

ATTACHMENT B

GENERAL CONDITIONS FOR PURCHASE ORDERS

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1. **NON-DISCRIMINATION**: In connection with the performance of the work, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin.
2. **WAGE RATES, SALARIES, CERTIFICATION**: The Contractor and each sub-Contractor shall pay all laborers and mechanics employed in the performance of the contract on or about the site of the housing development not less than the wages prevailing in the locality as determined by the Secretary of Labor pursuant to the Davis-Bacon Act (Title 40, U.S.C., Sec. 276a-5) or not less than the wages prevailing in the locality of said housing development as determined pursuant to applicable state laws, whichever are higher.
3. **NON-REBATE OF WAGES**: The Contractor agrees to comply with the regulations, ruling, and interpretations of the Secretary of Labor of the United States pursuant to the Anti-Kickback Act (Title 18, U.S.C., Sec. 874 and Title 40, U.S.C., Sec. 276c) which makes it unlawful to induce any person employed in the construction or repair of public buildings or public works to give up any part of compensation to which he is entitled under his contract of employment; and the Contractor agrees to insert a like provision in all subcontractors hereunder.
4. **INSURANCE**: Insurance is applicable to All Contracts/Purchase Orders with the exception of Supply and Delivery contracts and purchase orders as approved by CHA Risk Management.

The Contractor shall furnish the Chicago Housing Authority (CHA) with satisfactory evidence (subject to approval from the CHA) that it has the following insurance coverage(s). When indicated below, * coverages are required of any vendor delivering equipment, accessing the building, installing/repairing equipment in CHA offices.

- (a) **Technology E & O/ Cyber Liability** – When any technology related service, including programming, storage of data, licensing of software, other professional consultant performed work in connection with the Contract, Technology Errors & Omissions or Cyber Liability Insurance covering acts, errors, or omissions shall be maintained with the limits of not less than \$1,000,000 per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the start of Services under the Contract. A claim-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.
- (b) ***Workers' Compensation** – Statutory Limits (Coverage A) and Employer's Liability (Coverage B) in an amount of not less than \$500,000/\$500,000/\$500,000.
- (c) ***Commercial General Liability** - Insurance in the amount of \$1,000,000 per occurrence with an aggregate of not less than \$2,000,000.
- (d) **Automobile Liability** – when any motor vehicles (owned, unowned and hired) are used in connection with the services to be performed, the vendor shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence CSL, for Bodily Injury and Property Damage.

- (e) **Professional Liability Insurance** – covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000 per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, the start of Services under the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

MUST BE INCLUDED ON ALL CERTIFICATES:

- 1) Certificate Holder: Chicago Housing Authority, 60 E Van Buren, Chicago IL 60605
- 2) Solicitation number or Contract number and/or the title of the Project or Service
- 3) CHA must be endorsed as an additional insured on the Vendor's general and auto liability policies and such insurance will be primary and non-contributory to any other insurance available to the CHA.

Insurance Certificate, naming Chicago Housing Authority as certificate holder, is to be emailed (unsecured, readable PDF format) to the attention of the Procurement Specialist in the Department of Procurement and Contracts referencing Solicitation Number or Purchase Order Number, Procurement Specialist and Project Title. The Chicago Housing Authority is to be endorsed as an additional insured on the Contractor's general/auto liability policies and such insurance will be endorsed as primary and non-contributory to any other insurance available to the CHA. The Certificate of Insurance evidencing the required coverage shall be in force on the Effective Date of the Contract. The required documentation must be received prior to the Vendor commencing work under this Agreement.

5. **BID SECURITY, PERFORMANCE AND PAYMENT BOND**: Not required
6. **MBE/WBE/DBE PARTICIPATION**: All Service Contracts/Purchase orders including any modifications to the Contract or Purchase Order in excess of \$25,000.00 requires 20% MBE/WBE/DBE participation.

The Contractor shall comply with the CHA's Minority, Women and Disadvantaged Business Participation requirements through the Prime Contractor being a certified MBE/WBE/DBE firm or through direct or Indirect subcontracting with certified MBE/WBE/DBE businesses.

- If the Prime Contractor is a certified MBE/WBE/DBE firm, complete the top portion only of page one and all of page four including notarization of the Schedule A and submit it along with a current Letter of Certification.
- Direct participation – requires a completed Schedule A from the Prime Contractor and the Schedule C along with a current Letter of Certification from the MBE/WBE/DBE participants. All Schedules must be notarized.
- Indirect participation – complete the top portion only of page one, page three, and page four including notarizing the Schedule A and submit it along with canceled check copies (from front

and back) that total the MBE/WBE/DBE goal and the Letter of Certification that was current when the MBE/WBE/DBE services were provided.

