

# AGREEMENT

**THIS AGREEMENT** is dated June 28, 2023 for reference purposes only and is made in the City of Redondo Beach, County of Los Angeles, State of California, by and between **BEACH CITIES HEALTH DISTRICT** ("District") and **[CONTRACTOR]** ("Contractor").

**WITNESSETH**, that the District and the Contractor in consideration of the mutual covenants contained herein agree as follows:

1. **The Work.** Within the Contract Time and for the Contract Sum, subject to adjustments thereto pursuant to the Contract, the Contractor shall perform and provide all necessary labor, materials, tools, equipment, utilities, services and transportation to complete in a workmanlike manner all of the Work required in connection with the work of improvement commonly referred to as:

## DIAMOND STREET BIKE PATH PROJECT

Contractor shall complete all Work covered by the Contract, including without limitation, the Drawings and Specifications prepared by the Architect and other Contract documents enumerated in Article 5 below, along with all modifications and addenda thereto, in strict accordance with the Contract.

2. **Contract Time.** The Work shall be commenced on the date stated in the District's Notice to Proceed; the Contractor shall achieve Substantial Completion of the Work within the Contract Time set forth in the Contract.
3. **Contract Price.** The District shall pay the Contractor as full consideration for the Contractor's full, complete and faithful performance of the Contractor's obligations under the Contract, subject to adjustments of the Contract Price in accordance with the Contract, the Contract Price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). The Contract Price is based upon the Contractor's Base Bid Proposal and the following Alternate Bid Items, if any: **NO ALTERNATE BID PROPOSALS**

The District's payment of the Contract Price shall be in accordance with the Contract.

4. **Liquidated Damages.** If the Contractor fails to achieve Substantial Completion of the Work within the Contract Time, or fails to achieve a Milestone as set forth in the Special Conditions, including adjustments thereto authorized by the Contract, the Contractor shall be subject to Liquidated Damages in accordance with the Contract.
5. **The Contract.** The documents forming a part of the Contract consist of the following, all of which are component parts of the Contract.

Notice to Contractors Calling For Bids  
 Instructions For Bidders  
 Bid Proposal  
 Subcontractors List  
 Non-Collusion Affidavit  
 Bid Bond  
 DVBE Participation Goal/Certification Agreement

Performance Bond  
 Labor and Materials Payment Bond  
 Drug-Free Workplace Certification  
 Certificate of Workers Compensation Insurance  
 General Conditions  
 Special Conditions  
 Guarantee

**Authority to Execute.** The individual(s) executing this Agreement on behalf of the Contractor is/are duly and fully authorized to execute this Agreement on behalf of Contractor and to bind the Contractor to each and every term, condition and covenant of the Contract Documents.

**CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, P.O. BOX 2600, SACRAMENTO, CALIFORNIA 95826.**

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the District and the Contractor as of the date set forth above.

**“DISTRICT”  
BEACH CITIES HEALTH DISTRICT**

**“CONTRACTOR”  
[CONTRACTOR NAME]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Beach Cities Health District Board of Directors Approval Date:

June 28, 2023



**LABOR AND MATERIAL PAYMENT BOND**  
**(Note: Contractor must use this form, NOT a surety company form.)**  
**Civil Code § 9554**

**KNOW ALL MEN BY THESE PRESENTS** that we, \_\_\_\_\_  
as Principal, and \_\_\_\_\_ as  
Surety, are held and firmly bound unto **BEACH CITIES HEALTH DISTRICT** hereinafter "the Obligee",  
in the penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) in lawful money  
of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators,  
successors and assigns, jointly and severally.

**THE CONDITION OF THIS OBLIGATION IS SUCH THAT:**

**WHEREAS**, the Obligee, by action of its Board of Directors, has awarded to the Principal a  
Contract for the Work described as **DIAMOND STREET BIKE PATH PROJECT**.

**WHEREAS**, the Principal, has entered into an Agreement with the Obligee for performance of  
the Work; the Agreement and all of its terms and conditions are incorporated herein by this reference  
and made a part hereof.

**WHEREAS**, by the terms of the Contract Documents, the Principal is required to furnish a bond  
for the prompt, full and faithful payment to any Claimant, as hereinafter defined, for all labor materials  
or services used, or reasonably required for use, in the performance of the Work.

**NOW THEREFORE**, if the Principal shall promptly, fully and faithfully make payment to any  
Claimant for all labor, materials or services used or reasonably required for use in the performance of  
the Work then this obligation shall be void; otherwise, it shall be, and remain, in full force and effect.

The term "Claimant" shall refer to any person, corporation, partnership, proprietorship or other  
entity including without limitation, all persons and entities described in California Civil Code section  
9100, providing or furnishing labor, materials or services used or reasonably required for use in the  
performance of the Work under the Contract Documents, without regard for whether such labor,  
materials or services were sold, leased or rented. This Bond shall inure to the benefit of all Claimants  
so as to give them, or their assigns and successors, a right of action upon this Bond.

In the event that suit is brought on this Bond by any Claimant for amounts due such Claimant  
for labor, materials or services provided or furnished by such Claimant, the Surety shall pay for the  
same and reasonable attorneys' fees pursuant to California Civil Code section 9564.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time,  
alteration, deletion, addition, or any other modification to the terms of the Contract Documents, the Work  
to be performed thereunder, the Specifications or the Drawings, or any other portion of the Contract  
Documents, shall in any way limit, restrict or otherwise affect its obligations under this Bond; the Surety  
hereby waives notice from the Obligee of any such change, extension of time, alteration, deletion,  
addition or other modification to the Contract Documents, the Work to be performed under the Contract  
Documents, the Drawings or the Specifications of any other portion of the Contract Documents.

**IN WITNESS WHEREOF**, the Principal and Surety have executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by their duly authorized agent or representative.

**Principal**

**Surety**

\_\_\_\_\_  
(Name of Principal)

\_\_\_\_\_  
(Name of Surety)

\_\_\_\_\_  
(Signature of Person with Authority)

\_\_\_\_\_  
(Signature of Person with Authority)

\_\_\_\_\_  
(Print Name)

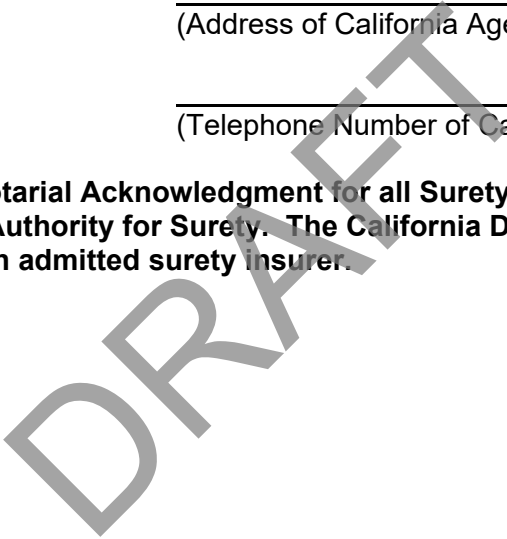
\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Name of California Agent of Surety)

\_\_\_\_\_  
(Address of California Agent of Surety)

\_\_\_\_\_  
(Telephone Number of California Agent of Surety)

**Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.**



## PERFORMANCE BOND

(Note: Contractor must use this form, NOT a surety company form.)

**KNOW ALL MEN BY THESE PRESENTS** that we, \_\_\_\_\_,  
as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto  
**BEACH CITIES HEALTH DISTRICT** hereinafter the "Obligee", in the penal sum of  
\_\_\_\_\_ Dollars (\$\_\_\_\_\_) in lawful money  
of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators,  
successors and assigns, jointly and severally.

### THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

**WHEREAS**, the Obligee, by action of its Board of Directors, has awarded to the Principal a Contract for the Work described as **DIAMOND STREET BIKE PATH PROJECT**.

**WHEREAS**, the Principal, has entered into a Contract with the Obligee for performance of the Work; the Agreement and all its terms and conditions are incorporated herein and made a part hereof by this reference.

**WHEREAS**, by the terms of the Contract, the Principal is required to furnish a bond ensuring the Principal's prompt, full and faithful performance of the Work of the Contract Documents.

**NOW THEREFORE**, if the Principal shall promptly, fully and faithfully perform each and all of the obligations and things to be done and performed by the Principal in strict accordance with the terms of the Contract as said Contract may be modified or amended from time to time; and if the Principal shall indemnify and save harmless the Obligee and all of its officers, agents and employees from any and all losses, liability and damages, claims, judgments, stop notices, costs, and fees of every description, whether imposed by law or equity, which may be incurred by the Obligee by reason of the failure or default on the part of the Principal in the performance of any or all of the terms or the obligations of the Contract, including all modifications and amendments thereto, and any warranties or guarantees required thereunder, then this obligation shall be void; otherwise, it shall be, and remain, in full force and effect.

In the event the Principal is declared by the Obligee to be in breach or default in the performance of the Contract, then, after written notice from the Obligee to the Surety, as provided for herein, the Surety shall either remedy the default or breach of the Principal or shall take charge of the Work of the Contract and complete the Contract with a Contractor other than the Principal at its own expense; provided, however, that the procedure by which the Surety undertakes to discharge its obligations under this Bond shall be subject to the advance written approval of the Obligee.

If the Surety does not proceed to cure or remedy the Principal's default(s) of its performance of the Contract with reasonable promptness, the Surety shall be deemed to be in default on this Bond twenty-one (21) calendar days after receipt of a written notice from Obligee to the Surety demanding that the Surety perform its obligations under this Bond, and the Obligee shall be entitled to enforce any remedy available to Obligee.

Within twenty-one (21) calendar days of Obligee's written notice to the Surety of the failure of performance of the Contract by the Principal, it shall be the duty of the Surety to give to the Obligee an unequivocal notice in writing of the Surety's election to remedy the default(s) of the Principal promptly, or to promptly arrange for performance of the Contract, time being of essence to this Bond. In arranging

for such performance of the Contract, Surety shall not elect to contract with the Principal for the completion of the Work of the Project without the prior written consent of Oblige, which consent will not be unreasonably withheld. In said Notice of Election, the Surety shall state the date of commencement of its cure or remedy of the Principal's default(s) or its performance of the Contract. The Surety's obligations for cure or remedy, include but are not limited to: correction of defective or incomplete work and completion of the Contract, additional legal, design professional and delay costs arising from Surety's actions or failure to act; and liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance by the Principal. The Surety shall give prompt written notice to the Oblige upon completion of the cure or remedy of the Principal's default(s) of its performance of the Contract.

In the event the Surety shall fail to issue its Notice of Election to Oblige within the time provided for herein above, the Oblige may thereafter cause the cure or remedy of the Principal's failure of performance or default or to complete the Work. The Principal and the Surety shall be each jointly and severally liable to the Oblige for all damages and costs sustained by the Oblige as a result of the Principal's failure of performance under the Contract Documents or default in its performance of obligations thereunder, including without limitation the costs of cure or completion exceeding the then remaining balance of the Contract Price; provided that the Surety's liability hereunder for the costs of performance, damages and other costs sustained by the Oblige upon the Principal's failure of performance under or default under the Contract Documents shall be limited to the penal sum hereof, the amount of which shall be increased to include the amount of any Changes to the Work which increase the Contract Price.

The Surety, for value received, hereby consents, stipulates and agrees absolutely and unconditionally that no change, adjustment, alteration, deletion, addition or modification to the terms of the Contract or Contract Documents, including but not limited to Contract Time or Contract Price, or the Work to be performed thereunder, shall in any way release, limit, restrict, or otherwise affect the obligations of the Surety under this Bond. Surety waives notice of any change, adjustment, alteration, deletion, addition or modification to the terms of the Contract or the Contract Documents, including but not limited to the Contract Time or Contract Price, or the Work to be performed thereunder and agrees to automatically adjust the penal sum of this Bond to reflect any adjustments of the Contract Time or Contract Price which increase the Contract Price. The Surety unconditionally and absolutely waives its entitlement, if any, to the benefits of California Civil Code §2845 concerning any security held by the District. The Surety also agrees that it shall not be exonerated or released from the obligations of this Bond, either by total exoneration or pro tanto, by any overpayment or underpayment made by the Oblige under the Contract. The Surety agrees that none of the aforementioned changes, adjustments, alterations, deletions, additions, modifications or actions shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such changes, adjustments, alterations, deletions, additions, modifications or actions.

Principal and Surety agree that if Oblige is required to engage the services of an attorney in connection with enforcement of this Bond, each shall pay Oblige's costs and reasonable attorney's fees incurred, with or without suit, in addition to the above penal sum.

The guarantees contained in this Bond survive Final Completion of the Work called for in the Contract Documents with respect to the obligations and liabilities of the Principal, which survive Final Completion of the Work. The obligations of Surety hereunder shall continue so long as any obligation of the Principal remains. Nothing herein shall limit the Oblige's rights or the Principal's or Surety's obligations under the Contract, law or equity, including without limitation California Code of Civil Procedure section 337.15.

Any claims under this bond may be addressed to the Surety at the following address. This cannot be the Contractor's broker for this bond, but must be an employee of the Surety or the Surety's legal counsel:

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Telephone No.: (\_\_\_\_) \_\_\_\_ - \_\_\_\_\_

Fax No.: (\_\_\_\_) \_\_\_\_ - \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Principal and Surety have executed this instrument this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by their duly authorized agent or representative.

**Principal**

**Surety**

\_\_\_\_\_  
(Name of Principal)

\_\_\_\_\_  
(Name of Surety)

\_\_\_\_\_  
(Signature of Person with Authority)

\_\_\_\_\_  
(Signature of Person with Authority)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Name of California Agent of Surety)

\_\_\_\_\_  
(Address of California Agent of Surety)

\_\_\_\_\_  
(Telephone Number of California Agent of Surety)

**Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.**

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DRAFT



# CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

**PROJECT: DIAMOND STREET BIKE PATH PROJECT**

I, \_\_\_\_\_ the \_\_\_\_\_ of  
(Name) (Title)

\_\_\_\_\_, declare, state and certify that:  
(Contractor Name)

1. I am aware that California Labor Code section 3700(a) and (b) provides:

"Every employer except the state shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this state.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees."

2. I am aware that the provisions of California Labor Code section 3700 require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of this Contract.

\_\_\_\_\_  
(Contractor Name)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed or printed name)

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DRAFT

## DRUG-FREE WORKPLACE CERTIFICATION

**PROJECT: DIAMOND STREET BIKE PATH PROJECT**

I, \_\_\_\_\_, am the \_\_\_\_\_ of  
(Print Name) (Title)

\_\_\_\_\_. I declare, state and certify to all of the following:  
(Contractor Name).

1. I am aware of the provisions and requirements of California Government Code §§8350 et seq., the Drug Free Workplace Act of 1990.
2. I am authorized to certify, and do certify, on behalf of Contractor that a drug free workplace will be provided by Contractor by doing all of the following:
  - A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in Contractor's workplace and specifying actions which will be taken against employees for violation of the prohibition;
  - B. Establishing a drug-free awareness program to inform employees about all of the following:
    - i. The dangers of drug abuse in the workplace;
    - ii. Contractor's policy of maintaining a drug-free workplace;
    - iii. The availability of drug counseling, rehabilitation and employee-assistance programs; and
    - iv. The penalties that may be imposed upon employees for drug abuse violations;
  - C. Requiring that each employee engaged in the performance of the Contract be given a copy of the statement required by subdivision (A), above, and that as a condition of employment by Contractor in connection with the Work of the Contract, the employee agrees to abide by the terms of the statement.
  - D. Contractor agrees to fulfill and discharge all of Contractor's obligations under the terms and requirements of California Government Code §8355 by, inter alia, publishing a statement notifying employees concerning: (a) the prohibition of any controlled substance in the workplace, (b) establishing a drug-free awareness program, and (c) requiring that each employee engaged in the performance of the Work of the Contract be given a copy of the statement required by California Government Code §8355(a) and requiring that the employee agree to abide by the terms of that statement.
3. Contractor and I understand that if the District determines that Contractor has either: (a) made a false certification herein, or (b) violated this certification by failing to carry out and to implement the requirements of California Government Code §§8355, the Contract awarded herein is subject to termination, suspension of payments, or both. Contractor and I further understand

that, should Contractor violate the terms of the Drug-Free Workplace Act of 1990, Contractor may be subject to debarment in accordance with the provisions of California Government Code §§8350, et seq.

- 4. Contractor and I acknowledge that Contractor and I are aware of the provisions of California Government Code §§8350, et seq. and hereby certify that Contractor and I will adhere to, fulfill, satisfy and discharge all provisions of and obligations under the Drug-Free Workplace Act of 1990.

I declare under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
(City and State)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Handwritten or Typed Name)

DRAFT

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    - 7.2.3.2 Time for Completing Punchlist Items.
  - 7.2.4 Final Completion.
  - 7.2.5 Contractor Responsibility for Multiple Inspections.
  - 7.2.6 Final Acceptance.
- 7.3 Construction Schedule.
  - 7.3.1 Preliminary Construction Schedule.
  - 7.3.2 Approved Construction Schedule.
  - 7.3.3 Revisions to Approved Construction Schedule.
  - 7.3.4 Updates to Approved Construction Schedule.
  - 7.3.5 Contractor Responsibility for Construction Schedule.
- 7.4 Adjustment of Contract Time.
  - 7.4.1 Excusable Delays.
  - 7.4.2 Compensable Delays.
  - 7.4.3 Unexcusable Delays.
  - 7.4.4 Adjustment of Contract Time.
    - 7.4.4.1 Procedure for Adjustment of Contract Time.
    - 7.4.4.2 Limitations Upon Adjustment of Contract Time on Account of Delays.
- 7.5 Liquidated Damages.
- 7.6 District Right to Take-Over Work.

**ARTICLE 8: CONTRACT SUM**

- 8.1 Contract Sum.

- 8.2 Cost Breakdown (Schedule of Values).
- 8.3 Progress Payments.
  - 8.3.1 Applications for Progress Payments.
  - 8.3.2 District’s Review of Applications for Progress Payments.
  - 8.3.3 Review of Applications for Progress Payments.
  - 8.3.4 District’s Disbursement of Progress Payments.
    - 8.3.4.1 Timely Disbursement of Progress Payments.
    - 8.3.4.2 District’s Right to Disburse Progress Payments by Joint Checks.
    - 8.3.4.3 No Waiver of Defective or Non-Conforming Work.
  - 8.3.5 Progress Payments for Changed Work.
  - 8.3.6 Materials or Equipment Not Incorporated into the Work.
    - 8.3.6.1 Limitations Upon Payment.
    - 8.3.6.2 Materials or Equipment Delivered and Stored at the Site.
    - 8.3.6.3 Materials or Equipment Not Delivered or Stored at the Site.
    - 8.3.6.4 Materials or Equipment in Fabrication or Transit.
  - 8.3.7 Exclusions from Progress Payments.
  - 8.3.8 Title to Work.
- 8.4 Final Payment.
  - 8.4.1 Application for Final Payment.
  - 8.4.2 Conditions Precedent to Disbursement of Final Payment.
  - 8.4.3 Disbursement of Final Payment.
  - 8.4.4 Claims Asserted After Final Payment.
- 8.5 Withholding of Payments.
- 8.6 Payments to Subcontractors.



**ARTICLE 9: CHANGES**

- 9.1 Changes in the Work.
- 9.2 Oral Order of Change in the Work.
- 9.3 Contractor Submittal of Data.
- 9.4 Adjustment to Contract Sum and Contract Time on Account of Changes to the Work.
  - 9.4.1 Adjustment to Contract Sum.
    - 9.4.1.1 Mutual Agreement.
    - 9.4.1.2 Determination by the District.
    - 9.4.1.3 Basis for Adjustment of Contract Sum.
      - 9.4.1.3.1 Labor.
      - 9.4.1.3.2 Materials and Equipment.
      - 9.4.1.3.3 Construction Equipment.
      - 9.4.1.3.4 Mark-up on Costs of Changes to the Work.
      - 9.4.1.3.5 Contractor Maintenance of Records.
  - 9.4.2 Adjustment to Contract Time.
  - 9.4.3 Addition or Deletion of Alternate Bid Item(s).
- 9.5 Change Orders.
- 9.6 Contractor Notice of Changes; Claims.
- 9.7 Supporting Documentation.
- 9.8 Disputed Changes.
- 9.9 Emergencies.
- 9.10 Minor Changes in the Work.
- 9.11 Unauthorized Changes.

**ARTICLE 10: SEPARATE CONTRACTORS**

- 10.1 District’s Right to Award Separate Contracts.
- 10.2 District’s Coordination of Separate Contractors.
- 10.3 Mutual Responsibility.
- 10.4 Discrepancies or Defects.

