

# **DIRECT PAY PILOT PROGRAM**

## **Uniform Physical Condition Standards Inspection Services**

### **PURCHASE ORDER TERMS AND CONDITIONS**

#### **1.0 Applicability of Terms and Conditions**

The terms and conditions contained herein apply to all purchase orders issued by the Department of Housing and Urban Development (HUD) under its Direct Pay Pilot Program for Uniform Physical Condition Standards inspection services (“pilot program”). By accepting a purchase order issued under the pilot program, the individual or firm accepting the order agrees to the terms and conditions set forth herein:

#### **2.0 Scope of Services**

The contractor (“inspector”) shall perform all work required for the inspection for the bid price accepted by the Government. The inspector shall provide all personnel, equipment, transportation and other services and materials as needed to complete the work. HUD will provide the property and/or services, if any, as described in Section 3 below.

The pilot program is anticipated for a period of 120 business days upon notice to proceed. Details of the services to be provided by the inspectors under a Direct Pay pilot purchase order are described below.

#### **2.1 Inspection Services**

The inspector shall be responsible for the management and administration of all tasks required under this purchase order. The specific tasks, and the hardware and software necessary to complete them, are discussed in detail in the following subsections.

#### **2.2 Training Participation**

Inspectors must complete training activities to participate in the pilot program. The training includes a conference call to last no more than two hours in duration, held prior to commencement of the reverse auction. Reverse auction training is also required. The online training course(s) may be taken at the inspector’s convenience, and must be completed prior to the commencement of the reverse auction. HUD approximates that the course(s) should take each inspector a maximum of two hours to complete.

#### **2.3 Scheduling**

The inspector is responsible for scheduling all inspections awarded to him/her. The inspector shall contact the property owner/agent (“POA;” for privately owned multifamily properties) or the Executive Director (“ED;” for public housing properties), or their duly authorized representatives to schedule inspections. Inspectors are responsible for realistically scheduling inspections to allow for contingencies.

## **2.3.1 Scheduling and Inspection Protocols**

### **2.3.1.1 Scheduling**

The inspector shall:

- Attempt to schedule inspections on a mutually acceptable date.
- Ensure the POA/ED has at least fifteen (15) calendar days notice prior to the inspection to make required notification to residents.
- Schedule inspections to take place during normal business hours of the property. Morning inspections shall begin at 9:00 a.m., and afternoon half-day inspections shall begin at 1:00 p.m. Inspectors shall not schedule inspections for weekends or Federally recognized holidays. Any exceptions to these scheduling requirements must be approved by PIH-REAC via email; the inspector should retain the approval.

### **2.3.1.2 Onsite**

The inspector shall:

- Identify him/herself to the POA/ED or the POA's/ED's onsite representative as a contractor performing work on HUD's behalf. Inspectors shall not identify themselves as HUD employees or agents;
- Be courteous to property employees and tenants;
- The inspector shall not offer, attempt to sell, or provide any other services or items to the POA/ED during the scheduling process or as a result of conducting the inspection.

## **2.3.2 Confirmation**

Initial contact with the POA/ED may be oral, but must be confirmed in writing. The inspector shall send an email message to the POA/ED to confirm the agreed-upon date of the inspection. The inspector shall send a courtesy copy of this email message to PIH-REAC to confirm the inspection date and time. The text to be included in the confirmation message is provided as Attachment 2. Any modification to the confirmation text must receive prior approval of PIH-REAC.

If a POA/ED does not have access to electronic mail, this confirmation shall be sent via certified mail. This confirmation letter shall be on the inspector's letterhead in the format provided. In this case, the inspector must initiate a separate correspondence via email with PIH-REAC to inform them of the confirmed inspection date and time, and request a response via certified mail from the POA/ED.

## **2.3.3 Property Profile Verification**

The inspector must verify with the POA/ED that the property profile data is accurate and that residents have been notified of the upcoming inspection date and time. The inspector must receive this confirmation in writing, or via email, from the POA/ED. The inspector must be able to provide this written verification of the property profile verification, if requested by PIH-REAC, and shall retain the POA/ED notification for a period of six months.

