

Contract for Inspection Services

(Turnkey)

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

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This Agreement entered into as of the _____ day of _____ by and between the _____
_____ a public body organized and existing under and by virtue of the laws of the
State of _____ (hereinafter called the Local Authority or LA), and _____ Architects,
of _____ (hereinafter called the Architect):

Witnessed that:

Whereas, the LA is undertaking the acquisition of a low-rent housing project designated as Project No. _____
located at _____ in _____; and

Whereas, the United States of America, acting through the Department of Housing and Urban Development (hereinafter called the Government) has agreed to assist in the financing of the acquisition of this project under the provisions of the United States Housing Act of 1937; and

Whereas, under date of _____ the LA entered into a certain agreement (hereinafter called the Contract of Sale) with _____ (In the Contract of Sale and hereinafter in this Agreement called the Seller) in which the LA has agreed to purchase certain real estate after completion thereon by the Seller of certain improvements to be constructed in accordance with plans and specifications as set forth in the Contract of Sale (which said Contract of Sale is made a part hereof as if set forth herein in full), said improvements to consist of _____ buildings containing _____ dwelling units, together with utilities, site improvements, landscaping, and related facilities; and

Whereas, the LA desires to obtain from the Architect professional services with reference to the LA's interest in the Contract of Sale;

Now, Therefore, the LA and the Architect do mutually agree as follows:

Article 1. Scope. The Architect agrees to provide professional services for the LA in connection with the project as set forth in Article 3 hereof.

Article 2. Fee. For the professional services rendered as defined in Article 3 hereof, the LA agrees to pay the Architect a fee determined at the rate of two and one-half times the direct personnel expense as approved by the LA.

Direct personnel expense includes actual and reasonable salaries paid to the Architect, his collaborators and his technical personnel for performing the services stipulated under this contract, at rates of pay consistent with the nature of the services performed, but which shall not exceed \$_____ per hour. Direct personnel expense does not include stenographic, clerical, or other expense of an overhead nature required for performance of this contract and for which compensation is included in the fee stipulated herein. It is agreed that, regardless of the actual timing of services, calculation of the maximum remuneration to the Architect shall be based on the assumption that professional services will average _____ hours per week during the actual construction period. The total compensation to the Architect shall not exceed \$_____.

Payments to the Architect on account of services hereunder shall be made at the end of each month when the Architect shall submit a bill setting forth an itemization of direct personnel expense involved.

Article 3. Professional Services. The Architect shall:

3.1 Perform all services required of the Architect as set forth in the Contract of Sale.

3.2 Furnish the LA at the time of executing this Agreement a written list of those who may collaborate in inspecting the work. The Architect will be responsible for compensating such collaborators.

3.3 In cooperation with the LA, prepare an inspection schedule appropriate to the construction and anticipated progress, but in no case less often than monthly.

3.4 Make on-site inspections according to the schedule to determine conformity with plans and specifications, without in any way guaranteeing the Seller's work or assuming responsibility for the project design.

3.5 Within five days of each inspection, provide the LA a written report on such inspection including all deficiencies observed in the work and send copies of each such report to the Seller, to the Lender, and to the Housing Assistance Office.

3.6 Check (without verifying by physical measurement or instrument survey) lines and grades of foundations, surfaces, grassed areas and underground utilities laid out by the Seller.

3.7 Advise the LA on special problems and any changes in the work. Prepare and countersign construction change orders involving a change in contract price and/or extension of contract time for execution by the LA and the Seller. Changes not affecting contract price or time of completion shall be documented, singly or in groups, for formal acceptance by the LA and the Seller and countersigning by the Architect. Changes affecting the contract price (see Article IV, Contract of Sale) shall be carefully checked as to monetary value and the countersignature thereon shall indicate that the credit or extra has been verified by the Architect and that the amount involved represents a reasonable adjustment of the contract price.