Rehabilitation Specialist will discuss with the homeowner items they wish to be structurally modified. Initial pictures will be taken of items that will be modified. In addition, the Housing Rehabilitation Specialist will discuss program processes and guidelines with the homeowner(s). A copy of the City's Home Modification Program for Persons with Disabilities Guidelines will be provided to the homeowner and the homeowner must sign receipt of receiving and reviewing the program guidelines.

a. Initial Inspection

During the initial inspection, the Housing Rehabilitation Specialist will review the items listed on the homeowner's application to be structurally modified. The Specialist will inspect the home. The Specialist will utilize a checklist of qualifying items (*Appendix Item: F*) and determine if there are additional items not listed on the application that would qualify for a modification. These items will be discussed with the homeowner during the time of initial inspection.

b. Eligible Modifications

1. Eligible Modifications

- Wheelchair Ramps
- Widening doorways to accommodate wheelchairs
- Grab bars, railings, door hardware
- Modifications to showers, sinks, and toilets
- Other work not listed above and as approved by the Neighborhood Resources Director

VI. ENVIRONMENTAL STANDARDS

Pursuant to federal regulations in 24 CFR 92 and 24 CFR 570, the City's use of CDBG and HOME funds requires a review of activities for any adverse effects on the environment. An environmental assessment is completed on each residence receiving home modification assistance. An environmental review consists of: historic preservation, floodplain management, radioactive materials and nearby hazardous operations.

a. Historic Preservation

Section 106 of the National Historic Preservation Act requires that housing rehabilitation projects financed with federal funds undergo a historic preservation review. Once the applicant is approved to receive assistance and an initial home inspection has taken place, Community Development staff will send information to the Arizona State Historic Preservation Office (SHPO) for all properties fifty years of age and older to determine whether or not the property is listed or eligible for listing on the local, State or National Registers of Historic places (*Appendix Item: G*). All projects must be reviewed and approved by SHPO prior to commitment or expenditure of federal funds. Materials sent to SHPO for approval include:

- Cover Letter
- Site photo(s)
- Scope of Work
- Area Map
- Maricopa County Assessor's parcel information

The materials must be sent by certified mail in order to document receipt of submitted materials to SHPO. By regulation, SHPO has 30 days from receipt of materials to object to a project. If SHPO fails to object within this time frame, the City may proceed with the project as proposed.

b. Floodplains

Per 24 CFR Part 55, the City must determine the floodplain status of all properties prior to commitment or expenditure of federal funds. The Community Development Section will review FEMA floodplain maps on a case-by-case basis to determine which, if any, properties are within a floodplain.

c. Radioactive Materials and Nearby Hazardous Operations

Per 24 CFR Part 51 Subpart C; the City must determine whether project sites are located in the immediate vicinity of hazardous or radioactive materials. To determine proximity to these hazards, the Housing Rehabilitation Specialist reviews the FEMA website as required by HUD regulations.

d. Lead-Based Paint

As federally funded projects, the City requires a lead-based paint evaluation. The Housing Rehabilitation Specialist makes a determination during the initial site inspection whether or not a project qualifies for an exemption to the lead requirement. If lead hazards are present on the property to receive modification assistance, the City is required to mitigate or abate all hazards. All homes built before 1978 must be evaluated for lead-based paint. The applicant must sign the Notice of Lead Based Paint Information (*Appendix Item: H*).

e. Required Documentation

The above requirements are reviewed on a case-by-case basis for compliance for environmental factors. All documentation and correspondence related to the review shall be included in the individual project files.

Once the review is complete, Community Development staff will complete a HUD Level of Environmental Review Form and a 2008 Appendix A form (*Appendix Item: I*). A Certifying Officer must sign these forms in order to complete the environmental review. The Certifying Officers for the Community Development Section are: CDBG Supervisor and Neighborhood Resources Director. Community Development staff submits environmental requests and supporting documentation to the Maricopa County Community Development Section.