During the initial contact and scheduling of the inspection, the inspector shall verify the property profile data provided by PIH-REAC and obtain any missing data, as follows:

- The number of buildings and the number of units per building, along with a unique identifier for each building. The unique building identifier may be the building address or an identifier used by the POA/ED to identify buildings. (This identifier is very important for accurately recording the location of inspection items for follow-up by the POA/ED or PIH-REAC.)
- Verification of data provided by PIH-REAC for the inspection, such as the name and address of the owner and management agent, if applicable, email address, and phone numbers.

#### **2.3.4 Preparation**

The inspector shall advise the POA/ED that a representative of the POA/ED must accompany the inspector during the entire inspection and that the inspector will visually verify the property profile and request the following information at the time of arrival on-site:

- Copies of lead based paint certifications, boiler certifications, fire inspections, and elevator inspections, if applicable.
- Copy of POA/ED's required notice to residents of the inspection date and information as to the means by which the residents were notified.
- Copy of the rent roll or other record for the purposes of verifying occupancy of the units.
- An estimate of the size of all areas of walkways, steps, driveways, roads, and parking areas included within the parameters of the property.

#### **2.3.5 Schedule Modifications**

Once the inspection date and time is confirmed, the inspector shall not change the schedule, except at the written request of the POA/ED. If a change is necessary within 72 hours of the scheduled date and time, the inspector shall contact PIH-REAC for authorization. In addition, the Government reserves the right to cancel an inspection at any time. Any changes to the schedule must be immediately reported to PIH-REAC via email. It is the responsibility of the inspector to ensure that PIH-REAC is aware of the current schedule for every inspection assigned to the inspector at all times.

#### **2.3.6 Uninspectable Properties**

The inspector shall immediately notify PIH-REAC by telephone or e-mail if communication with the POA/ED cannot be made or if the POA/ED refuses to permit the inspection. If the inspector is unable to schedule an inspection, the inspector shall indicate the reason. If the owner is unwilling to cooperate to schedule the inspection, HUD will assist in the scheduling of the inspection. If the POA/ED indicates the property is no longer in HUD's inventory, the inspection may be considered reported uninspectable. All reported uninspectable properties require the name and telephone

number of the property representative reporting the property as uninspectable and a brief explanation by the inspector of why the property is uninspectable.

## **2.4 Inspection Fieldwork**

Inspection fieldwork must be completed within the timeframe established by the Government, and according to the schedule agreed upon with the POA/ED. The winning bidder of the inspection assignment must either be a certified HUD inspector or assign a HUD certified inspector to schedule and perform the inspection. The inspector shall provide all necessary materials, supplies, equipment and services to perform the inspection services. The inspectors shall not receive assistance or employ subcontractors to perform the inspection. A substitute inspector is not permissible without prior approval by PIH-REAC.

Because the scheduled inspector must personally perform the entire inspection, he/she must have the physical ability to:

- View and observe conditions in dark areas;
- Measure specific items and areas for compliance;
- Climb stairs and ladders; and
- Reach, bend, stoop, and crawl, as required by the job.

### **2.4.1 Pre-Inspection**

Prior to arriving at the property site, the inspector shall download the property profile data into the DCD from the PIH-REAC website. Inspectors shall not wait until arrival onsite to download the property profile data.

It is recommended that the inspector call the POA/ED the day before the scheduled inspection date to confirm the appointment and meeting place. This practice may reduce the occurrence of unsuccessful inspections, and ensure timely completion of the fieldwork.

### **2.4.2 Visual Verification On-site**

The inspector shall visually verify the addresses and numbers of buildings by visiting each building prior to commencing the inspection. The inspector visually verifies all property profile data (such as number of buildings, etc.) with the property representative, prior to beginning the inspection and before generating the sample. In the case of single-family scattered sites, the inspector is allowed to generate the sample based on what the POA/ED states as the profile. Only in the case of *single-family* scattered sites may the inspector visually verify the profile as the inspection is conducted and add any building not previously included.

