

**Request for Proposals**  
For  
**Administration and Implementation Services for the  
Chelsea CDBG Housing Rehabilitation Program**

For the City of Chelsea, MA

Contract # 2016-181

April 2016

RFP Contact:

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**(LEGAL NOTICE)**

**CITY OF CHELSEA  
DEPARTMENT OF PLANNING AND DEVELOPMENT  
REQUEST FOR PROPOSALS  
Administration and Implementation Services for the  
Chelsea CDBG Housing Rehabilitation Program**

The City of Chelsea, Massachusetts, through its Chief Procurement Officer, is seeking proposals from qualified community-based organizations (hereinafter referred to as “Consultant”) to assist the Chelsea Department of Planning and Development on a consulting basis to administer and implement the FY2015 and FY2016 City’s CDBG Housing Rehabilitation Program. Funding for the Housing Rehabilitation Program will be provided by the City’s Massachusetts Department of Housing and Community Development’s (DHCD) Fiscal Year 2015 and 2016 Community Development Block Grant (CDBG) and will be subject to the continued availability of these funds. The selected Consultant is required to comply with CDBG guidelines and all applicable state and federal regulations and requirements.

Request for Proposals documents are available on or after April 18, 2016 by contacting Dylan Cook, Chief Procurement Officer at [dcook@chelseama.gov](mailto:dcook@chelseama.gov) or by downloading from the City’s website at <http://www.chelseama.gov/purchasing/pages/current-bids-solicitations>.

Proposals must be sealed and clearly marked “**Administration and Implementation Services for the Chelsea CDBG Housing Rehabilitation Program**” and submitted to the Office of the Chief Procurement Officer no later than 10:00AM on May 6, 2016.

The City of Chelsea reserves the right to accept any proposal, to reject any or all proposals and to waive minor irregularities and/or formalities as it deems to be in the best interest of the City.

Submissions are encouraged from Section 3, small, women-or minority-owned and/or disadvantaged persons or firms. The City of Chelsea is an AA/Equal Opportunity Employer.

This Request for Proposals is in accordance with M.G.L. Chapter 30B.

Dylan Cook  
Chief Procurement Officer

## **Section 1 Procurement Scope**

The City of Chelsea, Massachusetts, through its Chief Procurement Officer, is seeking proposals from qualified community-based organizations (hereinafter referred to as “Consultant”) to assist the Chelsea Department of Planning and Development on a consulting basis to implement the City’s CDBG Housing Rehabilitation Program. Funding for the Housing Rehabilitation Program will be provided by the City’s Massachusetts Department of Housing and Community Development’s (DHCD) Fiscal Years 2015 Community Development Block Grant (CDBG) and Fiscal Year 2016 CDBG, if such grant is awarded to the City of Chelsea. In accordance with CDBG requirements, the program is designed to benefit low or moderate income households in one to four-family properties in the CDBG Target Areas.

The selected Consultant will assist the City in the overall administration and implementation of the housing rehabilitation program including, but not limited to, program set-up, marketing and outreach, applicant intake and verification of eligibility, conducting property inspections, developing work write-ups and cost estimates, assisting owners in securing bids from qualified contractors, construction oversight, progress re-inspections, and sign-offs prior to payments. The duties will also include maintenance of housing rehabilitation files in accordance with DHCD record-keeping and financial management policies and applicable state and federal laws as well as reporting to the City and DHCD monthly and quarterly as required.

As part of the contract with the City, the Consultant will provide services to carry out the tasks required for the Housing Rehabilitation Program, with staffing to administer the program to include a Housing Rehabilitation Program Director, a Housing Rehabilitation Specialist, and Administrative Assistant/Clerk on a consulting basis. Direct oversight of the selected Consultant will be provided by the Chelsea Department of Planning and Development, specifically by the Department’s Housing Development Project Manager, with input from the Department’s Assistant Director. Please refer to Section 4, Scope of Services of this RFP, for details on the proposed CDBG Housing Rehabilitation Program and work scope.

### **1.1 Authority**

Request for Proposals Procedures and award of the Contract shall be in accordance with Massachusetts General Law, Chapter 30B, plus all applicable Federal, State and Local laws and regulations.

### **1.2 Withdraw , Modify, and Amend Bids**

Responders who wish to withdraw, modify or amend their response must do so in writing utilizing electronic mail to the City of Chelsea Chief Procurement Officer at [Dcook@chelseama.gov](mailto:Dcook@chelseama.gov) or via fax at 617-466-4225, no later than the time and date set forth herein for the receipt of the Request for Responses. All such withdrawals, modifications or amendments must so state in the subject line of the email correspondence. Any withdrawal, modification or amendment arriving after the date and time set forth for accepting responses will not be considered. After the opening of the responses, a responder may not change any provision of the response in a manner prejudicial to

the interests of the City of Chelsea or fair competition. Minor informalities will be waived by the City of Chelsea.

### **1.3 Familiarity with Requirements**

Responders are to thoroughly familiarize themselves with the requirements of this Request for Proposals. Ignorance of the requirements will not relieve the responder from any obligations or liabilities of any contract(s) issued as a result of this Request for Proposals.

### **1.4 Independent Party**

Under this Request for Proposals, the successful responder declares itself to be at all times acting and performing as an independent party and nothing in this request for response or any subsequent contract(s) is intended to constitute a partnership or joint venture between the responder and the City of Chelsea.

### **1.5 Conflict of Interest**

No officer or employee of the City of Chelsea shall participate in any decision relating to any contract which would affect their financial or personal interest or the interest of any corporation, partnership, sole proprietorship or association in which they are directly or indirectly interested.

### **1.6 Political Activity Prohibited**

None of the services to be provided by any responder shall be used for any partisan political activity or to further the election of any candidate for public office.

### **1.7 Assignment by Contractor**

The successful responder or contractor shall not assign in whole or in part or otherwise transfer any interest in any contract without the written consent of the City of Chelsea, provided however, that the present and prospective claims for money due owing to the Contractor from the City of Chelsea or any other Buyer may be assigned to a bank or trust company or to a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) without such consent so long as notice of such assignment is promptly furnished to the City of Chelsea. Any complete or partial assignment of the contractor's or successful responder's interest in any such contract shall require the assignee, at the City of Chelsea's discretion, to supply such further information as the City of Chelsea deems necessary to comply with the City of Chelsea rules and regulations governing contracts for services. Any such assignment, in whole or in part, shall also be expressly made subject to all defenses, set-offs or counter claims which would have been made available to the City of Chelsea against the successful responder in the absence of such assignment.

### **1.8 Subcontracting**

None of the services to be provided by the contractor pursuant to any contract shall be subcontracted or delegated in whole or in part to any other organization, association, individual, corporation, partnership, or any other such entity without the prior written approval of the City of

Chelsea. All intended subcontracts must be in writing and must be submitted with the Request for Proposals documents. All intended subcontracts shall be provisions, which are functionally identical to and consistent with the language of this Request for Proposals.

### **1.9 Choice of Law**

Any contracts awarded as a result of this Request for Proposals shall be construed under the laws of the Commonwealth of Massachusetts. The successful responder and agents thereof agree to bring any federal or state legal proceedings arising from any such contract in which the City of Chelsea is a party in a court of competent jurisdiction within the Commonwealth of Massachusetts. This section shall not be construed to limit any rights any party may have to intervene in any action in any court or wherever pending in which the other is a party.

### **1.10 Notices**

Unless otherwise specified, any notice hereunder shall be in writing and shall be deemed delivered when sent via electronic mail (e-mail), given in person to either party or deposited in the U.S. Mail, postage prepaid and addressed to the persons indicated in any contract or as specified by any amendment hereto.

### **1.11 Severable Sections Do Not Affect Entire Contract**

If any provision of the Request for Proposals or any subsequent contract is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations under the provision. The remainder of the Request for Proposals and any subsequent contract shall remain in full force and effect and enforceable to the fullest extent provided by law.

### **1.12 Contract Performance**

The failure of any party to insist in any one or more situations, upon performance of any of the terms or provisions of any part of this Request for Proposals or resulting contract shall not be considered as a waiver or relinquishment of the right of either party to future performance of any such term or provision, and the rights and obligations of the parties to such future performance shall continue in full force and effect.

### **1.13 Funding & Fiscal Year Appropriation**

The project is financed with assistance from the (Massachusetts Community Development Block Grant Program) and is subject to all applicable Federal, State and local regulations.

Appropriations for expenditures by the City of Chelsea and authorizations to spend for a particular purpose are ordinarily made on a fiscal year basis. The fiscal year for the City of Chelsea, MA begins on July 1<sup>st</sup> and ends June 30<sup>th</sup> of the following year. The obligations of the City of Chelsea under any contract resulting from this Request for Proposals for any subsequent fiscal year following the fiscal year in which the initial contract is awarded is subject to the appropriations to the City of Chelsea of funds sufficient to discharge its obligations, which accrue in such subsequent fiscal year, and to the authorization to spend such funds for the purposes of this

Request for Proposals. In the absence of such appropriation or authorization, any contract resulting from this Request for Proposals shall be terminated immediately without liability for damages, penalties or other charges arising from early termination. Expenditures for contracted services, which will extend beyond a single fiscal year shall not exceed in any fiscal year the amount appropriated and authorized for the said fiscal year.

#### **1.14 Procurement Calendar**

The City of Chelsea solicits Requests for Proposals that will result in a contract. The schedule of events for this solicitation, subject to amendment by the City of Chelsea is:

<b>Event</b>	<b>Date</b>
RFP Released	4/18/2016
Deadline for Written Inquiries	4/29/2016
Response to Written Inquiries	5/3/2016
Due Date for Responses	5/6/2016 at 10:00am

#### **1.15 Duration of Contract**

It is anticipated that the term of service shall commence on or about July 1, 2016, and shall continue for the respective period of the Community Development Block Grant (CDBG) grant award or until grant activities have been completed, unless extended by the City with the prior authorization of the Massachusetts Department of Housing and Community Development for the CDBG grant funds.

The initial term of the contract shall thus extend through December 31, 2016 for the CDBG grant funds awarded for FY2015. Should the City receive an extension to the FY2015 and/or a FY2016 CDBG grant funding for this program activity, or funding from this activity from another funding sources, the City may extend the contract for a subsequent one year period or such period as allowed by law or until all grant funds are expended. In all cases, the Consultant is bound by the staff hourly billing rates presented in the Consultant's cost proposal.

## **Section 2 General Response Information**

### **2.1 Required RFP Sections**

The Responder must provide, in its response, a reply to the particular specifications included in the Request for Proposals.

### **2.2 Minority or Woman Business Enterprise Participation**

In accordance with the Minority Business Enterprise Plan for the City of Chelsea, all qualified Minority-Owned Business Enterprises (MBE) or Woman-Owned Business Enterprises (WBE) are strongly encouraged to submit proposals in response to this Request for Proposals. For the purpose of this RFP, the term MBE or WBE shall mean a vendor who is certified as a minority business enterprise by the State Office of Minority and Women-Owned Business Assistance (SOMWBA), and who is certified at the time the vendor's Request for Proposals is submitted.

All minority owned businesses are encouraged to apply for SOMWBA certification. For further information on SOMWBA proposals or access to SOMWBA vendor lists, contact the State Office of Minority and Women Owned Business Assistance at (617)-727-8692.

### **2.3 The Contract Award**

Based upon the responses received, the contract will be awarded to the most responsive, responsible responder. The proposer(s) submitting the proposals and price proposal considered to be most advantageous to the City will be notified of this status by the City, the City has no obligation to select the proposer offering the lowest rate(s).

### **2.4 ADA, Regulatory, Compliance and Standards**

Responders are expected to provide services and commodities that are in compliance with Section 504 of the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Telecommunications Act of 1996, and all successor federal and related legislation throughout the term of any contract resulting from this solicitation.

### **2.5 Indemnification**

Any successor in exchange for entering into an agreement or contract resulting from this Request for Proposals shall indemnify and hold harmless the City of Chelsea and all persons acting for or on behalf of either of them from all suits and claims against them, or either of them, arising from or occasioned by the use of any service, material, equipment or apparatus, or any part thereof, which infringes or is alleged to infringe on any patent rights. In case such service, material, equipment or apparatus, or any part thereof in any suit is held to constitute infringement, the successful bidder, within a reasonable time, will at its expense, and as the City of Chelsea may elect, replace such material, equipment or apparatus with non-infringing material, equipment or apparatus or remove the material, equipment or apparatus and refund the amounts paid therefore. Said indemnification includes reasonable attorney's fees related thereto.

Furthermore, any successful responder in exchange for entering into any agreement or contract resulting from this Request for Proposals agrees to indemnify and hold harmless, release and forever discharge the City of Chelsea as well as their officers, agents and employees as well as their successors and assigns from any and all manner of actions, suits, claims, demands, judgments, damages and liability in law and in equity which may arise or result from performance under this contract. This includes any discrimination, labor or employment claims against the successful responder and the City of Chelsea and any and all manners of legal action brought against the successful responder and /or the City of Chelsea. Said indemnification includes reasonable attorney's fees related thereto.

## **2.6 Federal, State and Local Laws**

The successful responder will comply with all applicable Federal, State and Local laws and regulations.

## **2.7 Tax Exempt**

Purchases made by municipalities and government are exempt from Federal Excise Taxes and Massachusetts Sales Taxes and response prices must show the exclusion of such taxes. Tax exemption certificates will be furnished as required.

## **2.8 Insurance**

The successful responder in addition to any insurance required by State or local Law, shall maintain in force during the term of any contract(s) issued as a result of this Request for Proposals the following insurance issued by an insurance company licensed to do business in the Commonwealth of Massachusetts. Failure to provide or maintain such insurance shall be grounds to reject a bid or execute a contract.

- a. Public Commercial Liability coverage in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate. Automobile Liability Insurance coverage in the amount of \$500,000.00 per person, \$1,000,000.00 per occurrence. Property damage Insurance in the amount of \$250,000.00.
- b. Worker's Compensation Insurance in the amounts required by Massachusetts Law.
- c. Evidence of such insurance must name the City of Chelsea as the named insured as well as the successful bidder.
- d. An Insurance Certificate giving evidence of the insurance must be delivered to the City of Chelsea within 10 days by the successful responder receiving the award of this Request for Proposals.

## **2.9 Confidentiality**

The successful responder will comply with all provisions of Executive Order No. 11246 of September 24, 1975 and the successful responder acknowledges that in performance of any contract resulting from the Request for Proposals it may require or have access to “personal data” and become a “holder” of personal data as defined by M.G. L. c. 66A. The successful responder shall comply with all laws and regulations relating to confidentiality and privacy, including but not limited to any rules and regulations of the City of Chelsea. The successful responder shall at all times recognize the City of Chelsea’s ownership of personal data and the exclusive right and jurisdiction of the City, and “data subjects” (as defined in chapter 66A) to control the use of personal data. The successful responder shall immediately notify the City of Chelsea both orally and in writing if any personal data in its possession is subpoenaed, improperly used, copied or removed by anyone except an authorized representative of the City of Chelsea. The successful responder shall cooperate with the City of Chelsea in taking all steps it deems advisable to enjoin misuse regain possession and/or otherwise protect the City of Chelsea’s rights and data subject’s privacy. The successful responder shall allow access to any personal data held in their possession solely to those employees of the City of Chelsea who require such information in the performance of their occupational responsibilities. All personal data held by the successful responder shall be delivered to the City of Chelsea within 14 calendar days after termination of any contract resulting from this Request for Proposals. The successful responder agrees to take reasonable steps to insure the physical security of such data under its control, including but not limited to fire protection, protection against smoke and water damage, alarm system, locked removal of manually held data, passwords, access logs, badges or other methods reasonably expected to prevent loss or unauthorized access to electronically or mechanically held data, limited terminal access, access to electronically or mechanically held data, limited terminal access, access to input documents and design provisions to limit use of personal data. The successful responder agrees that it will inform each of its employees having any involvement with their personal data or confidentiality. The City of Chelsea shall have access at all times to any data maintained pursuant to any contract resulting from this Request for Proposals, without the consent of the data subject. The successful bidder shall use personal data, and material derived from such data, only as necessary for the performance of the subject contract. Failure of the successful responder to comply with the requirements of this section may be grounds for terminating any contract resulting from this Request for Proposals.

## **2.10 Force Majure**

Neither the City of Chelsea of the successful responder shall be liable to the other, nor deemed to be in breach of any contract resulting from this Request for Proposals for failure or delay in rendering performance rising out of causes factually beyond its control and without its fault or negligence. Such causes may include, but are not limited to, Acts of God or the public enemy, wars, fires, flood, epidemics, quarantine restrictions, strikes, unforeseen freight embargos or unusually severe weather. Dates of times of performance shall be extended to the extent of delays excused by this section, provided that the party whose performance is affected notifies the other party promptly of the existence and nature of such a delay. It is agreed that since the performance dates of the subject contract are of the essence and important to the implementation of essential City of Chelsea work, continued failure to perform for periods aggregating 45 or more calendar days, even for causes beyond the control of the successful responder, shall afford the City of

Chelsea the right to terminate any contract resulting from this Request for Proposals without assessment of termination costs or penalties.

**2.11 Equal Opportunity**

During the performance of this contract, the successful responder agrees as follows:

- a. The successful responder will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, sexual orientation, which shall not include persons whose sexual orientation involves minor children as the sex object, genetic information or ancestry. The successful responder will take affirmative action to ensure that applicants are employed and that the employees are treated during employment without regard to their race, religion, color, sex, nation origin or sexual orientation, which shall not include persons whose sexual orientation involves minor children as the sex object, genetic information or ancestry.
- b. The successful responder will comply with all provisions of Executive Order No. 11246 of September 24, 1975 and all of the rules, regulations and relevant orders of the Secretary of Labor.

**2.12 Termination**

The responders for this Request for Proposals should note that the City of Chelsea reserves the right to terminate any contract resulting from this Request for Proposals in whole or in part, by written notice:

- **Without cause:** Either party may terminate the subject contract by giving written notice to the other party at least 60 calendar days prior to the normal contractual effective date of termination as stated or such other period as is mutually agreed upon in advance by the parties
- **For cause:** If, in the opinion of the city of Chelsea, the successful responder fails to fulfill its obligations, the City of Chelsea may terminate any contract resulting from this Request for Proposals by giving 30 days written notice to the successful responder at any time. The subject contract shall be terminated immediately in the event of fraud or program abuse.
- **Emergency:** The City of Chelsea may terminate or suspend any contract resulting from this Request for Proposals up to 60 calendar days by providing written notice to the successful responder, stating the grounds for the City of Chelsea’s action, in the form of U.S. Mail, hand-carried letter, or other appropriate written means, if the City of Chelsea determines that immediate action is necessary to protect City, State and/or Federal funds or property, or to protect persons from injury. Such termination or suspension shall be effective upon receipt of notice of either suspension or termination by the successful responder. In the case of a suspension under this paragraph, the notice of suspension shall be accompanied by instructions from the City of Chelsea specifying requisite actions by the successful responder to remove the suspension, proposed timetable for meeting those requirements and a description by the City of Chelsea of allowable activities and costs, if

any, during the suspension period. Failure by the successful responder to remedy the stated deficiencies according to the timetable prescribed by the City of Chelsea shall be cause for immediate termination.

- **Elimination or Reduction of Funding:** In the event of a reduction of funding for any reason, the City of Chelsea may terminate any contract resulting from this Request for Proposals by providing notice of termination in a reasonable time. The City of Chelsea may provide a conditional notice of termination with a proposed amendment to the subject contract. Any such notice shall provide that the subject contract will terminate automatically 30 calendar days after the date of the conditional notice of termination unless the successful responder submits to the City of Chelsea a properly signed copy of the amendment, or such modification form of amendment as may be agreeable to the City of Chelsea, within 20 calendar days after the date of the conditional notice of termination, or such other time as it is otherwise specified in the conditional notice.
- **Office's Remedies:** Upon Termination for Cause or for Emergencies: Notwithstanding the terms contained in this section, in the event of termination, the successful responder shall not be relieved of liability to the City of Chelsea by virtue of any breach of any contract resulting from this Request for Proposals by the successful responder. In the event of termination pursuant to this section, the City of Chelsea may withhold any payments to the successful responder for the purpose of set-off until such time as the exact amount of damages due to the City of Chelsea from the successful responder is determined. In addition to and notwithstanding the above, the successful responder covenants and agrees that in the event of termination of any contract resulting from this Request for Proposals, the successful responder shall pay to the City of Chelsea as damages: (a) such sum as, at the time of termination, the City of Chelsea reasonably determines that is, shall require to compensate a subsequent contractor to complete the delivery of service, and (b) the sum, reasonably determined by the City of Chelsea, which will compensate the City of Chelsea for all the direct and indirect costs resulting from delay in the delivery of services upon the successful responder's default. The successful responder further covenants and agrees with the City of Chelsea that the successful responder shall pay all of the City of Chelsea's costs and expenses (including attorney's fees) incurred or paid in obtaining and enforcing any court order favorable to the City of Chelsea for any obligation of the successful bidder under any contract resulting from this Request for Proposals.