**ARTICLE 11: TESTS AND INSPECTIONS**

- 11.1 Tests; Inspections; Observations.
  - 11.1.1 Contractor’s Notice.

- 11.1.2 Costs of Tests and Inspections.
- 11.1.3 Testing/Inspection Laboratory.
- 11.1.4 Additional Tests, Inspections and Approvals.
- 11.2 Delivery of Certificates.
- 11.3 Timeliness of Tests, Inspections and Approvals.

**ARTICLE 12: UNCOVERING AND CORRECTION OF WORK**

- 12.1 Review and/or Inspection of the Work.
- 12.2 Uncovering of Work.
- 12.3 Rejection of Work.
- 12.4 Correction of Work.
- 12.5 Removal of Non-Conforming or Defective Work.
- 12.6 Failure of Contractor to Correct Work.
- 12.7 Acceptance of Defective or Non-Conforming Work.

**ARTICLE 13: WARRANTIES**

- 13.1 Workmanship and Materials.
- 13.2 Warranty Work.
- 13.3 Guarantee.
- 13.4 Survival of Warranties.

**ARTICLE 14: SUSPENSION OF WORK**

- 14.1 District’s Right to Suspend Work.
- 14.2 Adjustments to Contract Sum and Contract Time.

**ARTICLE 15: TERMINATION**

- 15.1 Termination for Cause.
  - 15.1.1 District’s Right to Terminate.
  - 15.1.2 District’s Rights Upon Termination.
  - 15.1.3 Completion by the Surety.
  - 15.1.4 Assignment and Assumption of Subcontracts.
  - 15.1.5 Costs of Completion.
  - 15.1.6 Contractor Responsibility for Damages.
  - 15.1.7 Conversion to Termination for Convenience.
  - 15.1.8 District’s Rights Cumulative.

**15.2 Termination for Convenience of the District.**

**ARTICLE 16: MISCELLANEOUS**

- 16.1 Governing Law.**
- 16.2 Marginal Headings; Interpretation.**
- 16.3 Successors and Assigns.**
- 16.4 Cumulative Rights and Remedies; No Waiver.**
- 16.5 Severability.**
- 16.6 No Assignment by Contractor.**
- 16.7 Gender and Number.**
- 16.8 Independent Contractor Status.**
- 16.9 Notices.**
- 16.10 Disputes; Continuation of Work.**
- 16.11 Dispute Resolution; Attorneys' Fees.**
  - 16.11.1 Public Contract Code § 9204.**
  - 16.11.2 Claim.**
  - 16.11.3 Submission of Claim.**
  - 16.11.4 Contents of Claim.**
  - 16.11.5 Subcontractor Claims.**
  - 16.11.6 District Review of Claim.**
  - 16.11.7 Meet and Confer Meeting.**
  - 16.11.8 Mediation.**
  - 16.11.9 Contractor's Obligation to File a Government Code Claim.**
  - 16.11.10 Dispute Resolution.**
    - 16.11.10.1 Claims of \$375,000 or Less.**
    - 16.11.10.2 Arbitration.**
  - 16.11.11 Inapplicability to Bid Bond.**
  - 16.11.12 No Attorneys' Fees.**
  - 16.11.13 No Interest.**
- 16.12 Capitalized Terms.**
- 16.13 Provisions Required by Law Deemed Inserted.**
- 16.14 Prohibited Interests.**
- 16.15 Entire Agreement.**

## GENERAL CONDITIONS

### ARTICLE 1: DEFINITIONS; GENERAL

- 1.1 Architect.** The Architect is the person or entity identified as such in the Agreement; references to the "Architect" includes the Architect's authorized representative and his, her or its successors.
- 1.2 As-Built Drawings.** The As-Built Drawings are a set of the Drawings and Specifications marked by the Contractor, including referenced dimensions, during the performance of the Work to indicate completely and accurately the actual as-built condition of the Work. The As-Built Drawings shall be sufficient for a capable and qualified draftsman to modify the Drawings to reflect and indicate the Work actually in place at Final Completion of the Work. The As-Built Drawings are the property of the District, shall not be removed from the Project site by Contractor, and shall be available for review by the District, Owner's Project Manager, the Architect, or their authorized representatives. Upon request, the As-Built Drawings shall be delivered to District or its designee within one (1) working day of District's request.
- 1.3 Beneficial Occupancy.** Notwithstanding any common law principal to the contrary or otherwise, occupancy by the District shall be "beneficial" when occupancy of the Project for its intended purpose is fully usable, safe and convenient; the Project is fully functional and aesthetically pleasing; all portions of the Project, including services, systems and utilities are complete and fully operational; commissioning of all systems has been completed; any remaining punchlist work may be conveniently and effectively performed; and the District is capable of physically occupying the Project. Notwithstanding the foregoing, the Contractor shall not be required to exceed the requirements of the Contract Documents to achieve Beneficial Occupancy.
- 1.4 Construction Directive (CD) –** A written directive by the District directing Contractor to proceed with a change in the Work, an issue of dispute, or a specified action regarding the Work, Project and/or Contract.
- 1.5 Construction Equipment.** "Construction Equipment" is equipment utilized for the performance of any portion of the Work, but which is not incorporated into the Work.
- 1.6 Owner's Project Manager.** The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District.
- 1.7 Contract Document Terms.** The term "provide" means "provide complete in place" or to "furnish and install" such item. Unless otherwise provided in the Contract Documents, the terms "approved;" "directed;" "satisfactory;" "accepted;" "acceptable;" "proper;" "required;" "necessary" and "equal" shall mean as approved, directed, satisfactory, accepted, acceptable, proper, required, necessary and equal, in the opinion of the Architect. The term "typical" as used in the Drawings shall require the installation or furnishing of such item(s) of the Work designated as "typical" in all other areas similarly marked as "typical"; Work in such other areas shall conform to that shown as "typical" or as reasonably inferable therefrom.
- 1.8 Contract Documents.** The Contract Documents consist of the Agreement between the District and the Contractor, Conditions of the Contract (whether General, Special, Supplemental or otherwise), Drawings, Specifications, including addenda thereto issued prior to execution of the Agreement and any other documents listed in the Agreement. The

Contract Documents shall include modifications issued after execution of the Agreement. The Contract Documents form the Contract for Construction.

- 1.9 Contract Time.** Unless otherwise expressly provided in the Contract Documents, the Contract Time is the period of time, including authorized adjustments thereto, allotted in the Contract Documents for achieving Substantial Completion of the Work.
- 1.10 Contractor.** The Contractor is the person or entity identified as such in the Agreement; references to "Contractor" include the Contractor's authorized representative.
- 1.11 Contractor's Superintendent.** The Contractor's Superintendent is the individual employed by the Contractor whose principal responsibility shall be the supervision and coordination of the Work; the Contractor's Superintendent shall not perform routine construction labor.
- 1.12 Days.** Unless otherwise expressly stated, references to "days" in the Contract Documents shall be deemed to be calendar days.
- 1.13 Defective or Non-Conforming Work.** Defective or non-conforming Work is any Work which is unsatisfactory, faulty or deficient by: (a) not conforming to the requirements of the Contract Documents; (b) not conforming to the standards of workmanship of the applicable trade or industry; (c) not being in compliance with the requirements of any inspection, reference, standard, test, or approval required by the Contract Documents; or (d) damage to Work occurring prior to Final Completion.
- 1.14 Delivery.** The term "delivery" used in conjunction with any equipment, materials or other items to be incorporated into the Work shall mean the unloading and storage in a protected condition pending incorporation into the Work.
- 1.15 District.** The "District" refers to **BEACH CITIES HEALTH DISTRICT** and unless otherwise stated, includes the District's authorized representatives, including the District's Board of Directors, and the District's officers, employees, agents and representatives.
- 1.16 Drawings and Specifications.** The Drawings are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing generally, the design, location and dimensions of the Work and may include without limitation, plans, elevations, sections, details, schedules or diagrams. The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards, criteria and workmanship for the Work and related services. The Drawings and Specifications are intended to delineate and describe the Work and its component parts so as to permit skilled and competent contractors to bid upon the Work and prosecute the same to completion.
- 1.17 Field Clarifications.** A written or graphic document consisting of supplementary details, instructions or information issued on behalf of the District which clarifies or supplements the Contract Documents and which becomes a part of the Contract Documents upon issuance. Field Clarifications do not constitute an adjustment of the Contract Time or the Contract Sum, unless a Change Order relating to a Field Clarification is authorized and issued under the Contract Documents.
- 1.18 Intent and Correlation of Contract Documents.**

- 1.18.1 Work of the Contract Documents.** The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable therefrom as being necessary to produce the intended results. Organization of the Specifications into divisions, sections or articles, and the arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade. Where any portion of the Contract Documents is silent and information appears elsewhere in the Contract Documents, such other portions of the Contract Documents shall control.
- 1.18.2 Technical Terms.** Unless otherwise stated in the Contract Documents, words or terms which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.
- 1.18.3 Conflict in Contract Documents.** Conflicts, inconsistencies or ambiguities in the Contract Documents shall be resolved by the Architect and/or Owner's Project Manager in accordance with Article 3.1.9 of the General Conditions; where conflicts or inconsistencies arise between the Drawings and the Specifications, in resolving such conflicts or inconsistencies, the Architect will be governed generally by the following standards: the Drawings are intended to describe matters relating to placement, type, quantity and the like; the Specifications are intended to describe matters relating to quality, materials, compositions, manufacturers and the like. If conflicts exist between portions of the Contract Documents regarding the quality of any item, product, equipment or materials, unless otherwise directed or authorized by the District, the Contractor shall provide the item, product, equipment or material of the highest or more stringent quality or quantity.
- 1.19 Material Supplier.** A Material Supplier is any person or entity who only furnishes materials, equipment or supplies for the Work without fabricating, installing or consuming them in the Work.
- 1.20 Notice to Proceed.** The Notice to Proceed is the written notice issued by or on behalf of the District to the Contractor authorizing the Contractor to proceed with commencement of the Work and which establishes the date for commencement of the Contract Time.
- 1.21 Progress Reports.** Progress Reports, if required, are written reports prepared by the Contractor and periodically submitted to the District in the form and content as required by the Contract Documents. A material obligation of the Contractor is the preparation of complete and accurate Progress Reports, and the timely submission of the same to the District.
- 1.22 Project.** The Project is the total construction of which the Work performed by the Contractor under the Contract Documents which may be the whole or a part of the Project and which may include construction by the District or by separate contractors.
- 1.23 Inspector(s).** The Work of the Project is subject to inspection through the City of Redondo Beach. References to "Inspector(s)" as used herein shall refer to the inspectors having jurisdiction over the Work of the Project.

- 1.24 **Owner’s Project Manager.** The Owner’s Project Manager is authorized and empowered to act on behalf of the District as set forth in the Contract Documents. The District reserves the right to remove or replace the Owner’s Project Manager prior to completion of the Work without adjustment of the Contract Sum or the Contract Time or otherwise affect, limit or restrict Contractor’s obligations hereunder. The Owner’s Project Manager for the Work is identified in the Special Conditions.
- 1.25 **Shop Drawings; Samples; Product Data ("Submittals").** Shop Drawings are diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-Subcontractor, manufacturer, Material Supplier, or distributor to illustrate some portion of the Work. Samples are physical examples of materials, equipment or workmanship forming a part of, or to be incorporated into the Work. Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work. Shop Drawings, Samples and Product Data prepared or furnished by the Contractor or any of its Subcontractors or Material Suppliers are collectively referred to as “Submittals”.
- 1.26 **Site.** The Site is the physical area designated in the Contract Documents for Contractor’s performance, construction and installation of the Work.
- 1.27 **Special Conditions; Supplemental Conditions.** If made a part of the Contract Documents, Special Conditions and Supplemental Conditions are special or supplemental provisions, not otherwise provided for in the Agreement or these General Conditions.
- 1.28 **Subcontractors; Sub-Subcontractors.** A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work. "Subcontractor" does not include a separate contractor to the District or subcontractors of any separate contractor. A Sub-Subcontractor is a person or entity of any tier, who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site.
- 1.29 **Surety.** The Surety is the person or entity that executes, as surety, the Contractor's Labor and Material Payment Bond and/or Performance Bond or other bonds provided by the Contractor.
- 1.30 **Work.** The "Work" is the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment or services provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract Documents. The Work may constitute the whole or a part of the Project.

**ARTICLE 2: DISTRICT**

**2.1 Information Supplied by District.**

- 2.1.1 **Surveys; Site Information.** Information, if any, concerning physical characteristics of the Site, including without limitation, surveys, soils reports, and utility locations, to be provided by the District are set forth in the Contract Documents. Information not provided by the District or necessary information in addition to that provided by the District concerning physical characteristics of the Site shall be obtained by Contractor without adjustment to the Contract Sum or the Contract Time.

- 2.1.2 Approvals; Fees.** Except as otherwise provided in the Contract Documents, the District shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities which relate to the Work of the Contractor under the Contract Documents.
- 2.1.3 Drawings and Specifications.** Except as otherwise provided for in the Contract Documents, the District shall provide the Contractor with PDF files of the Drawings and Specifications as set forth in the Special Conditions. All of the Drawings and Specifications provided by the District to the Contractor remain the property of the District; the Contractor shall not use the Drawings or Specifications in connection with any other work of improvement other than the Work of the Project.
- 2.1.4 Furnishing of Information.** Information or services to be provided by the District under the Contract Documents shall be furnished by the District with reasonable promptness to avoid delay in the orderly progress of the Work. Information about existing conditions furnished by the District under the Contract Documents is obtained from sources believed to be reliable, but the District neither guarantees nor warrants that such information is complete and accurate. The Contractor shall verify all information provided by the District. To the extent that the Contract Documents depict existing conditions on or about the Site, or the Work involves the renovation, removal or remodeling of existing improvements, or the Work involves any tie-in or other connection with any existing improvements, the conditions and/or existing improvements depicted in the Contract Documents are as they are believed to exist. Contractor shall bear the risk of any variations between conditions or existing improvements depicted in the Contract Documents or readily visible and those conditions or existing improvements actually encountered in the performance of the Work. Subject to the provisions of Article 4.2.3, the existence of any variations between conditions or existing improvements depicted in the Contract Documents and those readily visible or actually encountered in the performance of the Work shall not result in any District liability therefor, nor shall any such variations result in an adjustment of the Contract Time or the Contract Sum.
- 2.2 Access to Project Site.** The District will provide, as reasonably required by the Work, but in no event later than the date designated in the Construction Notice to Proceed, access to the lands and facilities upon which the construction Work is to be performed, including such access to other lands and facilities designated in the Contract Documents for use by Contractor. Contractor acknowledges the Project Site may be adjacent to or on operating facilities and has made allowances in cost and schedule for ongoing operations, including foot traffic and vehicular congestion on sidewalks and roadways adjacent to or on the Project Site.
- 2.3 District's Right to Stop the Work.** In addition to the District's right to suspend the Work or terminate the Contract pursuant to the Contract Documents, the District, may, by written order, direct the Contractor to stop the Work, or any portion thereof, until the cause for such stop work order has been eliminated if the Contractor: (i) fails to correct Work which is not in conformity and in accordance with the requirements of the Contract Documents, or (ii) otherwise fails to carry out the Work in conformity and accordance with the Contract Documents. The right of the District to stop the Work hereunder shall not be deemed a duty on the part of the District to exercise such right for the benefit of the Contractor or any other person or entity, nor shall the District's exercise of such right waive or limit the exercise of

any other right or remedy of the District under the Contract Documents or at law.

**2.4 District's Right to Carry Out the Work.** If Contractor fails to carry out the Work in accordance with the Contract Documents, fails to provide sufficient labor, materials, equipment, tools, and services, to maintain the Contract Schedule, or otherwise fails to comply with any material term of the Contract Documents, and, after receipt of written notice from the District, fails within 2 days, excluding Saturdays, Sundays and legal holidays, or within such additional time as the District may specify, to correct such failure, the District may, without prejudice to other remedies the District may have, correct such failure at Contractor's expense. In such case, the District will be entitled to deduct from payments then or thereafter due Contractor the cost of correcting such failure, including without limitation compensation for the additional services and expenses of the District's consultants made necessary thereby. If payments then or thereafter due Contractor are not sufficient to cover such amounts, Contractor shall pay the additional amount to the District.

**2.5 Partial Occupancy or Use.**

**2.5.1 District's Right to Partial Occupancy.** The District may occupy or use any completed or partially completed portion of the Work, provided that: (i) the District has obtained the consent of, or is otherwise authorized by, public authorities with jurisdiction thereof, to so occupy or use such portion of the Work and (ii) the District and the Contractor have accepted, in writing, the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, utilities, damage to the Work, insurance and the period for correction of the Work and commencement of warranties required by the Contract Documents for such portion of the Work partially used or occupied by the District. If the Contractor and the District are unable to agree upon the matters set forth in (ii) above, the District may nevertheless use or occupy any portion of the Work, with the responsibility for such matters subject to resolution in accordance with the Contract Documents. Immediately prior to such partial occupancy or use of the Work, or portions thereof, the District, the Contractor and the Architect shall jointly inspect the portions of the Work to be occupied or to be used to determine and record the condition of the Work. Repairs, replacements or other corrective action noted in such inspection shall be promptly performed and completed by the Contractor so that the portion of the Work to be occupied or used by the District is in conformity with the requirements of the Contract Documents and the District's occupancy or use thereof is not impaired. The District's use or occupancy of the Work or portions thereof pursuant to the preceding shall not be deemed "completion" of the Work as that term is used in Public Contract Code §7107 or Article 7.2.4.

**2.5.2 No Acceptance of Defective or Nonconforming Work.** Unless otherwise expressly agreed upon in writing by the District and the Contractor, the District's partial occupancy or use of the Work or any portion thereof, shall not constitute the District's acceptance of the Work not complying with the requirements of the Contract Documents or which is otherwise defective.

**2.5.3 District's Right to Audit.** The District shall have the right to review, obtain, inspect, audit, and copy all the written and electronically stored records of Contractor and its Subcontractors and suppliers, including all bid preparation documents, estimates, take-offs and the like, all Project-related emails, pertaining to the Contract and/or Work and any Claim in connection with any of the foregoing, and regarding all



applicable laws and/or regulations pertaining to the Contract, including but not limited to Measure M and the Los Angeles County Metropolitan Transportation Authority. Contractor agrees to provide the District with copies of records in computer readable format as well as hard copies of all relevant information requested in writing within ten (10) days of the request. Contractor agrees to maintain such records and allow such audits for a period of up to five (5) years following the date that the Notice of Completion is recorded. This provision applies equally to electronic records of the Contractor, including any records under its possession, custody or control. Contractor shall require all of its payees (e.g., Subcontractors, suppliers, materialmen, employees, officers, directors and others) to comply with the provisions of this Article by expressly including the requirements hereof in all written contracts with all such payees. Such requirements are to include that these flow-down right to audit provisions shall be included by such payees in all of their contracts with their Subcontractors of any tier, materialmen, etc. The fact that a claim, arbitration, and/or litigation under other sections of the Contract Documents is pending involving the District, Contractor, and/or others, shall not in any way preclude, postpone, or impair in any way, District rights to proceed under this Article.

### **ARTICLE 3: ARCHITECT; OWNER'S PROJECT MANAGER**

#### **3.1 Administration of the Contract.**

- 3.1.1 Role of the Architect and Owner's Project Manager.** The Architect and the Owner's Project Manager will provide administration of the Contract as described in the Contract Documents, and will be the District's representatives during construction until the time that Final Payment is due the Contractor under the Contract Documents. The Architect and Owner's Project Manager will advise and consult with the District with respect to the administration of the Contract and the Work. The Architect is authorized to act on behalf of the District to the extent provided for in the Contract Documents; and shall have the responsibilities and powers established by law, including Title 24 of the California Code of Regulations. The Owner's Project Manager is authorized to stop the Work whenever deemed necessary in the sole discretion of the Owner's Project Manager to ensure that the Work is completed in accordance with the Contract Documents.
- 3.1.2 Architect's Periodic Site Visits.** The Architect will visit the Site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the completed Work and to determine, in general, if the Work is being performed in a manner indicating that the Work, when completed, will be in accordance with the Contract Documents. The Architect will not be required to make exhaustive or continuous Site inspections to check quality or quantity of the Work. On the basis of Site observations as an architect, the Architect will keep the District informed of the progress of the Work, and will endeavor to notify the District of defects and deficiencies in the Work.
- 3.1.3 Contractor Responsibility for Construction Means, Methods and Sequences.** Neither the Architect nor the Owner's Project Manager will have control over or charge of or be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, these being solely the Contractor's responsibility. Neither the Architect nor Owner's Project Manager will have control over or charge of and be responsible

for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

**3.1.4 Review of Applications for Payment.** In accordance with Article 8 hereof, the Architect and Owner's Project Manager will review the Contractor's Applications for Progress Payments and for Final Payment, evaluate the extent of Work performed and the amount properly due the Contractor on such Application for Payment.