VII. HOME MODIFICATION ACTIVITIES

a. Home Inspection

The Housing Rehabilitation Specialist will schedule a home inspection with the homeowner to conduct a second and final review of the items to be completed during the modification.

b. Contractor Selection

The City maintains a certified list of contractors that have been evaluated and approved by the Purchasing Division. All approved contractors will be invited to bid on each Modification project. All contractors on the approved list will be notified in writing of the date, time and location of each modification project bid walk.

c. Scope of Work/Cost Estimate

The Housing Rehabilitation Specialist will utilize the initial inspection checklist, notes and pictures from both the initial and home inspection to complete a

comprehensive Scope of Work (*Appendix Item: J*). The Scope of Work includes, in detail, the items to be modified during the project. The Housing Rehabilitation Specialist will utilize software to determine an estimated cost for the project. A Cost Estimate (*Appendix Item: K*) will be developed with estimated costs for each individual item to be modified. The Scope of Work and Cost Estimate will be presented to the homeowner. If the homeowner agrees with the Scope of Work and Cost Estimate, the homeowner scheduling of the contractor bid-walks commences.

d. Contractor Bid-Walks

All approved contractors will be notified to submit bids for a home modification project. A Bid Walk will take place at the residence with the Housing Rehabilitation Specialist, homeowners, and contractors. The Housing Rehabilitation Specialist will review the Scope of Work with the contractors present and answer any questions. The purpose of contractor bid-walks is to ensure that contractors are treated fairly, and all parties involved have the opportunity to review the project, ask questions and develop solutions if necessary.

Bid submission and contractor selection processes are covered under **Section X Contractor Requirements**.

e. Contract Signing

Once the contractor is selected, the Housing Rehabilitation Specialist will schedule an appointment with the contractor and homeowner to conduct contract signing. A contract (*Appendix Item: L*) is signed between the homeowner and the selected contractor to complete work as specified in the approved Scope of Work.

Finally, if the homeowner agrees to proceed with the home modifications, the homeowner will sign an Order to Proceed (*Appendix Item: M*). This document instructs the contractor to begin home modification work within seven (7) days of the date of the Order.

f. Construction/Repairs

Once the contractor is selected, home modifications begin. The Contractor has 45 days to complete the home modification project from the date of the signed Order to Proceed, unless otherwise agreed to by the homeowner and City of Chandler. During the modification process, the Housing Rehabilitation Specialist will be in contact with the homeowner and contractor to monitor and inspect the work while in progress.

VIII. GRANT PROCESS

a. Grant Payment

The Home Modification Program for Persons with Disabilities provides modification assistance through a federal grant. There is no repayment required from the homeowner. Costs for home modifications will be paid directly from the

City of Chandler to the selected contractor to complete the project. Grant funds will be equal to the total amount of construction costs required to complete the home modifications, not to exceed \$10,000. If construction costs are less than \$10,000, the grant amount will equal the actual project cost.

IX. HOME MODIFICATION COMPLETED

a. Final Inspections

Prior to approval of a final contractor payment, the Housing Rehabilitation Specialist must complete a final inspection at the project site. The owner and contractor are required to attend this inspection in order to ensure that all parties involved understand the nature of the work completed and agree that work was completed properly. Pictures will be taken of all items completed in the Scope of Work.

If work was satisfactorily completed, the Housing Rehabilitation Specialist, who is Housing Quality Standard Certified, will complete and issue a Certificate of Final Inspection (*Appendix Item: N*).

In addition to verifying the satisfactory completion of the Scope of Work, the Housing Rehabilitation Specialist will remind the owner and the contractor of their respective on-going contractual obligations. Both parties will be reminded that the contract stipulates that the contractor must guarantee the quality of material and workmanship for two years from the date of final acceptance of all work. The contractor must also provide the owner with any/all manufacturers' warranties or guarantees associated with the materials and equipment used during the home modification project.

b. Correction of Work Items

In the event there are items on the Scope of Work that either the homeowner and/or the Housing Rehabilitation Specialist feel was not completed in its entirety, a Correction List (*Appendix Item: O*) will be developed. The homeowner and contractor will sign the Correction List and the contractor must complete/correct items on the list within fifteen (15) days. Once work has been completed, the homeowner and the City agree and sign the Acceptance of Work.

c. Acceptance of Work

Once all work is satisfactorily completed and inspected by the Community Development Section, the Housing Rehabilitation Specialist will provide a Certificate of Final Release (*Appendix Item: P*) Prior to the issuance of a check to the contractor and file closure, the owner must sign off on all work completed.

