

## MAINE STATE HOUSING AUTHORITY

### Supplemental Construction Standards

#### I. Standards for Construction and Contractor's Warranty

The Development shall be constructed according to accepted working drawings and specifications, and in full compliance with applicable building codes and regulations. All materials and equipment shall be new, unless otherwise specified, and all construction shall be of good quality, free from faults and defects.

The Contractor warrants to the Developer, the Architect, and in consideration of the permanent financing of the Development by the Maine State Housing Authority, to the Authority that all construction will be accomplished in compliance with the Standards for Construction stated above.

#### II. Construction Contract Retainage

For construction contracts less than \$450,000 of Stipulated Sum or Guaranteed Maximum Cost there shall be a 10% retainage on all progress payments made to the Contractor during construction.

For construction contracts from \$450,000 to \$900,000, there shall be a 10% retainage on all progress payments until the total amount of retainage equals \$45,000.

For construction contracts greater than \$900,000, there shall be a 10% retainage on all progress payments until construction is 50% complete.

The Bank or the Maine State Housing Authority may determine that sufficient reasons or circumstances exist with respect to a particular Development as to require greater retainage.

The retainage shall be held by the Bank until the Development is substantially complete and until any incomplete work escrows have been funded as provided in Paragraph VIII hereof.

#### III. Required On-site Facilities

The Contractor shall provide the following on-site facilities:

- a) A site office of sufficient size for the review and discussion of the construction documents.
- b) A site phone
- c) A site toilet
- d) A current set of signed drawings, specifications, and other documents as amended and as accepted by MSHA for the use of MSHA's inspector at all times.
- e) A project sign which designates the project as an Equal Housing Opportunity project and includes references to the Project Name, Developer, Architect,

Contractor, Bank, and the MSHA. This sign should also provide a phone number for rental information, or the rental information may be provided for separately.

#### IV. MSHA Inspections

##### a. Contractor requests for MSHA inspection

Request for all “scheduled” inspections described herein shall be provided to MSHA at least two (2) working days prior to the desired inspection date either in writing or by telephone.

##### b. Scheduled Inspections

MSHA requires scheduled inspections of the construction to determine that work is proceeding according to the Standards for Construction stated in Paragraph I above. MSHA reserves the option to make additional inspections for the same purposes. The scheduled inspections shall be as follows:

1. Excavation completed: The following items shall be completed and visible for inspection:
  - i. all excavation for footings and foundations
  - ii. forms for footings and any required footing reinforcing steel in place; and
  - iii. batter boards or other suitable locating devices in place and wall lines established.
2. Foundation preparation: The following items shall be completed and visible for inspection:
  - i. forms for walls with any required reinforcing in place; and
  - ii. forms shall be aligned, securely braced, and properly oiled.
3. Foundation completed: The following items shall be complete and visible for inspection prior to placing backfill:
  - i. all footings, foundation walls, piers, and any other foundation work including rodent barriers;
  - ii. foundation water-proofing or damproofing; and
  - iii. footing drains and any other specified foundation drainage systems.
4. Concrete Slabs Preparation: The following items shall be complete and visible for inspection:
  - i. noncapillary bed,

- ii. slab vapor barrier,
  - iii. perimeter insulations, and
  - iv. reinforcing steel.
5. Close in: A “close in” inspection is required prior to the concealment of all building systems. The following construction shall be completed and visible for inspection:
- i. the structure shall be enclosed with all wall, ceiling and roof framing exposed;
  - ii. masonry veneer, if applicable, shall not be installed;
  - iii. interior wall and ceiling finish material and insulation shall not be installed, but roofing may be applied;
  - iv. plumbing, mechanical and electrical work shall be roughed in; and
  - v. footings and foundations for stoops, porches and terraces before backfilling, with any required reinforcing and flashing for slabs in place, before pouring slabs, if not inspected during previous inspections.
6. Final Inspection: At final inspection, all required construction shall be completed and ready for inspection. The Contractor shall arrange to have the building(s) open for the MSHA Inspector. The following items shall be completed and ready for inspection:
- i. the dwelling structure completed, cleaned and ready for occupancy. This shall include the installation and operation of permanent equipment, and on-site improvements except for those items specified and accepted as suitable for deferred completion in accordance with the provisions of an Incomplete Work Escrow (paragraph VIII).
  - ii. finish grading, seeding, sodding, and landscape planting; completed;
  - iii. paving of walks and drives, including their extension to the public walk, curb or pavement, and utilities installed including their extension and connection to off-site public mains;
  - iv. fences, garden walls, retaining walls, and other accessory structures;
  - v. off-site improvements, if any;