**3.1.5 Rejection of Work.** The Architect or District are authorized to reject Work which is defective or does not conform to the requirements of the Contract Documents. Whenever the Architect or District considers it necessary or advisable, for implementation of the intent of the Contract Documents, the Architect or District will have authority to require additional inspections or testing of the Work, whether or not such Work is fabricated, installed or completed.

**3.1.6 Submittals.**

**3.1.6.1 Processing of Submittals Through Architect.** Submittals required by the Contract Documents shall be prepared by or on behalf of the Contractor in accordance with the requirements of the Contract Documents. Submittals shall be transmitted by the Contractor to the Owner's Project Manager with copies of the transmittal cover sheet to the Architect. Upon completion of the Architect's review of a Submittal, the Architect shall transmit the reviewed Submittal to the Contractor (with copies of the reviewed submittal transmitted to the Owner's Project Manager) for the Contractor's distribution to its Subcontractor(s) and other affected parties.

**3.1.6.2 Architect's Review.** The Architect will review and comment or take other appropriate action upon the Contractor's Submittals, but only for the limited purpose of checking for general conformance with information given and the design concept expressed in the Contract Documents. Review of Submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's Submittals shall not relieve the Contractor of its obligations under the Contract Documents. The Architect's review of Submittals shall not constitute approval of safety measures, programs or precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's acceptance of a specific item in a Submittal shall not indicate approval of an assembly of which the item is a component with the Submittal(s) required and relating to such assembly have been reviewed by the Architect.

**3.1.6.3 Time for Architect's Review.** The Architect's review of Submittals will be conducted promptly so as not to delay or hinder the progress of the Work or the activities of the Contractor, the District or the District's separate contractors while allowing sufficient time, in the Architect's reasonable professional judgment, to permit adequate review of Submittals. The Architect's review and return of Submittals will normally require a minimum of

fifteen (15) calendar days from date of complete submittal. The foregoing notwithstanding, the Architect's review and return of Submittals will conform with the time limits and other conditions, if any, set forth in the Specifications or the Submittal Schedule if the Submittal Schedule is required by other provisions of the Contract Documents.

- 3.1.7 Changes to the Work; Change Orders.** The Architect and Owner's Project Manager will prepare Change Orders. The Architect and with the written approval of the Owner's Project Manager may authorize in writing minor Changes in the Work which do not result in adjustment of the Contract Time or the Contract Sum.
- 3.1.8 Completion.** The Architect and Owner's Project Manager will conduct observations to determine the date(s) of Substantial Completion and the date(s) of Final Completion, will receive and forward to the District, for the District's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor, and will verify that the Contractor has complied with all requirements of the Contract Documents and is entitled to receipt of Final Payment.
- 3.1.9 Interpretation of Contract Documents; Architect as Initial Arbitrator of Disputes.** The Architect and Owner's Project Manager will interpret and decide matters concerning the design and specification requirements of the Contract Documents on written request of either the District or the Contractor, or as deemed necessary. The Architect's response to such requests will be made with reasonable promptness. Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both the District and the Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions so rendered in good faith. The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents. If there is any disagreement, dispute or other matter in controversy between the District and the Contractor concerning the design and/or specification requirements, in addition to other requirements established by the Contract Documents or by law, the submission of the same to the Architect for its decision shall be a condition precedent to initiation of dispute resolution procedures.
- 3.1.10 Request for Information.** If the Contractor encounters any condition which the Contractor believes, in good faith and with reasonable basis, is the result of an ambiguity, conflict, error or omission in the Contract Documents that would impact the critical path of the Project (collectively "the Conditions"), it shall be affirmative obligation of the Contractor to immediately notify the Architect and the Owner's Project Manager, in writing, of the Conditions encountered and to request information from the Architect necessary to address and resolve any such Conditions before proceeding with any portion of the Work affected or which may be affected by such Conditions. If the Contractor fails to timely notify the Architect and Owner's Project Manager in writing of any Conditions encountered and the Contractor proceeds to perform any portion of the Work containing or affected by such Conditions the Contractor shall bear all costs associated with or required to correct, remove, or otherwise remedy any portion of the Work affected thereby without adjustment of the Contract Time or the Contract Sum. In requesting information of

the Architect to address and resolve any Conditions, the Contractor shall act with promptness in submitting any such written request so as to allow the Architect a reasonable period of time to review, evaluate and respond to any such request, taking into account the then current status of the progress and completion of the Work and the actual or potential impact of any such Conditions upon the completion of the Work within the Contract Time. The Contract Time shall not be subject to adjustment in the event that the Contractor shall fail to timely request information from the Architect. The Architect's responses to any such Contractor request for information shall conform to the standards and time frame set forth in Article 3.1.9 of these General Conditions and as set forth elsewhere in the Contract Documents. The foregoing provisions notwithstanding, in the event that the Architect reasonably determines that any of Contractor's request(s) for information: (i) does not reflect adequate or competent supervision or coordination by the Contractor or any Subcontractor; or (ii) does not reflect the Contractor's adequate or competent knowledge of the requirements of the Work or the Contract Documents; or (iii) is not justified for any other reason, Contractor shall be liable to the District for all costs incurred by the District associated with the processing, reviewing, evaluating and responding to any such request for information, including without limitation, fees of the Architect and any other design consultant to the Architect or the District. In responding to any of Contractor's request(s) for information, the Architect shall, in the response, indicate if the Architect has made the determination pursuant to the preceding sentence and, if so, the amount of costs to be borne by the Contractor for the processing, review, evaluation and response to the request for information. Thereafter, the District is authorized to deduct such amount from any portion of the Contract Sum then or thereafter due the Contractor.

**3.2 Communications; Role of Owner's Project Manager and Architect.** All communications regarding the Work, the performance thereof or the Contract Documents shall be in writing; oral communications, unless reduced to writing, are not binding on the parties. Communications between the Contractor and the District or the Architect shall be through the Owner's Project Manager. All written communications between the Contractor and any Subcontractor, Material Supplier or others directly or indirectly engaged by the Contractor to perform or provide any portion of the Work shall be available to the District, the Owner's Project Manager and the Architect for review, inspection and reproduction as may be requested from time to time. Failure or refusal of the Contractor to permit the District, the Owner's Project Manager, or Architect to review, inspect or reproduce such written communications may be deemed a default of Contractor hereunder.

**3.3 Termination of Architect or Owner's Project Manager; Substitute Architect or Owner's Project Manager.** In case of termination of employment of the Architect or the Owner's Project Manager, the District shall appoint a substitute architect or substitute Owner's Project Manager whose status under the Contract Documents shall be that of the Architect or the Owner's Project Manager, as applicable.

## ARTICLE 4: THE CONTRACTOR

### 4.1 Contractor Review of Contract Documents.

**4.1.1 Examination of Contract Documents.** The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the District pursuant to the Contract Documents and shall at once report in writing to

the Architect and District any errors, inconsistencies or omissions discovered. If the Contractor performs any Work knowing, or with reasonable diligence should have known that, it involves an error, inconsistency or omission in the Contract Documents without prior notice to the Architect and District of the same, the Contractor shall assume full responsibility for such performance and shall bear all attributable costs for correction of the same.

**4.1.2 Field Measurements.** Prior to commencement of the Work, or portions thereof, the Contractor shall take field measurements and verify field conditions at the Site and shall carefully compare such field measurements and conditions and other information known to the Contractor with information provided in the Contract Documents. Errors, inconsistencies, or omissions discovered shall be reported in writing to the Architect and Owner's Project Manager immediately upon discovery.

**4.1.3 Dimensions; Layouts and Field Engineering.** The Contractor shall be solely responsible for dimensioning and coordinating the Work of the Contract Documents. All field engineering required for laying out the Work and establishing grades for earthwork operations shall be by the Contractor at its expense. Any field engineering or other engineering to be provided or performed by the Contractor under the Contract Documents and required or necessary for the proper execution or installation of the Work shall be provided and performed by an engineer duly registered under the laws of the State of California in the engineering discipline for such portion of the Work. Upon commencement of any item of the Work, the Contractor is responsible for dimensions of such item of Work and related Work; without adjustment of the Contract Time or Contract Sum, the Contractor is responsible for making component parts of the Work fit together properly.

**4.1.4 Work in Accordance With Contract Documents.** The Contractor shall perform all of the Work in strict conformity with the Contract Documents and approved Submittals.

## **4.2 Site Investigation; Subsurface Conditions.**

**4.2.1 Contractor Investigation.** The Contractor shall be responsible for, and by executing the Agreement acknowledges, that it has carefully examined the Site and has taken all steps it deems reasonably necessary to ascertain all conditions which may affect the Work, or the cost thereof, including, without limitation, conditions bearing upon transportation, disposal, handling or storage of materials; availability of labor and materials; access to the Site; and the physical conditions and the character of equipment, materials, labor and services necessary to perform the Work. Any failure of the Contractor to do so will not relieve it from the responsibility for fully and completely performing all Work without adjustment to the Contract Sum or the Contract Time. The District assumes no responsibility to the Contractor for any understandings or representations concerning conditions or characteristics of the Site, or the Work, made by any of its officers, employees or agents prior to the execution of the Agreement, unless such understandings or representations are expressly set forth in the Contract Documents.

**4.2.2 Subsurface Data.** By executing the Agreement, the Contractor acknowledges that it has examined the boring data and other subsurface data available and satisfied itself as to the character, quality and quantity of surface and subsurface materials,

including without limitation, obstacles which may be encountered in performance of the Work, insofar as this information is reasonably ascertainable from an inspection of the Site, review of available subsurface data and analysis of information furnished by the District under the Contract Documents. Subsurface data or other soils investigation report provided by the District hereunder are not a part of the Contract Documents. Information contained in such data or report regarding subsurface conditions, elevations of existing grades, or below grade elevations are approximate only and is neither guaranteed or warranted by the District to be complete and accurate. The Contractor shall examine all boring and other subsurface data to make its own independent interpretation of the subsurface conditions and acknowledges that its bid is based upon its own opinion of the conditions which may be encountered. The District assumes no responsibility for any conclusions or interpretations made by Contractor on the basis of available subsurface data or other information furnished by District under the Contract Documents.

#### 4.2.3 Subsurface Conditions.

**4.2.3.1 Procedures.** In accordance with Public Contract Code section 7104, if the Work under the Contract Documents involves digging trenches or other excavations that extend deeper than four feet below the surface, the Contractor shall promptly and before the following conditions are disturbed, notify the Owner's Project Manager, in writing, of any: (i) material that the Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code §25117, that is required to be removed to a Class I or Class II or Class III disposal site in accordance with provisions of existing law; (ii) subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to Contractor prior to award of the Contract; or (iii) unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the Work or the character provided for in the Contract Documents. If upon notice to the District of the conditions described above and upon the District's investigation thereof, the District determines that the conditions so materially differ or involve such hazardous materials which require an adjustment to the Contract Sum or the Contract Time, the District shall issue a Change Order in accordance with Article 9 hereof. In accordance with Public Contract Code section 7104, any dispute arising between the Contractor and the District as to any of the conditions listed in (i), (ii) or (iii) above, shall not excuse the Contractor from the completion of the Work within the Contract Time and the Contractor shall proceed with all Work to be performed under the Contract Documents. The District reserves the right to terminate the Contract pursuant to Article 15.2 hereof should the District determine not to proceed because of any condition described in (i), (ii) or (iii) above.

**4.2.3.2 Trenching.** For all excavations in excess of five (5) feet involving an estimated expenditure in excess of \$25,000, Contractor shall submit to the District for acceptance a detailed Drawing showing the design of shoring, bracing, sloping or other provisions to be made for the protection of workmen from the hazard of caving ground. If such design varies from the standards established by the Construction Safety Orders of the California Division of Industrial Safety, the Drawing shall be prepared by a registered civil or structural

engineer. None of the aforementioned trenching shall be started before Contractor receives notification of acceptance from the District. Contractor shall comply with all other applicable requirements of California Labor Code section 6705, and as therein provided, no provisions of that Section or this Article shall be construed to impose tort liability upon the District. Contractor shall procure and pay for all excavation/shoring permits required for the Project. Contractor shall not commence any excavation work until it has secured all necessary permits including the required CAL OSHA excavation/shoring permit. Any permits shall be prominently displayed on the Project premises prior to commencement of any excavation.

### 4.3 Supervision and Construction Procedures.

- 4.3.1 Supervision of the Work.** The Contractor shall supervise and direct performance of the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract Documents, unless Contract Documents give other specific instructions concerning these matters. The Contractor shall be responsible for inspection of completed or partially completed portions of Work to determine that such portions are in proper condition to receive subsequent Work.
- 4.3.2 Responsibility for the Work; Coordination of the Work.** The Contractor shall be responsible to the District for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and all other persons performing any portion of the Work under a contract with the Contractor. The Contractor shall not be relieved of the obligation to perform the Work in accordance with the Contract Documents either by activities or duties of the Owner's Project Manager, or the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor. The Contractor shall be responsible for all necessary or appropriate coordination of the Work and component parts thereof so that Substantial Completion of the Work will be achieved within the Contract Time and the Work will be completed for the Contract Sum. The coordination of the Work is a material obligation of the Contractor hereunder and shall include without limitation, conducting regular coordination meetings with its Subcontractors and Material Suppliers, sequencing the operations of Subcontractors and Material Suppliers, and adapting its planned means, methods and sequences of construction operations as necessary to accommodate field or changed conditions at the Site. Contractor shall provide complete, functional and operating systems and related equipment as intended per Contract Documents.
- 4.3.3 Layouts.** The Contractor is solely responsible for laying-out the Work so that construction of the Work conforms to the requirements of the Contract Documents and so that all component parts of the Work are coordinated. The Contractor shall be responsible for maintenance and preservation of benchmarks, reference points and stakes for the Work. The cost of maintenance and preservation of benchmarks, reference points and stakes shall be included within the Contract Sum. The Contractor shall be solely responsible for all loss or costs resulting from the loss, destruction, disturbance or damage of benchmarks, reference points or stakes.

- 4.3.4 Construction Utilities.** Utilities necessary to complete the Work and to completely perform all of the Contractors' obligations shall be obtained by the Contractor without adjustment of the Contract Sum. The Contractor shall furnish and install necessary or appropriate temporary distributions of utilities, including utilities furnished by the District. Any such temporary distributions shall be removed by the Contractor upon completion of the Work. The costs of all such utility services, including the installation and removal of temporary distributions thereof, shall be borne by the Contractor and included in the Contract Sum. Refer to Division 1 for Temporary Facilities and Controls.
- 4.3.5 Existing Utilities; Removal, Relocation and Protection.** In accordance with California Government Code §4215, the District shall assume the responsibility for the timely removal, relocation, or protection of existing main or trunkline utility facilities located on the Site which are not identified in the Drawings, Specifications or other Contract Documents. Contractor shall be compensated for the costs of locating, repairing damage not due to the Contractor's failure to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Drawings, Specifications and other Contract Documents with reasonable accuracy, and for equipment on the Site necessarily idled during such work. Contractor shall not be assessed Liquidated Damages for delay in completion of the Work when such delay is caused by the failure of the District or the owner of the utility to provide for removal or relocation of such utility facilities. Nothing in this Article 4.3.5 shall be deemed to require the District to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Site can be inferred from the presence of other visible facilities, such as buildings, meters and junction boxes, on or adjacent to the Site. If the Contractor encounters utility facilities not identified by the District in the Drawings, Specifications, or other Contract Documents, the Contractor shall immediately notify, in writing, the District, the Architect, the Owner's Project Manager and the utility owner. In the event that such utility facilities are owned by a public utility, the public utility shall have the sole discretion to perform repairs or relocation work or permit the Contractor to do such repairs or relocation work at a reasonable price. The Contractor shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation work by engaging a qualified locating service and performing all necessary potholing. Contractor shall coordinate with the District for all underground utilities and repair any damage resulting from the work.
- 4.3.6 Conferences and Meetings.** A material obligation of the Contractor under the Contract Documents is the attendance at required meetings by the Contractor's supervisory personnel for the Work and the Contractor's management personnel as required by the Contract Documents or as requested by the District. The Contractor's personnel participating in conferences and meetings relating to the Work shall be authorized to act on behalf of the Contractor and to bind the Contractor. The Contractor is solely responsible for arranging for the attendance by Subcontractors, Material Suppliers at meetings and conferences relating to the Work as necessary, appropriate or as requested by the District.
- 4.3.6.1 Pre-Construction Conference.** The Contractor's representatives (and representatives of Subcontractors as requested by the District) shall attend a Pre-Construction Conference at such time and place as designated by the District. The Pre-Construction Conference will generally address the



requirements of the Work and Contract Documents, and to establish construction procedures. Subject matters of the Pre-Construction Conference will include as appropriate: (a) administrative matters, including an overview of the respective responsibilities of the District, Architect, Owner’s Project Manager, Contractor, Subcontractor, and others performing any part of the Work or services relating to the Work; (b) Submittals; (c) Changes and Change Order processing; (d) employment practices, including Certified Payroll preparation and submission and prevailing wage rate responsibilities of the Contractor and Subcontractors; (e) Progress Schedule development and maintenance; (f) development of Schedule of Values and payment procedures; (g) implementation of BIM, if applicable; (h) communication procedures, including the handling of Requests for Information; (i) emergency and safety procedures; (j) Site visitor policies; (k) conduct of Contractor/Subcontractor personnel at the Site; and (l) punchlist/close-out procedures.

**4.3.6.2 Progress Meetings.** Progress meetings will be conducted on regular intervals (weekly unless otherwise expressly indicated elsewhere in the Contract Documents). The Contractor’s representatives and representatives of Subcontractors (as requested by the District) shall attend Progress Meetings. Progress Meetings will be chaired by the Owner’s Project Manager and will generally include as agenda items: Site safety, field issues, coordination of Work, construction progress and impacts to timely completion, if any. The purposes of the Progress Meetings include: a formal and regular forum for discussion of the status and progress of the Work by all Project participants, a review of progress or resolution of previously raised issues and action items assigned to the Project participants, and reviews of the Progress Schedule, Submittal Logs and/or Submittals.

**4.3.6.3 Special Meetings.** As deemed necessary or appropriate by the District, Special Meetings will be conducted with the participation of the Contractor, Subcontractors and other Project participants as requested by the District.

**4.3.6.4 Minutes of Meetings.** Following conclusion of the Pre-Construction Conference, Progress Meetings and Special Meetings, the Owner’s Project Manager will prepare and distribute minutes reflecting the items addressed and actions taken at a meeting or conference. Unless the Contractor notifies the Architect and the Owner’s Project Manager in writing of objections or corrections to minutes prepared hereunder within five (5) days of the date of distribution of the minutes, the minutes as distributed shall constitute the official record of the meeting or conference. No objections or corrections of any Subcontractor or Material Supplier shall be submitted directly to the Architect or the Owner’s Project Manager; such objections or corrections shall be submitted to the Architect and the Owner’s Project Manager through the Contractor. If the Contractor timely interposes objections or notes corrections, the resolution of such matters shall be addressed at the next scheduled Progress Meeting.

**4.3.7 Temporary Sanitary Facilities.** At all times during Work at the Site, the Contractor shall obtain and maintain temporary sanitary facilities in conformity with applicable law, rule or regulation. The Contractor shall maintain temporary sanitary facilities in

a neat and clean manner with sufficient toilet room supplies. Personnel engaged in the Work are not permitted to use District toilet facilities at the Site.

#### **4.3.8 Noise and Dust Control.**

**4.3.8.1 Noise Control.** The Contractor shall install noise reducing devices on construction equipment. Contractor shall comply with the requirements of the city and county having jurisdiction with regard to noise ordinances governing construction sites and activities. Construction Equipment noise at the Site shall be limited and only as permitted by applicable law, rule or regulation. The Contractor shall utilize Level 2 diesel particulate filters on any and all rubber-tired dozers, rollers, and/or graders with engines of 50 horsepower or more in operation at the Project Site and shall further be fitted with engines that meet the United States Environmental Protection Agency (EPA)-Certified Tier 3 emissions standards. A list of construction equipment, by type, model year, engine identification number, and engine family label, shall be maintained by the Contractor onsite.