MBE/WBE/DBE NON-COMPLIANCE SANCTIONS AND LIQUIDATED DAMAGES

- A. THE CHA SHALL HAVE THE DISCRETION TO APPLY SUITABLE SANCTIONS TO THE BIDDER/PROPOSER IF THE BIDDER/PROPOSER IS FOUND TO BE IN NON-COMPLIANCE WITH THE MBE/WBE/DBE REQUIREMENTS. FAILURE TO COMPLY WITH THE MBE/WBE/DBE TERMS OF COMMITMENT GOALS AS APPLICABLE TO AND IN THE CONTRACT OR FAILURE TO USE MBE/WBE/DBEs AS STATED IN THE BIDDER/PROPOSER'S SUBMITTED SCHEDULES, CONSTITUTES A MATERIAL BREACH OF THE CONTRACT AND MAY LEAD TO THE SUSPENSION AND/OR TERMINATION OF THE CONTRACT IN WHOLE OR IN PART. FURTHERMORE, CONTINUED ELIGIBILITY TO ENTER INTO FUTURE CONTRACTING ARRANGEMENTS WITH THE CHA MAY BE JEOPARDIZED AS A RESULT OF NON-COMPLIANCE. IN APPROPRIATE CASES, PAYMENTS MAY BE WITHHELD UNTIL CORRECTIVE ACTION IS TAKEN.
- B. WHEN WORK IS COMPLETED, IN THE EVENT THAT THE CHA HAS DETERMINED THAT THE BIDDER/PROPOSER WAS NOT COMPLIANT IN THE FULFILLMENT OF THE REQUIRED MBE/WBE/DBE COMMITMENT GOAL AND A WAIVER WAS NOT OBTAINED, THE CHA WILL THEREBY BE DAMAGED IN THE FAILURE TO PROVIDE THE BENEFIT OF PARTICIPATION TO THE MBE/WBE/DBE TO THE DEGREE SET FORTH IN THIS MBE/WBE/DBE UTILIZATION PLAN.
- C. THEREFORE, IN THE EVENT OF SUCH NON-COMPLIANCE, THE BIDDER/PROPOSER AND CONTRACTOR AGREES THAT THE CHA WILL DEDUCT AS LIQUIDATED DAMAGES CUMULATIVE AMOUNTS COMPUTED AS FOLLOWS:
- FOR EACH ONE PERCENT (1%), OR FRACTION THEREOF, OF SHORTFALL TOWARD THE MBE/WBE/DBE GOAL, ONE PERCENT (1%) OF THE BASE BID FOR THIS CONTRACT SHALL BE SURRENDERED BY THE BIDDER/PROPOSER TO THE CHA IN PAYMENT AS LIQUIDATED DAMAGES, IF SUCH DAMAGES ARE ASSESSED.
7. **SECTION 3 REQUIREMENT:** All Contract/Purchase Orders are Section 3 applicable with the exception of Supply and Delivery contracts and purchase orders.

Section 3 – Compliance: The CHA has determined that the contract/purchase order awarded under this solicitation is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, (Section 3), and Title 24 of Subchapter B, Part 135 – Economic Opportunities for Low- and Very Low-Income Persons, 24 CFR 135.3. Section 3 Compliance requires that any contract or subcontract entered into for the benefit of public housing residents shall require that, to the greatest extent feasible, economic opportunity in the form of training, employment, contracting, and other economic opportunities arising from the expenditure of public housing assistance for housing rehabilitation and housing construction be directed to low- and very low-income persons.

- A. Section 3 - Clause

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

B. Section 3 Compliance Goals

1. Contractors and their subcontractors may demonstrate compliance by committing to employ section 3 residents and by subcontracting with section 3 business concerns in accordance with the requirements of 24 CFR Part 135.

A Section 3 Business concern is a business concern under HUD Regulations:

- (1) 51 percent or more owned by section 3 residents; or
 - (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
 - (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."
2. Contractor and sub-contractors may demonstrate compliance with the requirements for contracting with Section 3 Business Concerns by committing to award to Section 3 Business Concerns at least 10 percent of the total dollar amount of the contract awarded to the contractor for building trades work for maintenance, repair modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction and at least 3 percent of the total dollar amount of all other Section 3 covered contracts.
 3. In evaluating compliance with 24 CFR Part 135, contractors and their subcontractors have the burden of demonstrating to the greatest extent feasible their ability or inability to meet the goals set forth in 24 CFR Part 135 for providing training, employment and contracting opportunities to section 3 residents and section 3 business concerns.
 4. Contractors and their subcontractors are also encouraged to provide other economic opportunities to train and employ section 3 residents including, but not limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies, and hiring section 3 residents in part-time positions (24 CFR 135.40).