### **2.13 Obligation in the Event of Termination**

Upon termination of any contract resulting from this Request for Proposals, all documents finished or unfinished, data, studies and reports prepared by the successful responder pursuant to the subject contract shall become the property of the City of Chelsea. Copies of finished and unfinished documents, data, studies and reports generated as a necessary part of performing the subject contract shall be delivered to the City of Chelsea upon reasonable request and shall be retained by the successful responder for future use. The City of Chelsea shall promptly pay the successful responder for all services performed and for all costs and un-cancelable commitments reasonably incurred in performance of the subject contract to the effective date of termination, provided the successful responder is not in default of the terms of the subject contract and submits

to the City of Chelsea properly completed invoices with supporting documentation covering such services no later than 45 days after the effective date of termination, and that the successful responder make every reasonable effort to minimize or recover costs incurred.

#### **2.14 Ownership of Furnishings & Equipment:**

Unless otherwise provided by law or a federal grant award, title to all furnishings and equipment provided by the City of Chelsea or that the awarded responder provides under the terms of this Request for Proposals and paid for with public funds, shall vest in and be retained by the City of Chelsea. Upon completion of performance of the awarded responder's contract, the awarded responder shall return such furnishings and equipment in its possession in the same condition as at the commencement of any contract resulting from this Request for Proposals, normal wear and tear excepted.

#### **2.15 Anti-Boycott Warranty:**

During the term of any contract resulting from this Request for Proposals, neither the successful responder nor any "affiliated company" as hereafter described, shall participate in or cooperate with an international boycott, as defined in section 999(b)(3) and (4) of the Internal revenue Code of 1954, as amended by the Tax Reform Act of 1986, or engage on conduct declared to be unlawful by sections 2 and 4 of Chapter 151E of The Massachusetts General Laws. As used herein, an "affiliated company" shall be any business entity or which at least 51% of the ownership interests are directly or indirectly owned by the successful responder or by a person or persons or business entity or entities which directly own at least 51% of the ownership interest of the successful responder.

#### **2.16 Unexpected Closures or Delays**

If, at the time of the scheduled bid submission deadline, the designated location for delivery of the bid is closed due to uncontrolled events such as fire, snow, ice, wind, building evacuation or other, the deadline will be postponed until 11:00 a.m. on the next normal business day. Bids will be accepted at the same location until that date and time.

**End of Section**

## **Section 3 Responder Response Information**

### **3.1 Responder Communications**

Responders are prohibited from communicating directly with any employee of the Purchasing Department and any other member of the City of Chelsea except as specified in this Request for Proposals, and no other individual City of Chelsea employee or representative is authorized to provide any information or respond to any question or inquiry concerning this Request for Proposals. Responders may contact the person identified on the cover sheet of this Request for Proposals in the event this Request for Proposals is incomplete.

### **3.2 Reasonable Accommodation**

Responders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of the Request for Proposals information in an alternative format, must communicate such requests in writing, via electronic mail (e-mail) to the contact person. Requests for accommodation will be addressed on a case by case basis. A responder requesting accommodation must submit a written statement, via e-mail which describes the responder's disability and the requested accommodation to the contact person for the Request for Proposals. The City of Chelsea reserves the right to reject unreasonable request.

### **3.3 Public Records**

All responses and information submitted in response to this Request for Proposals are subject to the Massachusetts Public record Law, M.G.L., Chapter 66, Section 10, and to Chapter 4, Section 2, Subsection 26. Any statements in the responder's responses inconsistent with these statutes will be disregarded.

### **3.4 Brand Name or Equal**

Unless otherwise specified in this Request for Proposals, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this Request for Proposals to any manufacturer or proprietor or to constitute an endorsement of any good or service, and the City of Chelsea must consider clearly identified offers if substantially equivalent goods and services submitted in response to such reference.

### **3.5 Publicity**

Any responder awarded a contract under this Request for Proposals is prohibited from selling or distributing any information collected or derived from the contract, including lists of participating or eligible departments, employee names, telephone numbers, e-mail addresses, addresses or any other reports or information except as specifically authorized under this contract.

### 3.6 Costs

Costs for services that are not specifically identified in the responder's response and identified as part of a contract, will not be compensated under any contract awarded pursuant to this Request for Proposals.

The City of Chelsea will not be responsible for any costs or expenses incurred by responders responding to this Request for Proposals.

All Responders are required to complete, sign and return at minimum the following documents:

- 1.) **Responder Information Form**- to be included as cover page of Proposal
- 2.) **Certificate of Non-Collusion**- Signature required
- 3.) **Statement of Corporate Authority ( If Responder is a Corporation)** - If the Responder is a Corporation, a vote of the Corporation approving participation in this Invitation for Bids process must be signed by the corporate officers with the Corporate Seal Affixed and attached to the original Invitation for Bids.

If the Responder is a Corporation, the names and addresses of the corporate Officers and the state and date of incorporation must be included. The Responder must state if the Corporation is publicly held or privately held. If the Corporation is publicly held, the exchange on which it is traded and the symbol under which it is traded is required.

**Sole Proprietorship ( If Responder is a Sole Proprietorship)**- If the Responder is a Sole Proprietorship, a partnership or any other legal business entity, the names and addresses of the officers must be included, the parent state of business and the numbers of years this entity has been in business. In short, a complete business profile must be included in the bid.

- 4.) **Proposal Pricing Form** - Signature required
- 5.) **Reference Form**- To include at least two current contract references, at least one of which is a government agency that can be contacted during the IFB process. Two of the references must be customers for which the Responder is or has provided services similar to those outlined in the Scope of Services of the IFB. Include customer name, contact person, his/her title, address and telephone number.

**Do not** use the names of relatives or City Employees as references. Do not use any previous City contracts as a source of project reference information. You may use previous City contracts as a record of your experience only.

### **3.8 Submitted Responses**

The City of Chelsea shall be under no obligation to return any responses or materials submitted by the responder in response to this Request for Proposals. All materials submitted by responders become the property of the City of Chelsea and will not be returned to the responder. The City of Chelsea has the right to use any ideas, concepts or configurations that are presented in the responder's response whether or not the response is selected for contract award.

### **3.9 Clarification of Response**

The City of Chelsea is not required to seek clarification of responses; therefore, the bidder should be as clear as possible in all of its responses to this Request for Proposals.

### **3.10 Evaluation and Award of Contract**

All pricing must remain constant for the entire term of the contract, as well as any possible extension offered. Responses will be evaluated and awarded based upon the most responsive and responsible response offering the best price for the service.

### **3.11 Rejection of Responder's Response**

A responder's response may be rejected by the City of Chelsea if the responders' response:

- Fails to adhere to one or more of the requirements
- Fails to submit its bid to the required address on or before the Request for Proposals due date
- Fails to submit a bid in accordance to the format and instructions specified or to supply the minimum information requested in this Request for Proposals.
- Fails to meet unconditionally or is unable to demonstrate competence to meet the requirements of this Request for Proposals.
- Misrepresents its equipment, systems or services or provides demonstrably false information in its response or fails to provide material information.
- Violates the restrictions on contacts with the City of Chelsea employees and representatives
- Refuses, is unable to, or fails to provide clarification requested by the City of Chelsea in a reasonable time frame.

### **3.12 Request for Proposals Cancellation**

The City of Chelsea retains the right to cancel this Request for Proposals, or any portion thereof, at any time prior to the execution and approval of a contract. If this Request for Proposals is cancelled, all responses received to this Request for Proposals will be rejected. All expenses related to the preparation of responses to this Request for Proposals remain the responsibility of the responder.

### **3.13 No Guarantee of Purchase**

The City of Chelsea makes no guarantee that any purchases will take place from any contract resulting from this Request for Proposals, nor does the City of Chelsea guarantee any minimum quantity of purchases from any contract resulting from this Request for Proposals. Any estimated or past procurement volumes referenced in this Request for Proposals are included only for the convenience of the bidders, and not to be relied upon as any indication of future purchases.

The responder may not place, as a condition for providing the cost levels proposed, any minimum purchase requirements.

### **3.14 Prime Contractors and Subcontractors**

Prior approval of the eligible entity is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of it subcontractors. Subcontractors are required to meet the same state and federal financial program and reporting requirements and are held to the same reimbursable cost standards as the successful responder.

The City of Chelsea requires a single point of contact for any contract resulting from this Request for Proposals. Subcontractors may be used, but the successful responder, as prime contractors, shall be responsible for meeting all of the terms of any contract resulting from this Request for Proposals and must accept full responsibility for any subcontractor's performance.

Responder's must provide a list of subcontractors, a description of each subcontractor's responsibility in regards to this contract and signed letters of agreement between the responder as the prime contractor, and its subcontractor(s) identifying their responsibilities and their relationship to the prime contractor. The prime contractor must notify each individual account (eligible entity) in writing; the name of their subcontractor both initially and when a subcontractor is changed. If a subcontractor has filed for Chapter 11 Bankruptcy of Chapter 7 Bankruptcy, the prime contractor also must notify the City of Chelsea. The notification must be written and must be within one week of the events noted above.

### **3.15 Written Inquires**

Responders may submit written inquiries concerning any part or attachment of this Request for Proposals. Written inquiries regarding issues outside of the scope of this Request for Proposals will not be considered.

All inquiries must be submitted by the required date and time, to the contact listed on the cover page of this Request for Proposals.

All written inquiries must be submitted via electronic mail (email) only. No other manner of submission will be accepted.

Any change to this submission date and/or time will be made by a notice sent electronically to all responders. The responder is responsible for confirming receipt of its written inquiries with Dylan Cook, Chief Procurement Officer, City of Chelsea at [Dcook@chelseama.gov](mailto:Dcook@chelseama.gov).

The City of Chelsea will provide written responses via electronic mail (e-mail) to all written inquiries received by the required due date. Responses will not identify the inquiry by responder.

**End of Section**

## **Section 4 Scope of Work**

### **4.1 General Overview**

#### ***Introduction and Background Information***

The City of Chelsea, through the Department of Planning and Development, requests proposals and qualifications for housing rehabilitation services to carry out an activity funded by a Federal Fiscal Year (FY) 2015 and FY2016 CDBG Community Development Block Grant from the Massachusetts Department of Housing and Community Development (DHCD). By prior appointment, interested bidders may inspect a copy of the City's FY 2015 and FY 2016 grant applications at the Chelsea Department of Planning and Development, City Hall, 500 Broadway, Room 101, Chelsea, MA 02150.

The purpose of these services is to provide direct assistance in administration and implementation of the City's CDGB Housing Rehabilitation Program. The program is targeted to the City's Shurtleff/ Bellingham neighborhood and Addison/Orange neighborhood (see attached map). The grant will be administered by the Chelsea Department of Planning and Development, specifically by the Department's Housing Development Project Manager, with input from the Department's Assistant Director.

The City's prior neighborhood planning studies and its Community Development Strategy note that the condition of existing housing stock within the target neighborhoods has been shown to be suffering, a condition which has not improved during the past periods of economic downturn and the foreclosure crisis. Direct investment in housing production, along with geographic targeted code enforcement, and identification of problem properties have begun to address these problems. It is the intent of the Department of Planning and Development to continue funding this program to help address the City's housing needs by developing and implementing the Housing Rehabilitation Program to provide funding to eligible homeowners and possibly eligible investor-owners to improve the condition of the existing housing stock.

This activity will continue to be integrated with the efforts of the Certificate of Habitability Ordinance (adopted in April 2014) and the City's Targeted Code Enforcement efforts. In particular, because the City anticipates code violations will be identified during Certificate of Habitability inspections in the CDBG target neighborhoods, landlords will be required to make repairs and upgrades to their properties to be in compliance with the building and sanitary codes. The expectation is that owners will make use of the housing rehabilitation program funds to address long deferred repairs and improvements and that this will spur additional reinvestment in other properties in the neighborhood.

#### ***Housing Rehabilitation Program Design***

##### ***Fiscal Year 2015***

The City applied for and was awarded \$236,500 in federal FY2015 CDBG funds for the rehabilitation of approximately 8 to 10 housing units in small residential structures of 1 to 4 units

(estimated two to four buildings) in the City’s CDBG target areas. The implementation schedule calls for the expenditure of CDBG funds by December 31, 2016. The grant specified the following budget:

- \$195,000 for loans to property owners to repair code violations (including asbestos abatement and lead paint, as applicable), and bring properties in compliance with Chapter II of the State Sanitary Code.
- \$41,500 for program delivery subcontracted to the consultant.

*Fiscal Year 2016*

The City applied for \$208,500 in federal FY2016 CDBG funds for the rehabilitation of approximately 8 housing units in small residential structures of 1 to 4 units in the City’s CDBG target areas. The implementation schedule calls for the expenditure of CDBG funds by December 31, 2017. The grant specified the following budget:

- \$175,000 for loans to property owners to repair code violations (including asbestos abatement and lead paint, as applicable), and bring properties in compliance with Chapter II of the State Sanitary Code.
- \$33,500 for program delivery subcontracted to the consultant.

The City has in place Housing Rehabilitation Program Guidelines (see Appendix 1) and the services provided shall conform to the guidelines.

There will be a preference to target funds in buildings in the above-mentioned target neighborhoods where the City’s Inspectional Services Department (ISD) Code Enforcement Inspectors have performed Certificate of Habitability Inspections and found them to be non-compliant. The City reserves the right to establish eligibility criteria in accordance with local, state, federal requirements and program goals to coordinate the program with the City’s Targeted Code Enforcement Program (including the Certificate of Habitability Ordinance), and to serve low- and moderate-income residents in the target areas.

Utilizing Deferred Payment Loans (DPLs) [0% for eligible owner-occupants and at least 51% low- and moderate-income<sup>1</sup> benefit and 3% for eligible investor-owners and 100% low- and moderate-income benefit], it is intended that this program will provide low to moderate income (LMI)

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<sup>1</sup> Low- and Moderate Income means household income which does not exceed 80% of the median income of the metropolitan area, 80% of the median for the country or the median for the entire non-metropolitan area of the state, whichever is greater.

The terms, “person of low- and moderate-income” and “low- and moderate-income persons” mean families and individuals whose incomes do not exceed 80% of the median income of the area involved as determined by the Secretary of Housing and Urban Development (HUD) with adjustments for smaller and larger families. The term “persons of moderate-income” means individuals and families whose incomes exceed 50% but do not exceed 80% , of the median income of the area involved as determined by the Secretary of HUD with adjustments for smaller and larger families. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for the purpose of assistance under Section 8 of the United States Housing Act of 1937.

homeowners and owners of rental property an affordable funding mechanism to correct code violations within their homes (bringing the units from substandard to standard condition), perform needed repairs, and make their homes more energy-efficient and/or handicapped accessible, as applicable.

Qualified owner-occupants of 1- to 4-family properties will be offered forgivable, 0%, 15-year Deferred Payment Loans with anti-speculative payback provisions included within their contracts with the City. Under these provisions, owners must agree to restrict rental charges and increases as per the City's Anti-Speculation and Recapture Plan. Also, if properties are sold within the 15-year term, or if the owner-occupant ceases to occupy the property as their primary residence, or in the event of a cash-out refinance, or where there is a transfer of title, the loans will be accelerated and come due immediately and funds will be returned to the City and may be used to either assist additional qualified families or to support other eligible community development activities. Each rental unit will receive a Certificate of Habitability inspection from ISD, as well as a comprehensive inspection from the Rehabilitation Specialist, who will develop, through meetings with staff and property owners, a detailed scope of work with the goal of identifying and addressing necessary repairs that the property owner might not otherwise be able to correct.

The goal of the program is to assist low-moderate income (LMI) owner-occupants and their tenants, where at least 51% of the units in their building are LMI (households meet the low- and moderate-income limits established by the U. S. Department of Housing and Urban Development/HUD), to secure funds to bring the properties into code compliance with Chapter II of the State Sanitary Code and to improve the long term appearance and sustainability of their properties. In return for the funding, property owners will agree to maintain their properties, not displace existing tenant families, and keep rental units affordable to LMI households for the entire 15-year term of their financing (e.g. long term affordability restrictions).

In order for investor-owners to be eligible for the 3% Deferred Payment Loans, 100% of the units in their property must be occupied by LMI families. Investor-owners must also agree to restrict rental charges and increases as per the Anti-Speculation and Recapture Plan, and maintain their properties, not displace existing tenant families, and keep rental units affordable to LMI households for the entire 15-year term of their financing (e.g. long-term affordability descriptions).

The program is designed to have a limit of up to \$30,000 per dwelling unit. In extensive rehabilitation projects the amount of CDBG funds may be increased up to \$35,000 per dwelling unit, and may only exceed this amount under specific circumstances. DHCD authorization is required for projects where the cost of which will exceed \$30,000 per unit, except in projects involving lead, barrier removal, septic, asbestos, historic preservation, for which prior authorization of DHCD and the City of Chelsea Department of Planning and Development is required.

Application forms, loan documents, and other program materials will be developed by the Chelsea Department of Planning and Development for use by the selected Consultant.

## ***Program Services***

The services sought through this RFP shall conform to the City's FY2015 and FY2016 CDBG grant application. The selected Consultant is required to comply with CDBG guidelines and all applicable state and federal regulations and requirements. The selected Consultant will provide the following services to assist the Department of Planning and Development:

- ***Program Director:*** The Program Director will handle day-to-day operations of the program, including marketing and outreach, application intake, applicant income verifications, and case file creation and maintenance. Cases files to include: completed applications and forms, verification of participants' eligibility, environmental review checklist and evidence of Massachusetts Historical Commission approval, copies of property inspection reports, work write-ups, estimates, bids, change orders (if applicable), contracts and amendments, evidence that tenants were notified of rental increase restrictions (i.e. rental agreements or letters of notification), documentation of the recording and discharging of liens or other means of protection from speculation on property, all related invoices and record of payment, evidence of monitoring the terms of the rental agreement. The Program Director is also charged with contractor recruitment and will maintain a list of interested contractors and files for each that includes copies of licenses and insurance certificates. The Program Director will also be involved in key aspects of the rehabilitation process including helping owners to secure and coordinate additional funds if available (MassSave, Get the Lead Out, MBHP, CAPIC weatherization program funds, as well as private lenders), signing and recording of key funding documents including Note, Mortgage, Rental Agreements, Affordability Restrictions, etc., ensuring proper relocation practices, resolution of disputes, City and/or DHCD reporting and monitoring.
- ***Rehabilitation Specialist:*** The Rehabilitation Specialist will provide technical assistance to homeowners, including inspections, work specifications as a result of the inspection, coordination with ISD inspectors to ensure compliance with Chapter II of the State Sanitary Code, preparation of cost estimates, assistance with lead paint or asbestos tests that may need to be done, conducting the bidding process, assisting owners in final contractor selection, coordination with Program Director on any required temporary relocation of building residents, and providing construction inspections to ensure quality control and adherence to contract specifications. Coordination with Program Director on ensuring that proper documentation of construction related activities is included in the case files, final sign-offs, ensuring Certificates of Habitability and other required permits are secured, release of retainage, and close-out of case file.
- ***Administrative Assistant/Bookkeeper:*** The Administrative Assistant/Bookkeeper will assist in the maintenance of files and general office duties such as copying, document preparation, telephone/reception, etc.

It is expected that applications will be received, clocked in, and checked for obvious errors and omissions. The City will be notified of the application so that it can be determined whether or not the borrower is in “good standing” with regard to other obligations to the City such as property taxes, water and sewer, outstanding tickets, fees, etc. The Program Director will consult with the applicants regarding this issue as well as other errors, discrepancies, or missing information on the applications. Those who are in arrears on taxes, water and sewer, etc. may visit with the Treasurer to arrange for a payment plan. A list of priorities for program funding will be developed and vetted by the Chelsea Department of Planning and Development.

Income will be documented according to HUD and DHCD procedures. If the owner-occupant does not qualify but the building qualifies (at least 51% LMI households for a two-family, three-family, or four-family property), the owner may still be able to access the assistance as long as s/he meets all other criteria. Investor owners must have 100% of their property’s units meet the income eligibility thresholds in order to be considered for a deferred payment loan.