**4.3.8.2 Dust Control.** The Contractor shall be fully and solely responsible for maintaining and upkeeping all areas of the Site and adjoining areas free from flying debris, grinding powder, sawdust, dirt and dust as well as any other product, product waste or work waste, that by becoming airborne may cause respiratory inconveniences to persons. Additionally, the Contractor shall take specific care to avoid airborne dust or airborne elements. Such protection devices, systems or methods shall be in accordance with the regulations set forth by the EPA and OSHA, and other applicable law, rule or regulation. Additionally, the Contractor shall be the sole party responsible to regularly and routinely clean up and remove any and all deposits of dust and other elements. Damage and/or any liability derived from the Contractor's failure to comply with these requirements shall be exclusively at the cost of the Contractor, including, without limitation, any and all penalties that may be incurred for violations of applicable law, rule or regulation, and any amounts expended by the District to pay such damages shall be due and payable to the District on demand. Contractor shall replace any damaged property or part thereof and clean any and all items that become covered or partially covered to any degree by dust or other airborne elements, with no adjustment of the Contract Sum or the Contract Time.

**4.3.8.3 Contractor Failure to Comply.** If the Contractor fails to comply with the requirements for dust control, noise control, or any other maintenance or clean up requirement of the Contract Documents, the District, Architect, or Owner's Project Manager shall notify the Contractor in writing and the Contractor shall take immediate action. Should the Contractor fail to respond with immediate and responsive action and not later than twenty-four (24) hours from such notification, the District shall have the absolute right to proceed as it may deem necessary to remedy such matter. Any and all costs incurred by the District in connection with such actions shall be the sole responsibility of, and be borne by, the Contractor; the District may deduct such amounts from the Contract Sum then or thereafter due the Contractor.

#### **4.4 Labor and Materials.**

- 4.4.1 Payment for Labor, Materials and Services.** Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, Construction Equipment and machinery, transportation, applicable taxes and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated in the Work.
- 4.4.2 Employee Discipline.** The Contractor shall enforce strict discipline and good order among the Contractor's employees, the employees of any Subcontractor or Sub-subcontractor, and all other persons performing any part of the Work at the Site. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Contractor shall dismiss from its employ and direct any Subcontractor or Sub-subcontractor to dismiss from their employment any person deemed by the District to be unfit or incompetent to perform Work and thereafter, the Contractor shall not employ nor permit the employment of such person for performance of any part of the Work without the prior written consent of the District, which consent may be withheld in the reasonable discretion of the District.
- 4.4.3 Contractor's Project Staff.** The Contractor shall employ competent and fully qualified personnel to perform the Work, including but not limited to a competent and fully qualified superintendent, project manager and all necessary assistants who shall be in attendance at the Site at all times during performance of the Work. The Contractor's communications relating to the Work or the Contract Documents shall be through the Contractor's superintendent. The superintendent shall represent the Contractor and communications given to the superintendent shall be binding as if given to the Contractor. The Contractor shall dismiss the superintendent or any member of the Project Staff, including but not limited to the Contractor's project manager, if they are deemed, in the sole reasonable judgment of the District, to be unfit, incompetent or incapable of performing the functions assigned to them. In such event, the District shall have the right to approve of the replacement superintendent, Contractor's project manager or assistant. Contractor shall not replace its superintendent or Contractor's project manager without the District's express written consent.
- 4.4.4 Prohibition on Harassment.**
- 4.4.4.1 District's Policy Prohibiting Harassment.** The District is committed to providing a campus and workplace free of sexual harassment and harassment based on factors such as race, color, religion, national origin, ancestry, age, gender, medical condition, marital status, disability or veteran status. Harassment includes without limitation, verbal, physical or visual conduct which creates an intimidating, offensive or hostile environment such as racial slurs; ethnic jokes; posting of offensive statements, posters or cartoons or similar conduct. Sexual harassment includes without limitation the solicitation of sexual favors, unwelcome sexual advances, or other verbal, visual or physical conduct of a sexual nature.
- 4.4.4.2 Contractor's Adoption of Anti-Harassment Policy.** Contractor shall adopt and implement all appropriate and necessary policies prohibiting any form of discrimination in the workplace, including without limitation harassment on the basis of any classification protected under local, state or federal law,

regulation or policy. Contractor shall take all reasonable steps to prevent harassment from occurring, including without limitation affirmatively raising the subject of harassment among its employees, expressing strong disapproval of any form of harassment, developing appropriate sanctions, informing employees of their right to raise and how to raise the issue of harassment and informing complainants of the outcome of an investigation into a harassment claim. Contractor shall require that any Subcontractor or Sub-subcontractor performing any portion of the Work to adopt and implement policies in conformity with this Article 4.4.4.

**4.4.4.3 Prohibition on Harassment at the Site.** Contractor shall not permit any person, whether employed by Contractor, a Subcontractor, Sub-subcontractor, or any other person or entity, performing any Work at or about the Site to engage in any prohibited form of harassment. Any such person engaging in a prohibited form of harassment directed to any individual performing or providing any portion of the Work at or about the Site shall be subject to appropriate sanctions in accordance with the anti-harassment policy adopted and implemented pursuant to Article 4.4.4.2 above. Any person, performing or providing Work on or about the Site engaging in a prohibited form of harassment directed to any student, faculty member or staff of the District or directed to any other person on or about the Site shall be subject to immediate removal and shall be prohibited thereafter from providing or performing any portion of the Work. Upon the District's receipt of any notice or complaint that any person employed directly or indirectly by Contractor in performing or providing the Work has engaged in a prohibited form of harassment, the District will promptly undertake an investigation of such notice or complaint. In the event that the District, after such investigation, reasonably determines that a prohibited form of harassment has occurred, the District shall promptly notify the Contractor of the same and direct that the person engaging in such conduct be immediately removed from the Site. Unless the District's determination that a prohibited form of harassment has occurred is grossly negligent or without reasonable cause, District shall have no liability for directing the removal of any person determined to have engaged in a prohibited form of harassment nor shall the Contract Sum or the Contract Time be adjusted on account thereof. Contractor and the Surety shall defend, indemnify and hold harmless the District and its employees, officers, board of trustees, agents, and representatives from any and all claims, liabilities, judgments, awards, actions or causes of actions, including without limitation, attorneys' fees, which arise out of, or pertain in any manner to: (i) the assertion by any person dismissed from performing or providing work at the direction of the District pursuant to this Article 4.4.4.3; or (ii) the assertion by any person that any person directly or indirectly under the employment or direction of the Contractor has engaged in a prohibited form of harassment directed to or affecting such person. The obligations of the Contractor and the Surety under the preceding sentence are in addition to, and not in lieu of, any other obligation of defense, indemnity and hold harmless whether arising under the Contract Documents, at law or otherwise; these obligations survive completion of the Work or the termination of the Contract.

**4.5 Taxes.** The Contractor shall pay, without adjustment of the Contract Sum, all sales, consumer, use and other taxes for the Work or portions thereof provided by the Contractor

under the Contract Documents.

#### **4.6 Permits, Fees and Notices; Compliance With Laws.**

- 4.6.1 Payment of Permits, Fees.** Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permits, other permits, governmental fees, licenses and inspections necessary or required for the proper execution and completion of the Work. The District shall obtain and pay for any permits, easements and governmental approvals for the use or occupancy of permanent structures required in connection with the Work.
- 4.6.2 Compliance With Laws.** The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and other orders of public authorities bearing on performance of the Work.
- 4.6.3 Notice of Variation From Laws.** If the Contractor knows, or has reason to believe, that any portion of the Contract Documents are at variance with applicable laws, statutes, ordinances, building codes, regulations or rules, the Contractor shall promptly notify the Architect and the Owner's Project Manager, in writing, of the same. If the Contractor performs Work knowing, or with reasonable diligence should have known, it to be contrary to laws, statutes, ordinances, building codes, rules or regulations applicable to the Work without such notice to the Architect, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs arising or associated therefrom, including without limitation, the removal, replacement or correction of the same.

#### **4.7 Submittals.**

**4.7.1 Purpose of Submittals.** Shop Drawings, Product Data, Samples and similar submittals (collectively "Submittals") are not Contract Documents. The purpose for submission of Submittals is to demonstrate, for those portions of the Work for which Submittals are required, the manner in which the Contractor proposes to provide or incorporate such item of the Work in conformity with the information given and the design concept expressed in the Contract Documents.

#### **4.7.2 Contractor's Submittals.**

- 4.7.2.1 Prompt Submittals.** The Contractor shall review, approve and submit to the Architect or such other person or entity designated by the District, the number of copies of Submittals required by the Contract Documents. All Submittals required by the Contract Documents shall be prepared, assembled and submitted by the Contractor to the Owner's Project Manager within the time frames set forth in the Submittal Schedule incorporated and made a part of the Approved Construction Schedule prepared and submitted by the Contractor pursuant to Article 7 of these General Conditions. Contractor's submission of Submittals in conformity with the Submittal Schedule is a material obligation of the Contractor. Submittals not required by the Contract Documents or which do not otherwise conform to the requirements of the Contract Documents may be returned without action. No adjustment to the Contract Time or the Contract Sum shall be granted to the Contractor on account of its failure to make timely submission of any Submittal.

- 4.7.2.2 Approval of Subcontractor Submittals.** All Submittals prepared by Subcontractors, of any tier, Material Suppliers, manufacturers or distributors shall bear the written approval of the Contractor thereto prior to submission to the Architect for review. Any Submittal not bearing the Contractor's written approval shall be subject to return to the Contractor for re-submittal in conformity herewith, with the same being deemed to not have been submitted. Any delay, impact or cost associated therewith shall be the sole and exclusive responsibility of the Contractor without adjustment to the Contract Time or the Contract Sum.
- 4.7.2.3 Information Included in Submittals.** All Submittals shall be accompanied by a written transmittal and each set of plans shall carry a "wet stamp" or other writing by the Contractor providing an identification of the portion of the Drawings or the Specifications pertaining to the Submittal, with each Submittal numbered consecutively for ease of reference along with the following information: (i) date of submission; (ii) project name; (iii) name of submitting Subcontractor; and (iv) if applicable, the revision number. The foregoing information is in addition to, and not in lieu of, any other information required for the Architect's review, evaluation and approval of the Contractor's Submittals. Each Submittal shall be complete with its required number of copies, no piecemeal documentation is allowed. Any Submittal not bearing the required wet stamp as stated herein, shall be rejected until the appropriate wet stamp information is provided on each submittal.
- 4.7.2.4 Verification of Submittal Information.** By approving and submission of Submittals, the Contractor represents to the District and Architect that the Contractor has determined and verified materials, field measurements, field construction criteria, catalog numbers and similar data related thereto and has checked and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents. Each Submittal shall include the following certification duly executed by the Contractor's Superintendent or Owner's Project Manager for the Work:
- "The Contractor has reviewed and approved the field dimensions and construction criteria of the attached Submittal. The Contractor has verified that the Submittal is complete and includes notations of any portion of the Work depicted in the Submittal which is not in strict conformity with the Contract Documents. The information in the attached Submittal has been reviewed and coordinated by the Contractor with information included in other Submittals."
- 4.7.2.5 Contractor Responsibility for Deviations.** The Contractor shall not be relieved of responsibility for correcting deviations from the requirements of the Contract Documents by the Architect's review of Submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submission of the Submittal and the Architect has given written approval to the specific deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Submittals by the Architect's review or comments thereon.
- 4.7.2.6 No Performance of Work Without Architect Review.** The Contractor shall

perform no portion of the Work requiring the Architect's review of Submittals until the Architect has completed its review and returned the Submittal to the Contractor indicating "No Exception Taken" to such Submittal. The Contractor shall not perform any portion of the Work forming a part of a Submittal or which is affected by a related Submittal until the entirety of the Submittal or other related Submittal has been fully processed. Such Work shall be in accordance with the final action taken by the Architect in review of Submittals and other applicable portions of the Contract Documents.

**4.7.3 Architect Review of Submittals.** The purpose of the Architect's review of Submittals and the time for the Architect's return of Submittals to the Contractor shall be as set forth elsewhere in the Contract Documents. If the Architect returns a Submittal as rejected or requiring correction(s) with re-submission, the Contractor, so as not to delay the progress of the Work, shall promptly thereafter resubmit a Submittal conforming to the requirements of the Contract Documents; the resubmitted Submittal shall indicate the portions thereof modified in accordance with the Architect's direction. When professional certification of performance criteria of materials, systems or equipment is required by the Contract Documents, the Architect shall be entitled to rely upon the accuracy and completeness of such calculations and certifications accompanying Submittals. The Architect's review of the Submittals is for the limited purposes described in the Contract Documents. The Architect will review each submittal up to twice. Should additional submittals be required as a result of failure of the Contractor to address comments, the Contractor will pay for the Architect's services on a time and material basis for each subsequent review.

#### **4.8 Materials and Equipment.**

**4.8.1 Specified Materials, Equipment.** Except where designated as a District standard specification, references in the Contract Documents to any specific article, device, equipment, product, material, fixture, patented process, form, method or type of construction, by name, make, trade name, or catalog number, with or without the words "or equal" shall be deemed to establish a minimum standard of quality or performance, and shall not be construed as limiting competition.

**4.8.2 Approval of Substitutions or Alternatives.** The Contractor may propose to furnish alternatives or substitutes for a particular item specified in the Contract Documents, provided that such proposed substitution or alternative complies with the requirements of the Specifications relating to substitutions of specified items and the Contractor certifies to the Architect and the District that the quality, performance capability and functionality (including visual and/or aesthetic effect) of the proposed alternative or substitute will meet or exceed the quality, performance capability, including maintenance considerations, and functionality of the item or process specified, must meet CHPS certification requirements (if applicable), and must demonstrate to the Architect that the use of the substitution or alternative is appropriate and will not delay completion of the Work or result in an increase to the Contract Sum. The Contractor shall submit engineering, construction, dimension, visual, aesthetic and performance data to the Architect to permit its proper evaluation of the proposed substitution or alternative. If requested by the Architect, Contractor shall promptly furnish any additional information or data regarding a proposed substitution or alternative which the Architect deems reasonably necessary for the

evaluation of the proposed substitution or alternative. The Contractor shall not provide, furnish or install any substitution or alternative without the Architect's review and final action on the proposed substitution or alternative; any alternative or substitution installed or incorporated into the Work without first obtaining the Architect's review and final action of the same shall be subject to removal pursuant to Article 12 hereof. The Architect's decision evaluating the Contractor's proposed substitutions or alternatives shall be final. Neither the Contract Time nor the Contract Sum shall be increased on account of any substitution or alternative proposed by the Contractor and which is accepted by the Architect; provided, however, that in the event a substitution or alternative accepted by the Architect and purchase, fabrication and/or installation or such accepted substitution or alternative shall be less expensive than the originally specified item, the Contract Sum shall be reduced by the actual cost savings realized by the Contractor's furnishing and/or installation of such approved substitution or alternative. The Contractor shall be solely responsible for all costs and fees incurred by the District to review a proposed substitution or alternative, including without limitation fees of the Architect, of the Architect's consultant(s), utilities, and/or governmental agencies to review and/or approve any proposed substitution or alternative. The Contractor shall be solely responsible for any increase in the cost of any accepted substitution or alternative or any Work affected by such alternative or substitution. The foregoing notwithstanding, all requests for the Architect's review and approval of any proposed substitution or alternative and all engineering, construction, dimension and performance data substantiating the equivalency of the proposed substitution or alternative shall be submitted by Contractor not later than thirty-five (35) days following the date of the District's Notice of Award; any request for approval of proposed alternatives or substitutions submitted thereafter may be rejected summarily. The foregoing process and time limits shall apply to any proposed substitution or alternative regardless of whether the substitute or alternate item is to be provided, furnished or installed by Contractor, any Subcontractor, any Sub-Subcontractor, Material Supplier or Manufacturer.

**4.8.3 Placement of Material and Equipment Orders.** Contractor shall, after award of the Contract, promptly and timely place all orders for materials and/or equipment necessary for completion of the Work so that delivery of the same shall be made without delay or interruption to the timely completion of the Work. Contractor shall require that any Subcontractor or Sub-Subcontractor performing any portion of the Work similarly place orders for all materials and/or equipment to be furnished by any such Subcontractor or Sub-Subcontractor in a prompt and timely manner so that delivery of the same shall be made without delay or interruption to the timely completion of the Work. Upon request of the District, Owner's Project Manager or the Architect, the Contractor shall furnish reasonably satisfactory written evidence of the placement of orders for materials and/or equipment necessary for completion of the Work, including without limitation, orders for materials and/or equipment to be provided, furnished or installed by any Subcontractor or Sub-Subcontractor.

**4.8.4 District's Right to Place Orders for Materials and/or Equipment.** Notwithstanding any other provision of the Contract Documents, in the event that the Contractor shall, upon request of the District or the Architect, fail or refuse, for any reason, to provide reasonably satisfactory written evidence of the placement of orders for materials and/or equipment necessary for completion of the Work, or should the District determine, in its sole and reasonable discretion, that any orders



for materials and/or equipment have not been placed in a manner so that such materials and/or equipment will be delivered to the Site so the Work can be completed without delay or interruption, the District shall have the right, but not the obligation, to place such orders on behalf of the Contractor. If the District exercises the right to place orders for materials and/or equipment pursuant to the foregoing, the District's conduct shall not be deemed to be an exercise, by the District, of any control over the means, methods, techniques, sequences or procedures for completion of the Work, all of which remain the responsibility and obligation of the Contractor. Notwithstanding the right of the District to place orders for materials and/or equipment pursuant to the foregoing, the election of the District to exercise, or not to exercise, such right shall not relieve the Contractor from any of Contractor's obligations under the Contract Documents, including without limitation, completion of the Work within the Contract Time and for the Contract Sum. If the District exercises the right hereunder to place orders for materials and/or equipment on behalf of Contractor pursuant to the foregoing, Contractor shall reimburse the District for all costs and fees incurred by the District in placing such orders; such costs and fees may be deducted by the District from the Contract Sum then or thereafter due the Contractor.

#### 4.9 Safety.

- 4.9.1 Safety Programs.** Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. Contractor shall ensure, by subcontract agreement, each Subcontractor has the responsibility for participating in and enforcing the safety and loss prevention programs established by Contractor for the Work and/or Project. Contractor shall provide and maintain at the Project site adequate first aid supplies for minor injuries.
- 4.9.2 Contractor's/Subcontractors' Safety Coordinators.** The Contractor shall designate, and shall require each Subcontractor and Sub-Subcontractor to designate, a responsible member of that entity's organization at the Site whose duty shall be the prevention of accidents and the implementation and maintenance of safety precautions and programs ("Safety Coordinator"). This person shall be the Contractor's, Subcontractor's or Sub-Subcontractor's superintendent unless otherwise designated by the Contractor, Subcontractor or Sub-Subcontractor in writing to the District.
- 4.9.3 Safety Precautions.** The Contractor shall be solely responsible for initiating and maintaining reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (i) employees on the Work and other persons who may be affected thereby; (ii) the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site, under care, custody or control of the Contractor or the Contractor's Subcontractors of any tier; and (iii) other property or items at the site of the Work, or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities whether or not designated for removal, relocation or replacement in the course of construction. The Contractor shall erect and maintain, as required by existing conditions and conditions resulting from performance of the Contract, reasonable safeguards for safety and protection of property and persons, including, without limitation, posting danger signs and other warnings against hazards, promulgating safety regulations and notifying

District and users of adjacent sites and utilities. The Contractor shall give or post all notices required by applicable law and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

**4.9.4 Emergencies; First Aid.** In an emergency affecting safety of persons or property, the Contractor shall act, to prevent threatened damage, injury or loss. The Contractor shall maintain stocked emergency first aid kits at the Site which comply with applicable law, rule or regulation.

**4.9.5 Hazardous Materials.**

**4.9.5.1 General.** In the event that the Contractor, any Subcontractor or anyone employed directly or indirectly by them shall use, at the Site, or incorporate into the Work, any material or substance deemed to be hazardous or toxic under any law, rule, ordinance, regulation or interpretation thereof (collectively "Hazardous Materials"), the Contractor shall comply with all laws, rules, ordinances or regulations applicable thereto and shall exercise all necessary safety precautions relating to the use, storage or disposal thereof.

**4.9.5.2 Prohibition on Use of Asbestos Construction Building Materials ("ACBMs").** Notwithstanding any provision of the Drawings or the Specifications to the contrary, it is the intent of the District that ACBMs not be used or incorporated into any portion of the Work. In the event that any portion of the Work depicted in the Drawings or the Specifications shall require materials or products which the Contractor knows, or should have known with reasonably diligent investigation, to contain ACBMs, Contractor shall promptly notify the Architect and Owner's Project Manager of the same so that an appropriate alternative can be made in a timely manner so as not to delay the progress of the Work. Contractor warrants to the District that there are no materials or products used or incorporated into the Work which contain ACBMs.

**4.9.5.3 Disposal of Hazardous Materials.** Contractor shall be solely and exclusively responsible for the disposal of any Hazardous Materials on or about Site resulting from the Contractor's performance of Work and other activities. The Contractor's obligations hereunder shall include without limitation, the transportation and disposal of any Hazardous Materials in strict conformity with any and all applicable laws, regulations, orders, procedures or ordinances. Contractor shall provide the District with copies of all manifests regarding the transportation and disposal of any Hazardous Materials.