### **2.4.3 Conducting the Inspection**

After verifying property profile data and entering buildings and units, the physical inspection software will determine which buildings and units are to be inspected. The type of building must be properly identified to ensure valid sampling.

The inspector shall conduct complete on-site interior and exterior inspections in accordance with the UPCS inspection protocol. The inspector will record and *call out* all defects as they are observed, according to the UPCS inspection protocol, with the property representative present.

#### **2.4.4 Health and Safety Hazards**

If the inspector identifies health and safety hazards that pose an immediate threat to the health and/or safety of the residents, the inspector must provide written notice of such hazards to the POA/ED property representative at the conclusion of each day of inspection. The form for this notification is provided as Attachment 3. No modification of this form shall be made without prior approval from PIH-REAC. The inspector must obtain a signature from the POA/ED representative on the form, acknowledging receipt, prior to leaving the property site. If the POA/ED representative refuses to sign acknowledging receipt, the inspector is to note such refusal on the form, and provide a copy to the POA/ED representative. The inspector shall retain the signed form to be provided to HUD, if requested, for a period of six months. The inspector shall not provide any other documents to the POA/ED. After successful upload of the inspection by the inspector, PIH-REAC will inform the field office having jurisdiction over the property of the life-threatening health and safety hazards noted during the inspection.

#### **2.4.5 Uploading Inspection Results**

For each inspection performed, the inspector shall upload a complete and accurate inspection report using the DCD. The inspector shall electronically transmit the completed inspection report through a secured Internet connection to PIH-REAC, no later than the next working day following the completion of the inspection.

#### **2.4.6 Unsuccessful Inspections**

There may be instances when, through no fault of the inspector, he/she may not be permitted to perform the inspection as scheduled after arriving at the property. These are referred to as unsuccessful inspections. In this event, the inspector shall immediately notify PIH-REAC, and provide a copy of the POA/EDs written confirmation of the property profile information, the agreed-upon schedule, and prior understanding that the residents were to be notified.

### **2.5 Contact Information**

PIH-REAC may need to contact the inspector at any time during normal working hours (usually 8:00 a.m. to 4:30 p.m. Eastern Standard Time). The inspector must provide PIH-REAC/Inspector Administration with the following accurate, current contact information:

- First and last name;
- Mailing address (P.O. Boxes will not be accepted);
- Phone numbers; and
- Email address.

Any changes to the inspector's contact information must be provided to PIH-REAC/Inspector Administration immediately. If PIH-REAC is unable to maintain communication with the inspector, the inspector will be deactivated until the inspector contacts PIH-REAC/Inspector Administration with current information. While the inspector is deactivated, the Government may reschedule or reassign any inspections previously assigned to the inspector.

## **2.6 Hardware/Software Requirements**

The inspector shall provide the necessary computer hardware and software to communicate with PIH-REAC via email. Inspectors must provide their own touch-screen, hand-held mobile hardware, previously referred to as the DCD.

Inspectors are also required to maintain the following hardware:

- Minimum processor speed Pentium 120 MHz;
- Minimum hard disk space 1.2 GB;
- Minimum hard disk free space 20 MB (database file size increases as inspections are added, therefore 40 MB is recommended); and
- Minimum RAM 32 MB.

Inspectors are required to maintain the following software:

- Microsoft Windows 95 or later operating system;
- Netscape Navigator v4.5 browser;
- WinZip 6.3 or higher;
- Microsoft Access 97;
- Microsoft Excel 97 or 2000;
- Microsoft Word 97 or 2000; and
- Acrobat Reader 5.0.

Hardware and software requirements may be upgraded, or otherwise changed, during the term of the pilot program. The inspector is responsible for ensuring that the hardware being used by the inspector is compatible with HUD-provided software at all times, and meets the minimum specifications as may be set forth in writing to the inspector. The inspector shall not be entitled to compensation for updates to, or replacement of, inspector-furnished hardware.