When a project is fully qualified, the Program Director will notify the owner that the project is in queue and move the project file onto the “Active list”. When a project is moved onto the active list (and if owner has not already done so), the Housing Rehabilitation Specialist (HRS) will first request and coordinate a Certificate of Habitability Inspection for rental units from ISD. S/he will then undertake a complete inspection of the property, prepare a preliminary scope of work, note whether the property may be historical in nature, and make a preliminary calculation of the value of the work that is needed. S/he will typically request that the owner apply for an energy audit through the MassSave program in order to receive a discount on energy solutions such as blown-in insulation, programmable thermostats, etc. The level of lead paint abatement is noted and owner must provide valid Certificate of Lead Paint Compliance. If owner is unable to provide a valid certificate, the state may be notified and lead paint testing may ensue. If the property is deemed to be historical in nature (on the National Register or possibly qualified to be), the Massachusetts Historical Commission will also become involved. Following consultations for ISD, lead, and historical work, a scope of work will be developed and a meeting will be held with the owners. The HRS will design and develop cost estimate for the project so as to decrease the amount of case waiver requests. When the owner approves the scope and agrees to the amount and terms of the financing, the project is put out to bid to qualified contractors and the HRS then prepares an official cost estimate.

Contractors are taken on a “walk-through”, following which possible addenda may be issued. Following opening of sealed bids, the HRS reviews the bids for accuracy and responsibility. If a case waiver is needed, it is applied for at this time. After bid review (including updated insurance, OSHA cards, current licensing, etc.) the Program Director and HRS again discuss the project with the owner. Contracts are drawn up and signed (subject to availability of sufficient financing), a pre-construction conference is held, and work begins. The Program Director and HRS work with the owner and contractors to advance the project and monitor for issues, change order, etc. The contracts will spell out procedures for communication, grievances, payments, affordability restrictions, fair rents, affirmative fair marketing requirements and other topics. When projects are completed, follow-ups for liens, insurance, and fair rent compliance continue.

Additionally, it is noted that, at the initiation of the program, the Department of Planning and Development will require an initial kick-off meeting with the selected Consultant to review project

design and expectations, operating guidelines, application and intake forms, and reporting requirements. In addition, it is expected that periodic meetings or conference calls will be necessary with the Housing Development Project Manager in the Department of Planning and Development throughout the operation of the program to discuss the status of the proposed and approved housing rehabilitation projects and the schedule for the expenditure of funds.

The selected Consultant will provide written performance reports to the Housing Development Project Manager, or his/her designee, in the Department of Planning and Development on a regular basis, but at a minimum quarterly, no later than the 10<sup>th</sup> day of the months of January, April, July, and October. Reports shall be in compliance with the requirements set forth in the Massachusetts CDBG Program Operations Manual.

The City reserves the right to make modifications in the program design or operating procedures that do not change the intent of the program as described in the grant to increase the effectiveness and/or operation of the program, or in consultation with the Consultant. Should such change be more significant, it may require approval by DHCD prior to implementation.

**4.2 Submittal Requirements**

Interested firms should submit **one (1) original and four (4) copies** of a proposal addressing the objectives, scope and schedule described in this Request for Proposals. Proposal submittals should be **thorough but brief** and must include, at a minimum, each of the following:

**Minimum Eligibility Criteria:**

1. The selected consultant must have a minimum of 5 years successful experience and completion of projects requiring housing code compliance and working with the construction trade within the Commonwealth of Massachusetts to perform housing rehabilitation.
2. The selected consultant must have a minimum of 5 years of successful experience with completion of projects which used federal or state funds for housing rehabilitation in the Commonwealth of Massachusetts.
3. Submission of mandatory submittals/certifications, as provided in this RFP.

**Sealed Submission 1, clearly marked "Proposals for Administration and Implementation Services for the Chelsea CDBG Housing Rehabilitation Program":**

The proposal shall include, but should not necessarily be limited, to the following items:

1. Responder Information Form (to be first page of Proposal).
2. Cover letter from the applicant which introduces the firm and assigned staff, and stating that the applicant has read, understood, and will comply with the requirements and conditions contained in this RFP and signed by an authorized officer of the firm, binding the firm to all comments made in the proposal. The contractor must certify in

the cover letter that they are not debarred or suspended or otherwise excluded from or ineligible for participation in HUD-funded programs.

3. **Qualifications and Experience of Firm and Staff** – List the key in-house staff assigned to this project, and their qualifications, including the use of proposed subcontractors. Please include a list of other similar projects and three (3) governmental or public/non-profit agency references on the form provided in this RFP.
4. **Approach to Scope of Work** – Provide a narrative which shows that the Consultant understands the project requirements, the expected work tasks, and has the ability to carry out the work tasks.
5. Detailed statement demonstrating that the applicant meets or does not meet the minimum eligibility criteria.
6. Detailed statement demonstrating that the applicant meets or does not meet the comparative evaluation criteria (see page 29).
7. Acknowledgment of the proposed project schedule (Section 1.15 of this RFP) and ability to meet schedule requirements, or an explanation as to why a departure from the above schedule is needed.
8. Attach to each proposal package a signed original Non-Collusion Certificate pursuant to Massachusetts General Laws, Chapter 30, Section 39M.
9. Attach to each proposal package a signed original letter pursuant to Massachusetts General Laws, Chapter 62C, Section 49A (Certification of Tax Compliance).
10. Attach to each proposal package a signed Statement of Corporate Authority, if applicable.
11. Any other **pertinent** information about the firm which would aid the City in evaluating the Proposer's qualifications and in making a selection.

**Sealed Submission 2, clearly marked "Cost Proposal for Administration and Implementation Services for the Chelsea CDBG Housing Rehabilitation Program":**

Submission 2 should describe assigned project staff and hourly billing rates which shall include all travel and expenses. The selected firm shall hold the hourly rate for assigned project staff for the full term of the contract.

The maximum cumulative compensation under this Agreement for the Chelsea CDBG Housing Rehabilitation Program: Not to exceed maximum \$41,500.00 as authorized in the CDBG grant budget for FY2015, and a not-to-exceed maximum of \$33,500.00, if the City is awarded the CDBG FY2016 grant. Total for both fiscal years is thus \$75,000.

If administration funds are not spent entirely up to maximum allocated, funds will return to funding source.

Should it be in the interest of the City to do so, and, at its discretion, if the City receives FY2016 grant funding that is higher or lower than this amount, or if the City/DHCD approves a grant budget change to the FY2015 grant funding allocation for housing rehabilitation activities, the City reserves the right to increase or decrease the overall funding directed to the housing rehabilitation activities and utilize funds for eligible projects/applicants to match the funding received until all the funding is exhausted.

The Consultant shall deliver the following products per individual property owner/rehabilitation project in accordance with this Agreement.

Task 1. Consultant receives, processes and approves an eligible income-qualified Housing Rehabilitation Program application from an eligible property owner of a 1-4 unit residential property and provide support documentation from the homeowner to the Chelsea Department of Planning and Development, Attn: Housing Development Project Manager. Contractor invoices the City and prepares an eligibility memo along with the eligible income-qualified application and support documentation as required by the program guidelines.

Task 2. Consultant submits to the Chelsea Department of Planning and Development a written inspection report memo(s) including a work write up report(s) describing the location and nature of each code violation, health and/or safety issues affecting the unit(s) inspected as part of the City's Rehabilitation Program, proposed work to bring the property up to code, etc. Contractor shall invoice the City and attach the inspection report as a backup documentation for reimbursement.

Task 3. Consultant submits to the Chelsea Department of Planning and Development a written copy of the cost estimates, bid packages and response(s) secured from qualified construction contractors along with an invoice to request reimbursement for Task 3.

Task 4. Consultant submits to the Chelsea Department of Planning and Development Division the signed Loan Agreement(s) with attachments (Mortgage, Note, Affordability Restriction, Rental Agreement, and Temporary Relocation Agreement, as applicable) and a copy of the signed construction agreement(s) between the selected construction contractor(s) and the homeowner(s) (Owner-Contractor agreement) to request reimbursement for Task 4.

Task 5. Consultant submits to the Chelsea Department of Planning and Development a written inspection report(s) with a corrective items list(s) if any, follow-up report(s), and the final inspection report(s) along with a copy of the Inspectional Services Department Certificate of Completion with an invoice to request reimbursement for Task 5.

For completing the scope of work in accordance with this Agreement, the City shall compensate the Consultant according to the following fee schedule for the time period for the performance of the contractor’s services when approved rehabilitation is performed as follows:

	FY2015	FY2016
For the services related to single-family dwellings, a total fee of:	\$2,500.00	\$2,500.00
For each approved housing unit in the residence thereafter, the contractor will receive:	\$500.00	\$500.00

These fees shall be paid as each Task is completed and accepted by the City, as follows:

For completion and acceptance of Task 1:	5% of fee
For completion and acceptance of Task 2:	10% of fee
For completion and acceptance of Task 3:	10% of fee
For completion and acceptance of Task 4:	25% of fee
For completion and acceptance of Task 5:	50% of fee

The Consultant may invoice the City in full for performance of all completed tasks at the completion of the housing rehabilitation work, rather than at the end of each Task, should the Consultant prefer this alternative.

It is not necessary to repeat any information in the two sealed submissions. For example, resumes need not be included in both the Proposal and Proposals submission and the Cost Proposal submission, unless required for clarification. Where appropriate, such information can be included in one document and referenced in the other.

**Proposals will be received until 10:00AM on May 6, 2016. No proposals will be accepted after this deadline.** Proposals should be sent to Dylan Cook, Chief Procurement Officer, Procurement Office, Chelsea City Hall, Room 206, 500 Broadway, Chelsea, Massachusetts 02150, (617) 466-4220. Proposals must be sealed and clearly marked, “RFP for Administration and Implementation Services for the Chelsea CDBG Housing Rehabilitation Program.” No fax or electronic copies will be accepted.

Please note that City Hall hours are as follows:

Monday, Wednesday, Thursday	--	8:00 A.M. to 4:00 PM
Tuesday	--	8:00 A.M. to 7:00 PM
Friday	--	8:00 A.M. to 12:00 Noon

### 4.3 Selection Criteria

The City will make its selection based on its evaluation of all submitted material, reputation in the marketplace, reference checks, interviews and price. The City is under no obligation to accept the lowest price and does reserve the right to reject any or all responses if it deems that to be in the best interest of the City. The City will consider all available data including, but not limited to the following:

1. Experience of Responder
2. Reputation of Responder
3. References of Responder
4. Interview (if needed)
5. City time and cost requirements in the introduction of responses
6. Price proposal
7. Availability/responsiveness to meeting City needs.

### 4.4 Evaluation Criteria

Proposals will be evaluated by a Review Committee composed of, at a minimum, staff from within the Chelsea Department of Planning and Development. In addition to the minimum eligibility requirements for firms listed under Section 4.2 above, the proposals will be reviewed based on the criteria in the table on the following page.

After the proposals are ranked as to Proposals, the sealed hourly rates will be opened. The City will present the technical evaluations and the rates to the Chief Procurement Officer with a recommended awardee(s). The Chief Procurement Officer will weigh the evaluations, the rates, and the recommendation in order to identify the most advantageous proposal for the City. The proposer(s) submitting the Proposals and price proposal considered to be most advantageous to the City will be notified of this status by the City, the City has no obligation to select the proposer offering the lowest rate(s).

Comparative criteria will be rated pursuant to the following categories: **Highly Advantageous, Advantageous, Not Advantageous, and Unacceptable.**

<b>EVALUATION CRITERIA</b>	<b>Highly Advantageous (2 points)</b>	<b>Advantageous (1 points)</b>	<b>Unacceptable (0 points)</b>
1. Evidence of experience in housing rehabilitation projects in Chelsea	Has demonstrated experience and qualifications providing housing rehabilitation services and a proven track record in Chelsea	Not Applicable	Has no demonstrated experience and qualifications providing housing rehabilitation services in Chelsea.
2. Description of experience and capabilities in rehabilitation of housing in Chelsea or urban and multi-cultural communities similar to Chelsea	10 or more years of relevant housing rehabilitation work in Chelsea or urban and multi-cultural communities similar to Chelsea	5 to 10 years of relevant housing rehabilitation projects in Chelsea or urban and multi-cultural communities similar to Chelsea	Less than five years of housing rehabilitation work or has not demonstrated relevant housing rehabilitation projects in Chelsea or urban and multi-cultural communities similar to Chelsea
3. Description of qualified personnel assigned to the project, including bilingual staff, and availability of time to carry out the responsibilities of the scope of services	Qualifications of personnel are highly relevant and assigned staff will have adequate time for this project	Qualifications of personnel are relevant and assigned staff will have adequate time for this project	Qualifications do not demonstrate adequate qualifications of personnel or time, or insufficient information provided
4. Approach to scope of work and goals	Shows well developed understanding of project scope and goals	Appears to show some understanding of project scope and goals	Does not appear to show understanding of project scope and goals or insufficient information provided
5. Description of experience in working with local municipalities or government agencies on housing rehabilitation projects	Experience and advanced capabilities in working with local municipalities	Some experience and good capabilities in working with local municipalities	Qualifications of do not demonstrate adequate experience or capabilities or insufficient information provided
6. Experience with federal, state, or local sources of funding to complete housing rehabilitation projects	Has demonstrated experience using or leveraging federal, state, local or other sources of funding	Not applicable	Has no demonstrated experience using or leveraging federal, state, local or other sources of funding
7. Working knowledge of construction laws, and public bidding, and current HUD lead paint regulations, including regulations under 24 CFR Part 35.	Evidence from at least five projects of knowledge of construction laws, bidding, and familiarity with lead paint regulations and/or attendance at one or more training courses/sessions relating to implementation of regulations	Evidence from at least three projects of knowledge of construction laws, bidding, and familiarity with lead paint regulations and/or attendance at one or more training courses/sessions relating to implementation of regulations	Two or fewer projects that demonstrate knowledge of construction laws, bidding, and familiarity with lead paint regulations and/or attendance at one or more training courses/sessions relating to implementation of regulations
8. Quality and completeness of submission	Demonstrates a high standard of quality and completeness.	Demonstrates good standard of quality and completeness.	Demonstrates poor quality and completeness.

## **4.5 Other General Provisions**

### **1. CDBG Requirements**

All contracts resulting from this solicitation may be subject to review and approval by DHCD/Massachusetts CDBG Program and are governed by the requirements of that program, including the provisions found in “Exhibit A” at the end of the RFP. The contractor shall follow policies and procedures with respect to close out of the grant as may be required by DHCD.

### **2. Code Violations**

General property improvements may not be undertaken unless specifically necessary to allow for correction of code violations. Housing activity funds shall not be released to support general property improvements to any participant before all violations of Article II of the Massachusetts Sanitary Code in the subject property have been corrected.

### **3. Single Case Waivers**

In the event a situation arises where it is necessary to complete a project the cost of which will exceed \$30,000 per unit, the Contractor shall obtain prior Department of Planning & Development and DHCD authorization for such project, except in projects involving lead, barrier removal, septic, asbestos, historic preservation, for which the prior authorization of the Department and DHCD will be required when projects exceed \$35,000 per unit in cost. The Department and DHCD may request additional documentation. Documentation must demonstrate need, reasonableness of costs and compliance with applicable federal and state requirements.

### **4. Access to Records**

The Contractor shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records any may be deemed necessary by the City to assure proper accounting for all project funds, both CDBG and non-CDBG shares. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for seven years after final Massachusetts CDBG audit.

### **5. Fair Housing**

In addition to the laws and regulations set forth herein with respect to ensuring fair housing opportunities, the Contractor shall adhere to the provisions of State Executive Orders 215 and 227.

6. Compliance with the Massachusetts Community Development Block Grant Program Contract

Unless modified or changed by any special terms or conditions set forth in the Grant Contracts, all activities authorized by this Contract shall be subject to and performed in accordance with Appendix A and all other provisions of said Grant Contract, and all applicable federal, state, and local laws and regulations, including but not limited to those cited within the said Agreement, and any applicable regulations issued by HUD published 24 CFR Part 570, as may be amended from time to time, and any procedures and guidelines as may be established by Massachusetts CDBG for the Massachusetts Community Development Block Grant Program.

7. Availability of Funds

The compensation provided by this agreement is subject to the continued availability of federal funds for the Massachusetts Small Cities Program/Massachusetts CDBG, and to the continued eligibility of the Commonwealth and the City to receive such funds.

8. Confidentiality

The Contractor will protect the privacy of, and respect the confidentiality of information provided by, program participants, consistent with applicable federal and state regulations, including M.G.L. C. 66, section 10, regarding access to public records.

**End of Section**

**Responder Information Form**  
**Administration and Implementation Services for the**  
**Chelsea CDBG Housing Rehabilitation Program**  
(To be first page of Response)

Name of Company:

Address:

Telephone #:

Fax #:

Email Contact:

Is the Company a:

Corporation \_\_\_\_

Partnership \_\_\_\_

Sole Proprietorship \_\_\_\_

Publicly Held \_\_\_\_

Privately Held \_\_\_\_

Names and address of the Principals, Owners, Directors, Officers:

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\_\_\_\_\_  
Signature of authorizing party

**CITY OF CHELSEA**

**REQUIRED RESPONSE SUBMITTAL FORM**

**Certificate of Non-Collusion**

The undersigned certifies under the penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this Certification the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Name ( Please Print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
Contact Number

**STATEMENT OF CORPORATE AUTHORITY**

**REQUIRED (IF CORPORATION)** IF A CORPORATION, COMPLTE BELOW OR ATTACH TO EACH SIGNED COPYOF THE BID A NOTORIZED COPY OF VOTE OF CORPORATION AUTHORIZING THE SIGNATORY TO SIGN THIS CONTRACT. IF ATTESTING CLERK IS THE SAME PERSON AS THE INDIVIDUAL EXECUTING THIS CONTRACT, HAVE SIGNATURE NOTORIZED ABOVE.

At a duly authorized meeting of the Board of Directors of \_\_\_\_\_ held  
on \_\_\_\_\_ Date \_\_\_\_\_ Name of Corporation

at which time all voted that \_\_\_\_\_  
Name \_\_\_\_\_ Officer

of this Company, be and hereby is authorized to execute contracts and bonds in the name and behalf of said Company, and affix its Corporate Seal thereto, and such execution of any contract of obligation in this Company's name on its behalf by such person \_\_\_\_\_ under seal of the Company, shall be valid and binding upon this company.

A TRUE COPY,

ATTEST: \_\_\_\_\_  
Clerk

PLACE OF BUSINESS: \_\_\_\_\_  
\_\_\_\_\_

DATE OF THIS CONTRACT: \_\_\_\_\_

I hereby certify that I am the Clerk of the \_\_\_\_\_  
\_\_\_\_\_ and that \_\_\_\_\_ is

duly elected \_\_\_\_\_ of said Company, and that  
the above vote has not been amended or rescinded and remains in  
full force and effect as of the date of this contract.

\_\_\_\_\_  
(Clerk's Signature)

(CORPORATE SEAL)

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me, the undersigned notary public, personally  
appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification,  
which were \_\_\_\_\_  
to be the person whose name is signed on the preceding or attached document in my presence.

\_\_\_\_\_  
Notary Public

My Commission Expires:

**CITY OF CHELSEA**

**REQUIRED RESPONSE SUBMITTAL FORM**

**REFERENCE FORM**

Responder: \_\_\_\_\_

Title of Project: Administration and Implementation Services for the Chelsea CDBG Housing Rehabilitation Program

**Responder must provide references for:**

All contracts performed within the past five years of similar size and scope to this contract

- Reference: \_\_\_\_\_
- Address: \_\_\_\_\_
- Contact: \_\_\_\_\_
- Phone: \_\_\_\_\_
- Fax: \_\_\_\_\_
- Description and date(s) of services provided:

- Reference: \_\_\_\_\_
- Address: \_\_\_\_\_
- Contact: \_\_\_\_\_
- Phone: \_\_\_\_\_
- Fax: \_\_\_\_\_
- Description and date(s) of services provided:

- Reference: \_\_\_\_\_
- Address: \_\_\_\_\_
- Contact: \_\_\_\_\_
- Phone: \_\_\_\_\_
- Fax: \_\_\_\_\_
- Description and date(s) of services provided:

CONTRACT NO. \_\_\_\_\_

**CITY OF CHELSEA  
CONTRACT FOR SERVICES  
over \$10,000**

\_\_\_\_\_  
This agreement (the "Agreement") is made and entered into by and between the City of Chelsea (hereinafter the CITY), a municipal corporation organized and existing under the laws of the Commonwealth of Massachusetts, and

[NAME]  
[ADDRESS]  
(hereinafter the CONTRACTOR)

For mutual consideration the Parties hereby agree as follows:

**ARTICLE 1. DEFINITION.**

This CONTRACT as used herein shall consist of this Agreement, and the "contract documents" which include but are not limited to the following identified items and all documents, and forms submitted therewith, or attached hereby.