**4.9.5.4 Encountering of Hazardous Materials.** If the Contractor encounters Hazardous Materials at the Site which have not been rendered harmless or for which there is no provision in the Contract Documents for their containment, removal, abatement or handling, the Contractor shall immediately stop the Work in the affected area and shall immediately notify the District, in writing, of such condition. The Contractor shall diligently proceed with the Work in all other unaffected areas. Upon encountering such Hazardous Materials, the Contractor shall immediately notify the Owner's Project Manager, in writing, of such condition. The Contractor shall proceed

with the Work in the affected area only after the Hazardous Materials have been rendered harmless, contained, removed or abated. In the event such Hazardous Materials are encountered, the Contractor shall be entitled to an adjustment of the Contract Time in accordance with Articles 7 and 9 to the extent that the Work is stopped and Substantial Completion of the Work is affected thereby. In no event shall there be an adjustment to the Contract Sum solely on account of the Contractor encountering such Hazardous Materials

**4.9.5.5 Material Safety Data Sheets.** Contractor is required to ensure that Material Safety Data Sheets (MSDS) for any material requiring a MSDS pursuant to the federal "hazard communication" standard or employee's right-to-know law are available in a readily accessible place on the Work premises. The Contractor is also required to ensure (i) the proper labeling of any substance brought onto the Work premises, and (ii) that the persons working with the material, or within the general area of the material, are informed about the hazards of the substance and follow proper handling and protection procedures.

**4.9.5.6 Compliance with Proposition 65.** Contractor is required to comply with the provisions of California Health and Safety Code § 25249.5, et seq., which requires the posting and giving of notice to persons who may be exposed to any chemical known to the State of California to cause cancer. The Contractor agrees to familiarize itself with such statutory provisions and to fully comply with the requirements set forth therein.

#### **4.10 Maintenance of Documents.**

**4.10.1 Documents at Site.** The Contractor shall maintain at the Site: (i) one record copy of the Drawings, Specifications and all addenda thereto, including updated logs and documentation for each of the following items; (ii) Change Orders, Construction Directives, and Construction Change Documents approved by the District and all other modifications to the Contract Documents; (iii) Submittals reviewed by the Architect; (iv) Requests for Information and responses thereto; (v) approved/updated schedules; (vi) updated and current As-Built Drawings; (vii) Material Safety Data Sheets ("MSDS") accompanying any materials, equipment or products delivered or stored at the Site or incorporated into the Work; and (ix) all building and other codes or regulations applicable to the Work, including without limitation, Title 24, Part 2 of the California Code of Regulations (these may be maintained in electronic form). During performance of the Work, all documents maintained by Contractor at the Site shall be available to the District, the Owner's Project Manager, and the Architect for review, inspection or reproduction. Upon completion of the Work, all documents maintained at the Site by the Contractor pursuant to the foregoing shall be assembled and transmitted to the Owner's Project Manager for delivery to the District.

**4.10.2 Maintenance of As-Built Drawings.** During its performance of the Work, the Contractor shall maintain As-Built Drawings consisting of a set of the Drawings which are marked to indicate all field changes made to adapt the Work depicted in the Drawings to field conditions, changes resulting from Change Orders, Construction Directives, and Construction Change Documents and all concealed or buried installations, including without limitation, piping, conduit and utility services. All

buried or concealed items of Work shall be completely and accurately marked and located on the As-Built Drawings. The As-Built Drawings shall be clean and all changes, corrections and dimensions shall be marked in a neat and legible manner in a contrasting color. As-Built Drawings relating to the Structural, Mechanical, Electrical and Plumbing portions of the Work shall indicate without limitation, circuiting, wiring sizes, equipment/member sizing and shall depict the entirety of the as built conditions of such portions of the Work. The As-Built Drawings shall be continuously maintained by the Contractor during the performance of the Work. At any time during the Contractor's performance of the Work, upon the request of the District or the Architect, the Contractor shall make the As-Built Drawings maintained here under available for the District's review and inspection. The District's review and inspection of the As-Built Drawings during the Contractor's performance of the Work shall be only for the purpose of generally verifying that Contractor is continuously maintaining the As-Built Drawings in a complete and accurate manner; any such inspection or review shall not be deemed to be the District's approval or verification of the completeness or accuracy thereof. The failure or refusal of the Contractor to continuously maintain complete and accurate As-Built Drawings or to make available the As-Built Drawings for inspection and review by the District may be deemed by the District to be Contractor's default of a material obligation hereunder. Without waiving, restricting or limiting any other right or remedy of the District for the Contractor's failure or refusal to continuously maintain the As-Built Drawings, the District may, upon reasonably determining that the Contractor has not, or is not, continuously maintaining the As-Built Drawings in a complete and accurate manner, take appropriate action to cause the continuous maintenance of complete and accurate As-Built Drawings, in which event all fees and costs incurred or associated with such action shall be charged to the Contractor and the District may deduct the amount of such fees and costs from any portion of the Contract Sum then or thereafter due the Contractor. In accordance with Article 8.4.2 of these General Conditions, prior to receipt of the Final Payment, Contractor shall deliver the As-Built Drawings to the Owner's Project Manager for transmittal of the District.

- 4.11 Use of Site.** The Contractor shall confine operations at the Site to areas permitted by law, ordinances or permits, subject to any restrictions or limitations set forth in the Contract. The Contractor shall not unreasonably encumber the Site or adjoining areas with materials or equipment. The Contractor shall be solely responsible for providing security at the Site with all such costs included in the Contract Sum. The District shall at all times have access to the Site.
- 4.12 Clean-Up.** The Contractor shall at all times keep the Site and all adjoining areas free from the accumulation of any waste material or rubbish caused or generated by performance of the Work. Without limiting the generality of the foregoing, Contractor shall maintain the Site in a "broom-clean" standard on a daily basis. In the event that the Work of the Contract Documents includes painting and/or the installation of floor covering, prior to commencement of any painting operations or the installation of any flooring covering, the area and adjoining areas of the Site where paint is to be applied or floor covering is to be installed shall be in a "broom-clean" condition. Prior to completion of the Work, Contractor shall remove from the Site all rubbish, waste material, excess excavated material, tools, Construction Equipment, machinery, surplus material and any other items which are not the property of the District under the Contract Documents. As directed by the Owner's Project Manager, the Contractor shall remove temporary fencing, barricades, planking, temporary sanitary facilities, temporary utility distributions and other temporary facilities. Upon completion of the Work,

the Site and all adjoining areas shall be left in a neat and broom clean condition satisfactory to District. The Owner's Project Manager shall be authorized to direct the Contractor's clean-up obligations hereunder. If the Contractor fails to clean up as provided for in the Contract Documents, the District may do so, and all costs incurred in connection therewith shall be charged to the Contractor; the District may deduct such costs from any portion of the Contract Sum then or thereafter due the Contractor.

- 4.13 Access to the Work.** The Contractor shall provide the District, the Owner's Project Manager, the Inspector(s), the Architect and the Architect's consultant(s) with access to the Work, whether in place, preparation and progress and wherever located.
- 4.14 Patents and Royalties.** The Contractor and the Surety shall defend, indemnify and hold harmless the District and its agents, employees and officers from any claim, demand or legal proceeding arising out of or pertaining, in any manner, to any actual or claimed infringement of patent or licensing rights in connection with performance of the Work under the Contract Documents.
- 4.15 Cutting and Patching.** The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make the component parts thereof fit together properly. The Contractor shall not damage or endanger any portion of the Work, or the fully or partially completed construction of the District or separate contractors by cutting, patching, excavation or other alteration. When modifying new Work or when installing Work adjacent to an existing structure/facility, the Contractor shall match, as closely as conditions of the Site and materials will allow, the finishes, textures and colors of the existing structure/facility and refinish elements of the existing structure/facility. The Contractor shall not cut, patch or otherwise alter the construction by the District or separate contractor without the prior written consent of the District or separate contractor thereto, which consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold consent to the request of the District or separate contractor to cut, patch or otherwise alter the Work.
- 4.16 Public Works Requirements: Registration, Wage Rates and Employment of Labor.**
- 4.16.1 Public Works Project.** This is a public works project as defined in Labor Code §1720, and must be performed in accordance with all applicable requirements of the Labor Code, including §§1720 to 1815, 1860 and 1861, and Title 8 of the California Code of Regulations, §§16000 to 17270, which govern the requirements to register with the Department of Industrial Relations ("DIR") and the payment of prevailing wage rates on public works projects. Contractor and Subcontractors, of any tier, shall comply with the registration and compliance monitoring provisions of the Labor Code for public works projects, including but not limited to furnishing Certified Payroll Records to the California Labor Commissioner and complying with any applicable enforcement by DIR.
- 4.16.2 Registration with the Department of Industrial Relations.** Contractor and Subcontractors, of any tier, shall comply with California Labor Code §1725.5, including without limitation the registration requirements to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of the Contract. Contractor represents that all Subcontractors, of any tier, are registered pursuant to California Labor Code §1725.5.

**4.16.2.1 Subcontractor Substitution.** Pursuant to California Labor Code 1771.1 (d), failure to be registered with DIR by a Subcontractor, of any tier, shall be grounds under California Contract Code §4107, with the District's consent, to substitute a Subcontractor who is registered in place of the unregistered Subcontractor.

**4.16.2.2 Termination of Contractor.** Pursuant to California Labor Code 1771.1 (f), failure by the Contractor or the Subcontractors, of any tier, to have or maintain their DIR registration during the duration of the Contract and project may result in termination of the Contractor. The termination of the Contractor under this Article due to the failure by the Contractor or any Subcontractor of any tier to have or maintain their DIR registration will not affect or exonerate the obligations of the surety or sureties providing the payment and performance bonds for the Contract.

### **4.16.3 Prevailing Wage Rates.**

**4.16.3.1 Prevailing Wage Rate Determinations.** Pursuant to the provisions of Division 2, Part 7, Chapter 1, Article 2 of the California Labor Code at §§1770 et seq., the District has obtained from the Director of DIR determinations of the general prevailing rate of per diem wages and the prevailing rates for Saturday, Sunday, holiday and overtime work in the locality in which the Work is to be performed. Copies of these prevailing wage determinations are on file and available to any interested party upon request at the District's principal office and at [www.dir.ca.gov/OPRL/DPreWageDetermination.htm](http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm). Holidays shall be as defined in the collective bargaining agreement applicable to each particular craft, classification or type of worker employed under the Contract. Per diem wages include employer payments for health and welfare, pensions, vacation, travel time and subsistence pay as provided in California Labor Code §1773.9, apprenticeship or other training programs authorized by California Labor Code §3093, and similar purposes when the term "per diem wages" is used herein. Saturday, Sunday, holiday and overtime work, when permitted by law, shall be paid for at the rate of at least one and one-half (1½) times the above specified rate of per diem wages, unless otherwise specified. The Contractor shall post, at appropriate and conspicuous locations on the Site, a schedule showing all determined general prevailing wage rates.

**4.16.3.2 Contractor Responsibility.** Contractor is responsible for ascertaining and complying with all rates for crafts which are not listed, and for any and all determinations subsequent to those listed. Questions pertaining to prevailing wage rates should be directed to the DIR, Office of the Director – Research Unit, P.O. Box 420603, San Francisco, CA 94142, tel. (415) 703-4774. In addition, Contractor shall comply with Labor Code §1777.5 pertaining to prevailing wage compensation to apprentices for preemployment activities.

**4.16.3.3 Payment of Prevailing Rates.** There shall be paid each worker of the Contractor and Subcontractors, of any tier, engaged in the Work, not less than the general prevailing wage rate, regardless of any contractual relationship which may be alleged to exist between the Contractor or any Subcontractor, of any tier, and such worker. Contractor, consistent with California Public Contract Code §6109, is prohibited from performing a portion of work with a

Subcontractor, of any tier, who is debarred pursuant to Labor Code §§1777.1 or 1777.7.

**4.16.3.4 Prevailing Wage Rate Penalty.** The Contractor shall be subject to statutory and/or regulatory penalties and shall forfeit such amounts for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for such work or craft in which such worker is employed for the Work by the Contractor or by any Subcontractor, of any tier, in connection with the Work. The amount of the penalty for failure to pay applicable prevailing wage rates shall be determined by the California Labor Commissioner. When the penalty amount due hereunder is collected from the Contractor or Subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that Contractor or Subcontractor shall be satisfied before applying that amount to the penalty imposed on that Contractor or Subcontractor hereunder. Pursuant to California Labor Code §1775, the difference between prevailing wage rates and the amount paid to each worker each calendar day, or portion thereof, for which each worker paid less than the prevailing wage rate, shall be paid to each worker by the Contractor and/or the applicable Subcontractor, of any tier.

**4.16.3.5 Prevailing Wage Laws Monitoring and Enforcement.** During the duration of the Contract and performance of the Work, and pursuant to Labor Code §1771.4, DIR will monitor and enforce prevailing wage laws, including but not limited to the obligation of the Contractor and Subcontractors of every tier to pay laborers performing any portion of the Work the Prevailing Wage Rate established for the classification of work/labor performed. In the event that additional or revised information is required pursuant to the monitoring and enforcement of the prevailing wage laws by DIR, such requirement shall not result in an increase to the Contract Time or the Contract Sum.

**4.16.4 Payroll Records.**

**4.16.4.1 Certified Payroll Records.** Pursuant to California Labor Code §1776, the Contractor and each Subcontractor, of any tier, shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each person employed for the Work. If there is no work in a given week or on a given day, Contractor and each Subcontractor, of any tier, must keep a certified Non-Performance payroll record, indicating “no work” for that week or day(s).

**4.16.4.2 Submittal of Certified Payroll Records to the California Labor Commissioner.** The Contractor and all Subcontractors, of any tier, shall prepare and submit Certified Payroll Records to the Labor Commissioner in compliance with requirements established in California Labor Code §1771.4. The form and content of Certified Payroll Records shall be as established by the California Labor Commissioner and the frequency of Certified Payroll Records submittal to the Labor Commissioner shall be pursuant to California Labor Code §1771.4.

**4.16.4.3 Inspection and Copies of Certified Payroll Records.** The payroll records shall be certified and available for inspection at all reasonable hours at the principal office of the Contractor on the following basis: (i) a certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his/her authorized representative on request; (ii) a certified copy of all payroll records shall be made available for inspection or furnished upon request to the District, the Labor Commissioner, the Division of Labor Standards Enforcement ("DLSE") and the Division of Apprenticeship Standards of DIR ("Apprenticeship Council"); (iii) a certified copy of payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the District, the Labor Commissioner, DLSE and the Apprenticeship Council. If the requested payroll records have not been provided, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, Subcontractors and the entity through which the request was made; the public shall not be given access to such records at the principal office of the Contractor; (iv) the Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) days after receipt of a written request; (v) except as provided in California Labor Code §1776 (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Labor Commissioner, the DLSE or the California Apprenticeship Council shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor or any Subcontractor, of any tier, performing a part of the Work shall not be marked or obliterated. The Contractor shall inform the District of the location of payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change or location and address. In the event of noncompliance with the foregoing requirements, the Contractor shall have ten (10) days in which to comply, subsequent to receipt of written notice specifying in what respects the Contractor must comply herewith. Should noncompliance still be evident after such ten (10) day period, the Contractor shall, as a penalty to the District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Labor Commissioner, the DLSE or the California Apprenticeship Council, such penalties shall be withheld from any portion of the Contract Sum then or thereafter due the Contractor. The Contractor is solely responsible for compliance with the foregoing provisions.

**4.16.4.4 Liquidated Damages.** Should Contractor or the Subcontractors, of any tier, neglect, fail or refuse to submit any documents pursuant to this Article 4.16.4, Contractor agrees to pay to the District the sum of One Hundred Dollars (\$100) per worker per day in liquidated damages, not as a penalty but as liquidated damages, for every day beyond ten (10) days after such documents are due. The liquidated damages amounts are agreed upon by and between the Contractor and the District because of the difficulty of fixing the District's actual damages in the event of failure to submit such documents. The Contractor and District specifically agree that said amounts are reasonable estimates of the District's damages in such event, and that such amounts do not constitute a penalty. The Contractor and District acknowledge and agree



that the liquidated damages contained in this provision are reasonable under the circumstances existing at the time of the Contractor's execution of the Contract.

#### 4.16.5 Hours of Work.

**4.16.5.1 Limits on Hours of Work.** Pursuant to California Labor Code §1810, eight (8) hours of labor shall constitute a legal day's work. Pursuant to California Labor Code §1811, the time of service of any worker employed at any time by the Contractor or by a Subcontractor, of any tier, upon the Work or upon any part of the Work, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as hereafter provided. Notwithstanding the foregoing provisions, Work performed by employees of Contractor or any Subcontractor, of any tier, in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay. All work performed on Saturday, Sunday, and/or on a holiday shall be paid pursuant to the applicable prevailing wage determination.

**4.16.5.2 Penalty for Excess Hours.** The Contractor shall pay to the District a penalty of Twenty-five Dollars (\$25.00) for each worker employed on the Work by the Contractor or any Subcontractor, of any tier, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week, in violation of the provisions of the California Labor Code.

**4.16.5.3 Contractor Responsibility.** Any Work performed by workers necessary to be performed after regular working hours or on Saturdays, Sundays or other holidays shall be performed without adjustment to the Contract Sum or any other additional expense to the District, except where requested by the District.

#### 4.16.6 Apprentices.

**4.16.6.1 Employment of Apprentices.** California Labor Code §1777.5 and Title 8 of the California Code of Regulations §200 et seq. provide detailed requirements for employing apprentices on public works projects. Contractor is responsible for compliance with California Labor Code §1777.5 and all applicable regulations on the Project. This responsibility includes, but is not limited to, the obligation to employ properly registered apprentices and pay such apprentices at least the prevailing wage rate for their appropriate apprentice classification. Only apprentices, as defined in California Labor Code §3077 who are in training under apprenticeship standards and written apprenticeship agreements under California Labor Code §§3070 et seq. are eligible to be employed for the Work. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which such apprentice is training. Any apprentices employed to perform any of the Work shall be paid the standard wage paid to apprentices under the regulations of the craft or trade for which such apprentice is employed, and such individual shall be employed only for

the work of the craft or trade to which such individual is registered. The term "Apprenticeable Craft or Trade," as used herein shall mean a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council.

- 4.16.6.2 Apprenticeship Certificate.** When the Contractor or any Subcontractor, of any tier, in performing any of the Work employs workers in any Apprenticeable Craft or Trade, the Contractor and such Subcontractor shall employ apprentices in at least the ratio set forth in California Labor Code §1777.5 and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the Work for a certificate approving the Contractor or such Subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the Contractor or Subcontractor, shall arrange for the dispatch of apprentices to the Contractor or such Subcontractor in order to comply with California Labor Code §1777.5. Contractors or Subcontractors covered by an apprenticeship program's standards shall not be required to submit any additional application to include additional public works contracts under that program. Prior to the commencement of the Work, the Contractor and Subcontractors, of any tier, must submit contract award information (on Form DAS-140) to an applicable apprenticeship program that can supply apprentices to the site of the Work. The information submitted shall include an estimate of journeyman hours to be performed under the Contract, the number of apprentices to be employed, and the approximate dates the apprentices will be employed. Concurrently with submission of this information to the apprenticeship program(s), Contractor shall deliver a copy of the submittal to the District and the Owner's Project Manager. The apprenticeship program that can supply apprentices to the site of the Work shall ensure equal employment and affirmative action and apprenticeship for women and minorities.
- 4.16.6.3 Submittal of Contract Award Information.** Contractor shall submit contract award information using the Division of Apprenticeship Standards (DAS 140) Form to the applicable apprenticeship committee within ten (10) days of the date of execution of contract and no later than the first day of work as per Title 8 of the California Code of Regulations §230. Concurrently with submission of contract information on Form DAS-140 to the Apprenticeship Council, the Contractor shall deliver a copy of its completed DAS-140 form to the District and the Owner's Project Manager.
- 4.16.6.4 Ratio of Apprentices to Journeymen.** The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the Work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates, but in no case shall the ratio be less than one hour of apprentice work for each five hours of labor performed by a journeyman, except as otherwise provided in California Labor Code §1777.5. Any applicable ratio shall apply during any day or portion of a day when any journeyman is employed at the site of the Work and shall be computed on the basis of the hours worked during the day by journeymen so

employed. Any Work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The Contractor and Subcontractor, of any tier, shall employ apprentices for the number of hours computed as above before the completion of the Contract or subcontract. The Contractor and Subcontractor, of any tier, shall, however, endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the site of the Work. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification. The Contractor or any Subcontractor covered by this Article and California Labor Code §1777.5, upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1 to 5 ratio required by California Labor Code §1777.5 (g). Upon proper showing by the Contractor or Subcontractor, of any tier, that it employs apprentices in such craft or trade in the State of California on all of its contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the Contractor from the 1-to-5 hourly ratio as set forth in this Article and California Labor Code §1777.5 in that craft or that trade.