Inspectors must have access to an Internet Service Provider (ISP) to support electronic transmission of property profile data and inspection results to PIH-REAC. Inspector must also have the required knowledge and ability to maintain the technical environment of the DCD. This includes loading software (and any revisions to the software provided by PIH-REAC), testing installed software to ensure proper operation, and installing hardware, such as modems.

## **3.0 Government Furnished Services**

The Government will provide the inspector with training in the use of the reverse auction website and payment process, the property information required to perform assigned inspections, and subsequent technical and payment support.

### **3.1 Training**

PIH-REAC shall provide Direct Pay pilot program training to participating inspectors. The training will consist of conference call and online instruction, to include:

- An overview of the Direct Pay pilot program;
- Review of the UPCS inspection protocol;
- Navigation of the reverse auction website;
- Review of the inspection scheduling process; and
- Explanation of the payment procedures.

### **3.2 Property Information**

PIH-REAC will send an email notice to all participants of the Direct Pay pilot program announcing the upcoming auction event. The announcement will include the total number of properties to be included in the auction, the amount of time the auction will remain open, and the period during which the inspections must be scheduled and performed. The Government will post all properties available in the reverse auction, and their inspection information, to the website.

### **3.3 Scheduling Contact Information**

The inspector will be notified of inspection awards via electronic mail. The Government will provide the inspector with contact information for the POA/ED, and a template to be used to confirm inspection information with the POA/ED.

### **3.4 Web Site Access**

The Government will provide each inspector with login credentials to access the secure reverse auction website. If the inspector has any problems with the supplied user id and password, he/she may contact the help desk, as described in the bidding instructions posted on the REAC Web site.

### **4.0 Quality Assurance Measures**

The Government will monitor and evaluate the inspector's performance to determine compliance with the UPCS inspection protocol and the Inspector Code of Conduct through Quality Assurance (QA) reviews. PIH-REAC may consider feedback from owners, tenants, mortgagees and POA/EDs, and use any other method PIH-REAC deems appropriate, toward this end.

#### **4.1 Inspection Reviews**

Each inspection is subject to a review upon upload to PIH-REAC to ensure the product is acceptable. The Government verifies that the property profile is correct, assesses the Level 3 comments, and conducts a timestamp data analysis on the inspection. As a result of this review, an inspection is either accepted or rejected.

##### **4.1.1 Inspections Placed On-Hold**

If a problem is identified, PIH-REAC reserves the right to place the inspection on-hold, and delay payment to the inspector. If an inspection is placed on-hold, the inspector will receive an email notification from PIH-REAC. The inspector will be provided temporary access to the inspection and must make the modifications required by PIH-REAC to resolve any identified issues or omissions, such as missing property information or incorrect Level 3 comments. Once the inspection is modified and deemed acceptable by PIH-REAC, the inspector will be paid.

##### **4.1.2 Rejected Inspections**

If an inspection is rejected, the inspector will receive an email notification to that effect from PIH-REAC. The Government may reassign the inspection, repost the inspection for auction, or direct the inspector to re-inspect the property. Such direction will be in writing (email is acceptable) and will specify the particular property to be re-inspected, the nature of the inspector's errors or omissions, and a new inspection identification number for the re-inspection. The re-inspection shall be completed within the timeframe originally established by PIH-REAC. The re-inspection is

subject to all requirements of the original inspection, including scheduling and written notification to the POA/ED.

## **4.2 QA Reviews**

PIH-REAC also performs various QA reviews onsite including, but not limited to:

- Collaborative Quality Assurance (CQA) reviews;
- Limited Quality Assurance (LQA) reviews; and
- Independent Quality Assurance (IQA) reviews.

These QA reviews may be conducted at any time, including during the course of a property inspection, following an inspection, or as a separate analysis. The QA reviewer may not identify himself to this inspector during the review. HUD's QA reviews will be scheduled based on the inspector's schedule.

