



North Carolina
Department of Commerce
Division of Community Assistance

Michael F. Easley, Governor
James T. Fain III, Secretary

Gloria Nance-Sims, Director

BULLETIN: 08-1
SUBJECT: Legal Remedies Provision
DATE: August 1, 2008
ATTENTION: All CDBG Recipients

The purpose of this bulletin is to address the Legal Remedies Provisions in construction contracts \$100,000.00 and over. As stated in 24 CFR Part 85.36, contracts other than small purchases shall contain provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. Legal remedies as outlined, must be included in contracts.

The Legal Remedies Provision, under construction contracts of \$100,000.00 or more, was inadvertently omitted on the chart for Types of Contracts and Contract Provisions located in the Division of Community Assistance (DCA's) technical assistance manual. The Legal Remedies Provision is required. Attached is a corrected Type of Contracts and Contract Provision Chart for your use as a tool. Please note however that 24 CFR Part 85.36 should be followed.

If you have questions, please contact your grant representative.

Attachment

Issued By:

Gloria Nance-Sims
Gloria Nance-Sims
Director

Date

July 29, 2008

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