**4.16.6.5 Exemption From Ratios.** An apprenticeship program has the discretion to grant a participating Contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the Contractor from the 1-to-5 ratio set forth in this Article when it finds that any one of the following conditions are met: (i) unemployment for the previous three-month period in such area exceeds an average of fifteen percent (15%) or; (ii) the number of apprentices in training in such area exceeds a ratio of 1-to-5 in relation to journeymen, or; (iii) the Apprenticeable Craft or Trade is replacing at least one-thirtieth (1/30) of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis, or; (iv) if assignment of an apprentice to any Work performed under the Contract Documents would create a condition which would jeopardize such apprentice's life or the life, safety or property of fellow employees or the public at large, or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman. When such exemptions from the 1-to-5 ratio between apprentices and journeymen are granted to an organization which represents contractors in a specific trade on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local joint apprenticeship committees, provided they are already covered by the local apprenticeship standards.

**4.16.6.6 Contributions to Trust Funds.** The Contractor or any Subcontractor, of any tier, who, performs any of the Work by employment of journeymen or apprentices in any Apprenticeable Craft or Trade and who is not contributing to a fund or funds to administer and conduct the apprenticeship program in

any such craft or trade in the area of the site of the Work, to which fund or funds other contractors in the area of the site of the Work are contributing, shall contribute to the fund or funds in each craft or trade in which it employs journeymen or apprentices in the same amount or upon the same basis and in the same manner as the other contractors do, but where the trust fund administrators are unable to accept such funds, contractors not signatory to the trust agreement shall, using California Apprenticeship Council Training Fund Contributions Form CAC-2, pay a like amount to the California Apprenticeship Council. The DLSE is authorized to enforce the payment of such contributions to such fund(s) as set forth in California Labor Code §227. Such contributions shall not result in an increase in the Contract Sum.

**4.16.6.7 Contractor's Compliance.** The responsibility of compliance with this Article and with California Labor Code §1777.5 for all Apprenticeable Trades or Crafts is solely and exclusively that of the Contractor. In the event the Contractor knowingly violates the provisions of this Article and California Labor Code §1777.5, pursuant to California Labor Code §1777.7, the Contractor shall: forfeit, as a civil penalty, not more than One Hundred Dollars (\$100.00) for each calendar day of noncompliance. A contractor or subcontractor that knowingly commits a second or subsequent violation of this Article and California Labor Code §1777.5 within a three-year period, shall forfeit as a civil penalty not more than Three Hundred Dollars (\$300.00) for each calendar day of noncompliance.

**4.16.7 Employment of Independent Contractors.** Pursuant to California Labor Code §1021.5, Contractor shall not willingly and knowingly enter into any agreement with any person, as an independent contractor, to provide any services in connection with the Work where the services provided or to be provided requires that such person hold a valid contractors' license issued pursuant to California Business and Professions Code §§7000 et seq. and such person does not meet the burden of proof of his/her independent contractor status pursuant to California Labor Code §2750.5. If the Contractor employs any person in violation of the foregoing, Contractor shall be subject to the civil penalties under California Labor Code §1021.5 and any other penalty provided by law. In addition to the penalties provided under California Labor Code §1021.5, Contractor's violation of this Article 4.17.7 or the provisions of California Labor Code §1021.5 shall be deemed an event of Contractor's default under these General Conditions. The Contractor shall require any Subcontractor of any tier performing or providing any portion of the Work to adhere to and comply with the foregoing provisions.

#### **4.16.8 Workers' Compensation.**

**4.16.8.1 Workers' Compensation Required.** Pursuant to California Labor Code §1860, the Contractor and the Subcontractors, of any tier, are required to secure the payment of compensation to their employees in accordance with California Labor Code §3700.

**4.16.8.2 Certification.** Prior to performing the Work under the Contract, Contractor and Subcontractors, of any tier, must sign and submit the following certification: "I am aware of the provisions of California Labor Code §3700 which require every employer to be insured against liability for workers' compensation or to

undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing performance of the work under this contract.”

- 4.16.9 Sufficient Contract Sum.** Contractor represents and warrants that the Contract Sum includes sufficient funds to allow Contractor and all Subcontractors to comply with all applicable laws, contractual agreements, and to complete the Work. Contractor shall defend, indemnify and hold the District harmless from and against any and all claims, demands, losses, liabilities and damages arising out of or relating to the failure of Contractor or any Subcontractor to comply with any applicable law in this regard, including, but not limited to Labor Code §2810. Contractor agrees to pay any and all wages, penalties, forfeitures and liquidated damages, made or asserted against the District in relation to any such failure.
- 4.16.10 Withholding of Contract Payments.** The District shall withhold from Contractor payment(s) after an investigation and/or at the direction of the Labor Commissioner, the DLSE or the Division of Apprenticeship Standards, in amounts equal to back wages, penalties, and/or liquidated damages assessed against Contractor and/or Subcontractor of any tier by these agencies, as authorized by the Labor Code and/or the District’s general conditions. Contractor’s appeal process pertaining to a payment withholding is described in the Civil Wage and Penalty Assessment document or as otherwise provided by the Labor Commissioner, the DLSE or the Division of Apprenticeship Standards.
- 4.16.11 Joint and Several Liability.** Contractor and any Subcontractor, of any tier, shall be jointly and severally liable for all amounts equal to back wages, penalties, and/or liquidated damages as authorized by the Labor Code. Contractor and the bond insurer will be jointly and severally liable for the underpayment of back wages, penalties, and liquidated damages if the responsible employer fails to pay identified assessments within sixty (60) days after receipt of the first notice or as otherwise provided by law, including Labor Code §1743.
- 4.17 Assignment of Antitrust Claims.** Pursuant to California Government Code §4551, the Contractor and its Subcontractor(s), of any tier, hereby offers and agrees to assign to the District all rights, title and interest in and to all causes of action they may have under Section 4 of the Clayton Act, (15 U.S.C. §15) or under the Cartwright Act (California Business and Professions Code §§16700 et seq.), arising from purchases of goods, services or materials hereunder or any Subcontract. This assignment shall be made and become effective at the time the District tenders Final Payment to the Contractor, without further acknowledgment by the parties. If the District receives, either through judgment or settlement, a monetary recovery in connection with a cause of action assigned under California Government Code §4550 et seq., the assignor thereof shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the District any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the District as part of the Contract Sum, less the expenses incurred by the District in obtaining that portion of the recovery. Upon demand in writing by the assignor, the District shall, within one year from such demand, reassign the cause of action assigned pursuant to this Article if the assignor has been or may have been injured by the violation of law for which the cause of action arose: and (i) the District has not been injured thereby; or (ii) the District declines to file a court action for the cause of action.

- 4.18 Limitations Upon Site Activities.** Except in the circumstances of an emergency, no construction activities shall be permitted at or about the Site except during the District's hours and days set forth in the Special Conditions. Work performed outside of the hours and days noted in the Special Conditions will not result in adjustment of the Contract Time or the Contract Sum; unless Work outside of the hours and days noted in the Special Conditions is expressly authorized by the District.

## ARTICLE 5: SUBCONTRACTORS

- 5.1 Subcontracts.** Any Work performed for the Contractor by a Subcontractor shall be pursuant to a written agreement between the Contractor and such Subcontractor which specifically incorporates by reference the Contract Documents and which specifically binds the Subcontractor to the applicable terms and conditions of the Contract Documents, including without limitation, the policies of insurance required under Article 6 of these General Conditions and the termination provisions of Article 15, and obligates the Subcontractor to assume toward the Contractor all the obligations and responsibilities of the Contractor which by the Contract Documents the Contractor assumes toward the District, the Owner's Project Manager, and the Architect. The foregoing notwithstanding, no contractual relationship shall exist, or be deemed to exist, between any Subcontractor and the District, unless the Contract is terminated and District, in writing, elects to assume the Subcontract. Each Subcontract for a portion of the Work shall provide that such Subcontract may be assigned to the District if the Contract is terminated by the District pursuant to Article 15.1 hereof, subject to the prior rights of the Surety obligated under a bond relating to the Contract. The Contractor shall provide to the District copies of all executed Subcontracts and Purchase Orders to which Contractor is a party within thirty (30) days after Contractor's execution of the Agreement. During performance of the Work, the Contractor shall, from time to time, as and when requested by the District, the Architect or the Owner's Project Manager provide the District with copies of any and all Subcontracts or Purchase Orders relating to the Work and all modifications thereto. The Contractor's failure or refusal, for any reason, to provide copies of such Subcontracts or Purchase Orders in accordance with the two preceding sentences is Contractor's default of a material term of the Contract Documents.

### 5.2 Substitution of Listed Subcontractor.

- 5.2.1 Substitution Process.** Any request of the Contractor to substitute a listed Subcontractor will be considered only if such request is in strict conformity with this Article 5.2 and California Public Contract Code §4107. All costs incurred by the District, including without limitation, costs of the Architect and the Owner's Project Manager or attorneys' fees in the review and evaluation of a request to substitute a listed Subcontractor shall be borne by the Contractor; such costs may be deducted by the District from the Contract Sum then or thereafter due the Contractor.

- 5.2.2 Responsibilities of Contractor Upon Substitution of Subcontractor.** The District's consent to Contractor's substitution of a listed Subcontractor shall not relieve Contractor from its obligation to complete the Work within the Contract Time and for the Contract Sum. The substitution of a listed Subcontractor shall not, under any circumstance, result in, or give rise to any to any increase of the Contract Sum or the Contract Time on account of such substitution. In the event of the District's consent to the substitution of a listed Subcontractor, the Architect shall determine the extent to which, if any, revised or additional Submittals will be required of the newly substituted Subcontractor. In the event that the Architect determines that

revised or additional Submittals are required of the newly substituted Subcontractor, the Architect shall promptly notify the Owner's Project Manager, in writing, of such requirement. In such event, revised or additional Submittals shall be submitted to Architect not later than thirty (30) days following the date of the Owner's Project Manager's written notice to the Contractor pursuant to the foregoing sentence; provided that if in the reasonable and good faith judgment of the Architect, the progress of the Work or completion of the Work requires submission of additional or revised Submittals by the newly substituted Subcontractor in less than thirty (30) days, the Architect shall so state in its written notice to the Owner's Project Manager. In the event that the revised or additional Submittals are not submitted by Contractor within thirty (30) days, or such earlier time as determined by the Architect pursuant to the preceding sentence, following the Owner's Project Manager's written notice of the requirement for revised or additional Submittals, Contractor shall be subject to the per diem amounts for late Submittals as set forth in Article 4.7.2.1 of these General Conditions. Any revised or additional Submittals required pursuant to this Article 5.2.2 shall conform to the requirements of Article 4.7 of these General Conditions. Contractor shall reimburse the District for all fees and costs, including without limitation fees of the Owner's Project Manager, Architect and/or any design consultant to the Architect or the District, incurred or associated with the processing, review and evaluation of any revised or additional Submittals required pursuant to this Article 5.2.2; the District may deduct such fees and costs from any portion of the Contract Sum then or thereafter due the Contractor. In the event that additional or revised Submittals are required pursuant to this Article 5.2.2, such requirement shall not result in an increase to the Contract Time or the Contract Sum.

- 5.3 Subcontractors' Work.** Whenever the Work of a Subcontractor is dependent upon the Work of the Contractor or another Subcontractor, the Contractor shall require the Subcontractor to: (a) coordinate its Work with the dependent Work; (b) provide necessary dependent data and requirements; (c) supply and/or install items to build into the dependent Work of others; (d) make appropriate provisions for dependent Work of others; (e) carefully examine and understand the portions of the Contract Documents (including Drawings, Specifications and Field Clarifications) and Submittals relating to the dependent Work; and (f) examine the existing dependent Work and verify that the dependent Work is in proper condition for the Subcontractor's Work. If the dependent Work is not in a proper condition, the Subcontractor shall notify the Contractor in writing and not proceed with the Subcontractor's Work until the dependent Work has been corrected or replaced and is in a proper condition for the Subcontractor's Work.

## ARTICLE 6: INDEMNITY; INSURANCE; BONDS

- 6.1 Indemnity.** Unless arising out of the sole or active negligence, gross negligence or willful misconduct of an Indemnified Party, the Contractor shall indemnify, defend and hold harmless the Indemnified Parties who are: (i) the District and its Board of Directors, officers, employees, agents and representatives; (ii) the Architect and its consultants for the Work and their respective agents and employees (for 3rd party bodily injury or death claims only, and excepting, in all instances, professional negligence, errors or omissions); and (iii) the Owner's Project Manager and its employees as set forth herein. Contractor's obligations hereunder to Architect and the Owner's Project Manager shall terminate upon the completion of all warranty work, except for those obligations that accrued prior to that date. The Contractor's obligations hereunder include indemnity, defense and hold harmless of the Indemnified Parties from and against any and all damages, losses, claims, demands or

liabilities whether for damages, losses or other relief, including, without limitation attorneys' fees and costs which arise, in whole or in part, from the Work, the Contract Documents or the acts, omissions or other conduct of the Contractor, any Subcontractor or any person or entity engaged by them for the Work. The Contractor's obligations under the foregoing include without limitation: (i) injuries to or death of persons; (ii) damage to property (other than the Work itself); or (iii) theft or loss of property; (iv) Stop Payment Notice claims asserted by any person or entity in connection with the Work; and (v) other losses, liabilities, damages or costs resulting from, in whole or part, any acts, omissions or other conduct of Contractor, any of Contractor's Subcontractors, of any tier, or any other person or entity employed directly or indirectly by Contractor in connection with the Work and their respective agents, officers or employees. The obligations of the Contractor, as set forth in (v) above shall include, without limitation losses, costs, expenses, damages and other claims asserted by any other Contractor to the District in connection with the Work or in connection with a work of improvement related to or affected by the Work. If any action or proceeding, whether judicial, administrative, arbitration or otherwise, shall be commenced on account of any claim, demand or liability subject to Contractor's obligations hereunder, and such action or proceeding names any of the Indemnified Parties as a party thereto, the Contractor shall, at its sole cost and expense, defend the named Indemnified Parties in such action or proceeding with counsel reasonably satisfactory to the named Indemnified Parties. In the event that there shall be any judgment, award, ruling, settlement, or other relief arising out of any such action or proceeding to which any of the Indemnified Parties are subject to, or bound by, Contractor shall pay, satisfy or otherwise discharge any such judgment, award, ruling, settlement or relief; Contractor shall indemnify and hold harmless the Indemnified Parties from any and all liability or responsibility arising out of any such judgment, award, ruling, settlement or relief. The Contractor's obligations hereunder are binding upon Contractor's Performance Bond Surety and these obligations shall survive notwithstanding Contractor's completion of the Work or the termination of the Contract. In any and all claims against any of the Indemnified Parties by any employee of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the Contractor's indemnification obligations herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

**6.2 Insurance.** Without limiting the Contractor's indemnification of the District, the Contractor shall provide and maintain at its own expense, during the term of this Contract, or as may be further required herein, the following insurance coverage and provisions:

**6.2.1 Workers' Compensation and Employers Liability Insurance.** Through Final Acceptance and completion of all warranty work, Contractor shall provide evidence of Workers' Compensation insurance as required under California statute including coverage for Employer's Liability.

The workers' compensation policies shall be endorsed to provide the following:

- A waiver of subrogation in favor of District;
- A voluntary compensation endorsement; and
- An alternative employer endorsement, if applicable to Contractor's operations



- 6.2.2 Commercial General Liability Insurance:** Commercial General Liability (CGL) covering bodily injury, property damage liability, and personal injury and advertising liability during the course of construction and throughout the California statute of repose. The required limits can be met through any combination of primary and excess or umbrella liability insurance policies with annual reinstatement of the general aggregate limit for each policy period.

The CGL insurance must be written on an ISO occurrence form CG 00 01 or substitute forms providing equivalent coverage. All excess or umbrella policies shall be "follow form" and afford no less coverage than the primary policy. Such CGL shall cover the District as an additional insured using ISO Additional Insured Endorsement CG 20 26 (or 20 10 accompanied by 20 37 or equivalent forms providing coverage to the additional insured for ongoing and completed operations). Coverage shall be provided to the District for liability and any damage to property and injury or death of persons, unless caused by the District's sole or active negligence or willful misconduct.

Completed operations coverage shall extend for as long as there is any exposure to liability under the California statute of repose or any other applicable statute of limitations. All excess or umbrella policies shall contain a drop-down clause in the event of exhaustion of primary limits and provide coverage for primary CGL.

The professional liability exclusion under the CGL policy shall be endorsed or amended to include coverage for Contractor's means and methods.

- 6.2.3 Commercial Automobile Insurance.** Through Final Acceptance and completion of all warranty work, Contractor shall maintain evidence of commercial business auto coverage written on ISO form CA 00 01 10 01 (or substitute form providing equivalent liability coverage) to cover bodily injury and property damage liability for each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos) and may be satisfied by a combination of primary and excess and/or umbrella policies. All excess or umbrella policies shall contain a drop-down clause in the event of exhaustion of primary limits and provide coverage for primary auto liability.

- 6.2.4 Contractor's Pollution Liability Insurance.** The Contractor shall procure Contractor's pollution liability (CPL) coverage throughout the period of construction and demolition activities. Coverage can be provided by a corporate pollution liability policy or a stand-alone policy and must be written on an occurrence basis and extended, through renewal or replacement policies, for a minimum 10-year period after Final Acceptance and completion of all warranty work.

Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants. The CPL policy shall also provide coverage for losses due to loading, unloading or transportation and liability imposed by off-site disposal of materials at a third-party disposal site including testing, monitoring, measuring operations or laboratory analysis and remediation.

If the scope of Work includes the disposal of any hazardous or non-hazardous materials from the job site, Contractor shall furnish evidence of pollution legal liability insurance maintained by the disposal site operator for losses arising from the insured facility accepting the materials.

**6.2.5 Not Used.**

**6.2.6 Other Insurance Provisions.** The policies specified herein are to contain, or be endorsed to contain, the following provisions:

**6.2.6.1 Additional Insureds.** The District is to be included as an additional insured on the general liability policy including all excess or umbrella policies, business automobile liability policy, and contractor's pollution liability policy. The coverage shall contain no special limitations on the scope of protection afforded and include coverage for both premises/operations risks during the course of construction and, as to the general liability policy, completed operations through the entire statute of repose period.

**6.2.6.2 Primary Insurance.** The Contractor's insurance coverage, including any excess liability coverage, shall be primary insurance as respects to all liability arising out of the activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied, leased, or used by the Contractor. Any insurance, pooled coverage, or self-insurance maintained by the District shall be non-contributory.

**6.2.6.3 Waiver.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the District. Contractor waives its right of recovery against the District for damages covered by insurance required by this Contract. The Contractor shall require similar written express waivers and insurance clauses from each of its subcontractors. The insurer issuing the Workers' Compensation insurance shall amend its policy to waive all rights of subrogation against the District.

**6.2.6.4 Notice of Cancellation.** Contractor agrees to provide to District with a 30-day notice of cancellation (except for nonpayment for which a 10-day notice is required) or nonrenewal of coverage for each required coverage.

**6.2.6.5 Self-insured Retentions and Deductibles.** If the Contractor's coverage includes a deductible or self-insured retention over \$100,000, the self-insured retention or deductible must be declared to the District. Contractor agrees to be responsible for payment of all deductibles or self-insured retentions.

**6.2.6.6 Proof of Insurance.** The Contractor shall, at the time of the execution of the Contract, if requested in writing by the District, present complete copies of its commercial general liability policy, excess liability policies, and the builder's risk policy or binders including specimen policies until such policies are available. Signed certificates of insurance will be provided to the District for all other required coverages (workers' compensation, business automobile liability, and contractor's pollution liability) with any applicable endorsements attached to the signed certificate(s).

The Contractor shall, if requested in writing by the District, at the expiration of any insurance policy required by the Contract, provide full copies of renewal policies for general liability, excess liability policies, and builder's risk policy and all Certificates of Insurance as required by this Contract for workers' compensation, business automobile liability, and contractor's pollution liability directly to the District.

This verification of coverage shall be sent to the District, unless otherwise directed. The Contractor shall not receive a notice to proceed with the Work under the Contract until it has obtained all insurance required and such insurance has been approved by the District. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

**6.2.6.7 Maintenance of Insurance.** Should the Contractor neglect to obtain or maintain in force any such insurance for the duration(s) required herein, then the District shall obtain and maintain such insurance. The reasonable costs paid by the District for insurance premiums under the provisions of this Section shall be charged to the Contractor.