In the event that an owner refuses to sign the Acceptance of Work, the City may sign off on the work if the City feels the modifications have been completed according to the contract and acceptable professional standards. If necessary, the Housing Rehabilitation Specialist will contact the Arizona Registrar of

Contractors as a third party to provide an assessment to determine if work was completed properly.

d. Lien Waiver

Prior to approval of any final payment, the contractor must submit a signed lien waiver. The waiver stipulates that the contractor has or will provide all payments to laborers, including subcontractors, suppliers and other parties involved in the modification project for services, materials and/or equipment employed for the purpose of home modifications. Further, the waiver releases any mechanics' liens, state or federal bond rights or additional claims for payment for the same work.

e. Homeowner Portfolio

At the completion of the modifications, the Housing Rehabilitation Specialist will supply the homeowner with a Portfolio that contains at minimum, the following items:

- Contractor contact information
- Subcontractor contact information (if applicable)
- Warranties/Guarantees of items used during modification, i.e. bathroom fixtures, grab bars and hardware, etc.
- Copy of initial application
- Copy of Signature Receipt for Home Modification Program for Persons with Disabilities Guidelines
- Copy of Signature Receipt for Lead Base Paint Information Packet
- Copy of Scope of Work
- Copy of Cost Estimate
- Copy of Contract between the homeowner and contractor
- Copy of Notice to Proceed
- Copy of Acceptance of Work
- Copy of Correction List (if applicable)
- Copy of Certificate of Final Inspection
- Copy of Certificate of Final Release
- Grievance Policy
- Satisfaction Survey

X. CONTRACTOR REQUIREMENTS

a. Eligibility and Ineligibility of Contractors

The City's Accounting Division, Procurement Division, in consultation with the Community Development Section, determines eligibility of contractors. In order for a contractor to become eligible to perform modification services under this program, the contractor must be registered with the City as a qualified vendor and must meet the City's requirements as such. All contractors, both general contractors and the general contractor's subcontractors, must apply to become a qualified vendor by contacting the City of Chandler Procurement Division. The requirements to become a qualified vendor include:

- All contractors must obtain and maintain a Residential General Contractor's license through the Arizona Registrar of Contractors
- Proof of City of Chandler contractor license
- Proof of Federal Non-debarment
- Must be able to receive payments through direct deposit
- Must comply with the Legal Arizona Worker's Act
- Must provide a current Insurance Certificate
- Proof of Bond

Contractors must maintain their license through the Arizona Registrar of Contractors and a City of Chandler contractor license at all times during their participation in the City's Home Modification Program for Persons with Disabilities. If a contractor's license becomes suspended or revoked at any point, the Community Development Section will suspend the contractor from participating in the program. If the contractor is currently under contract at a project site, the Housing Rehabilitation Specialist will notify the contractor that they need to stop work immediately until such time as the license is renewed or reinstated. Failure to obtain a renewal or reinstatement may be cause for termination of the Home Modification Contract. The Housing Rehabilitation Specialist must notify the homeowner that the contractor's license is no longer valid.

If a contractor is not currently working at a project site, they will be ineligible to bid on any projects until such time as their license is renewed or reinstated.

b. Insurance and Bonding Requirements

The contractor shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all costs associated with the contract in an amount equal to the total cost of the project.

The contractor shall comply with bonding and insurance requirements of 24 CFR §§ Part 84.31 and 84.48, including but not limited to the following insurance to the extent stated:

1. Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than Two Million Dollars (\$2,000,000) aggregate and One Million Dollars (\$1,000,000) per occurrence. Such insurance is to be written on an occurrence basis. The City of Chandler shall be named as additional insured.
2. Automobile Liability and Property Damage Insurance, if applicable, in an amount not less than \$1,000,000 combined single limit for both bodily injury and property damage.
3. Workers' Compensation coverage for employer's liability and disability benefits as required by the State of Arizona.

4. Excess Liability Insurance in an amount not less than \$10,000,000.
5. Certificates of Insurance for all of the aforementioned coverages shall be provided to the City of Chandler prior to the commencement of work under the project contract. The City of Chandler shall be named as additional insured on each such certificate.

c. Approved Contractors

All contractors on the City's approved vendor list will receive on-going monitoring including review of City requirements and any complaints filed with the Registrar of Contractors. Any issues of non-compliance will remove a contractor from the approved vendor list and will not be eligible to bid on modification projects.

d. Sub-contractors

General contractors may choose to utilize sub-contractors as long as they are licensed and bonded. Prior to work commencing, the general contractor must submit a Subcontractor Form (*Appendix Item: Q*), listing all subcontractors utilized on the Home Modification project. If the general contractor does not utilize subcontractors, they must indicate so on the Subcontractor Form.