- Attachment A: Scope of Services, and/or other bid package materials
- Attachment B: Additional Contract Terms and Conditions
- Attachment C: Certificate of Non-Collusion, Tax Compliance Certification, Statement of Corporate Authority
- Attachment D: Summaries of Laws Regarding State Ethics - Acknowledgment of Receipt
- Addenda through #

**ARTICLE II. AMOUNT AND TERM.**

Pursuant to the terms and conditions stated in the Contract, this CITY agrees to pay an amount not to exceed \$\_\_\_\_\_, and the Contractor agrees to perform the services detailed in the Contract. The Contract shall commence on or about \_\_\_\_\_ (the "Commencing Date") unless earlier terminated pursuant to Article IV, Termination and shall terminate no later than \_\_\_\_\_, unless a written amendment to renew or extend this contract is executed in accordance with the provisions of this CONTRACT.

**ARTICLE III. PERFORMANCE.**

The Contractor agrees to provide all goods and/or services set forth in the Invitation for Bid/Request for Proposal Documents, Scope of Service, the Contractor's proposal for "\_\_\_\_\_", and/or as outlined in ATTACHMENT A - SCOPE OF SERVICES.

**ARTICLE IV. TERMINATION.**

- i) Without Cause. The CITY may terminate this CONTRACT on sixty (60) calendar days notice, or may suspend this CONTRACT for up to sixty (60) calendar days upon receipt of notice, when in the best interests of the CITY, by providing notice to the CONTRACTOR, which shall be in writing and shall be deemed delivered and received when given in person to the CONTRACTOR, or when received by fax, express mail, certified mail return receipt requested,

regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the CONTRACTOR.

ii) For Cause. If the CONTRACTOR is determined by the CITY to be in default of any term or condition of CONTRACT, the CITY may terminate this contract on thirty (30) days notice by providing notice to the CONTRACTOR, which shall be in writing and shall be deemed delivered and received when given in person to the CONTRACTOR, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the CONTRACTOR. If the CITY is determined by the CONTRACTOR to be in default of any term or condition of this CONTRACT the CONTRACTOR may terminate this contract on thirty (30) days notice by providing notice to the CITY, which shall be in writing and shall be deemed delivered and received when given in person to the CITY, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the CITY.

iii) Default. Events of default under this CONTRACT shall include, but are not limited to the following: a) any material misrepresentation made by the CONTRACTOR to the CITY, b) any failure to perform any of its obligations under this CONTRACT including, but not limited to the following: (i) failure to commence performance of this CONTRACT at the time specified in this CONTRACT due to a reason or circumstance within the CONTRACTOR'S reasonable control, (ii) failure to perform this CONTRACT with sufficient personnel and equipment or with sufficient material to ensure the completion of this CONTRACT within the specified time due to a reason or circumstance within the CONTRACTOR'S reasonable control, (iii) failure to perform this CONTRACT in a manner reasonably satisfactory to the CITY, (iv) failure to promptly re-perform with reasonable time the services that were rejected by the CITY as unsatisfactory, or erroneous, (v) discontinuance of the services for reasons not beyond the CONTRACTOR'S reasonable control, (vi) failure to comply with a material term of this CONTRACT, including, but not limited to, the provision of insurance or failure to comply with nondiscrimination provisions, and (vii) any other acts specifically and expressly stated in this CONTRACT as constituting a basis for termination of this CONTRACT, and (viii) failure to comply with any and all requirements of state law, and/or regulations, and City ordinances, and/or regulations.

#### **ARTICLE V. REMEDIES OF THE CITY.**

The City hereby retains all remedies in law and equity, including but not limited to, the right to deduct the cost of any substitute contract or performance for expenses, losses, and all damages and the right to withhold from payment, any amounts for expenses, losses, and damages from sums due, or which become due.

#### **ARTICLE VI. REMEDIES OF THE CONTRACTOR.**

If the Contractor, due to any act or omission for which the City is legally responsible, sustains damages, other than loss, non-conformance, or non performance, the Contractor may request, within 30 days of the alleged act or omission from the City, a sum equal to the amount of such damages sustained by the Contractor, which amount may be determined by the City in writing, at the City 's sole discretion, provided that the Contractor has provided to all signatories of this Agreement, a detailed, written statement of such damages and cause thereof within said 30 day period.

#### **ARTICLE VII. ASSIGNABILITY.**

The CONTRACTOR shall not assign, subcontract or in any way transfer any interest, rights or obligations in this CONTRACT without the prior written consent of the City Manager. In the

event of such assignment the CITY reserves the right to deal with any assignee subcontractor or transferee directly and the CONTRACTOR agrees to remain bound by all terms and conditions of this CONTRACT in accordance with its original tenor and in no way shall the CONTRACTOR be relieved of its responsibilities and obligations under this CONTRACT. The provisions of this CONTRACT shall be binding upon, and shall inure to the benefit of, the successors and assigns of the CONTRACTOR and any public body or bodies succeeding the interests of the CITY.

**ARTICLE VIII. INDEMNIFICATION.**

The CONTRACTOR shall assume the defense, indemnify and hold harmless the CITY, the CITY'S agents and employees, from and against all losses and all claims, demands, payments, suits, actions, recoveries and judgments of every nature and description brought or recovered against them by reason of acts, in actions, omissions, negligence, reckless or intentional misconduct of the said CONTRACTOR, its agent(s), officers, employees, or subcontractors; in the execution of the work or in guarding the same. Unless otherwise provided by law, the CITY may elect, at its sole discretion, to indemnify the CONTRACTOR for claims arising in tort if it is determined that the CONTRACTOR performed its obligations under this CONTRACT pursuant to the direct supervision and control of the CITY or its designated agent(s).

**ARTICLE IX. WORKER'S COMPENSATION AND OTHER INSURANCE.**

The CONTRACTOR shall provide insurance for the payment of compensation and the furnishing of other benefits under Chapter 152 of the General Laws of Massachusetts (The Worker's Compensation Act) to all employees of the CONTRACTOR who are subject to the provisions of Chapter 152 of the General Laws of Massachusetts.

Failure to provide and continue in force such insurance during the period of this contract shall be deemed a material breach of this contract, shall operate as an immediate termination thereof, and CONTRACTOR shall indemnify the CITY for all losses, claims, and actions resulting from the failure to provide the insurance required by this Article.

The Contractor shall furnish to the CITY evidence of such insurance prior to the execution of this contract and before the same shall be binding on the parties thereto, except if specifically waived in Attachment B.

Prior to commencement of any work and until completion of its work under this CONTRACT, the CONTRACTOR shall maintain the following insurance coverage, at its cost, from insurance acceptable to the CITY, giving evidence of such coverage to the CITY prior to execution of this CONTRACT, a copy of such insurance coverage to be attached herewith:

1. Comprehensive Automobile Liability Insurance covering the use of all owned, non-owned and hired automobiles in connection with its operations with a combined single limit of \$1,000,000. The comprehensive Automobile Liability insurance may be provided through primary and excess or umbrella insurance policies.
2. CONTRACTOR'S Equipment Coverage (or a certification of self-insurance satisfactory to the CITY) must be provided on an "All Risks" basis, covering physical damage to all tools and equipment, including automotive equipment owned, rented, or used by the CONTRACTOR.
3. Commercial General Liability Insurance coverage which may be provided through primary and excess or umbrella liability policies for limits of \$1,000,000 general aggregate, and \$500,000 per occurrence.

All required insurance must be endorsed to name the CITY as Additional Insured. All required insurance shall be endorsed to waive the insurer's rights of subrogation against the City. All policies and certificates of insurance must contain language that the insurance shall not be canceled, materially changed or non-renewed without at least thirty (30) days advance written notice to the CITY. The CONTRACTOR under this CONTRACT shall not allow its subcontractors to begin work until similar insurance has been so obtained and certificates of insurance approved by the CONTRACTOR.

**ARTICLE X. CORPORATE CONTRACTOR.**

If CONTRACTOR is a corporation, CONTRACTOR shall endorse the Certificate of Corporate Authority for the CONTRACTORS' signatory (Exhibit C), or shall otherwise provide a form similar in nature and substance acceptable to the CITY at the City's sole discretion.

If CONTRACTOR is a non-profit corporation, CONTRACTOR shall provide satisfactory proof of present status as a non-profit corporation. Such proof shall be in the form of a certification from the Massachusetts Secretary of State's office and/or from the Internal Revenue Service and shall provide the Federal Tax Identification Number of the non-profit corporation. This CONTRACT shall not be enforceable against the CITY unless and until the CONTRACTOR complies with this Article. Failure to inform the CITY in writing of revocation, or other loss of non-profit status shall be deemed a material breach of this contract and operate as an immediate termination thereof.

**ARTICLE XI. SUBJECT TO APPROPRIATION.**

The obligations of the CITY under this CONTRACT shall be subject to appropriation. In the absence of appropriation this CONTRACT shall be immediately terminated without liability for damages, penalties, or other charges.

In the event any portion of this Agreement is to be funded with alternate funding including but not limited to state, local, federal or private grant funding. In the requisite circumstances, the obligations of the CITY under this CONTRACT shall be subject to the formal award of such state, local, federal or private grant.

**ARTICLE XII. DOCUMENTS, MATERIALS, ETC.**

Any materials, reports, information, data, etc. given to or prepared or assembled by the CONTRACTOR under this CONTRACT are to be kept confidential and shall not be made available to any individual or organization by the CONTRACTOR (except agents, servants, or employees of the CONTRACTOR) without the prior written approval of the CITY. The CONTRACTOR understands that he/she/it may acquire or have access to "personal data" otherwise kept by the CITY. The CONTRACTOR shall comply with the provisions Chapter 66A of the General Laws of Massachusetts as it relates to public documents, and all other state and federal laws and regulations relating to confidentiality, security, privacy and use of confidential data.

Any materials produced in whole or in part under this CONTRACT shall not be subject to copyright, except by the CITY, in the United States or any other country. The CITY shall have unrestricted authority to, without payment of any royalty, commission, or additional fee of any type or nature, publicly disclose, reproduce, distribute and otherwise use, and authorize other to use, in whole or in part, any reports, data or other materials prepared under this CONTRACT.

All data, reports, programs, software, equipment, furnishings, and any other documentation or product paid for by the CITY shall vest in the CITY at the termination of this CONTRACT. The CONTRACTOR shall at all times, during or after termination of this CONTRACT, obtain the

prior written approval of the CITY before making any statement bearing on the work performed or data collected under this CONTRACT to the press or issues any material for publication through any medium.

**ARTICLE XIII.           AUDIT, INSPECTION, RECORDKEEPING.**

At any time during normal business hours, and as often as the CITY may deem it reasonably necessary, there shall be made available in the office of the CONTRACTOR for the purpose of audit, examination, and/or to make excerpts or transcripts, all records, contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this agreement.

Further the CONTRACTOR agrees to make its work papers, records and other evidence of audit available to the CITY for a period of three years after final payment under his CONTRACT. The CITY shall be entitled to reproduce any or all such documents at its own expense, for which provision shall be made at such time.

**ARTICLE XIV.           WEEKLY PAYROLL RECORDS REPORT.**

In accordance with Massachusetts General Law c. 149, s. 27B, a true and accurate record must be kept of all individuals employed on a public works construction project for which prevailing wage rates are applicable.

In addition, every contractor and subcontractor is required to submit, on a weekly basis, a copy of their weekly payroll records to the awarding authority. Once collected, the awarding authority is also required to preserve those records for three years.

**ARTICLE XV.           CONFLICT OF INTEREST.**

i) CITY. No officer, member or employee of the CITY and no members of its governing body who exercise any function or responsibility in review or approval of the undertaking or carrying out of this CONTRACT shall participate in any decision relating to the CONTRACT which affects his/her personal interests or the interest of any corporation, partnership, or association in which he/she has a direct or indirect pecuniary interest. None of the services to be provided by the CONTRACTOR shall be used for any partisan political activity or further the election or defeat of any candidate for political office in the CITY. Compliance with this section shall be material to the CONTRACT.

ii) CONTRACTOR. CONTRACTOR agrees that his/her/its agents, servants, and employees have neither presently nor during the period of this CONTRACT any interest direct or indirect which would impair, detract, or conflict in any manner or degree with the performance of services required under this CONTRACT. The CONTRACTOR, his/her/its agents, servants and employees further stipulate that in the performance of this CONTRACT, no person having any such interest shall be employed. Conflicts of Interest include but are not limited to (a) immediate family relationships with officials of the CITY, (b) instances where the CONTRACTOR, his/her/its agents, servants or employees during the period of this CONTRACT was connected as an officer, employee or member of the governing body of the CITY, and (c) instances where the CONTRACTOR has an interest in any CITY department, its agents, servants or employees or parcels of land within the CITY. Compliance with this section shall be material to the CONTRACT. The CONTRACTOR, his/her/its agents, servants and employees must disclose any and all such interests in writing to the CITY.

**ARTICLE XVI.           PAYMENT.**

The City agrees to make all reasonable efforts to pay to the CONTRACTOR the sum set forth any invoice which has been approved by the City Manager or his authorized designee within thirty (30) days of receipt of such invoice at the Office of the City Auditor. Each invoice shall detail the work completed.

Subject to pending statutory appeal rights, the City hereby reserves the right and the CONTRACTOR hereby agrees that the City may deduct from the sum(s) otherwise payable under this CONTRACT any outstanding taxes, fines, fees and/or other municipal charges prior to disbursement to the CONTRACTOR.

**ARTICLE XVII. CONFLICT.**

In the event there is a conflict between these Articles and Attachment A, Attachment A shall supersede these Articles.

**ARTICLE XVIII. WAIVER AND AMENDMENT.**

The provisions contained in this CONTRACT may be modified only by the express written consent of the Parties. Any amendments, must be made only by written amendment executed by all signatories to the original agreement, prior to the effective date of the amendment.

The failure of any party to insist on the strict performance of any term, covenant or condition to this CONTRACT, at anytime, or in any one or more instances, or its failure to take advantage of any of its rights, or any course of conduct or dealing, shall not be construed as a waiver or a relinquishment of any such rights or conditions at any future time and shall, in no way act, as a wavier by any party of a breach of another party or have any affect on the continuance of or the full force and affect of any or all of the provisions of this Contract. The waiver of any provisions must be in writing and executed by all signatories to this Agreement prior to the force and effect of any such waiver.

Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any manner limit the legal or equitable remedies available to that party. No waiver by either party of any default or breach shall constitute a waiver of any subsequent default or breach of a similar or different matter.

**ARTICLE XIX. CERTIFICATION.**

IN WITNESS WHEREOF, THE CONTRACTOR CERTIFIES, UNDER THE PAINS AND PENALTIES OF PERJURY, THAT THE CONTRACTOR IS IN COMPLIANCE WITH EACH OF THE FOLLOWING:

- a. TAXES. PURSUANT to M.G.L. c. 62C, s. 49A, the CONTRACTOR has filed all state tax returns and complied with all laws of the Commonwealth relating to taxes.
- b. DEBARMENT. The CONTRACTOR is not currently debarred or suspended by the Commonwealth of Massachusetts, or any of its entities or subdivisions.
- c. AMERICANS WITH DISABILITIES ACT. The CONTRACTOR is aware of the Americans with Disabilities Act which prohibits discrimination based upon disability and shall meet any relevant standards, and/or conditions set out in the bid/proposal documents, bid/proposal specifications, and/or ATTACHMENT A - SCOPE OF SERVICES.

**ARTICLE XX. FORUM AND CHOICE OF LAW**

This CONTRACT and any performance herein shall be governed by and be construed in accordance with the laws of Commonwealth of Massachusetts, exclusive of its conflicts of law provisions. Any and all proceedings or actions relating to subject matter herein shall be brought and maintained in the courts of the Commonwealth of Massachusetts or the federal district court sitting in the Commonwealth of Massachusetts, which shall have exclusive jurisdiction thereof. Each of the Parties hereto irrevocably consents to and waives any objection to the exercise of personal jurisdiction by the state and federal courts of the Commonwealth of Massachusetts. This paragraph shall not be construed to limit any other legal rights of the parties.

**ARTICLE XXI. TAXES**

CONTRACTOR shall be solely responsible for the payment of any taxes, levies, betterments or assessments, fees or charges, whether in existence on the date hereof or becoming applicable pursuant to this Contract, which may be assessed against the CONTRACTOR or the CITY which are directly attributable to CONTRACTOR'S activities under this CONTRACT (the "Taxes"). CONTRACTOR shall pay all Taxes directly to the taxing authority before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of law for their nonpayment.

**ARTICLE XXII. NOTICES**

All notices, demands, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms hereof (hereinafter "Notice"), shall be in writing and shall be deemed to have been properly given when delivered in hand or deposited in registered or certified United States mail, postage prepaid, return receipt requested, addressed, as described herein or when delivered by messenger or overnight mail service to the correct addressee. Unless otherwise specified, Notice shall be deemed received when actually received or when the proffered Notice has been refused by the Addressee. The signature of an employee, servant or agent of the Addressee shall be determinative on the issue of actual receipt.

All notices shall be sent to the persons and addresses listed below. CONTRACTOR and the CITY shall, at any time and from time to time, have the right to specify as their proper addresses for purposes of this CONTRACT any other address or addresses giving fifteen (15) days' written notice thereof to the other party.

All Notices shall be forwarded to:

FOR THE CITY  
Thomas G. Ambrosino, City Manager  
500 Broadway  
City Hall  
Chelsea, MA 02150

With a Copy to:  
Cheryl Watson Fisher  
City Solicitor  
Law Department, Room 307  
500 Broadway  
Chelsea, MA 02150

FOR THE CONTRACTOR:  
[NAME]  
[ADDRESS]

**ARTICLE XXIII. CONSIDERATION**

The Parties mutually agree to enter into this CONTRACT for good and valuable consideration.

**ARTICLE XXIV. REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR**

The CONTRACTOR represents and warrants (i) the CONTRACTOR has all requisite corporate power and authority to enter into this CONTRACT and to perform the obligations of the CONTRACTOR; (ii) that this CONTRACT has been duly and validly authorized, executed and delivered by the CONTRACTOR; (iii) the execution and delivery of this CONTRACT does not violate or conflict with any other agreement, license or obligation; (iv) the CONTRACTOR is duly organized, legal and validly existing and in good standing in the Commonwealth of Massachusetts; (v) that the CONTRACTOR is duly qualified and authorized to do business in the Commonwealth of Massachusetts; (vi) the CONTRACTOR is in compliance and is current with any payments under all federal, state and local tax laws; (vii) the CONTRACTOR will obtain any and all permits which may be necessary to perform the obligations of this CONTRACT; (viii) the CONTRACTOR will timely perform its obligations required by this CONTRACT.

**ARTICLE XXV. THIRD PARTY BENEFICIARIES**

This CONTRACT shall not be construed to create any third party beneficiary rights in favor of any other parties or any right or privilege for the benefit of any other parties.

**ARTICLE XXVI. ENTIRE CONTRACT**

This CONTRACT constitutes the entire Agreement of the parties hereto with respect to the subject matter hereof, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties hereto with respect to the subject matter hereof not embodied herein shall be of any force or effect.

**ARTICLE XXVII. LIABILITY OF MUNICIPALITY**

The CITY shall not be liable to CONTRACTOR for any loss of business or any indirect, incidental, special, consequential or exemplary damages or lost profits unless expressly specified herein.

**ARTICLE XXVIII. HEADINGS**

Heading used in this Agreement are for convenience of reference only and shall not be construed as altering the meaning of this CONTRACT or any of its provisions.

**ARTICLE XXIX. DAYS**

Any reference to "days" in this CONTRACT, shall be deemed to mean business days (Monday through Friday, excluding generally recognized holidays) except where specific reference is made to calendar days.