**6.2.6.8 Acceptability of Insurers.** All required insurance is to be placed with insurers with an AM Best's rating of no less than A- VII or equivalent as determined by the District.

**6.2.6.9 Compliance with Insurance Requirements.** Contractor's obligation to obtain insurance coverage is separate and distinct from Contractor's obligation to indemnify, hold harmless and defend pursuant to this Contract. Compliance with the requirements of this section shall not relieve the Contractor of their obligations under any indemnity or hold harmless provisions under this Contract.

**6.2.6.10 Self-Insurance.** The District acknowledges that some insurance requirements contained in this Contract may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Contract. Any self-insurance shall be approved in writing by the District upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.

**6.2.6.11 Subcontractors Insurance.** Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages except with respect to limits, or Contractor may insure subcontractors under its own policies such as a contractor-controlled insurance program at Contractor's sole expense.

**6.2.6.12 Non-compliance.** The District reserves the right to withhold payments to the Contractor under the terms of the Contract Documents in the event of non-compliance with the insurance requirements outlined above.

**6.3 Payment Bond; Performance Bond.** Prior to commencement of the Work, the Contractor shall furnish a Performance Bond as security for Contractor's faithful performance of the Contract and a Labor and Material Payment Bond as security for payment of persons or entities performing work, labor or furnishing materials in connection with Contractor's performance of the Work under the Contract Documents. The amounts of the Performance Bond and the Payment Bond required hereunder shall be one hundred percent (100%) of the Contract Sum. Said Labor and Material Payment Bond and Performance Bond shall be in

the form and content set forth in the Contract Documents. The failure or refusal of the Contractor to furnish either the Performance Bond or the Labor and Material Payment Bond in strict conformity with this section 6.3 may be deemed by the District as a default by the Contractor of a material obligation hereunder. Upon request of the Contractor, the District may consider and accept, but is not obligated to do so, multiple sureties on such bonds. The Surety on any bond required under the Contract Documents shall be an Admitted Surety Insurer as that term is defined in California Code of Civil Procedure §995.120.

## ARTICLE 7: CONTRACT TIME

**7.1 Substantial Completion of the Work Within Contract Time.** Unless otherwise expressly provided in the Contract Documents, the Contract Time is the period of time, including authorized adjustments thereto, allotted in the Contract Documents for achieving Substantial Completion of the Work. The date for commencement of the Work is the date established by the Notice to Proceed issued by the District pursuant to the Agreement, which shall not be postponed by the failure to act of the Contractor or of persons or entities for which the Contractor is responsible. The date of Substantial Completion is the date certified by the Architect and the Owner's Project Manager, if any, as such in accordance with the Contract Documents.

### 7.2 Progress and Completion of the Work.

**7.2.1 Time of Essence.** Time limits stated in the Contract Documents are of the essence. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing and achieving Substantial Completion of the Work. The Contractor shall employ and supply a sufficient force of workers, material and equipment, and prosecute the Work with diligence so as to maintain progress, to prevent Work stoppage and to achieve Substantial Completion of the Work within the Contract Time.

**7.2.2 Substantial Completion.** Substantial Completion is that stage in the progress of the Work when the Work is complete in accordance with the Contract Documents so the District can take Beneficial Occupancy of the Project, or, as applicable, one or more Milestones as set forth in the Special Conditions. Substantial Completion shall be determined by the Architect and the Owner's Project Manager upon request by the Contractor in accordance with the Contract Documents. The good faith and reasonable determination of Substantial Completion by the Owner's Project Manager, the District, and the Architect shall be controlling and final.

### 7.2.3 Correction or Completion of the Work After Substantial Completion.

**7.2.3.1 Punchlist.** Upon achieving Substantial Completion of the Work, the Owner's Project Manager, the Architect, and the Contractor shall jointly inspect the Work and prepare a comprehensive list of items of the Work to be corrected or completed by the Contractor ("the Punchlist"). The exclusion of, or failure to include, any item on the Punchlist shall not alter or limit the obligation of the Contractor to complete or correct any portion of the Work in accordance with the Contract Documents. If the District has established one or more Substantial Completion dates for Milestones in the Special Conditions, a separate Punchlist will be prepared following each such date of Substantial Completion for the Contractor to complete or correct Work designated within

those Milestones.

**7.2.3.2 Time for Completing Punchlist Items.** In addition to setting forth items for correction or completion pursuant to Article 7.2.3.1, the Owner's Project Manager, if any, Contractor and Architect shall, after the joint inspection, establish a reasonable time for Contractors' completion of all Punchlist items, unless otherwise provided in the Special Conditions. If mutual agreement is not reached for the Contractor's completion of Punchlist items, the Architect shall determine such time, and in such event, the time determined by the Architect shall be final and binding upon the District and Contractor so long as the Architect's determination is made in good faith. The Contractor shall promptly and diligently proceed to complete all Punchlist items within the time established by agreement under this Article, as set by the Architect under this Article or as established in the Special Conditions (as applicable). In the event that the Contractor shall fail or refuse, for any reason, to complete all Punchlist items within the time established under this Article, Contractor shall be subject to Liquidated Damages in accordance with Article 7.5 hereof and as specified in the Special Conditions. The foregoing notwithstanding, if the Contractor fails or refuses to complete all Punchlist items, the District may in its sole and exclusive discretion and without further notice to Contractor, elect to cause the completion of all remaining Punchlist items provided, however that such election by the District is in addition to and not in lieu of any other right or remedy of the District under the Contract Documents or at law. If the District elects to complete Punchlist items of the Work, pursuant to the foregoing, Contractor shall be responsible for all costs incurred by the District in connection therewith and the District may deduct such costs from the Contract Sum then or thereafter due the Contractor. If these costs exceed the remaining Contract Sum due to the Contractor, the Contractor and the Performance Bond Surety are liable to District for any such excess costs.

**7.2.4 Final Completion.** Final Completion is that stage of the Work when all Work has been completed in accordance with the Contract Documents, including without limitation, the performance of all correction or completion items noted upon Substantial Completion, and the Work has been otherwise fully performed by the Contractor. Final Completion shall be determined by the Architect and the Owner's Project Manager upon request of the Contractor. The good faith and reasonable determination of Final Completion by the Architect and the Owner's Project Manager shall be controlling and final. If the District has established one or more Final Completion dates for Milestones in the Special Conditions, such date(s) of Final Completion shall control for the Work designated within those Milestones.

**7.2.5 Contractor Responsibility for Multiple Inspections.** In the event the Contractor shall request determination of Substantial Completion or Final Completion by the Architect and the Owner's Project Manager and it is determined by the Architect and the Owner's Project Manager that the Work does not then justify certification of Substantial Completion or Final Completion and re-inspection is required at a subsequent time to make such determination, the Contractor shall be responsible for all costs of such reinspection, including without limitation, the fees of the Architect and the Owner's Project Manager, and the Inspector(s). The District may deduct such costs from the Contract Sum then due or thereafter due to the Contractor.

**7.2.6 Final Acceptance.** Final Acceptance of the Work shall occur upon approval of the Work by the District's Board of Directors; such approval shall be submitted for adoption at the next regularly scheduled meeting of the District's Board of Directors after the determination of Final Completion. The commencement of any warranty or guarantee period under the Contract Documents shall be deemed to be the date upon which the District's Board of Directors approves of the Final Acceptance of the Work.

### **7.3 Construction Schedule.**

**7.3.1 Preliminary Construction Schedule.** Contractor shall prepare and submit to the Owner's Project Manager and the Architect a Preliminary Construction Schedule so as to be able to meet the date of Substantial Completion identified in the Notice to Proceed. The Contractor may submit a Preliminary Construction Schedule depicting completion of the Work in a duration shorter than the Contract Time; provided that such Preliminary Construction Schedule shall not be a basis for adjustment to the Contract Sum in the event that completion of the Work shall occur after the time depicted therein, nor shall such Preliminary Construction Schedule be the basis for any extension of the Contract Time. The Contractor's entitlement to any extension of the Contract Time shall be based upon the Contract Time and not on any shorter duration which may be depicted in the Contractor's Preliminary Construction Schedule. If the Construction Schedules required under this Article 7.3 incorporate therein any "float" time, such float shall be deemed to jointly belong to and owned by the District and the Contractor. As used herein, "float time" shall be deemed to refer to the time between earliest finish date and the latest finish date of each activity shown on the Construction Schedule. Review of the Preliminary Progress Schedule and any comments thereto by the District, the Owner's Project Manager and/or the Architect shall not be deemed to be the assumption of construction means, methods or sequences by the District, the Owner's Project Manager or the Architect, all of which remain the Contractor's obligations under the Contract Documents.

**7.3.2 Approved Construction Schedule.** Contractor shall prepare and submit a Construction Schedule as set forth in Section 01310 of the Contract Specifications. Upon the District's approval of the form and content of a Construction Schedule, the same shall be deemed the "Approved Construction Schedule." The District's approval of a Construction Schedule shall be for the sole and limited purpose of determining conformity with the requirements of the Contract Documents. By the Approved Construction Schedule, the District shall not be deemed to have exercised control over, or approval of, construction means, methods or sequences, all of which remain the responsibility and obligation of the Contractor in accordance with the terms of the Contract Documents. Further, the Approved Construction Schedule shall not operate to limit or restrict any of Contractor's obligations under the Contract Documents nor relieve the Contractor from the full, faithful and timely performance of such obligations in accordance with the terms of the Contract Documents. The activities, commencement and completion dates of activities, and the sequencing of activities depicted on the Approved Construction Schedule shall not be modified or revised by the Contractor without the prior consent, or direction, of the Owner's Project Manager. Updates to the Approved Construction Schedule shall not be deemed revisions to the Approved Construction Schedule. In the event that the Approved Construction Schedule shall depict completion of the Work in a duration shorter than the Contract Time, the same shall not be a basis for an adjustment of

the Contract Time or the Contract Sum in the event that actual completion of the Work shall occur after such the time depicted in such Approved Construction Schedule. In such event, the Contract Sum shall not be subject to adjustment on account of any additional costs incurred by the Contractor to complete the Work prior to the Contract Time, as adjusted in accordance with the terms of the Contract Documents. Any adjustment of the Contract Time or the Contract Sum shall be based upon the Contract Time set forth in the Contract Documents and not any shorter duration which may be depicted in the Approved Construction Schedule.

**7.3.3 Revisions to Approved Construction Schedule.** In the event that the progress of the Work or the sequencing of the activities of the Work shall materially differ from that indicated in the Approved Construction Schedule, as determined by the District in its reasonable discretion and judgment, the District may direct the Contractor to revise the Approved Construction Schedule; within fifteen (15) days of the District's direction, the Contractor shall prepare and submit to the Architect and the Owner's Project Manager a revised Approved Construction Schedule, for review and approval by the District. The Contractor may request consent of the District to revise the Approved Construction Schedule. Any such request shall be considered by the District only if in writing setting forth the Contractor's proposed revision(s) to the Approved Construction Schedule and the reason(s) therefor. The District may consent to, or deny, any such request of the Contractor to revise the Approved Construction Schedule in its reasonable discretion.

**7.3.4 Updates to Approved Construction Schedule.** If the progress of the Work is behind the Approved Construction Schedule, the Contractor shall indicate what measures will be taken to place the Work back on schedule. Such measures shall be provided to the District within ten (10) days of request. The District may, from time to time, and in the District's sole and exclusive discretion, transmit to the Contractor's Performance Bond Surety the Approved Construction Schedule, any updates thereof and the narrative statement described hereinabove. The District's election to transmit, or not to transmit such information, to the Contractor's Performance Bond Surety shall not limit the Contractor's obligations under the Contract Documents. Construction Schedule updates are required monthly. Submittal of a Construction Schedule monthly update is a condition precedent to submittal of a payment application in accordance with Section 8.5.14.

**7.3.5 Contractor Responsibility for Construction Schedule.** The Contractor shall be responsible for the preparation, submittal and maintenance of the Construction Schedules required by the Contract Documents, and any failure of the Contractor to do so may be deemed by the District as the Contractor's default in the performance of a material obligation under Contract Documents. Any and all costs or expenses required or incurred to prepare, submit, maintain, and update the Construction Schedules shall be solely that of the Contractor and no such cost or expense shall be charged to the District. The Contract Sum shall not be subject to adjustment on account of costs, fees or expenses incurred or associated with the Contractor's preparation, submittal, and maintenance or updating of the Construction Schedules.

**7.4 Adjustment of Contract Time.** If Substantial Completion is delayed, adjustment, if any, to the Contract Time on account of such delay shall be in accordance with this Article 7.4.

**7.4.1 Excusable Delays.** If Substantial Completion of the Work is delayed by Excusable

Delays, the Contract Time shall be subject to adjustment for such reasonable period of time as determined by the Architect; Excusable Delays shall not result in any increase in the Contract Sum. Excusable Delays refer to unforeseeable and unavoidable casualties or other unforeseen causes beyond the control, and without fault or neglect, of the Contractor, any Subcontractor, Material Supplier or other person directly or indirectly engaged by the Contractor in performance of any portion of the Work. Excusable Delays include unanticipated and unavoidable labor disputes, unusual and unanticipated delays or disruptions in labor, transportation of equipment, materials or Construction Equipment reasonably necessary for completion and proper execution of the Work, unanticipated unusually severe weather conditions, unanticipated delays caused by utility companies, acts of God or the public enemy, acts of governmental authorities, fires, floods, epidemics, pandemics, quarantine restrictions, strikes, and delays of common carriers. Neither the financial resources of the Contractor or any person or entity directly or indirectly engaged by the Contractor in performance of any portion of the Work shall be deemed conditions beyond the control of the Contractor. If an event of Excusable Delay occurs, the Contract Time may be adjusted only if the Contractor establishes: (i) full compliance with all applicable provisions of the Contract Documents relative to the method, manner and time for Contractor's notice and request for adjustment of the Contract Time; (ii) that the event(s) forming the basis for Contractor's request to adjust the Contract Time are outside the reasonable control and without any fault or neglect of the Contractor or any person or entity directly or indirectly engaged by Contractor in performance of any portion of the Work; and (iii) that the event(s) forming the basis for Contractor's request to adjust the Contract Time directly and adversely impacted the critical path of the Work as indicated in the Approved Construction Schedule or the most recent updated Approved Construction Schedule relative to the date(s) of the claimed event(s) of Excusable Delay. The foregoing provisions notwithstanding, if the Special Conditions set forth a number of "Rain Days" to be anticipated during performance of the Work, the Contract Time shall not be adjusted for rain related unusually severe weather conditions until and unless the actual number of Rain Days during performance of the Work shall exceed those noted in the Special Conditions and such additional Rain Days shall have directly and adversely impacted the critical path of the Work as depicted in the Approved Construction Schedule or the most recent updated Approved Construction Schedule relative to the date(s) of such additional Rain Days.

- 7.4.2 Compensable Delays.** If Substantial Completion of the Work is delayed and such delay is caused by the acts or omissions of the District, the Architect, or separate contractor employed by the District (collectively "Compensable Delays"), upon Contractor's request and notice, in strict conformity with Articles 7 and 9 of these General Conditions, the Contract Time may be adjusted by Change Order for such reasonable period of time as determined by the Architect and the District. In accordance with California Public Contract Code §7102, if the Contractor's progress is delayed by any of the events described in the preceding sentence, Contractor shall not be precluded from the recovery of damages directly and proximately resulting therefrom, provided that the District is liable for the delay, the delay is unreasonable under the circumstances involved, the delay was not within the reasonable contemplation of the District and the Contractor at the time of execution of the Agreement and the Contractor timely submits and supports its claim for compensable delay in strict conformity with the terms of these General Conditions. In such event, Contractor's damages, if any, shall be limited to direct, actual and



unavoidable additional costs of labor, materials or Construction Equipment directly resulting from such delay, and shall exclude special, indirect or consequential damages. In no event shall Contractor seek costs or damages for delays, interruptions, hindrances or disruptions to the Work for on-Site or off-Site costs or damages based upon formulas, e.g. Eichleay or other formula. Except as expressly provided for herein, Contractor shall not have any other claim, demand or right to adjustment of the Contract Sum arising out of delay, interruption, hindrance or disruption to the progress of the Work. Adjustments to the Contract Sum and the Contract Time, if any, on account of Changes to the Work or Suspension of the Work shall be governed by the applicable provisions of the Contract Documents, including without limitation, Articles 9 and 14 of these General Conditions.

**7.4.3 Unexcusable Delays.** Unexcusable Delays refer to any delay to the progress of the Work caused by events or factors other than those specifically identified in Articles 7.4.1 and 7.4.2 above. Neither the Contract Sum nor the Contract Time shall be adjusted on account of Unexcusable Delays.

**7.4.4 Adjustment of Contract Time.**

**7.4.4.1 Procedure for Adjustment of Contract Time.** The Contract Time shall be subject to adjustment only in strict conformity with applicable provisions of the Contract Documents. Failure of Contractor to request adjustment(s) of the Contract Time in strict conformity with applicable provisions of the Contract Documents shall be deemed Contractor’s waiver of the same.

**7.4.4.2 Limitations Upon Adjustment of Contract Time on Account of Delays.** Any adjustment of the Contract Time on account of an Excusable Delay or a Compensable Delay shall be limited as set forth herein. No adjustment of the Contract Time shall be made on account of any Excusable Delays or Compensable Delays unless such delay(s) actually and directly impact Work or Work activities on the critical path of the then current and updated Approved Construction Schedule as of the date on which such delay first occurs and Contractor gives written notice to the District of such event or cause giving rise to the delay and provides substantiation and documentation in support of the request as required by this Article and Article 9.6. The District shall not be deemed in breach of, or otherwise in default of any obligation hereunder, if the District shall deny a request by the Contractor for an adjustment of the Contract Time for any delay which does not actually and directly impact Work on the then current and updated Approved Construction Schedule. In submitting a request for an adjustment of Contract Time, and as a condition precedent to the District’s review of such request, Contractor shall insert into the then current and updated Approved Construction Schedule a “fragnet” analysis representing the event which Contractor claims to result in delay to the critical path as depicted in such updated Approved Construction Schedule. If an Excusable Delay and a Compensable Delay occur concurrently, the maximum extension of the Contract Time shall be the number of days from the commencement of the first delay to the cessation of the delay which ends last. If an Unexcusable Delay occurs concurrently with either an Excusable Delay or a Compensable Delay, the maximum extension of the Contract Time shall be the number of days, if any, which the Excusable Delay or the Compensable Delay exceeds the period of time of the Unexcusable Delay.

- 7.5 Liquidated Damages.** Pursuant to Government Code §53069.85, should the Contractor not achieve Substantial Completion of the Work within the Contract Time, as adjusted, or to complete a Milestone in accordance with the times specified or provided for in the Contract Documents, the Contractor shall forfeit and pay to the District the amount of per diem Liquidated Damages set forth in the Special Conditions, for every day beyond the Contract Time, as adjusted, or Milestone, until the Contractor achieves Substantial Completion or meets the conditions of the Milestone as determined by the Architect and the Owner’s Project Manager. Any such Liquidated Damages are automatically and without notice of any kind forfeited by Contractor upon the accrual of each day of delay. The District may at any time deduct Liquidated Damages from any payments due or to become due to the Contractor. Neither the District’s failure or delay in deducting Liquidated Damages from payments otherwise due the Contractor, nor the District’s failure or delay in notifying Contractor of the forfeiture of Liquidated Damages, shall be deemed a waiver of the District’s right to Liquidated Damages. The Contractor and the Surety shall be liable for and pay to the District the entire amount of Liquidated Damages including any portion that exceeds the amount of the Contract Sum then held, retained or controlled by the District. The Contractor and District acknowledge and agree that the Liquidated Damages and the provisions of this Article 7.5 are reasonable and necessary under the circumstances existing at the time this Contract is made because of the difficulty of fixing the District’s actual damages in the event of delayed completion of the Work. The Contractor and the District agree that the Liquidated Damages do not constitute a penalty.
- 7.6 District Right to Take-Over Work.** Unless caused by the District, Architect, or Owner’s Project Manager, if the Contractor fails or refuses, for any reason and at any time, to furnish adequate materials, labor, equipment or services to maintain progress of the Work in accordance with the then current Construction Schedule after twenty-four (24) hour advance written notice from the Owner’s Project Manager to the Contractor of its failure or refusal, the District may thereafter furnish or cause to be furnish such materials, labor, equipment or services necessary to maintain progress of the Work in accordance with the then current Construction Schedule. All costs, expenses or other charges (whether direct, indirect and administrative) incurred by the District in furnishing such materials, labor, equipment or services shall be at the sole cost of the Contractor and the District may deduct the same from the Contract Sum then or thereafter due the Contractor. The District’s exercise of rights pursuant to the foregoing shall not be deemed a waiver or limitation of any other right or remedy of the District under the Contract Documents.