- vi. all non-compliances noted by MSHA Inspector during construction shall have been corrected and accepted by MSHA;
- vii. As-built survey received by MSHA five (5) business days prior to inspection.

c. Concealment

If the MSHA Inspector encounters construction that has been concealed before being inspected as required by a scheduled inspection or a follow-up thereto, he may require the uncovering of concealed work or an alternative verification acceptable to MSHA. MSHA shall not be liable for the cost of any such uncovering or alternative verification. The Inspector shall note on the Field Report any concealment.

d. Reinspection

Any inspection performed which MSHA in its sole discretion determines to be necessary due to an action, omission, or deficiency caused by the Contractor, Developer, or Architect shall be considered a reinspection and shall be billable to the Developer to cover the costs of labor and expense to the Maine State Housing Authority. The rate of charge shall be \$25 per man-hour from the MSHA office to site and return. The maximum charge per inspection shall be \$200.00.

Reinspection shall be made after corrections have been completed and the Contractor or Architect shall notify the Authority of readiness for reinspection as provided in Paragraph IV A above.

e. Inspection Reports

A Field Report is generally provided to the Contractor following each inspection or reinspection. The Contractor must carefully review his copy of the Field Report and correct any non-compliance

MSHA may, in order to avoid duplication of effort, rely upon the inspection and report of the Architect with respect to any required inspection covered by Paragraph IV "b" above.

V. Corrective Actions

Upon its sole determination at any time that the construction is not proceeding or has not proceeded or been completed in compliance with the Standards for Construction stated in Paragraph I above, MSHA without the consent of the Architect may require of either the Contractor or the Developer or both, any of the following corrective actions:

- a) Repair or correct non-compliance; then notify MSHA for reinspection.
- b) Stop construction in area of non-compliance until further notice.
- c) Employ a full time Project Representative of the Architect, as provided in the AIA Standard Form of Agreement Between Owner and Architect.

The one-year period referred to in § 13.2.2 of the General Conditions of the Contract for Construction for correction of the work shall commence no earlier than the date of issuance by MSHA of a certificate of Occupancy for the Development.

VI. Change Orders

Any modifications, including but not limited to additions, variations, substitutions, or revisions to the MSHA accepted Working Drawings and Specifications shall be submitted to MSHA, the Architect, Developer and the Bank for review and acceptance prior to the execution of those changes. All change orders shall be prepared utilizing the appropriate A. I. A. Change Order Form and shall be accompanied by adequate information describing the proposed changes including drawings and description of materials when needed. MSHA may request such additional information as it deems reasonably necessary under the circumstances.

VII. Contract Administration

It is the responsibility of the Bank and the Architect to administer the construction loan and, in addition, to determine that work conforms to the accepted plans and specifications and applicable building codes and regulations.

VIII. Incomplete Work Escrow

When completion of site improvements is prevented by seasonal conditions or other considerations acceptable to MSHA as being beyond the control of the Contractor, the final inspection shall not include the incomplete work provided MSHA finds that the development can be occupied without hazards caused by such incomplete work.

MSHA will require a detailed written description of the incomplete work, the holding in escrow of a sum of money equal to not less than one and one-half times the MSHA's estimated cost of completion, and establishment of a suitable date of completion for the incomplete work items. MSHA will require an inspection of the deferred work upon completion and prior to the release of any escrow amount.

Final Payment is not due the Contractor until completion of all deferred work which is the Contractor's responsibility under the Construction Contract.

IX. Interpretation

To the extent that these Supplemental Construction Standards may be inconsistent with any other provisions of the Construction Contract, these Supplemental Construction Standards shall prevail.

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