**ARTICLE XXX. SURVIVAL**

The parties agree that the provisions of ARTICLE II – AMOUNT AND TERM; ARTICLE III – PERFORMANCE; ARTICLE V- REMEDIES OF THE CITY; ARTICLE VI- REMEDIES OF THE CONTRACTOR. ARTICLE VII – ASSIGNABILITY; ARTICLE VIII – INDEMNIFICATION; ARTICLE IX- WORKER’S COMPENSATION AND OTHER INSURANCE; ARTICLE XI-SUBJECT TO APPROPRIATION; ARTICLE XII – DOCUMENTS, MATERIALS, ETC; ARTICLE XIII – AUDIT, INSPECTION, RECORDKEEPING; ARTICLE XIV- WEEKLY PAYROLL RECORDS REPORT; ARTICLE XVI – PAYMENT; ARTICLE XVIII – WAIVER AND AMENDMENT; ARTICLE XIX – CERTIFICATION; ARTICLE XX- FORUM AND CHOICE OF LAW; ARTICLE XXI –

TAXES; ARTICLE XXIV- REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR; ARTICLE XXVII- LIABILITY OF THE MUNICIPALITY; ARTICLE XXX – SURVIVAL; and ARTICLE XXXI - SEVERABILITY shall survive the expiration or any earlier termination of this CONTRACT.

**ARTICLE XXXI. SEVERABILITY**

If any provision of this CONTRACT is held to be illegal, invalid or unenforceable, the remaining terms shall not be affected and shall remain in full force and effect. The Agreement shall be interpreted as if the illegal, invalid or unenforceable provision had not been included in it and the invalid or unenforceable provision shall be stricken and shall be replaced by a mutually acceptable provision which being valid and enforceable comes closest to the intention of the parties with respect to the invalid or unenforceable provision.

**ARTICLE XXXII. ADVICE AND COUNSEL**

The CONTRACTOR hereby acknowledges and agrees that CONTRACTOR has read this Agreement in its entirety and that CONTRACTOR has had the opportunity to consult legal and financial advisors of their choosing regarding the execution, delivery and performance of their obligations, hereunder.

**ARTICLE XXXIII. COUNTERPARTS**

This CONTRACT may be executed in counterpart.

THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF the parties have hereto and to three other identical instruments set forth their hands the day and year first above written.

THE CONTRACTOR

CITY MANAGER

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Thomas G. Ambrosino

\_\_\_\_\_  
Status (Corporation/Non-corporate)

\_\_\_\_\_  
Signature & Title

\_\_\_\_\_  
Please Print Name & Title

\_\_\_\_\_  
Dylan Cook  
Procurement Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Taxpayer Identification Number

APPROVED AS TO FORM:

\_\_\_\_\_  
Cheryl Watson Fisher  
City Solicitor

Approved as to Contract Manager:

I CERTIFY THAT FUNDS HAVE BEEN  
ENCUMBERED IN THE AMOUNT OF  
\$\_\_\_\_\_ FOR THIS CONTRACT  
Appropriation Number:  
\_\_\_\_\_

\_\_\_\_\_  
Department Head Name  
Department Name  
City of Chelsea

\_\_\_\_\_  
Edward M. Dunn  
City Auditor

## **ATTACHMENT A**

### **SCOPE OF SERVICES**

**INSTRUCTIONS FOR DEPARTMENT AND CONTRACTOR:** Please attach for reference purposes a copy of all bid/proposal documents, including but not limited to (i) invitations/instructions for bidders (ii) invitation/instructions for proposers, (iii) general and specific conditions, and please provide a detailed description of all types of goods and/or services that will be provided pursuant to this CONTRACT, not otherwise provided in any bid/proposal instructions, specifications, conditions or other documents.

## **ATTACHMENT B**

### **ADDITIONAL CONTRACT TERMS AND CONDITIONS**

**INSTRUCTIONS FOR DEPARTMENTS:** Please specify any additions or modifications to the terms and conditions (not to conflict with the public procurement laws or City ordinances or regulations):

Exhibit A – Additional CDBG Terms and Conditions

**ATTACHMENT C**

CERTIFICATE OF NON-COLLUSION

-----

TAX COMPLIANCE CERTIFICATION

-----

STATEMENT OF CORPORATE AUTHORITY

CERTIFICATE OF NON-COLLUSION  
MANDATORY

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of Company or Corporation

\_\_\_\_\_  
Authorized Official's Signature

**BIDDERS/RESPONDENTS MUST SUBMIT THIS FORM FULLY COMPLETED.**

TAX COMPLIANCE CERTIFICATION

Pursuant to M.G.L. c. 62C, Section 49A, I certify under penalties of perjury that I, to my best knowledge and belief, have filed all Massachusetts tax returns and paid all Massachusetts taxes required under law, as well as paid all contributions and payments in lieu of contributions pursuant to M.G.L., c. 151A, Section 19A(b).

I further certify that I have complied with all federal, state and local laws relating to taxes, including but not limited to the withholding and reporting of any income taxes for employees and contractors, and the withholding and remittance of child support.

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Signature

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Social Security or Federal ID No.

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Date

BIDDERS/RESPONDENTS MUST SUBMIT THIS FORM FULLY COMPLETED.

STATEMENT OF CORPORATE AUTHORITY

At a duly authorized meeting of the Board of Directors of \_\_\_\_\_

held on \_\_\_\_\_ at which time all voted that \_\_\_\_\_

of this Company, be and hereby is authorized to execute contracts and bonds in the name and on behalf of said Company, and affix its Corporate seal thereto, and such execution of any contract

of obligation in this Company's name on its behalf by such person \_\_\_\_\_ under seal of the Company, shall be valid and binding upon this Company.

A TRUE COPY,  
ATTEST:

\_\_\_\_\_

PLACE OF BUSINESS:

\_\_\_\_\_

\_\_\_\_\_

DATE OF THIS CONTRACT:

\_\_\_\_\_

I hereby certify that I am Clerk of \_\_\_\_\_ and that

\_\_\_\_\_ is duly elected \_\_\_\_\_

of said Company, and that the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

\_\_\_\_\_  
(Clerk's Signature)

(CORPORATE SEAL)

## ATTACHMENT D

City of Chelsea  
**Conflict of Interest Law**  
Compliance Statement and Requirements for Vendors

On July 1, 2009, the Legislature enacted Chapter 28 of the Acts of 2009 which made changes to Mass. General Laws c. 268A and c. 268B, the Massachusetts' Conflict of Interest Law. On November 9, 2009, the Chelsea City Council designated the Chelsea City Solicitor as the Municipal Liaison to the State Ethics Commission and responsible for the facilitation of Chelsea's obligation to comply with the changes in the law.

The City has a requirement for compliance, which is to make sure that all municipal elected officials, board and commission members, and employees **including vendors** are provided copies of the Summaries of the Ethics Laws.

Enclosed is a packet that should be copied and provide to each one of your employees who are assigned to work in Chelsea; including yourself. At the end of the summary is an acknowledgement of receipt of the summary. The acknowledgments must be submitted along with any purchase order or contract with the City of Chelsea. All documents pursuant to this new law will be kept on file in the City Clerk's Office

The Procurement Officer will contact you directly, if there is a determination that you or your staff should undergo the Conflict of Interest Online Training Program.

If you have any questions, feel free to contact the Chelsea City Solicitor at 617-466-4150 as soon as possible.

# Summary of the Conflict of Interest Law for Municipal Employees

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This summary of the conflict of interest law, General Laws chapter 268A, is intended to help municipal employees understand how that law applies to them. This summary is not a substitute for legal advice, nor does it mention every aspect of the law that may apply in a particular situation. Municipal employees can obtain free confidential advice about the conflict of interest law from the Commission's Legal Division at our website, phone number, and address above. Municipal counsel may also provide advice.

The conflict of interest law seeks to prevent conflicts between private interests and public duties, foster integrity in public service, and promote the public's trust and confidence in that service by placing restrictions on what municipal employees may do on the job, after hours, and after leaving public service, as described below. The sections referenced below are sections of G.L. c. 268A.

When the Commission determines that the conflict of interest law has been violated, it can impose a civil penalty of up to \$10,000 (\$25,000 for bribery cases) for each violation. In addition, the Commission can order the violator to repay any economic advantage he gained by the violation, and to make restitution to injured third parties. Violations of the conflict of interest law can also be prosecuted criminally.

## **I. Are you a municipal employee for conflict of interest law purposes?**

You do not have to be a full-time, paid municipal employee to be considered a municipal employee for conflict of interest purposes. Anyone performing services for a city or town or holding a municipal position, whether paid or unpaid, including full- and part-time municipal employees, elected officials, volunteers, and consultants, is a municipal employee under the conflict of interest law. An employee of a private firm can also be a municipal employee, if the private firm has a contract with the city or town and the employee is a "key employee" under the contract, meaning the town has specifically contracted for her services. The law also covers private parties who engage in impermissible dealings with municipal employees, such as offering bribes or illegal gifts.

## **II. On-the-job restrictions.**

### **(a) Bribes. Asking for and taking bribes is prohibited. (See Section 2)**

A bribe is anything of value corruptly received by a municipal employee in exchange for the employee being influenced in his official actions. Giving, offering, receiving, or asking for a bribe is illegal.

Bribes are more serious than illegal gifts because they involve corrupt intent. In other words, the municipal employee intends to sell his office by agreeing to do or not do some official act, and the giver intends to influence him to do so. Bribes of any value are illegal.

(b) Gifts and gratuities. Asking for or accepting a gift because of your official position, or because of something you can do or have done in your official position, is prohibited. (See Sections 3, 23(b)(2), and 26)

Municipal employees may not accept gifts and gratuities valued at \$50 or more given to influence their official actions or because of their official position. Accepting a gift intended to reward past official action or to bring about future official action is illegal, as is giving such gifts. Accepting a gift given to you because of the municipal position you hold is also illegal. Meals, entertainment event tickets, golf, gift baskets, and payment of travel expenses can all be illegal gifts if given in connection with official action or position, as can anything worth \$50 or more. A number of smaller gifts together worth \$50 or more may also violate these sections.

*Example of violation* : A town administrator accepts reduced rental payments from developers.

*Example of violation* : A developer offers a ski trip to a school district employee who oversees the developer's work for the school district.

**Regulatory exemptions** . There are situations in which a municipal employee's receipt of a gift does not present a genuine risk of a conflict of interest, and may in fact advance the public interest. The Commission has created exemptions permitting giving and receiving gifts in these situations. One commonly used exemption permits municipal employees to accept payment of travel-related expenses when doing so advances a public purpose. Another commonly used exemption permits municipal employees to accept payment of costs involved in attendance at educational and training programs. Other exemptions are listed on the Commission's website.

*Example where there is no violation* : A fire truck manufacturer offers to pay the travel expenses of a fire chief to a trade show where the chief can examine various kinds of fire-fighting equipment that the town may purchase. The chief fills out a disclosure form and obtains prior approval from his appointing authority.

*Example where there is no violation* : A town treasurer attends a two-day annual school featuring multiple substantive seminars on issues relevant to treasurers. The annual school is paid for in part by banks that do business with town treasurers. The treasurer is only required to make a disclosure if one of the sponsoring banks has official business before her in the six months before or after the annual school.

(c) Misuse of position. Using your official position to get something you are not entitled to, or to get someone else something they are not entitled to, is prohibited. Causing someone else to do these things is also prohibited. (See Sections 23(b)(2) and 26)

A municipal employee may not use her official position to get something worth \$50 or more that would not be properly available to other similarly situated individuals. Similarly, a municipal employee may not use her official position to get something worth \$50 or more for someone else that would not be properly available to other similarly situated individuals. Causing someone else to do these things is also prohibited.

*Example of violation* : A full-time town employee writes a novel on work time, using her office computer, and directing her secretary to proofread the draft.

*Example of violation* : A city councilor directs subordinates to drive the councilor's wife to and from the grocery store.

*Example of violation* : A mayor avoids a speeding ticket by asking the police officer who stops him, "Do you know who I am?" and showing his municipal I.D.

**(d) Self-dealing and nepotism. Participating as a municipal employee in a matter in which you, your immediate family, your business organization, or your future employer has a financial interest is prohibited. (See Section 19)**

A municipal employee may not participate in any particular matter in which he or a member of his immediate family (parents, children, siblings, spouse, and spouse's parents, children, and siblings) has a financial interest. He also may not participate in any particular matter in which a prospective employer, or a business organization of which he is a director, officer, trustee, or employee has a financial interest. Participation includes discussing as well as voting on a matter, and delegating a matter to someone else.

A financial interest may create a conflict of interest whether it is large or small, and positive or negative. In other words, it does not matter if a lot of money is involved or only a little. It also does not matter if you are putting money into your pocket or taking it out. If you, your immediate family, your business, or your employer have or has a financial interest in a matter, you may not participate. The financial interest must be direct and immediate or reasonably foreseeable to create a conflict. Financial interests which are remote, speculative or not sufficiently identifiable do not create conflicts.

*Example of violation* : A school committee member's wife is a teacher in the town's public schools. The school committee member votes on the budget line item for teachers' salaries.

*Example of violation* : A member of a town affordable housing committee is also the director of a non-profit housing development corporation. The non-profit makes an application to the committee, and the member/director participates in the discussion.

**Example :** A planning board member lives next door to property where a developer plans to construct a new building. Because the planning board member owns abutting property, he is presumed to have a financial interest in the matter. He cannot participate unless he provides the State Ethics Commission with an opinion from a qualified independent appraiser that the new construction will not affect his financial interest.

In many cases, where not otherwise required to participate, a municipal employee may comply with the law by simply not participating in the particular matter in which she has a financial interest. She need not give a reason for not participating.

There are several exemptions to this section of the law. An appointed municipal employee may file a written disclosure about the financial interest with his appointing authority, and seek permission to participate notwithstanding the conflict. The appointing authority may grant written permission if she determines that the financial interest in question is not so substantial that it is likely to affect the integrity of his services to the municipality. Participating without disclosing the financial interest is a violation. Elected employees cannot use the disclosure procedure because they have no appointing authority.

**Example where there is no violation :** An appointed member of the town zoning advisory committee, which will review and recommend changes to the town's by-laws with regard to a commercial district, is a partner at a company that owns commercial property in the district. Prior to participating in any committee discussions, the member files a disclosure with the zoning board of appeals that appointed him to his position, and that board gives him a written determination authorizing his participation, despite his company's financial interest. There is no violation.

There is also an exemption for both appointed and elected employees where the employee's task is to address a matter of general policy and the employee's financial interest is shared with a substantial portion (generally 10% or more) of the town's population, such as, for instance, a financial interest in real estate tax rates or municipal utility rates.

**(e) False claims. Presenting a false claim to your employer for a payment or benefit is prohibited, and causing someone else to do so is also prohibited. (See Sections 23(b)(4) and 26)**

A municipal employee may not present a false or fraudulent claim to his employer for any payment or benefit worth \$50 or more, or cause another person to do so.

**Example of violation :** A public works director directs his secretary to fill out time sheets to show him as present at work on days when he was skiing.

**(f) Appearance of conflict. Acting in a manner that would make a reasonable person think you can be improperly influenced is prohibited. (See Section 23(b)(3))**

A municipal employee may not act in a manner that would cause a reasonable person to think that she would show favor toward someone or that she can be improperly influenced. Section 23(b)(3) requires a municipal employee to consider whether her relationships and affiliations could prevent her from acting fairly and objectively when she performs her duties for a city or town. If she cannot be fair and objective because of a relationship or affiliation, she should not perform her duties. However, a municipal employee, whether elected or appointed, can avoid violating this provision by making a public disclosure of the facts. An appointed employee must make the disclosure in writing to his appointing official.

*Example where there is no violation* : A developer who is the cousin of the chair of the conservation commission has filed an application with the commission. A reasonable person could conclude that the chair might favor her cousin. The chair files a written disclosure with her appointing authority explaining her relationship with her cousin prior to the meeting at which the application will be considered. There is no violation of Sec. 23(b)(3).

**(g) Confidential information. Improperly disclosing or personally using confidential information obtained through your job is prohibited. (See Section 23(c))**

Municipal employees may not improperly disclose confidential information, or make personal use of non-public information they acquired in the course of their official duties to further their personal interests.

**III. After-hours restrictions.**

**(a) Taking a second paid job that conflicts with the duties of your municipal job is prohibited. (See Section 23(b)(1))**

A municipal employee may not accept other paid employment if the responsibilities of the second job are incompatible with his or her municipal job.

*Example* : A police officer may not work as a paid private security guard in the town where he serves because the demands of his private employment would conflict with his duties as a police officer.

**(b) Divided loyalties. Receiving pay from anyone other than the city or town to work on a matter involving the city or town is prohibited. Acting as agent or attorney for anyone other**

**than the city or town in a matter involving the city or town is also prohibited whether or not you are paid. (See Sec. 17)**

Because cities and towns are entitled to the undivided loyalty of their employees, a municipal employee may not be paid by other people and organizations in relation to a matter if the city or town has an interest in the matter. In addition, a municipal employee may not act on behalf of other people and organizations or act as an attorney for other people and organizations in which the town has an interest. Acting as agent includes contacting the municipality in person, by phone, or in writing; acting as a liaison; providing documents to the city or town; and serving as spokesman.

A municipal employee may always represent his own personal interests, even before his own municipal agency or board, on the same terms and conditions that other similarly situated members of the public would be allowed to do so. A municipal employee may also apply for building and related permits on behalf of someone else and be paid for doing so, unless he works for the permitting agency, or an agency which regulates the permitting agency.

***Example of violation*** : A full-time health agent submits a septic system plan that she has prepared for a private client to the town's board of health.

***Example of violation*** : A planning board member represents a private client before the board of selectmen on a request that town meeting consider rezoning the client's property.

While many municipal employees earn their livelihood in municipal jobs, some municipal employees volunteer their time to provide services to the town or receive small stipends. Others, such as a private attorney who provides legal services to a town as needed, may serve in a position in which they may have other personal or private employment during normal working hours. In recognition of the need not to unduly restrict the ability of town volunteers and part-time employees to earn a living, the law is less restrictive for "special" municipal employees than for other municipal employees.

The status of "special" municipal employee has to be assigned to a municipal position by vote of the board of selectmen, city council, or similar body. A position is eligible to be designated as "special" if it is unpaid, or if it is part-time and the employee is allowed to have another job during normal working hours, or if the employee was not paid for working more than 800 hours during the preceding 365 days. It is the position that is designated as "special" and not the person or persons holding the position. Selectmen in towns of 10,000 or fewer are automatically "special"; selectman in larger towns cannot be "specials."

If a municipal position has been designated as "special," an employee holding that position may be paid by others, act on behalf of others, and act as attorney for others with respect to matters before municipal boards other than his own, provided that he has not officially participated in the

matter, and the matter is not now, and has not within the past year been, under his official responsibility.

*Example* : A school committee member who has been designated as a special municipal employee appears before the board of health on behalf of a client of his private law practice, on a matter that he has not participated in or had responsibility for as a school committee member. There is no conflict. However, he may not appear before the school committee, or the school department, on behalf of a client because he has official responsibility for any matter that comes before the school committee. This is still the case even if he has recused himself from participating in the matter in his official capacity.

*Example* : A member who sits as an alternate on the conservation commission is a special municipal employee. Under town by-laws, he only has official responsibility for matters assigned to him. He may represent a resident who wants to file an application with the conservation commission as long as the matter is not assigned to him and he will not participate in it.

**(c) Inside track. Being paid by your city or town, directly or indirectly, under some second arrangement in addition to your job is prohibited, unless an exemption applies. (See Section 20)**

A municipal employee generally may not have a financial interest in a municipal contract, including a second municipal job. A municipal employee is also generally prohibited from having an indirect financial interest in a contract that the city or town has with someone else. This provision is intended to prevent municipal employees from having an "inside track" to further financial opportunities.

*Example of violation* : Legal counsel to the town housing authority becomes the acting executive director of the authority, and is paid in both positions.

*Example of violation* : A selectman buys a surplus truck from the town DPW.

*Example of violation* : A full-time secretary for the board of health wants to have a second paid job working part-time for the town library. She will violate Section 20 unless she can meet the requirements of an exemption.

*Example of violation* : A city councilor wants to work for a non-profit that receives funding under a contract with her city. Unless she can satisfy the requirements of an exemption under Section 20, she cannot take the job.

There are numerous exemptions. A municipal employee may hold multiple unpaid or elected positions. Some exemptions apply only to special municipal employees. Specific exemptions may cover serving as an unpaid volunteer in a second town position, housing-related benefits, public safety positions, certain elected positions, small towns, and other specific situations. Please call the Ethics Commission's Legal Division for advice about a specific situation.