Inspector Notice No. 2002-02, the Inspector Administration Business Rules, as may be revised, outlines the administrative action that may be taken if an inspector's performance is found to be deficient. Inspector Administration also investigates trends in inspector behavior, such as frequent inspection cancellations. Certain violations of the UPCS inspection protocol may result in an inspector's immediate de-certification. These violations include, but are not limited to:

- Purposeful violations/omissions of the inspection protocol;
- Fraud;
- Sexual or other harassment;
- Theft; and
- Violent acts.

## **5.0 Payment**

### **5.1 Payment Terms**

As total compensation for each accepted inspection, HUD will pay the inspector, per inspection, the price accepted as the successful bid on the reverse auction website. The inspector will only receive payment for inspections accepted by PIH- REAC.

Inspectors will not be compensated for any additional aspect of the Direct Pay pilot program, except as follows:

- Uninspectable properties (see paragraph 2.3.6) - The inspector will receive an administrative fee of \$50.
- Unsuccessful inspection (see paragraph 2.4.6) – The inspector will be paid 50 percent of the total awarded bid price.
- HUD cancellation – If HUD cancels an inspection at least 72 hours prior to the scheduled inspection date and time, no fee will be paid to the inspector. If HUD cancels an inspection less than 72 hours prior to the scheduled date and time, and the cancellation is not due to any fault or action of the inspector, the inspector will be paid 50 percent of the total awarded bid price.

Inspectors will be provided *no* additional compensation for participation in the training, bidding process, scheduling, or providing evaluation feedback to PIH-REAC.

## **5.2 Use of Credit Card**

HUD will pay inspectors using the Government Commercial Purchase Card.

Each winning bidder must become a credit card vendor in order to receive payment for the services provided under this purchase order. If the inspector is not already a MasterCard merchant, the inspector shall establish a merchant account with a credit card processing vendor to be selected by HUD. PIH-REAC will identify the processing vendor to the inspector.

***The Government will pay all administrative and transaction fees associated with the credit card use for the pilot program. The credit card shall not be used for any other credit or purchase uses. At the end of this pilot program, the Government will no longer pay the administrative fees associated with the credit card.***

## **5.3 Payment Process**

Once the PIH-REAC accepts an inspection, PIH-REAC will send an email message to the inspector that includes an authorization code that is required for payment. The inspector is responsible for entering this authorization code into the credit card processing website to initiate the electronic payment process.

Payments will be made electronically, directly to the inspector's account. Payment will normally be processed within seven working days after the inspection is uploaded to PIH-REAC.

## **6.0 References**

The following matrix provides the current web links to information referenced in, or related to, this Purchase order. Inspectors may also refer to the Participant Guide for UPCS Inspection Protocol, received during the PIH-REAC training class, for more information.

<b>Topic</b>	<b>Web Link</b>
PIH-REAC Homepage	<a href="http://www.hud.gov/offices/reac/">http://www.hud.gov/offices/reac/</a>
Physical Inspection Program Homepage	<a href="http://www.hud.gov/offices/reac/products/prodpass.cfm">http://www.hud.gov/offices/reac/products/prodpass.cfm</a>
Compilation Bulletin	<a href="http://www.hud.gov/offices/reac/pdf/pass_bulletin.pdf">http://www.hud.gov/offices/reac/pdf/pass_bulletin.pdf</a>
Inspector Notice No. 2003-02	<a href="http://www.hud.gov/offices/reac/pdf/inspector_notice_2003_02.pdf">http://www.hud.gov/offices/reac/pdf/inspector_notice_2003_02.pdf</a>
Inspector Notice No. 2002-01	<a href="http://www.hud.gov/offices/reac/pdf/maintaincertification.pdf">http://www.hud.gov/offices/reac/pdf/maintaincertification.pdf</a>
Inspector Notice No. 2002-02	<a href="http://www.hud.gov/offices/reac/pdf/inspector_admin_business_rules.pdf">http://www.hud.gov/offices/reac/pdf/inspector_admin_business_rules.pdf</a>
Dictionary of Deficiency Definitions	<a href="http://www.hud.gov/offices/reac/products/pass/pass_def.cfm">http://www.hud.gov/offices/reac/products/pass/pass_def.cfm</a>
DCD Software Installation Guide	<a href="http://www.hud.gov/offices/reac/products/pass/pass_downld.cfm">http://www.hud.gov/offices/reac/products/pass/pass_downld.cfm</a>
Physical Inspection Software FAQs	<a href="http://www.hud.gov/offices/reac/faqs/pass_faqs.cfm#Software">http://www.hud.gov/offices/reac/faqs/pass_faqs.cfm#Software</a>
Physical Inspection Protocol FAQs	<a href="http://www.hud.gov/offices/reac/pdf/pass_protocol_related_questions.pdf">http://www.hud.gov/offices/reac/pdf/pass_protocol_related_questions.pdf</a>
CBT Training Course	<a href="http://www.hud.gov/offices/reac/products/pass/cbt.cfm">http://www.hud.gov/offices/reac/products/pass/cbt.cfm</a>
Quality Assurance and Quality Control	<a href="http://www.hud.gov/offices/reac/products/pass/qa.cfm">http://www.hud.gov/offices/reac/products/pass/qa.cfm</a>
Federally-Observed Holidays	<a href="http://www.opm.gov/fedhol/2003.asp">http://www.opm.gov/fedhol/2003.asp</a>