The general contractor under contract with the owner may select any subcontractor that they wish to complete work that they are not willing/able to complete with their own staff. However, the General Contractor is responsible for the actions, cleanliness and quality of work completed by their subcontractors. Should a subcontractor fail to perform adequately, it is the General Contractor's responsibility to rectify any improper conduct or otherwise poor performance by all subcontractors associated with the project.

e. Equal Employment Opportunity (EEO) Requirements

24 CFR 570 requires that specific language related to EEO be included in all contracts executed through the City's Home Modification Program. Specifically, the EEO clause requires that contractors and subcontractors agree to not discriminate among their employees based on race, religion, sex, creed, color, disability or national origin. Actions covered by this clause include those related to: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoffs, termination, rates of pay or other compensation and training selection or apprenticeship. Furthermore, the contractor also agrees to include language-covering EEO in all subcontracting agreements.

f. Section 3 Clause

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 to the greatest extent possible, job training, employment and contract opportunities are

available to low and very low-income persons in connection with the projects and activities in their neighborhood.

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

The contractor must agree to send to each labor organization or representative of their workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the of the contractor's commitments under the Section 3 clause, and will post copies of the notice in a conspicuous location 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.

g. Women's and Minority Business Enterprise

The contractor will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the work performed for the City of Chandler Home Modification Program for Persons with Disabilities. As used in these guidelines, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The contractor may rely on written representations by contractors or sub-contractors regarding their status as minority and female business enterprises in lieu of an independent investigation.

h. Contractor Selection

Both the Procurement Division and the Community Development Section maintain an ongoing list of approved contractors. Community Development staff will invite all contractors on the approved list to bid on each home modification project. A contractor may choose not to participate in a modification bid walk without penalty or deletion from the approved contractor list.

i. Bid Submission

All contractors will be sent a copy of the project Scope of Work and will be invited to the scheduled bid-walk. Bid walks will occur on the property to be modified with the Housing Rehabilitation Specialist and the property owners. Contractors will have the opportunity to review the Scope of Work, inspect the

property and ask any questions. Contractors will receive a bid submission envelope. Bid packages are to be sealed and delivered in the bid submission envelope within seven (7) days of the bid walk. Bid packages shall be delivered to:

City of Chandler Neighborhood Resources Division
Mail Stop 600
235 S. Arizona Ave.
Chandler, AZ 85225

Failure to meet bid package deadlines automatically disqualifies the contractor from participating in that modification project. Bid packages that meet deadlines will be date stamped by City staff and require the contractor's signature. In addition, a receipt will be given to the contractor.

j. Bid Review

Bid opening will be scheduled at a specific date and time and open to the public and contractors. Sealed bids received from contractors will be opened by the Housing Rehabilitation Specialist and with two additional City staff present. The bids will be opened; amounts will be called out and written on a bid sheet.

1. In-House Estimates

Once bid(s) are received from the contractor(s), the Housing Rehabilitation Specialist will review the bid(s) for completeness. The Housing Rehabilitation Specialist will evaluate the reasonableness of bid values by conducting a comparison to the cost estimate created during the Scope of Work process. (See Section VII).

2. Allowable Variance Between Bids and Estimates

If the value of a contractor bid exceeds the In-House Estimate, then the Housing Rehabilitation Specialist must determine the cost variance between them and act accordingly:

- If the bid value is within 15% of the In-House Estimate, the bid will be accepted as is
- If the bid value is between 16% and 20% of the In-House Estimate, the bid will be further reviewed and further information obtained from the contractor to justify the excess cost
- If the bid value exceeds 20% of the In-House Estimate, the bid will be rejected
- If all bids received exceed 20% of the In-House Estimate, justification will be obtained for each bid submitted and/or the Housing Rehabilitation Specialist can reject all bids and call for re-bid.

3. Bid Acceptance

Once the bid has been reviewed for completeness and the cost reasonableness determined the Housing Rehabilitation Specialist awards

the contract to the lowest qualified bidder in conjunction with the homeowner. Contractors who have submitted a complete bid package will be notified within three (3) days of the bid submission date of winning or non-winning bids.

k. Elimination of Work Items

Should the bid amount exceed available funds, the Housing Rehabilitation Specialist will work with the homeowner to pare down the scope of work. Within the limitation, the Housing Rehabilitation Specialist and the homeowner will discuss the owner's priorities for which work will be completed.

l. Change Orders

During the course of rehabilitation, unforeseen conditions may arise that merit a change order. The contractor or the owner can request change orders (*Appendix Item: R*). All change orders must be related to the original Scope of Work or fix a life and safety hazard that was previously overlooked or has changed. Change orders are not allowed to increase the price of the overall project amount. All change orders submitted for approval, must be substituted for "like for like" items. Change orders must be submitted in writing describing the circumstances warranting a change order and must reflect a justifiable need that was unforeseen during the development of the initial scope of work. Change orders will be reviewed and approved by Chandler Community Development staff before any work related to the change order can occur. The Community Development Section reserves the right to determine the eligibility of change order requests on a case-by-case basis.

