



DAVID A. NICE Builders, Inc.

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SUBCONTRACTOR PROCEDURES PACKET

Section 1	Insurance requirements
Section 2	Safety Standards
Section 3	Legal Information
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These procedures and guidelines should be read thoroughly. They have been established to expedite the processing of subcontracts, insurance certificate submissions, change orders, invoices and payments. They are meant to benefit both parties.

SECTION 1 INSURANCE REQUIREMENTS

David A. Nice Builders requires all subcontractors to meet the following minimum limitations of insurance. Before proceeding on our jobsite, a current Certificate of Insurance must be received in our office by regular mail, email or fax (757-566-4686).

Note – Our client contract shall govern Insurance Requirements should the requirements in the contract between us and the owner be higher than those stated below. Should that be the case, those requirements will be outlined in the subcontract.

1. A.M.Best Rating- Carriers must have a rating of A- or better
2. Additional Insured Wording; David A. Nice Builders, Inc. must be listed as an Additional Insured under the General Liability policy. Subcontractors are required to provide a certificate of insurance with the specific language shown below which will cover them for ALL subcontracts issued by David A. Nice Builders, Inc. The Certificate of Insurance must contain the following language and copies of all endorsements and additional insured forms must be attached. Simply checking the additional insured box is not acceptable.

“David A. Nice Builders, Inc. is included as additionally insured for General Liability for all work which is under a written and dated contract and issued during the dates of effective coverage of this certificate and includes a waiver of subrogation in favor of David A. Nice Builders”
3. Workers’ Compensation and Employers’ Liability Insurance complying with the laws of the state in which the work is to be performed or elsewhere as may be required.
 - a) Workers’ Compensation Coverage: Statutory Requirements
 - b) Employers’ Liability Limit Not Less Than:

Bodily Injury by Accident:	\$500,000 Each Accident
Bodily Injury by Disease:	\$500,000 Each Employee
Bodily Injury by Disease:	\$500,000 Policy Limit
4. Commercial General Liability Insurance including:
 - a) General Aggregate \$2,000,000
 - b) Products - Completed Operations/Aggregate \$2,000,000
 - c) Personal and Advertising Injury \$1,000,000
 - d) Each Occurrence \$1,000,000
 - e) Fire Damage (any one fire) \$ 100,000
 - f) Medical Expense (any one person) \$ 5,000

NOTE: Coverage must be primary and non-contributory

5. Automobile Liability including:
 - a) Owned Vehicles
 - b) Hired Vehicle
 - c) Nonowned Vehicles
 Bodily Injury and Property Damage Liability \$1,000,000 Per Accident
6. Umbrella Excess Liability:

Minimum Limit	\$1,000,000
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7. Property Insurance including: “Special cause of loss “for materials and equipment owned by subcontractor.

If your firm does not meet the requirements outlined above, kindly have your policy limits adjusted and provide a new Certificate of Insurance. If you are a sole-proprietor and not required to carry workman's compensation insurance, we require an affidavit or similar statement on your firm's letterhead stating your company's status of sole-proprietorship and confirming that no work shall be performed by anyone other than yourself on our job sites. **Your Insurance Certificates MAY NOT contain a “Residential Exclusion”.**

SECTION 2 SAFETY STANDARDS

The nature of our work involves many potentially dangerous operations which, if not properly controlled, may cause serious injury, illness, and possibly death. Proper control of safety and health hazards in order to avoid injuries and illnesses is the responsibility of everyone on the job site. You and your firm are responsible for ensuring a safe and healthful workplace. To accomplish this, you must provide the proper working environment, machines, tools, and training.

The Subcontractor agrees to perform all work within the guidelines set forth by OSHA and all state and local rules and regulations regarding employee safety and agrees:

- To ensure your workmen keep their work area clean of debris at all times and leave a neat work area at the end of each workday.
- To ensure all electric cords and tools will have proper ground plugs with no frayed wires or ends. Damaged cords will be removed immediately.
- To ensure all scaffolding and ladders conform to OSHA guidelines, i.e. walk-boards, railings, restraints, toe boards, uplift pins, bases, etc.
- To ensure ALL HAZARDOUS WASTE PRODUCTS (paint cleaners, strippers, chemicals, etc.) are properly labeled. If put into other than original container, the container must be clearly labeled. Material Safety Data Sheets (MSDS) must be on site prior to use and in the possession of our Superintendent and readily available at all times.
- To ensure all power equipment and vehicles are properly designed and maintained for maximum safety. All equipment, tools, and vehicles used must meet applicable safety codes and standards.
- To ensure proper work clothing and personal protective equipment are available and worn. Providing hard hats, safety glasses, work gloves, steel toe shoes, dust masks/respirators, back support belts, ear plugs, and a first aid kit is your company's responsibility to your personnel. This project will adhere to all personnel wearing hard hats, long trousers, shirts with 4" minimum sleeves and hard soled shoes, no shorts or tennis shoes.
- Applicable subcontractors must use adequate control over ignition source.
- Applicable subcontractors must ensure fire watch when welding etc., in high risk areas
- Lock-out/tag-out procedures must be enforced per OSHA 29 CFR 1910.147.