#### **IV. After you leave municipal employment. (See Section 18)**

**(a) Forever ban. After you leave your municipal job, you may never work for anyone other than the municipality on a matter that you worked on as a municipal employee.**

If you participated in a matter as a municipal employee, you cannot ever be paid to work on that same matter for anyone other than the municipality, nor may you act for someone else, whether paid or not. The purpose of this restriction is to bar former employees from selling to private interests their familiarity with the facts of particular matters that are of continuing concern to their former municipal employer. The restriction does not prohibit former municipal employees from using the expertise acquired in government service in their subsequent private activities.

*Example of violation* : A former school department employee works for a contractor under a contract that she helped to draft and oversee for the school department.

**(b) One year cooling-off period. For one year after you leave your municipal job you may not participate in any matter over which you had official responsibility during your last two years of public service.**

Former municipal employees are barred for one year after they leave municipal employment from personally appearing before any agency of the municipality in connection with matters that were under their authority in their prior municipal positions during the two years before they left.

*Example* : An assistant town manager negotiates a three-year contract with a company. The town manager who supervised the assistant, and had official responsibility for the contract but did not participate in negotiating it, leaves her job to work for the company to which the contract was awarded. The former manager may not call or write the town in connection with the company's work on the contract for one year after leaving the town.

A former municipal employee who participated as such in general legislation on expanded gaming and related matters may not become an officer or employee of, or acquire a financial interest in, an applicant for a gaming license, or a gaming licensee, for one year after his public employment ceases.

**(c) Partners. Your partners will be subject to restrictions while you serve as a municipal employee and after your municipal service ends.**

Partners of municipal employees and former municipal employees are also subject to restrictions under the conflict of interest law. If a municipal employee participated in a matter, or if he has official responsibility for a matter, then his partner may not act on behalf of anyone other than the municipality or provide services as an attorney to anyone but the city or town in relation to the matter.

*Example* : While serving on a city's historic district commission, an architect reviewed an application to get landmark status for a building. His partners at his architecture firm may not prepare and sign plans for the owner of the building or otherwise act on the owner's behalf in relation to the application for landmark status. In addition, because the architect has official responsibility as a commissioner for every matter that comes before the commission, his partners may not communicate with the commission or otherwise act on behalf of any client on any matter that comes before the commission during the time that the architect serves on the commission.

*Example* : A former town counsel joins a law firm as a partner. Because she litigated a lawsuit for the town, her new partners cannot represent any private clients in the lawsuit for one year after her job with the town ended.

\* \* \* \* \*

This summary is not intended to be legal advice and, because it is a summary, it does not mention every provision of the conflict law that may apply in a particular situation. Our website, <http://www.mass.gov/ethics> contains further information about how the law applies in many situations. You can also contact the Commission's Legal Division via our website, by telephone, or by letter. Our contact information is at the top of this document.

Version 5: Revised December 23, 2011

City of Chelsea  
**Conflict of Interest Law**

Compliance Statement and Requirements for Vendors

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**ACKNOWLEDGMENT OF RECEIPT**

I, \_\_\_\_\_,  
*(first and last name)*

an employee at \_\_\_\_\_,  
*(name of vendor)*

hereby acknowledge that I received a copy of the summary of the conflict of interest law for municipal employees, revised December 23, 2011, on

\_\_\_\_\_.  
*(date)*

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The City has a requirement for compliance, which is to make sure that all **vendors** are provided copies of the Summary of the Conflict of Interest Law for Municipal Employees (including Vendors).

VENDORS should copy the Summary of the Conflict of Interest Law and provide it to each one of the employees who are assigned to work in Chelsea.

Each employee shall complete the "Acknowledgment of Receipt" and the Vendor shall return the acknowledgments-only (not the Summary) to the Chelsea the Chelsea Procurement Office.

The "Acknowledgment of Receipt" must be submitted along with any purchase order or contract with the City of Chelsea

**EXHIBIT A**  
**ADDITIONAL CDBG TERMS AND CONDITIONS**

COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, AND DHCD REGULATIONS, PROCEDURES, AND GUIDELINES: All activities authorized by this Contract shall be subject to and performed in accordance with the provisions of this Contract, Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq., hereinafter "the Act"), HUD regulations in 24 CFR Part 570 Subpart I, 24 CFR Part 85 (as may be determined applicable by the Massachusetts CDBG Program), and any regulations, directives or guidelines as may be established by the Department for the Massachusetts CDBG Program. Where appropriate, the Contractor shall cause any subgrantees to comply with these requirements.

All activities authorized by this Contract shall be conducted in accordance with all applicable laws, rules, regulations, ordinances, orders and requirements of the Commonwealth and the federal government including, but not limited to, the following:

1. **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d et seq.), and HUD regulations at **24 CFR Part 1**, which prohibit discrimination based on race, color, or national origin under any program or activity receiving federal financial assistance.
2. **Title VIII of the Civil Rights Act of 1968** (42 U.S.C. 3601 et seq.,) as amended by the Fair Housing Amendments of 1988 (known as the Fair Housing Act), which prohibits discrimination based on race, color, religion, sex, handicap, familial status, or national origin in the sale, rental, financing, or brokering of housing; and **Federal Executive Order 11063**, as amended by **Executive Order 12259**, and as implemented by regulations at **24 CFR Part 1**, which prohibits such discrimination in the sale or rental of property which has received federal financial assistance.
3. **The Age Discrimination Act of 1975** (42 U.S.C. 6101 et seq.), which prohibits discrimination on the basis of age, and **Section 504 of the Rehabilitation Act of 1973** (29 U.S.C. 794), which prohibits discrimination based on handicap.
4. The **Davis-Bacon Act** (40 U.S.C. 276a - 276a-7), as supplemented by Department of Labor regulations at **29 CFR Part 5**, which provides that laborers and mechanics employed by the Contractor or subgrantees on construction projects (consisting of 8 or more units in the case of residential property) assisted under the Act shall be paid wages determined by the Secretary of Labor, provided that Davis Bacon shall not apply to "volunteers"; and the **Contract Work Hours and Safety Standards Act** (40 U.S.C. 327 et seq.), as supplemented by Department of Labor Regulations at **29 CFR Part 5**, which contains labor standards for work on contracts financed by federal grants; and the Department of Labor "**anti-kickback**" **regulations at 29 CFR Part 3**. The Contractor shall include these requirements in agreements with subgrantees.
5. The **National Environmental Policy Act of 1969** (42 U.S.C. 4321 et seq.), and such other provisions of law which further the purposes of the National Environmental Policy Act as are specified in **24 CFR Part 58** (entitled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.")
6. The **Housing and Urban Development Act of 1968, Section 3** (12 U.S.C. 1701u), which requires that training and employment opportunities be made available to lower-income persons living in the community where a project assisted under the Act is located, and that contracting opportunities be made available to businesses located in or owned by persons living in such community. The Contractor shall include this requirement in agreements with subgrantees. The text of this clause is included in the Massachusetts CDBG Program Operations Manual.

7. **The Residential Lead-Based Paint Hazard Reduction Act of 1992** (42 U.S.C.4851 et seq.) as implemented by regulations at **24 C.F.R. Part 35**, which establishes requirements to protect children from lead-based paint hazards in housing that is receiving federal financial assistance or is being sold by the government. **24 C.F.R. Part 35** became effective on September 15, 2000.
8. Regulations at **24 CFR Part 44**, “Non-Federal Audit Requirements for State and Local Government.”
9. **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970** (42 U.S.C. 4601 et seq.) and regulations at **49 CFR Part 24**, and **Section 104 (d) of the Act** and regulations at **24 CFR 570.606 and 24 CFR Part 42 cited in 24 CFR 570.488**), which govern the acquisition of real property for activities assisted under the Act and which require the Contractor to adopt policies and plans designed to minimize displacement of residents and businesses, and to provide relocation benefits and assistance.
10. Department of Labor Regulations at **41 CFR Part 60-1**, implementing **Executive Order 11246**, which require the Contractor to adopt equal employment practices and cooperate with the Secretary of Labor in assuring compliance by subgrantees. The Contractor shall include this requirement in agreements with subgrantees. In addition, for all subcontracts which are nonexempt as defined in 41 CFR 60-1.5 (generally, subcontracts in excess of \$10,000), the Contractor shall include in the agreement the "equal opportunity clause" set forth in 41 CFR 60-1.4(b) for construction contracts, and in 41 CFR 60-1.4(a) for all other contracts.
11. **The Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.)**, which requires certain federally assisted buildings to be constructed so as to be accessible to physically handicapped persons, and **The Americans with Disabilities Act of 1990** (42 U.S.C. 12101 et seq.), which prohibits discrimination against disabled individuals in private and public employment, public accommodations, public transportation, government services, and telecommunications. The Contractor shall include this requirement in agreements with subgrantees.
12. **Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) as supplemented by HUD regulations at 24 CFR Part 4** which requires applicants to a state, or to a unit of local government, for assistance from HUD to make a number of disclosures.
13. **Administrative Requirements.** The Contractor shall comply with the provisions of 24 CFR Part 85, “Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federal Recognized Indian Tribal Governments,” as follows: Part 85.20 Standards for Financial Management Systems; Part 85.22 Allowable Costs (citing OMB Circular A-87 requirements); Part 85.30 Changes (Budget/Program Revisions); Part 85.31, 32, 33 Real Property, Equipment, Supplies; Part 85.36 Procurement; Part 85.43 Enforcement, and Part 85.50 Close-Out.
14. **Massachusetts CDBG Program Operations Manual.** In implementing all activities authorized by this Contract, the Contractor shall use the provisions of the Massachusetts CDBG Program Operations Manual as a guidance document.
15. **Political Activity Prohibited Under the Hatch Act.** None of the services to be provided by the Contractor shall be used for any partisan political activity or to further the election or defeat of any candidate for public office. The Contractor shall adhere to the provisions of the Hatch Act (5 U.S.C. 1501 et. seq.) which limits political activity by employees whose principle employment is in connection with an activity which is financed in whole or in part by federal funds.
16. Regulations at **41 CFR Part 60-250**, entitled “Affirmative Action Obligations of Contractors and Subcontractors for Disabled Veterans and Veterans of the Vietnam Era.”
17. **Conflict of Interest.** The Contractor shall adhere to the requirements of M.G.L. Chapter 268A and the HUD Conflict of Interest regulations at 24 CFR Part 570.489(h).

18. **Flood Disaster Protection.** The owner of land subject to acquisition or improvement under this contract, and its successors or assigns, are hereby obligated to obtain and maintain, during ownership of the land which is the subject of the contract, such flood insurance as is required with respect to financial assistance for acquisition or construction purposes under section 102 (a) of the Flood Disaster Protection Act of 1973. This obligation is binding notwithstanding the fact that construction on the land which is subject of this contract is not itself funded out of assistance provided under the Housing and Community Development Act of 1974, as amended.
19. **Environmental Requirements.** The Contractor shall comply, where applicable, with: federal Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et. seq.) particularly section 2 (a); the Coastal Zone Management Act of 1972 (16 U.S.C 1451 et. seq.), as amended, particularly section 307 (c) and (d) (16U.S.C. 1456 (c) and (d)); the Safe Water Drinking Act of 1974 (42 U.S.C. 201, 300(f) et seq., and 21 U.S.C. 349), as amended; the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) as amended, particularly section 7 (16 U.S.C. 1536; the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) as amended, particularly section 7 (b) and (c) (16 U.S.C. 1278 (b) and (c)); the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, particularly section 176(c) and (d) (42 U.S.C. 7506 (c) and (d)); HUD Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979); “The American Standard Specification for Making Buildings and Facilities Accessible to and Usable by the Physically Handicapped,” Number A-117.4-R 1971, subject to the exceptions contained in 41 CFR 101-19-604; and any corresponding provisions of State and local laws and regulations. The Contractor shall also comply, where applicable, with the National Environmental Policy Act of 1969, Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, Flood Disaster Protection Act of 1973, National Flood Insurance Act of 1968, and Protection of Wetlands Laws.
20. **Historical Preservation.** The Contractor shall, in the performance of environmental assessments under the National Policy Act, and the Massachusetts Environmental Policy Act, comply with section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), federal Executive Order 11593, and the Preservation of Archaeological and Historic Data Act of 1966 (17 U.S.C. 469 a-1 et seq.), by (a) consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity, and (b) complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.
21. **Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention.** Lead-Based Paint Hazards (applicable to contracts for construction or rehabilitation of residential structures). The construction or rehabilitation of residential structure is subject to the HUD-Lead-Based Paint regulations, 24 CFR Part 35. The Contractor and Subcontractors shall comply with the provisions for the elimination of lead-based paint hazards under sup-part B of said regulations.

The Owner will be responsible for the inspections and certifications required under Section 35.14(f) thereof, and requirements of M.G.L. Ch.111, Sec. 190-191, and the regulations for Lead Poisoning.

22. **Labor Standards.** Where applicable, The Contractor shall adhere to the provisions of Section 110 of the Act, and the Massachusetts General Laws Chapter 149 sections 26 and 27D inclusive (as amended by Chapter 484 of the Acts of 1984). In the case of the rehabilitation of commercial property, or rehabilitation of residential property designed for residential use of eight or more families, The Contractor shall adhere to the Federal Labor Standards Provisions (HUD Handbook 1344.1), the requirements of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et. seq.) and the Copeland Anti-Kickback Act.

## **OTHER PROVISIONS**

### **Age Discrimination Act of 1975 (for contracts over (\$2,000)**

No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination from receiving Federal financial assistance.

The Contractor shall comply with the provisions of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.). The Age Discrimination in Employment Act prohibits arbitrary age discrimination in employment.

### **Non-Discrimination**

The Contractor shall adhere to the requirements set forth in Title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the regulations issued pursuant thereto by HUD (24 CFR Part 1); Title VIII of the Civil Rights Act of 1968 (Public Law 90-284), as amended; Section 109 of the Housing and Community Development Act of 1974, and the HUD regulations issued pursuant thereto (24 CFR 570.601); Federal Executive Order 11063, as amended by Executive Order 12259 and the HUD regulations issued pursuant thereto (24 CFR 107); Executive Order 11246 and the rules, regulations and relevant orders of the U.S. Secretary of Labor, if applicable; The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Section 402 of the Veterans of the Vietnam Era Act (for projects of \$10,000 or more). Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); Massachusetts General Laws Chapter 151B, section 1 et seq.; State Executive Order 74 as amended and revised by Executive Orders 116, 143 and 227, and MASS. CDBG regulations, procedures or guidelines; Title II of the Uniform Relocation Assistance and Real Property, Acquisition Policies Act of 1979; and MASS. CDBG guidelines, procedures, or regulations.

The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, handicap, or national origin. The Contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, 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 Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of the non-discrimination clause. The Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap, or national origin. The Contractor shall incorporate the foregoing requirements of this paragraph in all contracts for work to be performed in accordance with this Contract and will require all of its subcontractors to incorporate such requirements in all subcontracts for program work.

Contract subject to Federal Executive Order 11246, as amended, shall be subject to HUD Equal Employment Opportunity regulation at 24 CFR Part 130 applicable to HUD assisted construction contracts.

The Contractor shall send to each labor union or representative or workers with which they have a collective bargaining agreement or other contract understanding, a notice advertising the said labor union or worker's representatives of the Contractor's commitment under this subsection and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

In the event of noncompliance by the Contractor with the nondiscrimination clauses of this Agreement or with any such rules, regulations, or orders of the Secretary of Labor, the Contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contract or federally assisted construction contract procedures authorized in Executive Order 11246, or by rules, regulations, or orders of the Secretary of Labor, as otherwise provided by law.

The Contractor shall include the provisions set forth herein every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as HUD or MASS. CDBG may direct as a means of enforcing such provisions, including sanctions for noncompliance: provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.

#### Interest of Contractor and Employees

The Contractor covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The Contractor further covenants that in the performance of this contract, no person having any such interest shall be employed. Further, the Contractor shall adhere to the revisions of the Hatch Act (5 U.S.C. 1501 et seq.) which limits political activities by employees whose principal employment is in connection with an activity which is financed in whole or in part by federal funds.

### FOR HOUSING ACTIVITIES

To the extent that these provisions are applicable, the Contractor shall comply with the following:

**1. Affordable Housing Restriction** – Rehabilitation loans made under this Contract shall be secured by a mortgage on the subject property which includes language restricting rent levels in units occupied by low- and moderate-income tenants for so long as the loan is outstanding in the case of owner-occupied properties and for a minimum of fifteen (15) years in the case of investor-owned properties. For the purposes of this section, “owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned”. All Affordable Housing Restrictions must clearly indicate the name and address of the municipality or entity that will be responsible for subordination and discharges.

Rentals of units in any assisted property shall be further regulated in accordance with paragraph 2. below.

**2. Rent Limits** – Every owner of rental property that is to be rehabilitated with program assistance provided pursuant to this Contract shall be required to sign an agreement to maintain rents at affordable levels for a minimum of fifteen (15) years after the completion of the rehabilitation unless the loan is paid in full by an owner-occupant prior to this time. Such affordable rent agreement shall apply to units occupied by low- and moderate-income persons as well as units that are vacant at the time of the owner’s application to the program. At the time of application, the owner shall certify that no tenant has been or will be displaced or relocated without due cause for the purposes of evading the terms of this agreement. At a minimum, the provision of this agreement shall include:

I. Execution of a lease or other written notification which indicates: (i) the term of the rental agreement; and (ii) the maximum allowable rent to be charged for the subject unit. The Contractor shall also ensure that all tenants in affected units receive the above information in writing.

II. Rent shall be calculated taking into account the owner’s share of the cost of the rehabilitation as well as the operating expenses, but shall not exceed the lesser of the Section 8 Existing Housing Program Fair Market Rents as established by the U.S. Department of Housing and Urban Development (HUD) for the area pursuant to 24 CFR 888 or the High HOME Rents established by HUD pursuant to 24 CFR 92.252(a)(2). Thereafter, annual rent adjustments may not exceed the limits allowed by HUD in the annually published schedules of high HOME or Section 8 Existing Housing Program Fair Market Rents. In addition, the Contractor shall ensure that required displacement and relocation assistance is afforded to all eligible persons as required

by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC section 4601-4655) and the HUD regulations at 24 CFR 570.606.

III. The owner shall agree to notify the appropriate housing agencies of the availability of any units covered by the terms of this agreement, and shall not refuse to rent to tenants holding Section 8 Existing Housing Certificates, Massachusetts Rental Voucher Program Vouchers, or any other recognized housing voucher certifications except for good cause. If the Contractor is located within the Boston PMSA, the owner shall also agree to notify the City of Boston's Metrolist (Metropolitan Boston Housing Opportunity Clearing Center) which is located at Boston City Hall, Boston, MA 02114-5996, of the availability of any units covered by the terms of this agreement.

The Contractor shall adhere to the DHCD-approved Recapture and Anti-Speculation Plan which includes a description of how it will ensure that the level of low-and moderate-income benefit and terms of affordability specified herein will be maintained. The description shall include the procedures by which it will monitor compliance with its rental agreement policy, including the designation of responsible staff person (s), method of monitoring compliance, and corrective actions to be taken by the Contractor in the event of non-compliance.

In addition, the Contractor will maintain records for each assisted unit regarding the rent levels and tenant's income level at the time of application, at the time of completion of rehabilitation, at the termination of the rental agreement, and at the time a new lease is executed, for the duration of the fifteen (15) year affordability term. The Director of DHCD, if requested to do so in writing by the Contractor, may waive any of the above provisions of this section not required by law if the Contractor has demonstrated to the satisfaction of the Director of the DHCD that compliance with this condition would adversely affect the implementation of the Contractor's approved program.

3. **Participant Approval** – The determination of an individual's eligibility for program participation shall not be subject to the approval of any local governing body unless required by law. In these instances, the appropriate citation shall be provided to DHCD, accompanied by a plan to protect the privacy of individuals and guarantee objectivity in the process. Any such plan shall be subject to DHCD approval.
4. **Code Violations** – General property improvements may not be undertaken unless specifically necessary to allow for correction of code violations. Housing activity funds shall not be released in support of general property improvements to any participant before all violations of Article II of the Massachusetts Sanitary Code in the subject property have been corrected.

**Appendix 1 - Housing Rehabilitation Program Guidelines**

# CITY OF CHELSEA, MA

## CDBG Housing Rehabilitation Program

City of Chelsea  
Department of Planning & Development  
500 Broadway, Room 101  
Chelsea, MA 02150  
Tel: 617-466-4180 Fax: 617-466-4195

Administered on behalf of the City by

### Selected Contractor

Address  
Phone  
E-mails

## DRAFT - Program Guidelines FY 2015-2016

This program receives funding from the City of Chelsea with funds provided by U.S. Department of Housing and Urban Development, and the Department of Housing and Community Development, Massachusetts Community Development Block Grant (CDBG) Program.



