

# CONTRACT AGREEMENT

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between  
\_\_\_\_\_ hereinafter called the Owner and  
\_\_\_\_\_ hereinafter called the Contractor.

**WITNESS,**

That the Owner and the Contractor for the consideration hereinafter named agree as follows:

**ARTICLE 1. SCOPE OF WORK**

The Contractor shall furnish all of the Materials and perform all the Work shown on the Plans and described in the Specifications entitled: \_\_\_\_\_

Prepared by \_\_\_\_\_, referred to in these Contract Documents as the Engineer, and shall do everything required by this Agreement, the General Conditions, the Specifications, and the Drawings.

**ARTICLE 2. TIME OF COMPLETION**

The work shall be completed according to the following schedule:

Substantial Completion: \_\_\_\_\_

Final Completion: \_\_\_\_\_

**ARTICLE 3. THE CONTRACT SUM**

The Owner shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided by approved Change Orders in current funds as follows:

\_\_\_\_\_ \$ \_\_\_\_\_  
(In Words) (In Figures)

**ARTICLE 4. PAYMENTS**

The Owner shall make payment of 90% of the contract amount after the project is substantially completed. That is, all structures installed and operating and all disturbed areas loamed and seeded. Final payment shall be due after final completion. That is, the Work is completed and operational in accordance with the Contract Documents including a “catch of grass”.

**ARTICLE 5. THE CONTRACT DOCUMENTS**

The General Conditions of the Contract, Instructions to Bidders, the Bid Proposal, the Specifications, and the Drawings, together with this Agreement, form the Contract.

The Owner and the Contractor hereby agree to the full performance of the covenants herein.

IN WITNESS, WHEREOF the parties hereto have executed this Agreement in the day and year first above written.

BY: \_\_\_\_\_ WITNESS: \_\_\_\_\_  
Owner

BY: \_\_\_\_\_ WITNESS: \_\_\_\_\_  
Contractor

# **GENERAL CONDITIONS OF THE CONTRACT**

## **ARTICLE I: Definitions**

Wherever the following terms are used in the contract documents, the intent and meaning shall be as follows:

Contract Documents - The documents which are comprised of the Bid Proposal, Contract Agreement, General Conditions of the Contract, Construction Specifications for Septic Systems, Construction Plans and Specifications prepared by a Registered Professional Engineer or Licensed Site Evaluator (including HHE 200 Forms), and Change Order Form. They are also known as the Contract.

DEP - The Maine Department of Environmental Protection

Engineer -- The designer of the replacement system.

Final Completion - The condition in which the work is complete and operational, covered, graded, and satisfactory grass cover is established.

HHE - 200 Form - A subsurface wastewater disposal system application form, provided by the Maine Department of Health & Human Services, Division of Environmental Health, exhibiting a complete subsurface wastewater disposal system design.

LPI - Local Plumbing Inspector representing the Town.

Owner – The individual(s) with legal rights and control over the property where the work occurs.

Town - The Town, acting through its authorized representative.

Project - The entire work to be performed under the contract.

Substantial Completion - The condition in which the work is complete to a point where all structures are properly installed and operational, the system can be utilized for its intended purpose, the former OBD system has been properly removed/abandoned and all disturbed areas are loamed and seeded.

## **ARTICLE 2: Intent and Correlation of the Contract Documents**

It is the intent of the Contract Documents to describe a complete project. The Contractor shall furnish all Labor, Material, Tools, Transportation, Insurance, and Incidentals which are reasonably required to construct and complete the project. The plans, or HHE-200 Forms, including all revisions, completed Bid Proposal Form, Executed Contract Agreement, the General Conditions of the Contract, General Construction Specifications for Septic Systems, the OBD System Abandonment Procedures and Abandonment Certification fact sheet, and the Change Order Form comprise the Contract Documents.