## **7.0 Attachments**

The following pages include three attachments as referenced in this Purchase order:

- Attachment 1 – Federal Acquisition Regulation (FAR) and HUD Acquisition Regulation (HUDAR) Purchase Order Terms and Conditions;
- Attachment 2 – POA/ED Inspection Confirmation Text; and
- Attachment 3 – Notification of Exigent and Fire Safety Hazards Observed Form.

Attachment 1 – Federal Acquisition Regulation (FAR) and HUD Acquisition Regulation (HUDAR)  
Purchase Order Terms and Conditions

**Federal Acquisition Regulation (FAR) Clauses**

**52.213-4 Terms and Conditions -- Simplified Acquisitions (Other Than Commercial Items)  
(Oct 2003)**

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

- (i) 52.222-3, Convict Labor (June 2003) (E.O. 11755).
- (ii) 52.222-21, Prohibition of Segregated Facilities (Feb 1999) (E.O. 11246).
- (iii) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).
- (iv) 52.225-13, Restrictions on Certain Foreign Purchases (June 2003) (E.O.'s 12722, 12724, 13059, 13067, 13121, and 13129).
- (v) 52.233-3, Protest After Award (Aug 1996) (31 U.S.C. 3553).

(2) Listed below are additional clauses that apply:

- (i) 52.232-1, Payments (Apr 1984).
- (ii) 52.232-8, Discounts for Prompt Payment (Feb 2002).
- (iii) 52.232-11, Extras (Apr 1984).
- (iv) 52.232-25, Prompt Payment (Feb 2002).
- (v) 52.233-1, Disputes (July 2002).
- (vi) 52.244-6, Subcontracts for Commercial Items (Apr 2003).
- (vii) 52.253-1, Computer Generated Forms (Jan 1991).

(b) The Contractor shall comply with the following FAR clauses, incorporated by reference, ***unless the circumstances do not apply***:

(1) The clauses listed below implement provisions of law or Executive order:

\* \* \* \* \*

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793) (Applies to contracts over \$10,000, unless the work is to be performed outside the United States by employees recruited outside the United States.) (For purposes of this clause, *United States* includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)

\* \* \* \* \*

(vi) 52.222-41, Service Contract Act of 1965, As Amended (May 1989) (41 U.S.C. 351, *et seq.*) (Applies to service contracts over \$2,500 that are subject to the Service Contract Act

and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wade Island, or the outer continental shelf lands).

\* \* \* \* \*

(ix) 52.232-36, Payment by Third Party (May 1999). (Applies when the Contractor agrees to accept payments due under this contract, through payment by a third party in lieu of payment directly from the Government, in accordance with the terms of this clause. The third party and, if applicable, the particular Governmentwide commercial purchase card to be used are identified elsewhere in this contract..)