Rev. 04-01-2016

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## **CDBG HOUSING REHABILITATION PROGRAM OPERATING GUIDELINES FY2014**

### **PROGRAM OVERVIEW**

In an effort to enhance and preserve the quality of the existing housing supply of affordable housing in the City of Chelsea, the City is offering the Community Development Block Grant (CDBG) Housing Rehabilitation Program, funded by the US Department of Housing and Urban Development's (HUD) and the Department of Housing and Community Development, Massachusetts CDBG Program.

The CDBG Housing Rehabilitation Program provides technical and financial assistance to residents and property owners, who have limited means, but wish to bring their residence in compliance with state and local codes and make improvements to their homes in order to maintain the residence as their primary residence and/or to provide quality affordable rental housing to lower income tenants.

The objectives of the City's CDBG Housing Rehabilitation Program include: 1) provide direct financial assistance to low and moderate-income households allowing them to obtain better housing conditions than they would otherwise be able to afford; 2) eliminate code violations that threaten the health and safety of the occupants; 3) preserve and enhance the quality of the City's housing stock so that additional low-cost, good quality housing units are available to all residents; 4) improve the overall quality of life for both building residents as well as residents in the surrounding neighborhoods.

As part of the program, it is understood by the property owners that in exchange for a loan to upgrade rental units in owner-occupied or investor-owned properties to compliance with the codes and make improvements, that property owner agrees to rent those units to low- and moderate-income tenants at affordable rent levels for the term of 15 years.

The City works in collaboration with the **Selected Contractor**.

### **FINANCIAL ASSISTANCE**

The Community Development Block Grant Housing Rehabilitation Program (the "Program") is administered by the City of Chelsea and its Representative, **Selected Contractor**. The Program provides low interest, deferred payment loans (**zero percent/0% loans to owner-occupants and three-percent/3% loans to investor-owners**) to owners of eligible, 1-4 unit residential properties within certain target areas in the City of Chelsea (e.g. Census Tracts 1601, 1602, and 1605, aka the Shurtleff-Bellingham and Addison-Orange neighborhoods as defined in the City's application for funding to the state administered CDBG program).

The program have a limit of up to \$30,000 of financial assistance per dwelling unit. In extensive rehabilitation projects the amount of CDBG funds may be increased up to \$35,000 per dwelling unit. DHCD authorization is required for projects where the cost of which will exceed \$30,000 per unit,

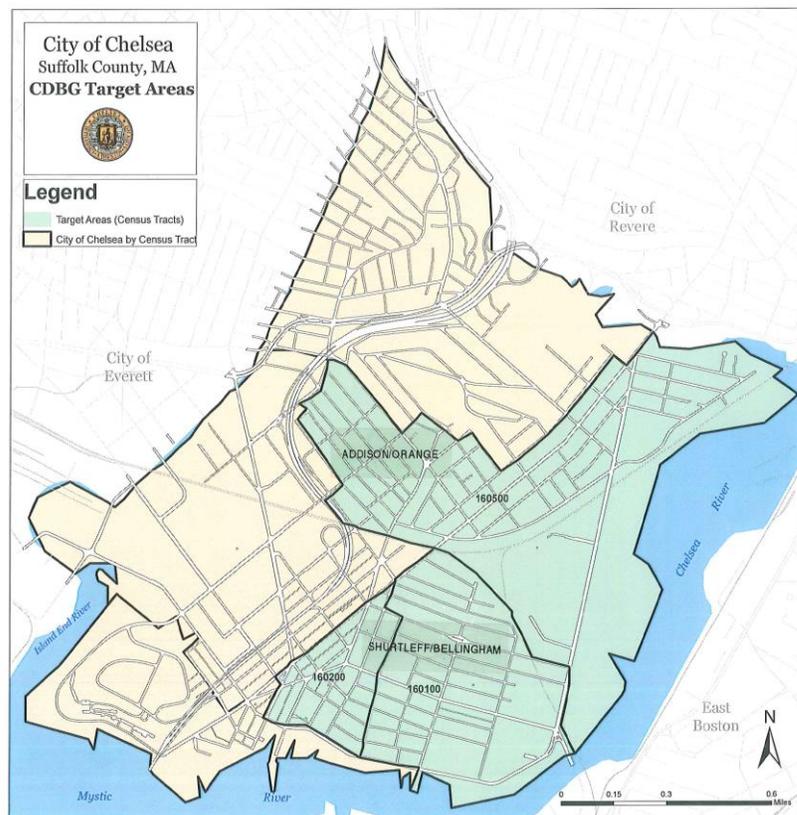
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except in projects involving lead, barrier removal, septic, asbestos, historic preservation, for which prior authorization of DHCD and the City of Chelsea Department of Planning and Development is required.

All Deferred Payment Loans (DPL) are required to be repaid fifteen (15) years from the date CDBG Mortgages are recorded at the Suffolk Registry of Deeds or under the following circumstances:

- (1) at any time during the same fifteen (15) period where there is a refinance, sale, or transfer of ownership of the rehabilitated property;
- (2) at any time when an owner-occupant ceases to occupy the property as the owner-occupant's primary residence;
- (3) at any time when there is an "Event of Default" under the terms of the closing documents; or
- (4) the Owner fails to meet his/her/their obligations as established for the program.

### CDBG Target Areas Map



### **ELIGIBILITY CRITERIA**

The City of Chelsea's CDBG Housing Rehabilitation Program primarily serves low- or moderate-income (LMI) **owner-occupants of one to four-family properties** in the Target Areas, subject to

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conditions described below. However, the program may also serve **investor-owners of one to four family properties** where **100%** of the units in the building are occupied by low-moderate income tenants.

***Low and Moderate income** means household income which does not exceed 80% of the median income of the metropolitan area in which the household is located, or, if the community is not located in a metropolitan area, 80% of the median for the county or the median for the entire non-metropolitan area of the state, whichever is greater.*

Participation in the program requires that households residing in the intended unit(s) to be rehabilitated are income qualified and/or low-to-moderate income families.

Preliminary eligibility is defined as an applicant meeting the initial eligibility requirements in order to qualify to begin the housing rehabilitation application, and determination is made by the City and **Selected Contractor**. Eligibility for funding is determined after the complete application is received and reviewed by the City and **Selected Contractor**, and not necessarily must be understood as a guarantee for approval of the whole rehabilitation project cost. Further estimation is required after the Program Rehabilitation Specialist conducts a home inspection.

### General Criteria

The Program has the following criteria for eligibility:

- Participation Selection Criteria: Funds are generally available on a “first come, first served” basis until they are exhausted. Priority shall be available to eligible applicants in the CDBG Target areas for proposed housing repair work that is a priority as described in this Program Guidelines (see “Eligible Rehabilitation Activities” on page 9 for additional information). In the event funds are exhausted, Program staff may create a waiting list for additional funds if they may become available at a later date. The program may, at its sole discretion, invoke a priority ranking system, based on need, to determine the order in which applications are approved. Priority ranking will be based upon the emergency conditions of the property.
- Taxes and Fees: Any property owner requesting assistance under the program must be in “Good Standing” with regard to any other obligation to the City (such as property taxes, water and sewer, outstanding tickets, fees, etc.), or must have entered into and be in compliance with a payment agreement with the City Treasurer/Collector to repay the delinquent balances. The City reserves the right to prohibit the participation of property owners who have a history of repeated code violations and/or delinquent tax or other financial obligations to the City.
- Credit Status: To be eligible to participate in the program, all mortgages or mortgage notes secured by the property must be in “Good Standing”. The property must not have any state or federal tax liens. Applicants are required to inform the Program staff if existing mortgages or mortgage notes secured by the property are not in good standing (e.g. in arrears, default or

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foreclosure). The Program will not provide assistance to applicants who have not resolved issues pertaining to the above. Applicants who are currently in bankruptcy or foreclosure proceedings are not eligible to apply to the Program.

- Start of Work: Work assisted under the Program may only begin after an Owner has signed and returned a Commitment Letter to Program staff and a Notice to Proceed order has been received by the contractor. Owners will not be reimbursed for work undertaken prior to approval and authorization under the Program.
- Frequency of Participation: If an Owner has previously participated in the same or similar CDBG Housing Rehabilitation Program and has received funding assistance within the last ten (10) years, he/she/they will NOT be eligible for assistance under this program. The City may exercise discretion in cases of extreme hardship/need and availability of funding.
- Property Ownership: All applicants must be the property owner of record of the proposed residential structure. For applicants seeking status as owner-occupants, ownership of the property must be in the name(s) of people who reside at the property. Applicants must be able to clearly demonstrate who owns or has beneficial interest in the property and will be required to provide deeds or trust documents, as applicable, to Program staff. If an applicant holds a life estate in the property, Program staff will require the consent of the holder of the remainder of the interest.
- Income Qualification and Guidelines: Generally, except as discussed below, the gross household income of owner-occupants must fall below specific LMI guidelines set forth by HUD (see table on page 8). Owner-occupants of multi-family properties may be eligible for program assistance regardless of income, only if their tenants are income eligible.

***HOUSEHOLD:*** All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

- Household Size: Household size will be determined as of the date of the first request by Program Staff for income documentation. In the event there is a change in household size before a determination of income eligibility is made, the Program may review the eligibility of the project in light of the change.
- Tenants Household Incomes Guidelines: Generally, except as described below, if there are rental apartments in the buildings, tenant household incomes must also fall within the same LMI guidelines.
- Property Location within Target Areas: Generally, funds will be available only for properties located within the Target Areas detailed above and these properties will be given priority, however, where conditions warrant and where funds may be available, the Program may use

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its discretion to use a certain percentage of funding outside of the specified Target Areas for emergency projects.

- Emergency Projects outside Target Areas: Massachusetts DHCD regulations place a limit on the use of funds for emergency purposes outside of the Target Areas to no more than 20% of the funds. The nature of the emergency must be verified by the Housing Rehabilitation Specialist and confirmed by the Director of Inspectional Services or other City Housing Inspectors. Written approval of both the Director of the Department of Planning & Development and Massachusetts DHCD is necessary prior to authorization of the Program Director to proceed with an application for funding assistance from the property owner with an eligible emergency project.
- Type of Property: The property must be a 1-4 unit residential property and may be either owner-occupied (requires 51% of the units occupied by LMI households) or investor-owned (requires 100% of the units occupied by LMI households).

#### **Criteria for Owner-Occupied Properties**

- In a single-family building, the unit must be currently occupied by a LMI household;
- In a two-family building, at least one of the two units must be currently occupied by LMI household or if vacant must be rented to a LMI household as defined in the table below, with the rent not to exceed the allowable rent levels listed in the Rent Limits table in page 8, which are subject to approved adjustments only for the 15 year affordability period or while any part of loan remains outstanding;
- In a three-family building, at least two of the three units must be currently occupied by LMI households, or if vacant, must be rented to LMI households as defined in table below, with the rent not to exceed the allowable rent levels listed in the Rent Limits table in page 8, which are subject to approved adjustments only for the 15 year affordability period or while any part of loan remains outstanding;
- In a four-family building, at least three of the four units must be occupied by LMI households, or if vacant, must be rented to LMI households as defined in table in page 8, with the rent not to exceed the allowable rent levels listed in the Rent Limits table in page 8, which are subject to approved adjustments only for the 15 year affordability period or while any part of loan remains outstanding.

#### **Criteria for Investor-owned properties**

- In Investor-owned properties, all of the units in the building must be occupied by LMI households, or if vacant, must be rented to LMI households with incomes defined in table Income Limits in page 8, with the rent not to exceed the allowable rent levels listed in the FMR table below which are subject to approved adjustments for a minimum of fifteen (15) years. An Affordable Housing Restriction restricting rent levels in low and moderate income units for a minimum of 15 years is required, and runs with the land. The terms

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are transferred to a new property owner should the property be sold or transferred during the terms of the Affordable Housing Restriction.

**Income Verification**

- Household income will be verified by Program Staff by examining all sources of income, such as employment, retirement, rental, and any other income source, etc. The determination of eligibility will be based upon the gross annual income of the applicants' household (or where applicable, the tenants' household income). All annual gross household income is considered. See sheet entitled "Sources of Income" on Supplement 2 of the "Application."

Household Income eligibility screening will be performed in accordance with Mass CDBG Income Documentation Requirements and annual income. For purposes of income eligibility, all persons and residents are considered household members.

Annual Income is the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12 month period following the effective date of certification of income.

For most cases, the Program Staff will collect income documentation that requires verification of adjusted gross income over a six to eight week period. Upon documentation, projected household income is determined and compared to the published HUD Section 8 Income Limits to identify low to moderate persons. The application will be used to collect data on household composition, income and asset sources. All documentation must be dated prior to loan closing and will be held in confidence in compliance with all Privacy Act requirements.

- Household income shall be defined as the income of all household members, 18 years and older, who are not full-time students. To be "Income-Eligible", an owner-occupant or tenant household(s) must have total household incomes that do not exceed the limits established by HUD below:

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**FY2016 - HOUSING REHABILITATION PROGRAM INCOME LIMITS**

<b>Household Size</b>	<b>Maximum Income Adjusted for Household Size*</b>
<b>1 person</b>	\$51,150
<b>2 people</b>	\$58,450
<b>3 people</b>	\$65,750
<b>4 people</b>	\$73,050
<b>5 people</b>	\$78,900
<b>6 people</b>	\$84,750
<b>7 people</b>	\$90,600
<b>8 people</b>	\$96,450

\*Includes gross income from all sources of adult household members. These income limits are revised from time to time. The above figures are effective as of 03/28/2016.

<https://www.huduser.gov/portal/datasets/il.html>

**FY 2016 - RENT LIMITS for Renter-Occupied Assisted Units\***

<b>Bedroom Size</b>	<b>Maximum Rent</b>
<b>0/Efficiency</b>	\$1,056
<b>1 bedroom</b>	\$1,261
<b>2 bedroom</b>	\$1,567
<b>3 bedroom</b>	\$1,945
<b>4 bedroom</b>	\$2,148

\*Please note these rent limits include utilities! If the tenant is paying their own utilities, you must deduct a "Utility Allowance". For updated utility allowances, please request a copy of the utility schedule from the Housing Rehabilitation Specialist. These rent limits are revised from time to time. The above figures are effective for 2016 and/or until new limits are issued by HUD.

[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2016\\_code/2016summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2016_code/2016summary.odn)

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## **ELIGIBLE REHABILITATION ACTIVITIES**

All properties assisted with a CDBG Housing Rehabilitation Loan must be brought into compliance with the City of Chelsea applicable local ordinances and zoning regulations, Massachusetts State Building and Sanitary Code regulations, Chapter II of the Massachusetts State Sanitary Code and requirements proscribed by HUD such as the HUD Lead-Based Paint Regulation (24 CFR Part 35) and the EPA's Renovation, Repair and Painting Rule (RRP Rule).

Priority is given to elimination of Code violations as defined as conditions that do not meet the minimum standards detailed in the Massachusetts State Sanitary Code, Chapter II. Code violations often addressed by the Housing Rehabilitation program include:

- Major defects in structural elements of a dwelling (e.g., floors, stairways, porches, railings, walls, doors, windows, ceilings, roof, staircases, chimney and other elements.)
- Leaks, obstructions or defects in sinks, tubs, showers, toilets, connecting plumbing, gas fittings, sewage disposal system, electrical, heating, or ventilation equipment.
- Temporary, improper, or dangerous electrical wiring.
- Presence of lead-based paint in units where there are households with children under six years of age.
- Presence of asbestos.
- Infestation of insects and rodents.
- Those conditions that are deemed to endanger or impair Health or Safety as listed in 105 CMR 410.750

Eligible repair activities may include: electrical, heating, and plumbing work; structural repairs, roof repairs, weatherization and energy conserving improvements, insulation, painting, lead and asbestos removal and other related building improvements as well as handicap accessibility needs for elderly and/or handicapped residents, and are dependent upon the funding availability and should it not be cost prohibitive to do so.

Rehabilitation work that does not directly address code violations or any other items that are not determined to be eligible under the categories listed above will be considered only in so far as it contributes to the sustainability and functionality of the property as an affordable housing unit.

Ineligible items include luxury items and other personal property that are not an integral part of the property structure. Program funds cannot be used for purposes of general upgrades or "remodeling work" at a residence, or creating additions (including additional bedrooms or bathrooms within the existing property).

Work must be performed in accordance with the Materials and Performance Specifications, as updated by the Housing Rehabilitation Specialist, unless otherwise noted in the work-write up/scope of work for the property to be rehabilitated.

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Furthermore, contractors are expected to follow the guidelines outlined in the General Contract Conditions. These guidelines provide information and expectations regarding the bids provided by the contractor as they relate to the work-write ups and/or change orders associated with specific properties, de-leading work covered by the contract, and license, permit, and insurance requirements.

Guidance concerning the work standards and conditions outlined in the General Work Standards and Conditions cover: building codes, interruption of services provided under the rehabilitation contract, protection and clean-up responsibilities, as well as occupancy, quality, and workmanship standards, etc.

All improvements must be attached to the property and must be permanent in nature. Any questionable items considered for rehabilitation assistance shall be reviewed by the Program Director.

Correction of code requirements determined necessary by the Rehabilitation Specialist and building inspector will be considered non - negotiable items that are to be corrected.

Properties that have been determined to be or are potentially historically and/or architecturally significant shall be reviewed with the State Historic Preservation Officer (SHPO) to avoid any adverse effects on properties of this nature. The U.S. Department of the Interior's "Standards for Rehabilitation" shall be used as program guidelines for such structures that are greater than fifty (50) years of age.

In cases where the estimated work is higher than the per unit cap of \$30,000 for a rehabilitation project, the Rehabilitation Specialist will review the scope of work and reduce it where possible. The Owner and the Rehabilitation Specialist may agree to list alternates to the bid specifications in an effort to keep the project within the cap allowed.

### **LOAN TERMS AND CONDITIONS**

CDBG Rehabilitation Loans are secured by a CDBG Mortgage on the property and subject to all the terms of a CDBG Promissory Note and the CDBG Loan Agreement. Tied to the financial assistance are: Rental Agreements for units assisted by the program, with provisions for establishing rents and the refilling of vacated rental units. The property owner must agree to consistent maintenance of the property by the owner, and timely payments of all municipal charges (i.e., tax & water/sewer bills), and payment of homeowner's insurance for the full term of the loan, as well as flood insurance, if applicable. If an owner is found non-compliant with the terms and conditions of the Loan Agreement and associated documents, the Chelsea City Solicitor can initiate cancellation of the Loan Agreement and recapture of funds.

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### **Loan Terms for Owner-Occupied Properties**

Income-eligible owner-occupants may receive a 0% interest, fifteen (15) year, deferred payment loan to rehabilitate their primary residence through the CDBG Housing Rehabilitation Program subject to the availability of funds, eligibility of owner and/or tenants, terms and conditions of the Promissory Note, CDBG Mortgage, CDBG Loan Agreement, and, as applicable, the Rental Agreement with an affordable housing restriction for rental units.

### **Loan Terms for Investor-Owned Properties**

Investor-owners may receive a 3% interest, 15 year, deferred payment loan to rehabilitate their property through the CDBG Housing Rehabilitation Program only where 100% of the tenant households in the property are eligible LMI households. Assistance is subject to the availability of funds, eligibility of tenants, terms and conditions of the Promissory Note, Mortgage, Loan Agreement, Rental Agreements and an Affordable Housing Restriction that runs with the land, and is recorded at the Suffolk Registry of Deeds.

### **Rental Agreements**

Any rental unit rehabilitated under the CDBG Housing Rehabilitation Program (whether in an owner-occupied or investor-owned property) will be subject to 15 year affordability restrictions as to rent levels to be charged so that the unit will be retained as affordable housing. Maximum rental rates are those established by the Section 8 Program Fair Market Rents inclusive of any adjustment factor.

When units occupied by over income tenants at the time of rehabilitation become vacant, the rent for the unit will be set at a level that does not exceed the lessor of the Section 8 Program Fair Market Rents including adjustments for utility cost of the high Home rents.

In addition, property owners will be required to provide “RECERTIFICATION” documentation to the Program regarding the rent levels charged and the income of tenant households any time there is a turnover in tenancy in order to ensure compliance with the terms of the Rental Agreement and/or CDBG Affordability Provisions.