C. Documenting and Reporting

1. Contractor agrees to comply with the above Section 3 requirements in accordance with the Contractor's Section 3 Utilization Plan, which shall be prepared by the Contractor and agreed to by CHA. CHA shall not be required to agree to the Contractor's Utilization Plan until the Contractor meets its burden to establish that it will comply with 24 CFR Part 135 and otherwise comply with CHA's Section 3 Policy ([see http://www.thecha.org/pages/section_3/65.php](http://www.thecha.org/pages/section_3/65.php) or the copy included in the solicitation) as may be required. [Contractor's Section 3 Utilization Plan as attached to the contract as Exhibit is incorporated into the contract by this reference herein.
2. The Contractor and its subcontractors shall provide all required compliance data with respect to Contractor's Section 3 requirements to the CHA via CHA's electronic system available at

<https://cha.diversitycompliance.com/>. The Contractor and its subcontractors shall be responsible for responding to any requests for data or information by the noted response due dates, and shall check the electronic system on a regular basis to manage contact information and contract records. The Contractor shall also be responsible for ensuring that all subcontractors have completed all requested items with complete and accurate information and that their contact information is current.

This Section 3 Contract Provision shall flow down to each subcontract at every tier.

8. **WARRANTY:** The Contractor shall warrant all installed materials for a period of not less than one (1) year. If manufacturer's warranty is longer than one (1) year said warranty shall prevail.
9. **WARRANTY OF WORKMANSHIP:** The Contractor shall guarantee all labor for one (1) full year from the date of completion of all work.
10. **EQUAL EMPLOYMENT OPPORTUNITY:** Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR Chapter 60) *(all construction contracts in excess of \$10,000.)*
11. **ILLINOIS EQUAL OPPORTUNITY CLAUSE**
TITLE 44: GOVERNMENT CONTRACTS, PROCUREMENT AND PROPERTY MANAGEMENT
SUBTITLE B: SUPPLEMENTAL PROCUREMENT RULES - CHAPTER X: DEPARTMENT OF HUMAN RIGHTS - PART 750 PROCEDURES APPLICABLE TO ALL AGENCIES – SECTION 750. APPENDIX A EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

EQUAL EMPLOYMENT OPPORTUNITY

In the event of the contractor's non-compliance with the provisions of this Equal Employment Opportunity Clause or the Act, the contractor may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be cancelled or voided in whole or in part, and other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the contractor agrees as follows:

- 1) That he or she will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service; and, further, that he or she will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any underutilization.
- 2) That, if he or she hires additional employees in order to perform this contract or any portion of this contract, he or she will determine the availability (in accordance with this Part) of minorities and women in the areas from which he or she may reasonably recruit and he or she will hire for each job classification for which employees are hired in a way that minorities and women are not underutilized.
- 3) That, in all solicitations or advertisements for employees placed by him or her or on his or her behalf, he or she will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital

status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service.

- 4) That he or she will send to each labor organization or representative of workers with which he or she has or is bound by a collective bargaining or other agreement or understanding, a notice advising the labor organization or representative of the contractor's obligations under the Act and this Part. If any labor organization or representative fails or refuses to cooperate with the contractor in his or her efforts to comply with the Act and this Part, the contractor will promptly notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations under the contract.
- 5) That he or she will submit reports as required by this Part, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Act and this Part.
- 6) That he or she will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Act and the Department's Rules and Regulations.
- 7) That he or she will include verbatim or by reference the provisions of this clause in every subcontract awarded under which any portion of the contract obligations are undertaken or assumed, so that the provisions will be binding upon the subcontractor. In the same manner as with other provisions of this contract, the contractor will be liable for compliance with applicable provisions of this clause by subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply with the provisions. In addition, the contractor will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations. (Source: Amended at 35 Ill. Reg. 3695, effective February 18, 2011).

12. **A 10% RETENTION:** Will be held pending inspection and approval of completed work.
13. **TAXES:** The CHA, a municipal Corporation is exempt from payment of Federal Excise Taxes, Federal Transportation Tax and State of Illinois Retailer's Occupation Tax. A certificate of exemption will be furnished upon request.
14. **OWNERSHIP OF DOCUMENTS:** All documents and information generated, prepared, assembled or encountered by or provided under this agreement is the property of the CHA.
15. **INCORPORATE HUD FORM-** HUD Table 5.1 Mandatory Contract Clauses for Small Purchases other than Construction as supplemented by simplified acquisition threshold (41 U.S.C. 403(11)). (*non-construction contracts in excess of \$2000, but less than \$100,000*)
16. **THE SUCCESSFUL CONTRACTOR MUST COMPLETE ALL APPLICABLE DOCUMENTS FOR THIS PROCUREMENT IN ACCORDANCE WITH THE CHA'S POLICIES AND PROCEDURES AS SET FORTH BY THE DEPARTMENT OF PROCUREMENT AND CONTRACTS.**