

Contract for Inspection Services
(Turnkey)

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0007
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Public reporting burden for this collection of information is estimated to average 1.5 hours. This includes the time for collecting, reviewing, and reporting the data. Information provided is to obtain architectural services for turnkey projects. HUD uses the information to execute the contract. Information is required to obtain benefit under 24 CFR 941.402. No confidentiality is required. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

This Agreement entered into as of the _____ day of _____ by and between the _____ a public body organized and existing under and by virtue of the laws of the State of _____ (hereinafter called the Local Authority or LA), and _____ Architects, of _____ (hereinafter called the Architect):

Witnessed that:

Whereas, the LA is undertaking the acquisition of a low-rent housing project designated as Project No. _____ located at _____ in _____; and

Whereas, the United States of America, acting through the Department of Housing and Urban Development (hereinafter called the Government) has agreed to assist in the financing of the acquisition of this project under the provisions of the United States Housing Act of 1937; and

Whereas, under date of _____ the LA entered into a certain agreement (hereinafter called the Contract of Sale) with _____ (In the Contract of Sale and hereinafter in this Agreement called the Seller) in which the LA has agreed to purchase certain real estate after completion thereon by the Seller of certain improvements to be constructed in accordance with plans and specifications as set forth in the Contract of Sale (which said Contract of Sale is made a part hereof as if set forth herein in full), said improvements to consist of _____ buildings containing _____ dwelling units, together with utilities, site improvements, landscaping, and related facilities; and

Whereas, the LA desires to obtain from the Architect professional services with reference to the LA's interest in the Contract of Sale;

Now, Therefore, the LA and the Architect do mutually agree as follows:

Article 1. Scope. The Architect agrees to provide professional services for the LA in connection with the project as set forth in Article 3 hereof.

Article 2. Fee. For the professional services rendered as defined in Article 3 hereof, the La agrees to pay the Architect a fee determined at the rate of two and one-half times the direct personnel expense as approved by the La.

Direct personnel expense includes actual and reasonable salaries paid to the Architect, his collaborators and his technical personnel for performing the services stipulated under this contract, at rates of pay consistent with the nature of the services performed, but which shall not exceed \$ _____ per hour. Direct personnel expense does not include stenographic, clerical, or other expense of an overhead nature required for performance of this contract and for which compensation is included in the fee stipulated herein. It is agreed that, regardless of the actual timing of services, calculation of the maximum remuneration to the Architect shall be based on the assumption that professional services will average _____ hours per week during the actual construction period. The total compensation to the Architect shall not exceed \$ _____.

Payments to the Architect on account of services hereunder shall be made at the end of each month when the Architect shall submit a bill setting forth an itemization of direct personnel expense involved.

Article 3. Professional Services. The Architect shall:

- 3.1 Perform all services required of the Architect as set forth in the Contract of Sale.
- 3.2 Furnish the LA at the time of executing this Agreement a written list of those who may collaborate in inspecting the work. The Architect will be responsible for compensating such collaborators.
- 3.3 In cooperation with the La, prepare an inspection schedule appropriate to the construction and anticipated progress, but in no case less often than monthly.
- 3.4 Make on-site inspections according to the schedule to determine conformity with plans and specifications, without in any way guaranteeing the Seller's work or assuming responsibility for the project design.
- 3.5 Within five days of each inspection, provide the LA a written report on such inspection including all deficiencies observed in the work and send copies of each such report to the Seller, to the Lender, and to the Housing Assistance Office.
- 3.6 Check (without verifying by physical measurement or instrument survey) lines and grades of foundations, surfaces, grassed areas and underground utilities laid out by the Seller.
- 3.7 Advise the LA on special problems and any changes in the work. Prepare and countersign construction change orders involving a change in contract price and/or extension of contract time for execution by the LA and the Seller. Changes not affecting contract price or time of

completion shall be documented, singly or in groups, for formal acceptance by the LA and the Seller and countersigning by the Architect. Changes affecting the contract price (see Article IV, Contract of Sale) shall be carefully checked as to monetary value and the countersignature thereon shall indicate that the credit or extra has been verified by the Architect and that the amount involved represents a reasonable adjustment of the contract price.

3.8 Approve materials and color schemes, and recommend LA approval or disapproval of samples, certificates, and test reports when provided for in the Contract of Sale.

3.9 Maintain a file of shop drawings, guarantees and warranties relating to the improvement; review and approve "as-built" drawings and specifications; and transfer this material to the LA at completion of construction.

3.10 Attend conferences when and as deemed necessary by the LA.

3.11 Assist in final inspection and prepare list of incomplete or defective work and, if necessary, prepare the documents and recommend monetization of any such work.

3.12 Certify at the time of settlement that the property involved complies in all respects to the plans and specifications and any amendments thereto, and is in good and tenantable condition.

3.13 Certify as to full completion of the project for payment of amounts withheld at the time of settlement.

3.14 Inspect the project after final acceptance and occupancy and before expiration of any applicable guarantees or warranties, if requested to do so by the LA.

Article 4. Miscellaneous Requirements

4.1 Prevailing Wages. The Architect and his/her agents shall pay or cause to be paid to all Architects, technical engineers, draftsmen, and technicians employed on any part of the work under this contract not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by HUD. The Architect shall furnish to the LA, with each statement submitted for services rendered, certification as to such compliance. These requirements shall not apply to executive, supervisory, and administrative employees.

4.2 Withholding of Wages. In cases (of which the LA has notice) of underpayment of wages required to be paid under the requirement above, the LA may withhold from the Architect out of payments due, an amount sufficient to pay to the employees involved the difference between the wages required to be paid under the contract and the wages actually paid such employees for the total number of hours worked. The amounts withheld may be disbursed by the LA for and on account of the Architect to the respective employees to whom they are due.

4.3 Equal Employment Opportunity. During the performance of this Agreement, the Architect agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, handicap, or national origin. The Architect will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The Architect shall insert provisions similar to the foregoing in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

4.4 Officials Not to Benefit. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

4.5 Interest of Members of the LA and the Local Governing Body. No member, officer, or employee of the LA, no member of the governing body of the locality in which the LA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Project, shall, during his/her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

4.6 Covenant Against Contingent Fees. The Architect warrants that he/she has not employed any person to solicit or secure this Agreement upon an agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the LA the right to terminate this Agreement or, in its discretion, to deduct from the compensation otherwise payable, the amount of such commission, percentage, brokerage, or contingent fee.

4.7 Assignability. The Architect shall not assign or transfer any interest in this Agreement except that claims for monies due or to become due him/her from the LA under the Agreement may be assigned to a bank, trust company, or other financial institution.

4.8 Termination. The LA reserves the right to terminate the services of the Architect by giving at least three days written notice of the fact and time of such termination. In such event, all finished or unfinished work prepared by the Architect shall become the property of the LA, and the Architect shall be entitled to compensation for satisfactory work under this Agreement on the basis stated in Article 2.

In Witness Whereof, the LA and the Architect have executed this Agreement as of the day and year first above written.

By _____

BY _____

Title _____

Architect's Business Address and Zip Code _____

Architect's Business Telephone _____

Architect's Home Telephone _____