\* \* \* \* \*

(c) FAR 52.252-2, *Clauses Incorporated by Reference (Feb 1998)*. This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

**FAR Clauses and Provisions:** <http://www.arnet.gov/far/>  
**HUD Acquisition Regulation (HUDAR) Clauses and Provisions:**  
<http://www.hud.gov/offices/cpo/hudar.cfm>

(d) *Inspection/Acceptance*. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its postacceptance rights --

(1) Within a reasonable period of time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) *Excusable delays*. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f) *Termination for the Government's convenience*. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor

shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) *Warranty.* The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of Clause)

#### **52.243-1 Changes-Fixed Price Alternate I (APR 1984)**

### **HUD ACQUISITION REGULATION (HUDAR) CLAUSES**

2452.203-70 Prohibition Against the Use of Federal Employees (DEC 1992)

2452.209-72 Organizational Conflicts of Interest (APR 1984)

#### **2452.239-71 Information Technology Virus Security (FEB 2000)**

(a) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to their delivery to HUD using software tools and processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract: [product description, part/catalog number, other identifier, and serial number, if any]

“This product has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is certified to be free of known viruses at the time of delivery.”

(c) The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor's failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract.

(d) This clause shall not subrogate the rights of the Government under any other clause of this contract.

Date

Mr. Property Owner  
Property Name  
Property Address

Re: Physical Inspection of Property Name, City, State (Inspection #, Property ID)

Mr. Property Owner:

The purpose of this letter is to confirm that the referenced property is scheduled for inspection on September 15, 2003 at 9:00 a.m. If there is any delay, I will immediately contact you by telephone.

Please provide the required written notice to your residents. I suggest that the period of time in the notice encompass the week of the scheduled inspection to avoid having to provide additional notices should there be an unexpected delay. It is not necessary for the resident to be present during this inspection. However, your representative must accompany me at all times while on site. Your representative should be prepared to open all units identified in the inspection sample when the resident is not present and when the unit is vacant. I will inform your representative of the units that have been randomly selected for inspection on the day of the inspection, which is the result of a sample drawn on-site.

Please note that PIH-REAC conducts Quality Assurance (QA) inspections on a targeted and random basis. A QA inspection may be conducted at the same time, or shortly after I visit your property.

On the day of the inspection I will verify data provided on the property profile, as per our previous discussion. Please have available the following information to assist with the verification:

- Total number of buildings and number of units within each building;
- The unique building identifier (i.e., the address or some other identifier that will enable the identification of each building for future inspections);
- All applicable certifications, including inspections of elevators, sprinkler systems, fire alarms, and boilers; lead-based paint testing certification and HUD's disclosure form (Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards) for housing built prior to 1978 (including elderly properties) are also required;
- Current rent-roll (used for reference only, rent amounts are not necessary);
- Site-map or plot plan showing property layout and building locations, if available;
- Total square footage of the Parking Lots/Driveways/Roads and Walkways/Steps; if you do not provide these area measurements at the time of the inspection, I will provide an estimate of the square footages to HUD;
- Current occupancy percentage rate; and
- Copy of written notification to the residents of the inspection.

The inspection covers the total property: project grounds, common areas, office maintenance work areas, laundry rooms, community room, etc., and a statistically valid sample of buildings and units selected at random. Your representative may request I advise him or her of the deficiencies as they are being observed and recorded. HUD appreciates that you may have different views regarding the deficiency definitions, but please refrain from discussing the merits of the deficiencies with me. I must classify deficiencies in accordance with the inspection protocol and my best judgment.

I will record all of the observed exigent health and safety hazards identified during the inspection. I will provide a written list of all observed exigent health and safety hazards and ask your representative to sign the form to acknowledge receipt, before I leave the property. The Office of Housing and Public Housing requires that all exigent health and safety hazards be mitigated immediately. A HUD representative will contact you to assure that such items have been addressed in a timely manner. If you have any questions, please contact me at 999-999-9999 or 888-888-8888.

