

Standard Contract between Owner and Contractor for Home Improvement

Company Name _____ Owner _____
Address _____ License # _____
_____ Phone # _____

SCOPE OF CONTRACT:

This proposal and contract is for _____ to the property
(Scope – e.g., rehabilitation of mobile home, remodel of single-family residence, etc.)
located at _____.
(Property address)
This proposal and contract is
between _____ and _____.
(Property Owner) (Contractor)

This contract is a **Lump Sum Bid.**

START DATE: _____

COMPLETION DATE: _____

PROJECT NUMBER: _____

CONTRACT PRICE \$ _____

SUBMITTED: By _____ Date _____
(Contractor Signature)

Name: _____

Company: _____

Title: _____

ACCEPTED: By _____ Date _____
(Property Owner Signature)

_____ The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a “Notice of Three-Day Right to Cancel” (EXHIBIT C).

THE PARTIES HEREBY AGREE TO THE FOLLOWING:

SECTION 1 – DESCRIPTION OF WORK

1. Contractor shall perform those services specified in detail in EXHIBIT A, entitled “Description of Work”, attached herein.
2. Contractor shall provide in this section a list of finish materials including brand, type, size, color, and model. Additionally, the contractor will provide cost allowances for owner to choose finishes.

SECTION 2 – REQUIRED NOTICES

(See EXHIBIT B)

SECTION 3 – TERMS OF AGREEMENT

See additional terms attached

1. The contractor shall provide all labor, material and equipment required to complete all work specified in these contract documents.
2. A Notice to Proceed, issued by the City representative, is required before the contract may be considered fully executed.
3. When requested, the contractor shall submit product submittals to the City representative identifying product name, technical information, and warranty information.
4. Prior to performing any changes or additions to the original contract, a fully executed Change Order must be approved by the owner and City representative. Any unauthorized changes or additions will be the sole responsibility of the contractor.
5. The contractor shall obtain all required permits.
6. Contractor shall comply with all applicable laws, ordinances, codes and regulations of the Federal, State, and local governments.
7. All work shall be completed to meet the City of San Jose Department of Housing Standard Specifications.
8. All material and equipment shall be installed per manufacturer’s listing unless otherwise specified by governing authority.
9. During the rehabilitation the owner will provide contractor access to power and water, unless otherwise agreed upon.
10. All material supplied by the contractor will be mid-grade material (see material allowances).

SECTION 4 – SCHEDULE OF PERFORMANCE

- 1. The described work shall be substantially complete, as determined by the City representative, within the time period stated in this contract. Failure to complete the projects within the stated time may result in liquidated damages of \$100 dollars for each calendar day beyond the dates specified in this contract.
- 2. Contractor shall not be held responsible for delays due to owner delays, inclement weather, or natural disaster.

SECTION 5 – INSURANCE REQUIREMENTS

- 1. Contractor shall provide evidence of insurance to the City of San Jose Risk Manager prior to issuance of a Notice to Proceed. (refer to insurance handout)
- 2. Contractor shall comply with all insurance requirements set forth by The City of San Jose and shall name City of San Jose as additional insured for the duration of this project.

SECTION 6 – TERMS OF COMPENSATION

- 1. Contractor shall receive final payment upon verification by the City project manager and Owner representative and upon receipt of final approval of required permits, contractor lien releases and contractor affidavit.
- 2. 10 % retention will be held on all loans over \$15,000. The City shall release said retention 35 days after Notice of Completion

PAYMENT SCHEDULE

Payments shall be made as set forth in the City of San Jose General Conditions

OR

Payment shall be made as described below:

EXHIBIT A

DESCRIPTION OF WORK

- Description of Work is attachment separately
- See Description of Work below

Contractor shall perform the following Description of Work:

- Material allowances attached separately
- See material allowances below

Material Allowances:

EXHIBIT B

REQUIRED NOTICES

NON-DISCRIMINATION

Contractor and their agents, officers and sub-contractors shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this CONTRACT"

MECHANICS LIEN WARNING

“Under the California Mechanics’ Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor’s subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against our property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a “Preliminary Notice.” Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics’ lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics’ lien against your property is 90 days after substantial completion of your project.”

STATEMENT REGARDING WHERE TO FILE A COMPLAINT

“Contractors are required by law to be licensed and regulated by the Contractors State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning the contractor may be referred to the Registrar, Contractors State License Board, Post Office Box 26000, Sacramento, California 95826; on-line at www.cslb.ca.gov; or by calling 800-321-2752.

EXHIBIT C

NOTICE OF THREE-DAY RIGHT TO CANCEL

“You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on how to return the goods at the contractor’s expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.”