### **Repayment of Loans and Recapture Policy**

**0% Owner-Occupant Deferred Payment Loans:** Deferred Payment Loans (DPL) to qualified owner-occupants will have a term of fifteen (15) years. No monthly payments are required, and the DPL is recaptured according to the repayment schedule when the term of the loan expires or at any time during the initial 15 year term when property is sold, transferred, refinanced (cash-out) or where owner-occupant ceases to occupy property as primary residence.

For owner-occupants, the amount owed for a DPL is reduced and/or forgiven according to a schedule of twenty percent every three years. At the end of the fifteen years, the loan is forgiven IF ownership

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and residency have been maintained.

**Repayment Schedule for Assisted Owner-Occupant Loans**

Transfer before the End of Year	Recapture Percentage – Repayment by year
Year 1	100%
Year 2	
Year 3	
Year 4	80%
Year 5	
Year 6	
Year 7	60%
Year 8	
Year 9	
Year 10	40%
Year 11	
Year 12	
Year 13	20%
Year 14	
Year 15	
After Year 15	Forgiven

Requests for subordination are considered on a case-by-case basis ensuring that the City’s position on the loan will remain at least as favorable as is at the time of the request. Under certain conditions of financial hardship and submission of written documentation, forgiveness for owner-occupants due to serious illness may be allowed with review and approval of the City of Chelsea Director of the Department of Planning and Development.

In the event that the Owner-Occupant moves out prior to the 15 year term, retains the property and rents the unit, the owner may delay the loan being called. The owner must demonstrate that 100% of the units in the building meet the LMI income guidelines at the time the owner moves out, and must enter into required agreements with the City. [If this cannot be demonstrated, the loan is accelerated and becomes due and payable.] Any amount then outstanding on the new loan will no longer be forgivable and must be repaid with 3% interest accruing from the date of move-out.

3% Investor-Owner Deferred Payment Loans: Deferred Payment Loans to qualified investor-owners are 3% DPL loans that will have a term of fifteen (15) years. No monthly payments are required, and the DPL is recaptured according to the repayment schedule when the term of the loan expires or at any time during the initial 15 year term when property is sold, transferred, refinanced (cash-out).

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Investor-owner loans are not forgivable under any circumstance. The Owner reserves the right to prepay at any time all or any part of the principal amount of the loan, however the 15-year Affordable Housing Restriction remains and runs with the land.

Pre-Payment Charges: If an Owner Occupant or Investor Owner pays off the loan at any time within three (3) years after the date hereof, a prepayment charge is applied, as follows: (a) within one year, a 10% charge of the aggregate outstanding amount of the principal prepayments during such year, (b) after year one but before two years, a 5% charge of the aggregate outstanding amount of the principal prepayments during such year; and (c) after year two but before three years, a 3% charge of the aggregate amount of principal prepayments.

Loan Repayments Terms: The City of Chelsea will accept loan payments from an Owner-Occupant and/or Investor Owner upon sale or transfer of the property, refinancing or change in title according to the recapture policies. Loan payments should be made to:

City of Chelsea  
Department of Planning & Development  
ATTN: CDBG Housing Rehabilitation Program  
500 Broadway, Room 101  
Chelsea, MA 02150

The required recapture provisions will be enforced through the execution of a Loan Agreement between the City of Chelsea and the homeowner occupant or investor with the City of Chelsea as Beneficiary, which will include the signing of a Loan Agreement, Mortgage and a Promissory Note.

Condition of Default: Conditions of default include transfer of title or sale of the property without repayment of assumption of the CDBG loan. The homeowner and the property investor is also considered in default if property taxes are not paid or proper insurance is not maintained. If the Loan Agreement is not adhered to, the loan is also in default.

Foreclosure: In the event the Owner Occupant or Investor property enters foreclosure proceedings through a foreclosure action or a deed transfer to the lender in lieu of foreclosure, the City of Chelsea will take all precautions necessary to ensure the funds invested in the property are protected. The City of Chelsea will refer the homeowner for housing counseling. The homeowner will be required to repay what is due only out of net proceeds (if any) received from transfer.

Loan Monitoring Procedures: The City will monitor annually both the homeowner and the units to

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ensure compliance to program requirements including, but not limited to, the following:

- Owner-occupancy and tenancy income-qualification
- Property tax payments
- Hazard insurance coverage
- Good standing on first lender loan
- General upkeep of housing unit

### **Proceeds of Loan and Eligible Expenses**

Loan proceeds may only be used to cover the actual expenses incurred in order to move the rehabilitation project forward. This may include, but is not limited to, costs of construction (inspected, approved, and paid to contractor) for work completed, costs for required legal and/or recording fees, costs/fees necessary to secure required approvals/permits, costs of required inspections (such as lead paint, structural, etc.), required or incidental and documented costs and expenses incurred by the **Selected Contractor** on behalf of the property owner (generally, however, **Selected Contractor** costs to administer the program are paid separately by the City of Chelsea), and other grant-eligible cost as may be deemed necessary and appropriate by the City and **Selected Contractor** in order to assure completion of the rehabilitation project.

***NOTE: Loan proceeds may not be used for any other purpose other than those detailed above. No loan proceeds may be used as “Cash Out” or result in excess funds to the property owner above the actual costs to complete rehabilitation.***

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## **PROJECT WORK**

### **Application**

The application form for a housing rehabilitation loan is available through the **Selected Contractor**. The property owner and/or the tenants must supply all information required in order to complete an income certification, as well as documentation of homeowner/property owner status (Owner of Record). A **Selected Contractor** staff person will assist in completing the application form and guide the applicant through the following process:

- A. The Owner submits an application to **Selected Contractor** and the Program Director / Primary Rehabilitation Specialist reviews it for accuracy and completeness to determine project eligibility.***

It is expected that applications will be received, clocked in, and checked for obvious errors and omissions. The City will be notified of the application so that it can be determined whether or not the borrower is in “good standing” with regard to other obligations to the City such as property taxes, water and sewer, outstanding tickets, fees, etc. The Program Director will consult with the applicant regarding this issue as well as other errors, discrepancies, or missing information on the application. The owner signs the Lead Safe Information pamphlet. Those who are in arrears on taxes, water and sewer, etc. may visit with the Treasurer to arrange for a payment plan.

- B. The Program Director / Primary Rehabilitation Specialist requests a Certificate of Habitability Inspection from City Inspectional Services Department. **Selected Contractor** Inspector will then undertake a complete inspection of the property, prepare a preliminary scope of work and make a preliminary calculation of the value of the work that is needed, and will determine the level of code deficiency or repairs to be addressed by the Rehabilitation Program.***

When a project is fully qualified, the Program Director will notify the owner that the project is in queue by sending a letter of approval, and move the project file onto the “Active list”. When a project is moved onto the active list (and if owner has not already done so), the Housing Rehabilitation Specialist (HRS) will first request and coordinate a Certificate of Habitability Inspection from ISD. S/he will then undertake a complete inspection of the property, prepare a preliminary scope of work, note whether the property may be historical in nature, and make a preliminary calculation of the value of the work that is needed. S/he will typically request that the owner apply for an energy audit through the MassSave program in order to receive a discount on energy solutions such as blown-in insulation, programmable thermostats, etc. An environmental review, including review by the Massachusetts Historical Commission, must be completed prior to commitment of funds. The level of lead paint abatement is noted and owner must provide valid Certificate of Lead Paint Compliance, where applicable; the project requirements for EPA Lead Paint Abatement will be evaluated by the Program.

### **Inspection and Contractor Bidding**

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**C. After property is inspected, the Program Director / Rehabilitation Specialist and the Selected Contractor Inspector will develop a scope of work and schedule a pre-construction meeting between the City, Selected Contractor and the Owner.**

Following consultations for ISD, lead paint removal requirements, and historical work, a scope of work and preliminary cost estimates will be developed and a meeting will be held with the owner. The HRS will design and develop cost estimates for the project.

**D. Owner approves the scope of work and agrees to the amount and terms of the financing. Program Director / Rehabilitation Specialist and Selected Contractor inspector prepares bid packages and release them to qualified contractors.**

When the owner approves the scope and agrees to the amount and terms of the financing, the project is put out to bid to qualified contractors. Contractors are taken on a “walk-through”, following which possible addenda may be issued. Following opening of sealed bids, the HRS reviews the bids for accuracy and responsibility. If a case waiver is needed, it is applied for at this time.

### **Contractor Requirements**

The minimum requirements for contractors to participate in the Program include:

- A Massachusetts Construction Supervisors license or trade license.
- Registration as a Massachusetts Home Improvement Contractor, as applicable.
- Workman’s compensation insurance at statutorily required limits, as applicable.
- Property and liability insurance: Contractors shall furnish the City with a Certificate of Insurance including general liability and workers’ compensation and employees’ liability insurance.
- Completion of EPA Certified Renovator Course Lead Safe Work Practices, when applicable
- Demonstrated experience in the appropriate trade(s).
- Each contractor must fill out a registration form listing references and licenses and submit a certificate of insurance prior to receiving a contract award. References will be checked by Program staff.
- Once registered with the Program, contractors will receive notice of projects when they go out to bid. Owners wishing to use contractors not included on the list may only do so if the contractor registers with the Program and submits the proper insurance certificates and references prior to the project going out to bid.
- Contractors must take out all required permits prior to initiation of construction. The cost of the permits is to be included in the bid price.
- If a participating contractor’s performance or quality of work is unsatisfactory in the opinion of Program staff, the contractor will be issued a written notice describing specific problems with the contractor’s work. This notice shall serve as a warning. If the problems, as outlined in this notice, are not addressed, then, based upon a recommendation from Program staff to the Department of Planning & Development, the contractor will be barred from

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working in the Program.

NOTE: CONTRACTORS INTERESTED IN APPLYING FOR THE PROGRAM SHOULD CONTACT **SELECTED CONTRACTOR**

### **Loan Origination**

***E. Owner file is submitted to the City for CDBG loan origination and contracting procedures. City prepare a CDBG Loan Agreement with Owner and Contractor-Owner Agreement.***

The Program Director and HRS again discuss the project with the owner. The CDBG Loan Agreement CDBG Mortgage and Promissory Note documents are drawn up and signed by the owner (subject to availability of sufficient financing). The Rental Agreement(s) and the Affordable Housing Restriction as applicable will also be drawn up. A pre-construction conference is held, and work is expected to begin after all documents are approved and executed by the City. The Program Director and HRS work with the owner and contractor to advance the project and monitor for issues, change order, etc. No changes in the scope will be issued unless written approval is received from the Program Staff. The documents will spell out procedures for communication, grievances, payments, affordability restrictions, fair rents, affirmative fair marketing requirements and other topics. When projects are completed, follow-ups for affordable housing restrictions, insurance, and fair rent compliance continue.

***F. Contracting meeting takes place between **Selected Contractor**, the City, selected construction contractor and the Owner for closing.***

The City verifies all required documentation is in place. The City prepares a draft owner/contractor agreement for the proposed work. Once the Loan Agreement is approved by the City, notices are sent both to the selected contractor and the participant. Upon selection of contractor(s), an agreement will be signed between the owner of the property and contractor(s) for the specified work to be completed.

### **Construction**

***G. Contractor is notified of contract execution and receive a Notice to Proceed with the rehabilitation work.***

Upon completion of the work, the contractor(s) will submit the invoices directly to the owner for payment. Invoices are reviewed by **Selected Contractor**, signed by the owner and then submitted to the City. Checks are made payable to the contractor with consent from the owner. The owner must sign approval forms prior to a check being provided.

***H. Periodic and a final inspection is conducted by **Selected Contractor** Housing Rehabilitation Specialist***

The Housing Rehabilitation Specialist will assist with periodic inspections during the course of

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construction to supervise work progress and ensure compliance with scope of work. In addition, the Housing Rehabilitation Specialist will review progress with the property owner, submit progress reports, and review requests from contractors for payment, modify them as needed, and make recommendations to the City for payment. A 10% retainage will be withheld from each progress payment to ensure project completion in accordance with the Scope of Work. Final payment is made upon satisfactory completion of construction, sign off by owner and Program Director, sign off on permits, and release of liens and warranty.

*I. Project is closed out*

The Housing Rehabilitation Specialist will conduct final inspection, prepare corrective list ("Punch List") as required, and conduct follow-up inspections as required.

**REMOVING LEAD PAINT**

A lead paint inspection and risk assessment will be conducted by a qualified and certified inspector. Specifications will be developed based on the applicable state and/or federal laws. For projects receiving more than \$5,000 and less than \$25,000 of housing rehabilitation assistance, under the effective revised lead paint regulations, a risk assessment will identify those lead paint hazards requiring interim control measures. Projects receiving \$25,000 or more of housing rehabilitation assistance and found to have lead paint have to be fully abated.

The inspection report will identify levels of hazard, prioritize the risk, and recommend interim measures of abatement or full abatement depending on the amount of housing rehabilitation assistance which the property is estimated to receive. Dwellings where children under the age of six years reside must be abated first regardless of the cost of the project. All occupants must have to follow the City's relocation policy during the de-leading process. All de-leading projects must be performed by qualified, certified, and insured de-leading contractors.

**OTHER SOURCES OF FINANCIAL ASSISTANCE**

In addition to the CDBG funding, and in the event of any shortfall between the funding available under the CDBG program and the amount required to properly rehabilitate the property in order to meet the requirements of Chapter II of the State Sanitary Code and the requirements proscribed by HUD, Program staff may also review and facilitate the property-owner's qualification for other funding programs that may be of benefit (such as, Get the Lead Out for de-leading, HEAT Loans for energy conservation measures, as well as conventional bank financing programs that the property owner may qualify for). Where appropriate, the property owner may be able to access these programs to close the funding gap and help "stretch" CDBG funds.

**DISPUTE RESOLUTION PROCESS**

Should a dispute or difference of opinion arise between the owner and the contractor, the Housing Rehabilitation Specialist is available, as an impartial third party with experience and construction knowledge, who can assist in arbitrating the dispute. Although it is preferred for the owner and contractor to resolve any disagreements that might arise over the course of the rehabilitation work

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between themselves, it is important that either the owner or the contractor contact the Housing Rehabilitation Specialist immediately, should they prefer assistance in resolving the dispute. The overall goals are to minimize conflict, keep the work on schedule, and completed in a quality, workmanlike manner, as quickly as possible.

*Please refer also to the **Dispute Resolution Disclosure** which both owner and contractor must sign at the Pre-Construction Conference.*

### **PROGRAM GRIEVANCE PROCEDURES**

Person(s) dissatisfied with or aggrieved by administrative or operations decisions made during the grant cycle will have access to the following complaint resolution hierarchy:

1. Person(s) aggrieved should prepare an appeal in writing specifying the nature of the complaint and suggested remedies, if applicable, and submit it the CDBG Housing Rehabilitation Program, c/o **Selected Contractor**. If the complaint involves a decision to deny, modify, or set conditions on assistance or benefits, the person(s) making the complaint will establish his or her standing to appeal the decision. "Standing" is limited to an individual(s) who applied for and were denied assistance or were otherwise required to meet certain requirements that had the effect of denying assistance. **Selected Contractor** will respond to a written complaint within 15 days of receiving it, and may hold a meeting with person(s) involved to attempt to resolve the complaint.
2. If **Selected Contractor** cannot resolve the complaint, the person(s) aggrieved may request in writing a meeting with the Director of the Chelsea Department of Planning & Development (DPD). The Director of DPD will respond to a written complaint within 15 days of receiving it, and may hold a meeting with the person(s) and **Selected Contractor** or other parties together or separately, depending on the nature of the complaint and the potential to resolve the complaint by mediation. Preference will be given to mediation wherever possible and appropriate.
3. If the persons(s) aggrieved are not satisfied with the Director of the DPD's decision, he/she may submit a written appeal to the City Manager. The City Manager and/or his designee will respond to a written complaint within 30 days of receiving it. The City Manager and/or his designee may meet with the person(s) aggrieved, **Selected Contractor**, the Director of DPD and staff separately, or together, depending on the nature of the grievance and its potential for being resolved by mediation. Preference will be given to mediation wherever possible and appropriate. The decision of the City Manager is final, and will be issued within 45 days of receiving the appeal.
4. Administrative actions that are not eligible for appeal include a denial of assistance based on an applicant's household income exceeding the permissible limits, fraudulent or misleading income representations, and requests for types of assistance not funded by the Program.

### **Accommodations for person with disabilities and non-English speaking residents:**

In accordance with Title II of the Americans with Disabilities Act of 1990 and Section 504 of the

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Rehabilitation Act of 1974, the City will reasonably accommodate qualified persons with disabilities in all programs and services funded by the MCDBG Grant. All programs will be offered in accessible locations (e.g., those meeting the requirements of the Americans with Disabilities Act Accessibility Guidelines), or redesigned and modified to be accessible when barrier-free facilities are unavailable for program delivery. Reasonable accommodation for other types of disabilities will be made at the request of the affected person.

If the City needs to accommodate non-English speaking persons, it will take all administratively feasible steps to provide translation assistance upon request.

**EQUAL OPPORTUNITY**

It is the policy of the City of Chelsea to carry out these objectives as effectively as possible and without regard for race, color, creed, religion, national origin, ancestry, sex, age, children, marital status, sexual orientations, gender identity, disability, public assistance or rent-subsidy status.

**CONFLICT OF INTEREST**

The City of Chelsea shall adhere to the provisions of Massachusetts General Laws, Chapter 268A, with respect to the Conduct of Public Employees. In addition, no member, officer, or employee of the Recipient, or its designees, or agents, no member of the governing body of the locality who exercises any function or responsibility with respect to the Program during his tenure of for (1) year thereafter shall have an interest in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with this program.

**ANTI-DISPLACEMENT AND RELOCATION PLAN**

Permanent, non-voluntary displacement of households benefiting from the program will not occur under any circumstances.

Whenever there is the potential of temporary displacement for non-lead paint abatement work, the City will request that the property owner consider the feasibility of carrying out the rehabilitation and programs in stages. This reduces the amount of household upheaval inherent in the housing rehabilitation process and often eliminates the need for temporary relocation. The Rehabilitation Specialist will design the scope of work with this in mind.

For units requiring only one day of lead abatement work, and work is done while tenants are out of the unit during the day, services should not be shut off for more than eight hours. The City will maintain records of sufficient detail to demonstrate compliance with the requirements of the Uniform Relocation Act.

**Temporary Relocation and Displacement Assistance:**

Legal tenants of dwelling units, if they must relocate during the deleading process, may be eligible for reasonable and necessary expenses incurred in connection with the temporary relocation (e.g. housing, meals). Monetary payments will be agreed upon prior to when rehabilitation begins.

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With regard to lodging, when tenants are required to be temporarily displaced, the owner-occupant relocates the tenant to a vacant unit in the same building, if possible. If there are no available units, the suggestion is made that they move in with family or friends for a short term displacement. If these is not an option, an alternative arrangement for lodging is necessary. Temporary units must be decent, safe and in sanitary conditions.

For alternative arrangements, the City will try to assist the landlord and/or tenant to find suitable temporary lodging at a hotel/motel for the tenant. If possible, the City will request that the hotel/motel submit an invoice directly to the City for payment of temporary lodging.

### **OTHER CERTIFICATIONS**

Because the loan pool funds are limited, not all applicants can be serviced. If funds are not available, the application may be put on a waiting list. Payments will not be made for work undertaken or contracted before the homeowner(s)' application is processed and approved.

*The City of Chelsea and Selected Contractor are equal opportunity agencies providing services to eligible persons without regard to race, national origin, sex, sexual orientation, age or handicap.*

### **APPLICATION**

If you wish to participate in the CDBG Housing Rehabilitation Program or would like additional information, please contact Selected Contractor and/or the City of Chelsea Department of Planning & Development at 617-466-4186. The City of Chelsea will provide auxiliary services, written materials in alternative formats, and reasonable modifications in policies and procedures to persons with disabilities upon request.

### **TERMINATION**

The City of Chelsea has the right to reject the CDBG Housing Rehabilitation Program application or terminate any agreement if a participant is found to be in violation of any conditions set forth in these guidelines. The applicant must not begin construction on a CDBG Housing Rehabilitation funded project prior to an executed CDBG Loan Agreement and/or the "Notice to Proceed with Improvements" with the City of Chelsea and Selected Contractor.

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**SIGNATURES**

I, the applicant, have read and I understand the CDBG Housing Rehabilitation Program Guidelines and I will retain a copy of these guidelines as part of the application package.

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Applicant Signature

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Co-Applicant Signature

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Printed Name

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Printed Name

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Address of property to be rehabilitated

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Date

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Date