m. Timeline of Work to be Completed

The contractor will have up to forty five (45) days to complete the home modification project from the date of the signed Order to Proceed. If the contractor is over 45 days, without prior notice and approval from the City of Chandler, the contractor will be fined \$50.00 per day for every day past the 45 day completion time. The sum of the fine will be reduced from the 10% final payment to the contractor.

n. Quality of Workmanship and Standards for Modifications

At all times, the contractor must ensure that the conduct of workers is held at professional standards and that the quality of workmanship complies with professional standards.

The contractor must also certify that quality of workmanship and materials for a period of two years from the date of the Notice of Completion and rectify any issues brought to his or her attention within this timeframe. Any conflicts that arise as a result of the contractor's failure to comply with this provision will be handled through the Arizona Registrar of Contractors. Finally, the contractor must also provide the homeowner with all manufacturers' warranties for materials used during modification.

o. Contractor Payments

Contractors must request payment using the Contractor Payment Request Form (*Appendix Item: S*). The Contractor Payment Request form must be completed stating the item number and actual cost associated with completed work. The item number must directly correlate with the item number as stated in the original Scope of Work. All requests for payment must be documented and an original invoice provided to the City of Chandler. The Housing Rehabilitation Specialist will conduct an on-site monitoring to verify the completeness and quality of work corresponding to the request before payment is approved. The final payment request will be issued after the final walk-through and Notice of Completion is signed by the homeowner, contractor and City of Chandler.

p. Issuance of Checks

Once a payment request has been approved by all levels within the Community Development Section and forwarded to the City's Accounting Division, payment will be made through direct deposit to the contractor's specified account. Contractors must supply a valid routing number and checking account number to receive payments through direct deposit.

The Community Development Section and Accounting Division provide internal financial oversight to the City's Home Modification Program for Persons with Disabilities. Internal controls used by the Accountant are based on regulations at 24 CFR 570 and 24 CFR 92, which govern the federal CDBG program, as well as criteria set forth by the Governmental Accounting Standards Board (GASB) and in Generally Accepted Accounting Principles (GAAP).

XI. PROJECT CLOSEOUT

a. File Closure

Once all home modification activities have been approved and completed, the Housing Rehabilitation Specialist will finalize the project file before closure. This includes completing all reports required by HUD for CDBG funds and City quarterly reports. The Home Modification Program for Persons with Disabilities files must be retained for a period of six (6) years from the date of the signed Release of Lien.

b. Grievance Procedure

A grievance is defined as any misunderstanding, difference or dispute between any homeowner, contractor or City staff regarding any aspect of the Home Modification Program for Persons with Disabilities. It is agreed that prompt and equitable resolution of complaints shall be addressed through the procedure set forth below in full confidentiality.

Any homeowner, contractor or City staff having a grievance pertaining to the Home Modification Program for Persons with Disabilities shall first discuss and attempt to settle the grievance with the parties involved in the grievance.

If a satisfactory settlement is not reached, the grievance shall be discussed and an attempt to settle will be conducted with the City of Chandler's CDBG Supervisor. The CDBG Supervisor will give full and fair consideration to the grievance as promptly as circumstances allow, and shall render a fair and just decision by the end of the working day following the day the grievance was brought to their attention.

If a satisfactory settlement is still not reached, the grievance will be placed in writing by the grievor, indicating what is requested and signed. The Community Development Administrator will state in writing, their answer to the grievance and their position to the grievance. The grievance will then be given to the Neighborhood Resources Director.

The Neighborhood Resources Director shall have seven (7) days from the time of receipt of the grievance to review and discuss the grievance with the identified parties.

If the grievance cannot be settled at this level, the grievance will be forwarded to the appropriate Division within the City, i.e. Legal Department, City Manager's Office, etc.

c. Satisfaction Survey

The City of Chandler's Community Development Section values feedback from any persons involved with or participating in the Home Modification Program for Persons with Disabilities. A Satisfaction Survey (*Appendix Item: T*) is included in the Homeowners' Portfolio and given to approved contractors for completion. All feedback received is evaluated and when appropriate, changes are incorporated into the Home Modification Program for Persons with Disabilities to improve and increase program efficiency. The City is always looking for ways to improve the satisfaction of residents who receive program services offered by the City.