Should the Contractor discover any error, omission, or inconsistency in the Contract Documents which would require additional costs above that shown in the bid, he shall notify the Owner at least twenty-four hours before the bids are opened. Should errors, omissions, inconsistencies, or differing site conditions be discovered after contract award, then the Owner shall be promptly notified and affected work suspended until a resolution is found. In the event that there is a conflict between requirements of the plans and specifications, the more stringent requirement will be followed.

### **ARTICLE 3: Permits, Laws, and Regulations**

The Owner will apply for and obtain the Plumbing Permit, DEP permits, including Permit By Rule Notification and Highway Opening Permits. The Owner will also secure all required easements for the project. The Contractor is responsible for obtaining all other permits.

It is the responsibility of the Contractor to comply with all laws, regulations, and permit conditions in constructing the project, including safety regulations. If the Contractor discovers that the Contract Documents conflict with any laws, regulations, or permit conditions, he shall promptly notify the Owner. In addition, if the Contractor's proposed construction methods require it, it shall be his responsibility to obtain any variances or permit modifications required.

### **ARTICLE 4: Inspection of the Work**

The Contractor shall permit access to the site and work to representatives of the Owner and DEP at all times. Before covering the work, the Contractor shall give timely notice to the Owner and LPI that the work is ready for inspection. The work shall not be covered until it has been inspected and certified on the HHE 200 Form by the LPI and/or designated inspector of the Town. Should the work be covered without approval of the Owner and LPI, it must be uncovered for inspection at the Contractor's expense.

If the LPI or the Owner determines that the work is not in compliance with the Contract Documents, then it must be corrected to the satisfaction of the LPI, Owner, and DEP at the Contractor's expense.

### **ARTICLE 5: Changes in the Work**

The Owner may request changes, increases, or decreases of the work without invalidating the original agreement. Any changes involving a change in the contract price or time must be authorized by a change order executed by the Contractor, Owner, and DEP.

If the Contractor, in performing the work, discovers conditions which could not reasonably have been anticipated from inspection of the site and examination of the contract documents, including the need for ledge removal by blasting, he shall notify the Owner promptly, and a change order shall be negotiated before proceeding further.

## **ARTICLE 6: Contract Termination**

Should the Contractor fail to complete the work within the time frame specified in the contract and any time extension change orders, or not in conformance with the Contract Documents, the Owner may, after giving written notice to the Contractor, terminate the contract and arrange for the work to be completed by others. The cost of any uncompleted work will be deducted from the contract amount.

## **ARTICLE 7: Payments**

The Owner shall pay 90% of the contract cost when the work is substantially complete, and inspected and approved by the LPI/Town. The Owner may request that the Contractor provide evidence that all payrolls, suppliers, and subcontractors have been paid before 90% payment is made. Final payment shall be made at final completion of the finished project provided that the Contractor has submitted evidence that all payrolls, suppliers, and subcontractors have been paid. The making and acceptance of final payment shall constitute a waiver of all claims by the Owner except those arising from unsettled liens, faulty work or claims under the one year warranty, and all claims by the Contractor, except those previously made and unsettled.

For contracts exceeding one month, monthly progress payments may be requested once construction has started.

## **ARTICLE 8: Contractors Insurance**

The Contractor shall maintain in force for the duration of the project Public Liability and Property Damage Insurance that shall protect the Contractor from claims and damages arising from operation under this Contract.

The minimum amount of coverage shall be as is customary for the work to be performed and shall provide complete indemnification of the Town for the Contractor's work. In addition, Workman's Compensation shall be maintained by the Contractor if required by Maine Law.

The Contractor may be required to provide insurance certificates.

## **ARTICLE 9: Warranty**

The Contractor shall warranty all work performed under the contract against defects in workmanship and materials for a period of one year from the date of final completion. During the warrantee period, the Contractor shall promptly repair all such defects at no cost to the Owner.

## **ARTICLE 10: Disputes**

Disputes between the Owner and Contractor which cannot be resolved by the DEP shall be settled by litigation.