Sincerely yours,  
Inspector Name – PIH-REAC Inspector #

Cc: Dudley Ives, PIH-REAC Physical Inspection Program

# NOTIFICATION OF EXIGENT AND FIRE SAFETY HAZARDS OBSERVED

Property ID #: \_\_\_\_\_ Inspection ID # \_\_\_\_\_ Inspection Date: \_\_\_\_\_  
 Property name: \_\_\_\_\_ PHA Name \_\_\_\_\_ Property Phone: \_\_\_\_\_  
 Property Address: \_\_\_\_\_ PHA ID Number \_\_\_\_\_ Agent Phone: \_\_\_\_\_  
 Property City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## PART 1 EXIGENT HEALTH AND SAFETY HAZARDS

<b>Air Quality</b> <b>A--</b> Propane/Natural Gas/Methane Gas Detected  <b>Electrical Hazards</b> <b>B--</b> Exposed Wires/Open Panels <b>C--</b> Water Leaks On or Near Electrical Equipment	<b>Emergency Equipment/Fire Exits/Fire Escapes</b> <b>D--</b> Emergency/Fire Exits/Blocked/Unusable Fire Escapes <b>E--</b> Blocked Egress/Ladders  <b>Gas/Oil Hot Water Heater/Gas/Oil HVAC</b> <b>F--</b> Carbon Monoxide Hazard - Gas/Oil Fired Unit -Missing/Misaligned Chimney
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\*\* The Offices of Housing and Public Housing require all exigent hazards be mitigated immediately. The office of Housing requires a written report to be filed with the local office within 72 hours of the date of the inspection. All public housing agencies are required to document activities in this area under both PHMAP and PHAS requirements for later evaluation by HUD.

During this inspection the following items were observed and noted as Exigent Health and Safety hazards which require immediate attention. Use additional sheets if needed.

Item Number	Site or Bldg. Location	DU or CA Location	CHECK DEFECT TYPE(s) (See list below)						COMMENT(s)
			A	B	C	D	E	F	
1									Certificate***
2									
3									
4									
5									

\*\*\* Reserved for HUD Use.

## PART 2

<b>Emergency Equipment/Fire Exits/Fire Escapes</b> <b>G--</b> Window Security Bars Prevent Egress <b>H--</b> Fire Extinguishers Expired	<b>Smoke Detectors</b> <b>I --</b> Missing/Inoperative
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## FIRE SAFETY HAZARD

Item Number	Site or Bldg. Location	DU or CA Location	CHECK DEFECT TYPE(s) (See list below)			COMMENT(s)
			G	H	I	
1						Certificate***
2						
3						

During this inspection the following items were observed and noted as Fire Safety hazards which require immediate attention:

\*\*\* Reserved for HUD Use.

1.	
2	

Other Health and Safety Concerns Not Defined In Above Matrix.

NAME OF OWNER/AGENT'S REPRESENTATIVE (Please print legibly)

INSPECTOR NAME: (Print)

SIGNATURE OF OWNER/AGENT'S REPRESENTATIVE Date \_\_\_\_\_

INSPECTOR ID NUMBER \_\_\_\_\_



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42.										
43.										
44.										
45.										

\*\*\* Reserved for HUD Use.

# NOTIFICATION OF EXIGENT AND FIRE SAFETY HAZARDS OBSERVED (continued)

Property ID #: \_\_\_\_\_

Inspection ID # \_\_\_\_\_

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

Inspector ID # \_\_\_\_\_

## PART 2 FIRE SAFETY HAZARD

<b>Emergency Equipment/Fire Exits/Fire Escapes</b> G-- Window Security Bars Prevent Egress H-- Fire Extinguishers Expired	<b>Smoke Detectors</b> I -- Missing/Inoperative
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During this inspection the following items were observed and noted as Fire Safety hazards which require immediate attention:

Item Number	Site or Bldg. Location	DU or CA Location	CHECK DEFECT TYPE(S) (See list below)			COMMENT(S)	Certificate***
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\*\*\* Reserved for HUD Use