Please remember that safety is everyone's responsibility. Do not let the above provisions limit you in your responsibility to keep a safe and clean work environment. David A. Nice Builders, Inc. requires all subcontractors to follow these safety guidelines at all times on each of our job sites. A safety log shall be signed by your on-site employees provided by our site superintendent prior to working on site. Weekly job-site “toolbox” meetings will be held to discuss safety issues and discuss special evolutions. All project personnel shall attend these meetings. A copy of David Nice Builders' safety manual will be available on site and you may obtain a copy of the manual from the site superintendent of from our main office.

If some unforeseen accident should occur while any employee(s) of my company, or me, are on the job site of David A. Nice Builders, Inc., I will not hold David A. Nice Builders, Inc. responsible in any way.

SECTION 4 LEGAL PAPERWORK SUBCONTRACT AGREEMENT REQUIREMENTS

Prior to the start of any work, a Subcontract Agreement will be issued by the Project Manager from David Nice Builders office. This Subcontract Agreement must be signed and returned to our office **BEFORE** any work is begun on the job. Please give a copy of the fully executed contract to your superintendent or job foreman to keep with him at all times. Your superintendent must also bring the contract to the pre-construction meeting on all of our jobs.

- All subcontractors must hold a valid current Contractor's License and send in a copy for our records
- All invoices must also clearly state an INVOICE NUMBER and DATE to be considered valid.
- When submitting invoices, your mailing address, phone number, fax number, and Subcontract Agreement number must be on the invoice.

A Change Order to the subcontract agreement is also required for any changes to the original contract amount. This Change Order must come from the Project Manager or authorized office personnel. **The Superintendent onsite is NOT permitted to authorize Change Orders or any additional work.** We will NOT sign your change order, nor will we pay for any change orders that do not have the appropriate signatures or Project Manager Authorization.

SECTION 5 PAYMENT PROCEDURES

All subcontractor invoices are required to include a labor and material breakdown. Please designate one line on the invoice to show the total labor cost and one line for total material. Payments are made 30 days from the date of receipt of the original invoice. To expedite payments and streamline our accounting procedure, we disburse funds twice monthly on the 10th and 25th of the month. Therefore payment will be disbursed in 30 days closest to either the 10th or 25th. Please bill promptly or immediately upon completion of the work to expedite receipt of payment.

Subcontractors that offer at least a 5% discount shall be paid on the pay run following the date of receipt of their invoice, provided the invoice must be received 10 days prior to the date of the pay run.

The following conditions will PREVENT payment:

Lack of a signed and fully executed subcontract agreement

Lack of an original invoice – We cannot pay from a faxed invoice

Lack of a valid Certificate of Insurance on file

Lack of a Federal Identification or Social Security number

Incorrect or incomplete address and phone numbers

Lack of subcontract number referenced on invoice

Lack of properly authorized and signed change orders

Subcontractor's failure to provide closeout documents such as warranties, extra stock materials, as-built drawings, operation and maintenance manuals, air balance reports, etc.

It is our goal to pay promptly and accurately. If our office has all of the above information, payment will be made on the applicable accounts payable run as outlined above. Thank you for your cooperation.

If you have any questions, you may contact our office between the hours of 9:00 am and 4:00 pm Monday through Friday and ask for Gayle Graves, Accounts Payable Manager.

Direct Vendor Payment & Two Party Checks: Any subcontractor requesting or requiring David A. Nice Builders make payments to their suppliers or vendors on their behalf, will incur an administrative processing charge of \$50.00 per invoice.

SECTION 6 LIEN WAIVER REQUIREMENTS

Lien waivers are required for all projects, and the client requirements vary from job to job. Certain clients require INTERIM WAIVERS be provided with each payment, while others will accept a FINAL WAIVER OF LIEN at project completion. At final payment, all subcontractors are required to provide our office with two fully executed and notarized final lien waivers. Multiple originals are usually required for submission to both our client and their landlord. By executing the subcontract agreement, you agree to provide the required number of waivers at final payment.

If interim waivers are required, one will be sent with your payment. Please make a copy, have both original documents signed by an officer of your company, notarized and returned to our office immediately! Additional payments will not be made until previously issued waivers have been completed, returned and accepted.

Two copies of the project specific final lien waiver will be mailed with your last payment. This must be signed, notarized and returned to our office as quickly as possible in the envelope provided.

SECTION 7 RULES & REGULATIONS

Subcontractors are expected to meet a 40 man hour work schedule and Saturdays are available for make up time as needed.

It is required that all subcontractors check in and off the site with the Superintendent each and every day.

All subcontractors are to turn in to the job superintendent copies of all weekly safety meeting notes and minutes and minutes as well as daily reports on the progress of the job covering man power, work accomplished and noting any obstacles to production and how resolved.

David A. Nice Builders has zero tolerance for vulgar language, workplace violence and substance abuse. Violation of this can result in suspension of work and possible termination of the contract.