

This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.

(1) Access to Records and Retention of Records

The Community Development Block Grant (CDBG) recipient, Washington County Office of Community Development, the U.S. Department of Housing and Urban Development (HUD), the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to this contract, for the purpose of making audit, examination, excerpts, and transcriptions. All required records must be maintained by the contractor for four years after the recipient makes final payments and all other pending matters are closed.

(2) Section 3 of the Housing and Community Development Act

- (a) 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 USC §1701u) ("**Section 3**"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and YouthBuild participants, as defined at 24 CFR Part 75 ("**Section 3 Regulations**").
- (b) The Parties agree to comply with HUD's regulations in Section 3 Regulations, which implement Section 3. As evidenced by their execution of this Contract, the Parties certify that they are under no contractual or other impediments that would prevent them from complying with the Section 3 Regulations.
- (c) The Award Recipient, Contractor, or Development Owner agrees to send to each labor organization or representative of workers with which the Award Recipient, Contractor, or Development Owner has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Award Recipient, Contractor, or Development Owner's commitments under this section of the Contract and will post copies of the notice in conspicuous places at the worksite where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.
- (d) The Award Recipient, Contractor, or Development Owner agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor violates the regulations in Section 3 Regulations. The Award Recipient, Contractor, or Development Owner will not subcontract with any

subcontractor where the Award Recipient, Contractor, or Development Owner has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.

- (e) The Award Recipient, Contractor, or Development Owner will certify that any vacant employment positions, including training positions, that are filled (i) after a contractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Award Recipient, Contractor, or Development Owner's obligations under Section 3 Regulations.
- (f) Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD-assisted contracts.

(3) Emerging-Small (ESB), Minority-owned (MBE) and Women-owned (WBE) Business Enterprises

Affirmative steps must be taken to assure that emerging small, minority and women-owned businesses and firms located in labor surplus areas are used when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

- Include any such qualified firms on solicitation lists.
- Assure that such firms are solicited whenever they are potential sources.
- When economically feasible, divide total requirements into smaller tasks or quantities so as to permit such firms maximum opportunities for participation through subcontracting.
- Where possible, establish delivery schedules which will encourage such participation.
- Use the services and assistance of the Small Business Administration, the Office of Minority, Women and Emerging Small Business (State of Oregon) and other sources when appropriate.

(4) Prohibition on the Use of Federal Funds for Lobbying

The contractor hereby certifies that:

- (a) No federal funds have been paid or will be paid, by or on behalf of Washington County Office of Community Development, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the local government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in

accordance with its instructions.

(5) Lead-Based Paint

The use of lead-based paint on any interior or exterior surface is prohibited. For properties constructed prior to 1978, the construction work performed under this contract is subject to the Lead-Based Paint Regulations adopted by the Department of Housing and Urban Development (24 CFR Part 35) and by the State of Oregon (OAR 333.069).

(6) Equal Employment Opportunity

Contractor shall comply with the requirements of Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Orders 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Chapter 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising.

(7) Copeland "Anti-Kickback" Act

Contractor shall comply with the Copeland "Anti-Kickback" Act (18 USC 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). Contractor and all subcontractors shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled.

(8) Davis-Bacon Act

All laborers and mechanics employed by contractors or subcontractors on construction work assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 USC 276a-276a-5), and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act (40 USC 327-333), and the contractors and subcontractors shall comply with all regulations issued pursuant to these Acts and with other applicable Federal laws and regulations pertaining to labor standards.

(9) Contract Work Hours and Safety Standards Act

In compliance with Sections 102 of the Contract Work Hours and Safety Standards Act (40 USC. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5), each contractor/subcontractor shall compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the

standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. In compliance with Section 107 of the Act, no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(10) Clean Air Act and the Federal Water Pollution Control Act

This contract is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1857 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time. Contractor and any of its subcontractors agree to the following requirements:

- (a) A stipulation by the contractor and subcontractors that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 32;
- (b) Agreement by the contractor to comply with all requirements of Section 114 of the Clean Air Act, as amended (42 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines thereunder;
- (c) A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA list of Violating Facilities; and
- (d) Agreement by the contractor that he will include or cause to be included the criteria and requirements in paragraph (1) through (4) of this section in every non-exempt subcontract and requiring that the contractor will take such action as the government may direct as a means of enforcing such provisions. In no event shall any amount provided under this contract be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

(11) Debarment and Suspension

Contractor certifies that neither it nor any of its employees or subcontractors are parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549.

(12) Termination of Contract

12a. Termination By Owner:

(a) Without Cause

This contract and the work it will carry out is being funded in whole or in part with funding from the U.S. Department of Housing and Urban Development through the Washington County Office of Community Development CDBG program.

The owner may terminate this contract:

- (i) In the event that the grant funds are rescinded in part or in whole; or
- (ii) If the work is stopped under an order of any court, or other public authority, for a period of thirty (30) calendar days, through no act or fault of the owner, owner's employees, or legal representatives.

(b) With Cause

The owner may terminate this contract if the contractor is in substantial breach of the provisions contained in the contract documents and/or repeatedly fails to:

- Comply with federal, state, and local laws and regulations;
- Provide for the safety of all occupants and public at large during the execution of the work;
- Properly pay subcontractors or suppliers for material or labor;
- Correct defective work; or
- Progress in a timely manner which demonstrates that the contractor can complete the project within the specified time-frame.

The contractor, upon receipt of written notice from the owner to terminate this contract, shall:

- (i) Cease operation in a manner that protects and preserves work already performed.
- (ii) Instruct all subcontractors to cease work and cancel all special orders with suppliers.
- (iii) Leave the work site in a condition that is free of hazards to occupants and the public.

If the owner terminates the contract, the contractor may be eligible to receive payment for all work completed, and for material orders already in progress and for which cancellation is not possible. Payment is contingent upon the same inspection and approval procedures by owner and grantor as specified for progress payments. If the owner terminates this contract with cause, the owner may withhold payment until all work is otherwise completed by reasonable means determined by owner. If the unpaid balance of this contract is not sufficient to cover reasonable costs incurred by the owner to complete the work, the contractor shall pay the difference to the owner. If the unpaid balance of this contract is in excess of the reasonable costs incurred by the owner to complete the work, then the owner shall pay the difference to the contractor. Reasonable costs include architect fees, administrative fees, and other expenses made necessary by the above causes.

12b. Termination by Contractor

Contractor may terminate this contract if:

- Work is stopped under an order of any court, or other public authority, for a

period of thirty (30) calendar days, through no act or fault of the contractor, contractor's employees, subcontractors, or other persons or agents performing work under direct or indirect contract with the contractor;

- Work is stopped due to a declared state of emergency by government action;
- Owner fails to make payment within the timeframe and conditions stated in the Contract Documents;
- Owner repeatedly, through no fault of the contractor, contractor's employees, subcontractors, or other persons or agents performing work under direct or indirect contract with the contractor, causes delay of the work; and, such delay constitutes in excess of 100 percent of the total number of days scheduled for completion of the work specified in the Contract Documents.

12c. Termination by Mutual Consent

Both parties may terminate this contract by mutual written consent.