



# Specially Adapted Housing (SAH) Program Builder Informational Series

A close-up, black and white photograph of a power drill being used on a wooden surface. The drill is positioned vertically, and the bit is in contact with the wood. The background is blurred, showing a person's hand wearing a work glove. The image is overlaid with a semi-transparent white banner containing the text 'SAH Builder VA Contract Requirements'.

## SAH Builder VA Contract Requirements

# VA Contract Requirements for SAH Construction Projects

As a builder participating in the SAH program, it is important that you are familiar with VA contract requirements.

The contract and other construction documents must meet VA requirements to:

- help the Veteran receive final grant approval,
- allow construction to begin in a timely manner, and
- ensure that the Veteran can enjoy their new or adapted home as soon as possible.



# The SAH Construction Project Contract: An Overview



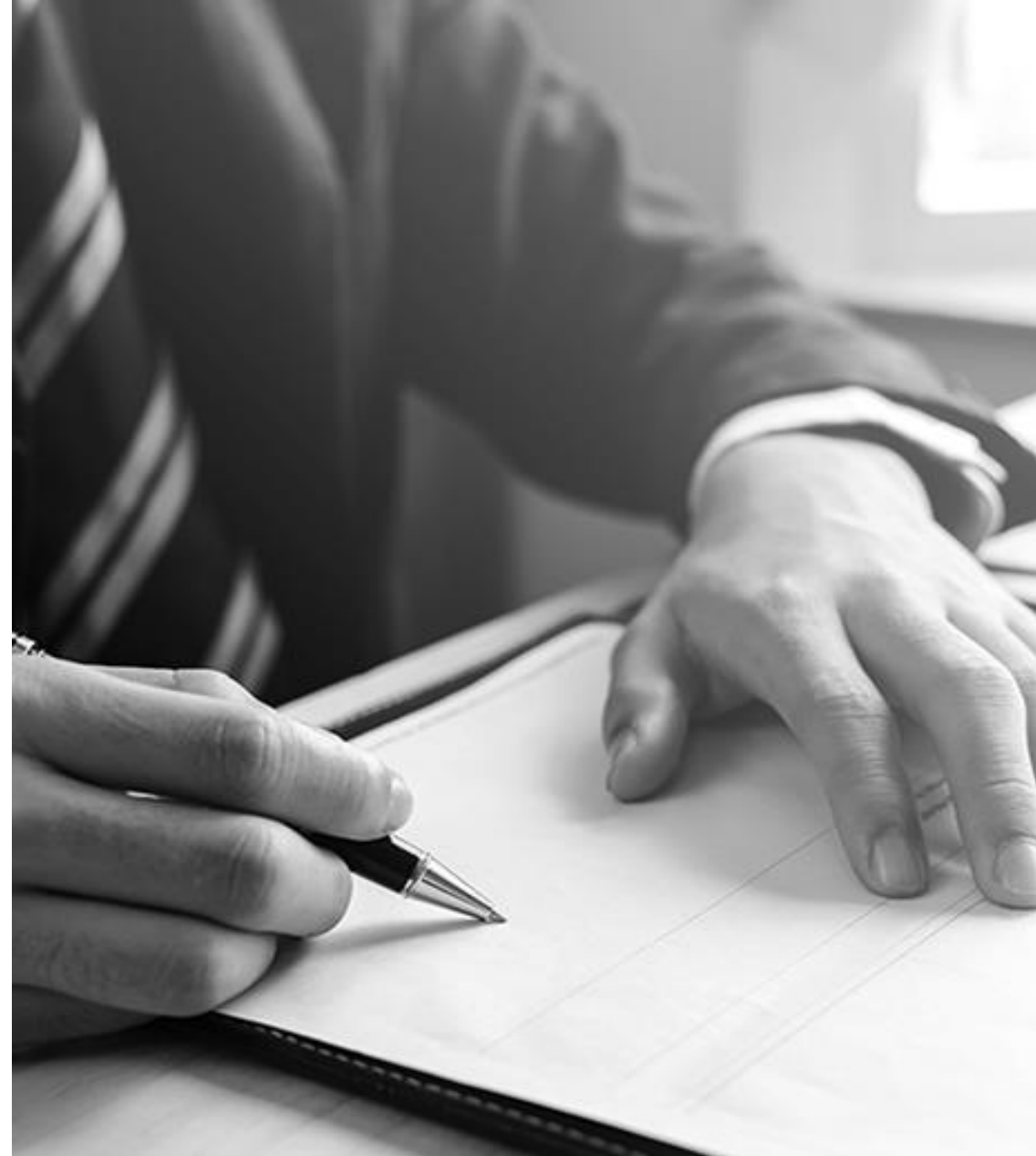
The contract is the legal agreement between the **Veteran** and you as **the builder**. VA is not a party to the construction agreement.



VA is, however, the final approving authority of all SAH grants and **construction may not begin** until **final grant approval** and authorization has been given by the Regional Loan Center (RLC) of jurisdiction.



The contract is the **most important communication tool** between you and the Veteran. It should identify all project expectations to help avoid misunderstandings.



# Required Contract Components

Although the contract is negotiated between you and the Veteran, VA does have certain requirements. You must provide a **fixed-price contract** that includes the following components:

- The **parties** to the contract and specified roles
- The **address** of the subject property
- A **reference** to specific **plans and specifications**
- The **terms** and **cost** of the project
- A **scope** of work
- **Signatures** of all parties and the **dates** of signatures
- **VA conditions:**
  - Escape Clause
  - Compliance Inspection Acknowledgment
  - Change Order Acknowledgment
  - Construction Start Date Acknowledgment
  - Warranty
  - VA Builder Certification

*You are encouraged to utilize a contract format that may combine the description of materials, terms and cost of the project, and a scope of work.*

# Required Contract Components: A Closer Look (1 of 6)

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There is not a specific VA form that you must use for your contract. You must, however, ensure that your contract contains the required components.

