

SUPPLEMENT TO AIA DOCUMENT A701, INSTRUCTIONS TO BIDDERS.

This supplement sets forth modifications to AIA Document A701, Instructions to Bidders, applicable to projects funded under Section 202 of the Housing Act of 1959, As Amended. The paragraph designations listed below refer to the A701 paragraphs modified.

- 3.1.1 - Delete the sentence, "The deposit will be refunded to Bidders who submit a bonafide Bid and return the bidding documents in good condition within 10 days after receipt of bids," and insert in its place the sentence, "The deposit will be returned in full for each set returned in good condition within 10 days after bid opening."
- (Change provides for return of deposit whether or not a bid is submitted.)
- 3.1.2 - Delete in its entirety.
- (Change makes issuance of bid package acceptable to anyone who makes a deposit.)
- 3.3.2 - Delete the first sentence and insert in its place, "No substitution will be considered unless: (1) Written request for approval has been submitted by the Bidder and has been received by the Architect at least 10 days prior to the date for receipt of bids, or (2) Written request for approval has been submitted by the successful Bidder and approved in writing by the Architect on AIA Form G710, Architect's Supplemental Instructions, prior to the installation of such substitutions.
- (Change provides for substitutions during the construction period.)
- 3.3.3 - Delete first sentence and insert, "If the Architect approves any proposed substitutions during the bidding period, such approval will be set forth in an addendum.
- (Change provides clarification required by change in Section 3.3.2.)
- 4.2.1 - Delete the last sentence and insert in its place, "Should the Bidder refuse to enter into such contract or fail to furnish assurance of faithful performance of the contract and the payment of all obligations arising
-

4571.5

Appendix 11

thereunder in the form of a performance bond in the amount of 100 percent of the contract price and payment bond in the amount of 100 percent of the contract price, or a performance/payment bond in the amount of 100 percent of the Contract price or a cash escrow in the amount of 25 percent of the contract price, the amount of bid security shall be forfeited to the Owner as liquidated damages, not as penalty."

(Change provides for cash escrow or bonds as forms of assurance for contract completion and payment and their required amount.)

- 5.3.2 - Delete in entirety and insert, "Any alternates accepted by the Owner shall be accepted in the order in which they are listed in the form of Bid."

(Change eliminates provision for random selection of alternates by Owner.)

- 6.1.2 - Add Article 6.1.2 "Bidder shall submit with its Bid the Affidavit of Non-Collusive/Non-Identity of Interest and Form HUD 2530, Previous Participation Certificate."

(Change requires submission of HUD required certificates.)

- 7.1.2, 7.1.3 and 7.1.4 - Omit in their entirety and substitute as follows.

- 7.1.2 - "The Bidder shall not employ firms or individuals listed in the Consolidated List of Ineligible Contractors and Grantees as subcontractors or material suppliers. Such employment by the Bidder shall be considered a default on the contract."

(Change eliminates Owner's basis for objection to subcontractors except for subcontractors and materialmen listed in the Government's Consolidated List of Ineligible Contractors and Grantees and makes Bidder's employment of such the basis for declaring the contract in default.)

- 7.1.3 - Within five days of the notification of Bid acceptance, the Bidder shall furnish to the Owner a schedule of values allocated to the various portions of the Work, prepared on Form HUD 2328, Contractor's and/or Mortgagor's Cost Breakdown, such breakdown to satisfy the General Conditions requirement in subparagraph 9.2.1 pertaining to schedule of values.

4571.5

Appendix 11

- 8.1.1.1 - The Owner shall have the right, prior to the execution of the Contract, to require the Bidder to furnish assurance of the faithful performance of the contract and the payment of all obligations arising thereunder. The Bidder shall have the right to provide the assurance in the form of Form HUD 92452-CA, Performance-Payment Bond (Dual Obligee) in the amount of 100 percent of the Contract price, or FHA-2452, Performance Bond and HUD-92452-A, Payment Bond (each in the amount of 100 percent of the Contract price) or a cash escrow in the amount of 25 percent of the contract price in the form of Form FHA 2450-EH, Assurance of Completion. The premium for such bonds shall be paid by Bidder, and the interest on such cash escrow shall accrue to Bidder. Such bonds shall be underwritten by an acceptable guarantor or surety listed in the U.S. Treasury Department Circular No. 570.

(Change provides for cash escrow as an alternative to bonds as the form of contract assurance, specific form of bonds and escrow agreement, and amount surety.)

- 8.2.1 and 8.2.2 - Delete 8.2.1 and 8.2.2 in their entirety and insert
- 8.2.1 - "The Bidder shall deliver the required bonds or cash escrow to the Owner at the time and place designated by the Owner for execution of the contract. The time shall be not less than 10 days from the date of notification of Bid acceptance, unless agreed to by Bidder and not more than 10 days from date of notification of Bid acceptance unless agreed to by Owner. The place shall be the HUD office designated in the Invitation for Bids."

(Change establishes the time and place for execution of the contract and provision by Bidder of contract assurance.)

- 9.1.1.1 - Omit 9.1.1 in its entirety and insert, "The Agreement for the Work will be written on Form HUD 92442-CA, Construction Contract-Lump Sum."

(Change specifies form of construction contract.)
