

House Agreement

Vendor Contracting Requirements

Responsible Committee: Finance & Administration

Adopted: July 15, 2018

Last reviewed: July 10, 2020

Various HOA Committees may need to contract for outside services to accomplish program plans.

Please be alert to these requirements as you discuss the terms of engagement with any prospective vendor.

- All PDXC HOA contracts are currently required to be signed by two (2) HOA officers.
- Vendors must be hired as independent contractors; no one is to be hired as, or perceived to be hired as, an employee of the HOA. For example, a vendor is registered in the State as a business and we contract with the business, not with an individual. You can search for a registered business:
http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.login
- Vendors/contractors in the construction and landscaping trades must be licensed. See attached list from the State websites identifying trades licensed by the construction contractors board or landscape contractors board.
- The engagement paperwork should define the job to be accomplished and the terms of payment. If a contract is not a firm bid for specified work, then please have a “Not To Exceed” dollar clause that tells the vendor that s/he must return to discuss the work that will cause the limit to be exceeded, and upon discussion establish a revised “Not to Exceed” contract amount.
- Vendors must send the HOA Office a W-9 upon first engagement to assure prompt payment upon presentation of initial invoice for work completed.
- Insurance. Construction, Landscaping, Housekeeping and both indoor and outdoor Maintenance Contractors must provide, at minimum, the following coverages and limits:
 - General Liability (GL), \$1 million.
 - Workers’ Compensation, unless the contractor is a Sole Proprietor and has no employees.

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PDX Commons Owners' Association must be named as an "Additional Insured" on the GL policy for jobs greater than \$5,000; that designation must be made **by the insurance company** and certified to us by them; the remaining coverages can be documented to PDX Commons by a "Certificate of Insurance."

HOA contracts for professional services and/or consultations that are group process/community building, legal, financial, or medical in nature, may require additional professional coverages but the above-named insurances are not.

These contracting requirements are compiled from discussions with ABI (our PDXC HOA insurance broker) and from Risk Management/How Community Associations Protect Themselves, a book in our HOA Office.

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Attachment: "Who needs a license?" web pages from
<http://www.oregon.gov/CCB/licensing/Pages/whoneedslicense.aspx> (for construction contractors) <http://www.oregon.gov/LCB/Pages/licensing.aspx> (for landscape contractors)

Who needs a construction contractor license?

Work that requires a license

Anyone who works for compensation in any construction activity involving improvements to real property needs a license. Examples include:

- Roofing
- Siding
- Painting
- Carpentry
- Floor covering
- Concrete
- Heating
- Air conditioning
- Electrical
- Plumbing
- Tree servicing
- Repair of attached appliances (ORS 701.005 (5)(a))
- Manufactured dwelling installation
- Land development
- Home inspection
- Most construction and repair services

Work that does not require a license

Examples include:

- Gutter cleaning
- Power and pressure washing for the purpose of cleaning (siding, sidewalks, etc.)
- Debris clean up (yard or construction site)
- Qualified real estate property managers managing a building under a property management agreement. [Learn more.](#)

More information: [ORS 701](#), [OAR 812](#)

TWO licenses are required to do landscaping work in Oregon: the individual landscape construction professional license and the landscape contracting business license.

What is a licensed landscape construction professional? A landscape construction professional is an individual who has passed the competency examination and is licensed to provide services as an employee or owner of a licensed landscape contracting business. These services include the planning and installing of lawns, shrubs, vines, trees or nursery stock including the preparation of the property on which the plantings are to be installed, the construction and repair of ornamental water features, drainage systems and irrigation systems; and planning and installing fences, decks, arbors, driveways, walkways, patios, landscape edging and retaining walls.

A landscape construction professional also supervises unlicensed employees of licensed landscape contracting businesses.

The cost for a landscape construction professional license is: \$100 **application** fee (The Probationary license application fee is \$75). \$100 initial license fee (This is the annual fee).

SUPERVISORY RESPONSIBILITIES: A licensed landscape construction professional whose phase of license is the basis of the landscape contracting business license must perform the following supervisory services:

1. Review and initial the landscape plan and written contract for each job;
2. Directly supervise all non-licensed employees employed by the landscape contracting business.
3. Attend all on-site meetings and appear at any hearings that are a consequence of any claims filed against the landscape contracting business that relate to the landscape construction professional's phase of license.

A landscape contracting business license is granted to an entity that meets the requirements (see below) of law to contract for landscape work in the State of Oregon. This entity is considered "the contractor" and has the ability to enter into contracts with the public. This license is required for all landscape contracting businesses even if the business is a sole proprietor.

TWO licenses are required to do landscaping work in Oregon: the individual landscape construction professional license and the landscape contracting business license. Each landscape contracting business must employ at least one individual landscape construction professional to supervise the activities of the business and directly supervise all unlicensed employees that are performing landscape work for the business. The landscape contracting business may offer and/or perform those phases of landscape work for which its employed landscape construction professionals are licensed.

Requirements for a Landscape Contracting Business License:

- **Application Fee: \$150**
- **License Fee: \$275**
- **Business name** that is registered with the State Corporation Division including ABN's if applicable. The only exception to this requirement is a sole proprietorship that is named

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exactly in the name of the business owner, e.g. John P. Smith Landscaping owned by John P. Smith.

- **List of all owners** including percentage of ownership. Sole proprietorships can only have one owner in Oregon, a non-community state.
- **The list of licensed landscape construction professionals**, including yourself if applicable, who will be supervising the activities of the landscape contracting business and will directly supervise any unlicensed employees of the business performing landscape work.
- **Managing employee** If the owner is NOT a licensed landscape construction professional then the business must have a designated employee who is actively involved in the day to day operations of the business take a 16 hour course and pass an examination on the Laws, Rules and Business Practices for a landscape contracting business.
- **Tax identification numbers** such as: Federal Tax Identification Number, State Identification Number, Corporate Registry Number, etc.
- **Certificate of liability insurance** for a minimum of \$500,000.
- **Surety bond** (or other accepted surety).
- **\$3,000 surety** if performing projects \$10,000 or less. **\$10,000 surety** if projects are more than \$10,000 and less than \$25,000. **\$15,000 surety** if the projects are more than \$25,000, but less than \$50,000 or the business is a probationary business. **\$20,000 surety** if the projects are \$50,000 or more.
- **Workers compensation**, if applicable.
- **Independent contractor certification** stating the business meets the independent contractor requirements of ORS 670.600.
- **Licensing and litigation history** which provides information about previous licenses and any outstanding orders, unpaid judgments or penalties in Oregon or other states.
- **Criminal background** indicating any felony convictions of the owners.
- **Employee verification form** which verifies the licensed landscape construction professional understands the supervisory requirements.
- **Signature**
<http://www.oregon.gov/LCB/pages/licensing.aspx#section0>