## Contract Components

- **The parties to the contract and specified roles**
  - Include all parties to the contract and their role.
    - *(... contract between Party 1 “Veteran” and Party 2 “Contractor”...)*
- **The address of the subject property**
  - Include the location where the construction will be completed.
    - *Be sure to include the city, state, and zip code. Providing the legal description is optional.*
- **A reference to specific plans and specifications**
  - To ensure that you and the Veteran are in total agreement regarding the proposal as a whole, the contract must incorporate by reference, the final signed and dated version of the plans and specifications approved by VA. It is sufficient to reference the plans and specifications by date or version number, so long as it is clearly visible on the documents.

# Required Contract Components: A Closer Look (2 of 6)

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Ensure that your contract contains the required components.

## Contract Components

- **The terms and cost of the project**
  - The fixed-price cost for the project must be included.
- **A scope of work**
  - The scope of work is considered part of the contractual agreement between you and the Veteran. The scope of work:
    - must contain a **clear description of proposed adaptations, separated by location** within the home.
    - must be **consistent with all contractual documents** submitted.
      - Example of **sufficient** scope of work line item:
        - *Master Bedroom – Install 36” wide entry door (model # abc, with hardware chosen by Veteran); replace existing carpet with non-slip ceramic tile (model #abc); install 36” wide emergency exit door (model #abc with hardware to be chosen by Veteran), with ½” threshold. The exit door will lead to an exterior broom swept concrete landing platform level with the interior grade.*
      - Example of **insufficient** scope of work line item:
        - *Install cabinets in handicap bathroom.*

# Required Contract Components: A Closer Look (3 of 6)

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Ensure that your contract contains the required components.

## Contract Components

- **The signatures of all parties and the dates of signatures**
  - Ensure that all parties sign and date the contract. If a contract addendum is utilized to incorporate any VA conditions, it must be signed and dated by you and the Veteran.
- **VA conditions**
  - The following conditions must be included in the contract or in an addendum (these are VA verbatim language references that must be included as shown):
    - **Escape Clause**
      - Must be included exactly as shown:
        - *“This contract is conditioned in its entirety upon the Veteran receiving a grant under Title 38 U.S.C. Chapter 21 and if this Veteran does not receive this grant, this contract is null and void and any and all monies will be returned without exception.”*

# Required Contract Components: A Closer Look (4 of 6)

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Ensure that your contract contains the required components.

## Contract Components

- **VA conditions, continued**

- The following conditions must be included **in the contract or in an addendum**:

- **Compliance Inspection Acknowledgment**

- Must be included exactly as shown:

- *“Upon grant approval, both parties agree that the construction of specially adapted features will be subject to VA compliance inspection(s) to assure conformity with the approved plans and specifications, to include a final field review by VA personnel. If payments are to be made subject to a disbursement schedule, a minimum 20 percent holdback of grant funds is required and will only be released subject to satisfactory completion of the final field review. These inspections are not to be substituted for local building permit inspections.”*



# Required Contract Components: A Closer Look (5 of 6)

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Ensure that your contract contains the required components.

## Contract Components

- **VA conditions, continued**

- The following conditions must be included in the contract or in an addendum:

- **Change Order Acknowledgment**

- Must be included exactly as shown:

- *“Substitutions or deviations to the plans and specifications must be approved by VA in advance. The builder and the Veteran must request approval of any substitutions and deviations using a change order. The change(s) and any monetary effect on the original contract must be clearly shown. Failure to obtain approval by VA for substitutions and deviations in advance may result in construction delays, payment delays, and/or disputes between parties.”*

- **Construction Start Date Acknowledgement**

- Must be included exactly as shown:

- *“Construction may not begin until VA has provided authorization. The construction will be completed approximately \_\_\_\_ days after the construction start date.”*

# Required Contract Components: A Closer Look (6 of 6)

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Ensure that your contract contains the required components.

## Contract Components

- **VA conditions, continued**

- The following conditions must be included in the contract or in an addendum:

- **Warranty**

- As the builder, you must provide a 1-year warranty from the date of final construction completion.

- **VA Builder Certification**

- Must be included exactly as shown:

- *“I certify that the construction exhibits for [the property address] meet all local code requirements and are in substantial conformity with both SAH and VA Minimum Property Requirements, and all building standards as required by VA. I also certify that all applicable permits required by the local building authority will be obtained prior to commencement of construction, and all required permit construction inspections will be satisfactorily completed per local build authority requirements.”*

# Important Reminder!

After final grant approval, any changes to the elements specified in the original contract must be accompanied by a change order and any associated contractual documents, signed by all parties. All changes subject to VA approval.

# Key Points

Ensuring that your contract and other construction documents contain the required information and are all consistent is one of the most important ways to keep your SAH construction project on track.

Be sure your contract includes:

- the parties to the contract and specified roles,
- the address of the subject property,
- a reference to specific plans and specifications,
- the terms and cost of the project,
- a scope of work,
- signatures of all parties and the dates of signatures, and
- required VA conditions.



## How to Learn More...

You can learn more about the SAH program and the builder-specific requirements for participating in this meaningful program, including Minimum Property Requirements (MPRs), plans, and specifications, by checking out the other titles in our Builder Informational Series.