

Competitive Sealed Proposal (CSP) No. P18004 (6/13/18)  
La Armada II - Gutter and Downspout Replacement

**Addendum #3**

Date: 7/19/18

Request for Competitive Sealed Proposals (CSP) No. 18004 – La Armada II – Gutter and Downspout Replacement is hereby amended as follows:

- 1) Bonding is required for this project. Please see Attachment A.
  
- 2) **Davis Bacon Federal Wage Rates.** As detailed within 24 CFR 85.36(h)(5), the Contractor is required to pay Davis-Bacon wage rates (for all “construction contracts in excess of \$2,000”). The applicable Wage Rates pertaining to the work detailed herein can be found at the website below. This work will be subject to all of the requirements pertaining to Davis-Bacon work, including the applicable Federal forms and procedures (e.g. on-site interviews; certified payrolls; etc.).  
<https://www.wdol.gov/dba.aspx> (Select TX20 for Nueces/San Patricio Counties)
  
- 3) Applicable HUD Forms: Please see Attachment B.

All other terms and conditions of the Request for Competitive Sealed Proposals remains unchanged. **The signed addendum must be returned with your CSP submission.**

Acknowledged and accepted:

Company: \_\_\_\_\_

Representative Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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Attachment A

**Bonds.** As this solicitation pertains to public works or construction, the bonds that are required include:

**Bid Bond.** The 5% bid bond or guarantee shall be included in the bid package submitted by each bidder. This bond ensures that if awarded the contract, the bidder will accept and perform the work under the contract. It also ensures that the bidder will not attempt to withdraw or otherwise not fulfill the contract. Finally, the bid bond ensures that the bidder will execute the contractual documents that are required within the time specified in the solicitation, or forfeit all or part of the guarantee. A certified check, bank draft, U.S. Government Bonds at par value, bid bond secured by an acceptable surety company, or other negotiable instrument may be accepted as a bid guarantee. If the successful bidder refuses to sign the contract after award, the bid bond is forfeited and award will go to the next lowest responsive and responsible bidder. If a bid bond or guarantee is not submitted with the bid, the Agency will reject the bid as non-responsive. The Agency anticipates that it will not return any bid bonds until the contract has been awarded and the required performance and payments bonds have been furnished; until all bids have been rejected; or the time specified for acceptance of bids has expired. In fairness to the other bidders, the Agency may also choose to return the bid bonds if the Agency has a firm and reasonable assurance that the responsive and responsible bidder who submitted the lowest cost will execute the contract.

**Performance Bond.** The performance bond is meant to ensure that the contract is successfully completed. The performance bond guarantees that if the Contractor is unable to complete the contract, the surety company will step in to finish the work. In the case of a letter of credit or cash escrow, the Agency may use these funds to complete the contract work.

**Payment Bond.** The payment bond is a method of ensuring that the Contractor pays the subcontractors and suppliers. By requiring payment bonds, the Agency avoids becoming entangled in disputes concerning payment of subcontractors and suppliers by the general contractor. The surety underwriting the payment bond ensures the contractors and suppliers will be paid. Often, performance and payment bonds are combined into a single document. Failure to pay subcontractors for work performed in commercial contracts may often lead to the subcontractor filing a mechanic's lien against property owners to obtain payment for services rendered. The Agency contract requires the payment bond to prevent this problem and ensure that no liens will be filed against any Agency building or lot of ground. As a reminder, Clause 24 of form HUD-5370, *General Conditions of the Contract for Construction* clearly forbid the placement of liens and is binding on any contractor, subcontractor, and material supplier.

**Bonding Companies.** An acceptable surety (bonding) company is one that is authorized to do business in the State of Texas and is acceptable to HUD and the Agency. The surety must be listed on the most recently published U.S. Treasury Circular 570 (often referred to as the T-List). Individual sureties are not permitted. Circular 570 is available from

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the U.S. Department of the Treasury, Financial Management Service, Surety Bond Branch, Room #262C, 401 14th Street, S.W., Washington, D.C. 20227. The T-List may also be accessed on the Internet at: <http://www.fms.treas.gov/c570/index.html>.

**Bonding Requirements.** In order to encourage participation by a broad range of competitors, including small and minority firms, HUD has provided for alternate bid and contract guaranties. These apply to all construction projects greater than \$100,000 (though, at the Agencies discretion, may apply to smaller projects), whether development or modernization, funded pursuant to the U.S. Housing Act of 1937, as amended. As a result, the contractors for all construction projects shall be required to submit the following bid and contract guarantees. Please note that only the bid bond is required at time of bid; however, one of the purposes of the bid bond is to provide the Agency with assurance that the successful bidder will indeed obtain the necessary performance and payment bonds. Required bonds include a bid guarantee from each bidder, equivalent to 5% of the bid price and, from the successful bidder, one of the following:

A performance and payment bond for 100% of the contract price; or

Separate payment and performance bonds each for 50% or more of the contract price; or

A 20% cash escrow; or

A 25% irrevocable letter of credit.

**Inadequate Surety.** If the low bidder fails to provide an acceptable assurance of completion (payment and performance bonds) after award of the contract, the Agency may consider the bid guarantee forfeited and notify the surety company. The contract is then terminated for default. The amount to be recovered from the bid bond or guarantee will typically equal at least the difference between the defaulted bid and the next higher acceptable bid or the amount by which the bid accepted by re-soliciting exceeds the defaulted contract.

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**Attachment B**

The following forms are included by reference and have full force and effect on the procurement action including subsequent contract. Contractors are responsible for viewing the forms and being familiar with the terms and conditions. Where indicated, forms need to be completed and returned with the Proposal submission.

HUD-5370 - General Conditions of the Contract for Construction

<https://www.hud.gov/sites/dfiles/OCHCO/documents/5370.pdf>

Note: Owner will insert \$250.00 for Liquid Damages in Paragraph 33(a)

HUD-92554M - Supplementary Conditions of the Contract for Construction

<https://www.hud.gov/sites/dfiles/OCHCO/documents/92554m.pdf>

HUD-4010 - Federal Labor Standard Provisions

<https://www.hud.gov/sites/documents/UPDATED4010.PDF>

Davis-Bacon Wage Rate Determination for San Patricio County - Residential

<https://www.wdol.gov/dba.aspx> (Select TX20 for Nueces/San Patricio Counties)

HUD-92010 Equal Employment Opportunity Certification

<https://www.hud.gov/sites/documents/92010.PDF>

Note: Must be filled out and returned with bid submission.

AIA Document G702, Application for Payment

AIA Document G703, Continuation Sheet

HUD-5372 Construction Progress Schedule or Critical Path

<https://www.hud.gov/sites/documents/5372.docx>

Disclosure of Lobbying Activities, Standard Form LLL

<https://eca.state.gov/files/bureau/sflll.pdf>

Note: Must be filled out and returned with bid submission.

HUD-50071 Certification of Payments to Influence Federal Transactions

<https://www.hud.gov/sites/documents/50071.PDF>

Note: Must be filled out and returned with bid submission.