**ARTICLE 8: CONTRACT SUM**

- 8.1 Contract Sum.** The Contract Sum is the amount stated in the Agreement as such, and subject to any authorized adjustments thereto in accordance with the Contract Documents, is the total amount payable by the District to the Contractor for performance of the Work under the Contract Documents. The District’s payment of the Contract Sum to the Contractor shall be in accordance with the Contract Documents.
- 8.2 Cost Breakdown (Schedule of Values).** Contractor shall furnish a detailed and complete tabular Cost Breakdown (Schedule of Values) of the Contract Sum in MS Excel format consistent with the cost-loaded work activities included in the Approved Construction Schedule. In preparing the Cost Breakdown, Contractor shall carefully list the actual cost of each activity or item for which payment will be requested. The Contractor shall not “front-load” the Cost Breakdown with false dollar amounts for activities to be performed in the early stages of the Project. The District may, in its sole discretion, utilize the costs listed in the

Cost Breakdown (Schedule of Values) as the actual cost of items to be deducted from the Contract Sum through credit or deductive Change Order. The values for each line item shall include the amount of overhead and profit applicable to each item of work and shall include, at a minimum, a breakdown between rough and finish Work for the basic trades as well as individual dollar figures for large dollar equipment and materials to be installed or furnished for the Project. No individual line item or scope of work in the Cost Breakdown shall exceed \$50,000, except with the express, written consent of the District. Exceptions will be given by the District for a single item of Equipment for which the actual cost exceeds \$50,000. The Cost Breakdown shall be subject to the District's review and approval of the form and content thereof. Upon request, Contractor shall provide District with data and documentation substantiating the accuracy of the proposed line items. In the event that the District shall reasonably object to any portion of the Cost Breakdown, within ten (10) days of the District's receipt of the Cost Breakdown, the District shall notify the Contractor, in writing of the District's objection(s) to the Cost Breakdown together with any request for substantiating data or documentation. Within five (5) days of the date of the District's written objection(s) and request for substantiating data and documentation, Contractor shall submit a revised Cost Breakdown to the District for review and approval together with the requested data and documentation. The foregoing procedure for the preparation, review and approval of the Cost Breakdown shall continue until the District has approved of the entirety of the Cost Breakdown. Once the Cost Breakdown is approved by the District, the Cost Breakdown shall not be thereafter modified or amended by the Contractor without the prior consent and approval of the District, which may be granted or withheld in the sole reasonable discretion of the District. Notwithstanding any provision of the Contract Documents to the contrary, payment of the Contractor's overhead, supervision and general conditions costs and profit, as such items are reflected in the Cost Breakdown, shall be made incrementally as included in the activities included in the Approved Construction Schedule.

### **8.3 Progress Payments.**

**8.3.1 Applications for Progress Payments.** During the Contractor's performance of the Work, the Contractor shall submit monthly, on the first working day of each month, to the Owner's Project Manager Applications for Progress Payments, on forms approved by the District, setting forth an itemized estimate of Work completed in the preceding month for the purpose of the District's making of Progress Payments thereon. Values utilized in the Applications for Progress Payments shall be based upon the District approved Cost Breakdown pursuant to Article 8.2 above and such values shall be only for determining the basis of Progress Payments to Contractor, and shall not be considered as fixing a basis for adjustments, whether additive or deductive, to the Contract Sum, or for determining the extent of Work actually completed.

**8.3.2 District's Review of Applications for Progress Payments.** Upon receipt of an Application for Progress Payment, the Owner's Project Manager shall review the Application for Progress Payment as soon as is practicable. Such review shall be for the purpose of determining that the Application for Progress Payment is a proper Progress Payment request. For purposes of this Article 8.3.2, an Application for Progress Payment shall be deemed "proper" only if it is submitted on the form approved by the District, with all of the requested information of such form of Application for Progress Payment completely and accurately provided by the Contractor and such completed Application for Progress Payment is accompanied by: (i) duly completed and executed forms of Conditional Waiver and Release of

Rights Upon Progress Payment in accordance with California Civil Code §8132 of the Contractor, all Subcontractors of any tier, and Material Suppliers covering the Progress Payment requested; (ii) duly completed and executed forms of Unconditional Waiver and Release of Rights upon Progress Payment in accordance with California Civil Code §8134 of the Contractor, all Subcontractors of any tier, and Material Suppliers covering the Progress Payment received by the Contractor under the prior Application for Progress Payment; (iii) a certification by the Contractor that it has continuously maintained, or caused to be maintained, the As-Built Drawings reflecting the actual as-built conditions of the Work performed for which the Progress Payment is requested, it being understood that such certification is subject to verification by the District, Architect or the Owner's Project Manager prior to disbursement of the Progress Payment; and (iv) an updated Construction Schedule; and (v) updated measures to achieve scheduled completion, if requested by the District pursuant to Article 7.3.4.

**8.3.3 Review of Applications for Progress Payments.** Upon receipt of an Application for Progress Payment, the Owner's Project Manager shall observe and verify the Work to determine whether it has been performed in accordance with the terms of the Contract Documents and to determine the portion of the Application for Progress Payment which is properly due to the Contractor under the terms of the Contract Documents.

**8.3.4 District's Disbursement of Progress Payments**

**8.3.4.1 Timely Disbursement of Progress Payments.** Within thirty (30) days after the District's receipt of a proper Application for Progress Payment, there shall be paid, by District, to Contractor a sum equal to ninety-five percent (95%) of the value of the Work indicated in the Application for Progress Payment which is actually in place as of the date of the Application for Progress Payment and as verified and approved by the Owner's Project Manager and the pro rata portion of the Contractor's overhead, supervision and general conditions costs and profit for that month.

**8.3.4.2 Untimely Disbursement of Progress Payments.** In accordance with Public Contract Code §20104.50, in the event that the District shall fail to make any Progress Payment within thirty (30) days after receipt of an undisputed and properly submitted Application for Progress Payment, the District shall pay the Contractor interest on the undisputed amount of such Application for Progress Payment equal to the legal rate of interest set forth in California Code of Civil Procedure §685.010(a). The foregoing notwithstanding, in the event that the District shall determine that any Application for Progress Payment is not proper, pursuant to Article 8.3.2 above, and the District does not return such Application for Progress Payment within the seven (7) day period provided for in Article 8.3.2, the period of time for the District's disbursement of the Progress Payment on such Application for Progress Payment without incurring the interest liability shall be reduced by the number of days exceeding the seven (7) day return period.

**8.3.4.3 District's Right to Disburse Progress Payments by Joint Checks.** Provided that the District is in receipt of the applicable Subcontract or Purchase Order, the District, may in its sole discretion, issue joint checks to the Contractor and such Subcontractor or Material Supplier in satisfaction of its obligation to make

Progress Payments or the Final Payment due hereunder.

**8.3.4.4 No Waiver of Defective or Non-Conforming Work.** The approval of any Application for Progress Payment or the disbursement of any Progress Payment to the Contractor shall not be deemed nor constitute acceptance of defective Work or Work not in conformity with the Contract Documents.

**8.3.5 Progress Payments for Changed Work.** The Contractor's Applications for Progress Payment may include requests for payment on account of Changes in the Work which have been properly authorized and approved by the Architect and all other governmental agencies with jurisdiction over such Change in accordance with the terms of the Contract Documents and for which a Change Order has been issued. Except as provided for herein, no other payment shall be made by the District for Changes in the Work.

**8.3.6 Materials or Equipment Not Incorporated into the Work.**

**8.3.6.1 Limitations Upon Payment.** Except as expressly provided for herein, no payments shall be made by the District on account of any item of the Work, including without limitation, materials or equipment which, at the time of the Contractor's submittal of an Application for Progress Payment, has/have not been incorporated into and made a part of the Work.

**8.3.6.2 Materials or Equipment Delivered and Stored at the Site.** The District may, in its sole and exclusive discretion, make payment for materials or equipment not yet incorporated into the Work if, at or prior to the time of the Contractor's submittal of a an Application for Progress Payment incorporating therein a request for payment of such materials or equipment if all of the following are complied with: (a) the materials or equipment have been delivered to the Site; (b) adequate arrangements, reasonably satisfactory to the District, have been made by the Contractor to store and protect such materials or equipment at the Site including without limitation, insurance reasonably satisfactory to the District, covering and protecting against the risk of loss, destruction, theft or other damage to such materials or equipment while in storage if such coverage is not afforded under the policy of Builder's Risk insurance obtained by the District pursuant to the Contract Documents; and (c) the establishment of procedures reasonably satisfactory to the District by which title to such materials or equipment will be vested in the District upon the District's payment therefor. The Contractor acknowledges that the discretion to make, or not to make, payment for materials or equipment delivered or stored at the site of the Work pursuant to the preceding sentence shall be exercised exclusively by the District; the District's exercise of discretion not to make payment for materials or equipment delivered or stored at the Site, but not yet incorporated into the Work shall not be deemed the District's default hereunder. In the event that the District shall elect to make payment for materials or equipment delivered and stored at the Site, the costs and expenses incurred to comply with the requirements of (b) and (c) of this Article 8.3.6.2 shall be borne solely and exclusively by the Contractor and no payment shall be made by the District on account of such costs and expenses.

**8.3.6.3 Materials or Equipment Not Delivered or Stored at the Site.** No payments

shall be made by the District for materials or equipment to be incorporated into the Work where such materials or equipment have not been delivered or stored at the Site, unless previously approved in writing by the District and stored in a bonded warehouse.

- 8.3.6.4 Materials or Equipment in Fabrication or Transit.** The provisions of this Article 8.3.6 notwithstanding, the District shall not make any payment on account of any materials or equipment which are in the process of being fabricated or which are in transit to the Site of or other storage location.
- 8.3.7 Exclusions from Progress Payments.** In addition to the District's right to withhold disbursement of any Progress Payment provided for in the Contract Documents, neither the Contractor's Application for Progress Payment shall include, nor shall the District be obligated to disburse any portion of the Contract Sum for amounts which the Contractor does not intend to pay any Subcontractor, of any tier, or Material Supplier because of a dispute or any other reason.
- 8.3.8 Title to Work.** The Contractor warrants that title to all Work covered by an Application for Progress Payment will pass to the District no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Progress Payment, all Work for which a Progress Payment has been previously issued and the Contractor has received payment from the District therefor shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, stop payment notices, security interests or encumbrances in favor of the Contractor, Subcontractors, Material Suppliers or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.
- 8.3.9 Substitute Security for Retention.** In accordance with the provisions of California Public Contract Code §22300, eligible and equivalent securities may be substituted for any monies withheld by the District to ensure the Contractor's performance under the Contract Documents at the request and expense of the Contractor and in conformity with the provisions of California Public Contract Code §22300. The foregoing and the provisions of California Public Contract Code §22300 notwithstanding, failure of the Contractor to request the substitution of eligible and equivalent securities for monies to be withheld by the District within thirty (30) days following award of the Contract to Contractor shall be deemed a waiver of such right.

#### **8.4 Final Payment.**

- 8.4.1 Application for Final Payment.** When the Contractor has achieved Final Completion of the Work and has otherwise fully performed its obligations under the Contract Documents, the Contractor shall submit an Application for Final Payment on such form as approved by the District. Thereupon, the Architect and the Owner's Project Manager will promptly make a final observation of the Work and when the Architect and the Owner's Project Manager find the Work acceptable under the Contract Documents and that the requirements of the Contract pertaining to the Work of the Project has been fully performed by the Contractor, the Architect and the Owner's Project Manager will thereupon promptly approve the Application for Final Payment, stating that to the best their knowledge, information and belief, the Work has been completed in accordance with the terms of the Contract Documents.

The Final Payment shall include the remaining balance of the Contract Sum, subject to the provisions of this Article 8.4.

- 8.4.2 Conditions Precedent to Disbursement of Final Payment.** Neither Final Payment nor any remaining Contract Sum shall become due until the Contractor submits to the District each and all of the following, the submittal of which are conditions precedent to the District's obligation to disburse the Final Payment: (i) an affidavit or certification by the Contractor that payrolls, bills for materials and other indebtedness incurred in connection with the Work for which the District or the District's property may or might be responsible have been paid or otherwise satisfied; (ii) a certificate evidencing that insurance required by the Contract Documents to remain in force after the Contractor's receipt of Final Payment is currently in effect; (iii) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover any period following Final Payment as required by the Contract Documents; (iv) consent of the Surety on the Labor and Material Payment Bond and Performance Bond, to Final Payment if required; (v) duly completed and executed forms of Conditional and Unconditional Waivers and Releases of rights upon Final Payment of the Contractor, Subcontractors of any tier and Material Suppliers in accordance with California Civil Code §§8136 and 8138, with each of the same stating that there are, or will be, no claims for additional compensation after disbursement of the Final Payment; (vi) Operations and Maintenance manuals and separate warranties provided by any manufacturer or distributor of any materials or equipment incorporated into the Work; (vii) the As-Built Drawings; (viii) the form of Guarantee included in the Contract Documents duly executed by an authorized representative of the Contractor; (ix) any and all other items or documents required by the Contract Documents to be delivered to the District upon completion of the Work; (x) the completion and submittal of all reports required by the Contract Documents and (xi) if required by the District, such other data establishing payment or satisfaction of obligations such as receipts, releases and waivers of liens, stop payment notices, claims, security interest or encumbrances arising out of the Contract to the extent and in such form as may be required by the District.
- 8.4.3 Disbursement of Final Payment.** Provided that the District is then in receipt of all documents and other items in Article 8.4.2 above as conditions precedent to the District's obligation to disburse Final Payment, not later than sixty (60) days following Final Acceptance the District shall disburse the Final Payment to the Contractor. Pursuant to California Public Contract Code §7107, if there is any dispute between the District and the Contractor at the time that disbursement of the Final Payment is due, the District may withhold from disbursement of the Final Payment an amount not to exceed one hundred fifty percent (150%) of the amount in dispute.
- 8.4.4 Claims Asserted After Final Payment.** Any lien, stop payment notice or other claim filed or asserted after the Contractor's acceptance of the Final Payment by any Subcontractor, of any tier, laborer, Material Supplier or others in connection with or for Work performed under the Contract Documents shall be the sole and exclusive responsibility of the Contractor and its suret(ies) who further agree to indemnify, defend and hold harmless the District and its officers, agents, representatives and employees from and against any claims, demands or judgments arising or associated therewith, including without limitation attorneys' fees incurred by the District in connection therewith. In the event any lien, stop payment notice or other claim of any Subcontractor, Laborer, Material Supplier or others performing Work

under the Contract Documents remain unsatisfied after Final Payment is made, Contractor shall refund to District all monies that the District may pay or be compelled to pay in discharging any lien, stop payment notice or other claim, including, without limitation all costs and reasonable attorneys' fees incurred by District in connection therewith.

**8.5 Withholding of Payments.** The District may decline to pay the Contractor, or reduce or withhold any portion of a payment otherwise due the Contractor for any Progress Payment or the Final Payment on account of:

- 8.5.1** In the District's opinion, the Work cannot be completed for the unpaid balance of the Contract Sum;
- 8.5.2** In the District's opinion, the Work will not be completed within the Contract Time and the unpaid balance of the Contract Sum would not be adequate to cover liquidated damages resulting from the anticipated delay;
- 8.5.3** Any damage has occurred to the District or any Subcontractor, Material Supplier or another contractor, and the Contractor may be liable for such damage;
- 8.5.4** The Contractor fails to perform any portion of the Work in accordance with the Contract Documents or otherwise violates any provision of the Contract Documents or fails to discharge any Contractor obligation thereunder;
- 8.5.5** Any claims, liens, labor compliance withholds, or stop payment notices are filed in connection with the Work or asserted against the District, the Project or the Site;
- 8.5.6** The Contractor fails to reimburse the District for any costs or expenses incurred by the District, or amounts advanced by the District, on behalf of the Contractor as may be provided or permitted in this Contract;
- 8.5.7** Notification has been given that a penalty will be assessed by any State, local or municipal agency or by the District for violations of any applicable laws, including, without limitation, tax laws, labor laws and/or fair employment laws;
- 8.5.8** Any current and non-resolved non-compliance notices issued by any public agency;
- 8.5.9** Defective Work or Work not in conformity with the Contract Documents which is not remedied as required in Article 12 herein;
- 8.5.10** Stop Payment Notices or other liens or third party claims served upon the District as a result of the Contract;
- 8.5.11** Liquidated damages incurred by the District for delays to the Project;
- 8.5.12** Unsatisfactory prosecution of the Work by the Contractor;
- 8.5.13** Failure to store and properly secure materials;
- 8.5.14** Failure of the Contractor to submit, on a timely basis, proper, sufficient, and acceptable documentation required by the Contract Documents, including, without limitation, a Construction Schedule, updated Schedule, Schedule of Submittals,



Schedule of Values, monthly progress schedules, Shop Drawings, Product Data and samples, proposed product lists, and/or executed Change Orders;

- 8.5.15** Failure of the Contractor to maintain As-Built Drawings;
- 8.5.16** Erroneous estimates by the Contractor of the value of the Work performed, or other false statements in an Application for Payment;
- 8.5.17** Unauthorized deviations from the Contract Documents;
- 8.5.18** Failure of the Contractor to prosecute the Work in a timely manner in compliance with the Construction Schedule, established progress schedules, and/or completion dates;
- 8.5.19** Failure to properly pay prevailing wages as defined in Labor Code §§1720 et seq. or failure to comply with any other Labor Code requirements;
- 8.5.20** Failure to properly maintain or clean up the Site;
- 8.5.21** Failure to indemnify, defend, or hold harmless the District;
- 8.5.22** Failure to make payments due to the District, including but not limited to payments for failed tests, utilities changes, or permits;
- 8.5.23** Failure of the Contractor to make payments when due to Subcontractors or Material Suppliers for materials or labor; or
- 8.5.24** Contractor is otherwise in breach, default, or in substantial violation of any provision of this Contract.
- 8.5.25** In addition to the foregoing, the District shall not be obligated to process any Application for Progress Payment or Final Payment, nor shall Contractor be entitled to any Progress Payment or Final Payment so long as any lawful or proper direction concerning the Work or the performance thereof or any portion thereof, given by the District, the Inspector(s), the Architect or any public authority having jurisdiction over the Work, or any portion thereof, shall not be fully and completely complied with by the Contractor. When the District is reasonably satisfied that the Contractor has remedied any such deficiency, payment shall be made of the amount withheld. If the District elects to withhold payment from the Contractor pursuant to this Article 8.5, then the District will be permitted to withhold such amounts as the District may, in its reasonable discretion, deem necessary to (A) protect the District against any and all liabilities to Subcontractors, Material Suppliers or any other persons as a result of the Work or any of the Contractor's acts or omissions, (B) correct any defective Work or remedy any breach of the Contract Documents, (C) recover and collect liquidated damages in the event completion of the Project is delayed, (D) recover and collect any costs or expenses paid by, or amounts advanced by, the District on behalf of Contractor, and/or (E) collect any penalty that may be assessed against the Contractor for violations of any applicable laws, including, without limitation, labor laws and/or fair employment laws. The District may apply any such withheld amount or amounts to the payment and satisfaction of such claims or obligations at its discretion. In so doing, the District shall be deemed the agent of

Contractor and any payment so made by the District shall be considered as a payment made under the Contract by the District to the Contractor and shall be so deducted from the Contract Sum otherwise due the Contractor. The District shall not be liable to Contractor for any such payments made in good faith. Such payments may be made without prior judicial determination of the claim or the obligation to make such payment. The District will render the Contractor a proper accounting of any such amounts retained or disbursed by the District on behalf of the Contractor.

- 8.6 Payments to Subcontractors.** The Contractor shall pay all Subcontractors for and on account of Work of the Contract performed by such Subcontractors in accordance with the terms of their respective subcontracts and as required by California Business & Professions Code §7108.5, the provisions of which are deemed incorporated herein by this reference.

## ARTICLE 9: CHANGES

- 9.1 Changes in the Work.** The District, at any time, by written order, may make Changes within the general scope of the Work under the Contract Documents or issue additional instructions, require additional Work or direct deletion of Work. The Contractor shall not proceed with any Change involving an increase or decrease in the Contract Sum or the Contract Time without prior written authorization from the District. The foregoing notwithstanding, the Contractor shall promptly commence and diligently complete any Change to the Work subject to the District's written authorized issued pursuant to the preceding sentence; the Contractor shall not be relieved or excused from its prompt commencement and diligent completion of any Change subject to the District's written authorization by virtue of the absence or inability of the Contractor and the District to agree upon the extent of any adjustment to the Contract Time or the Contract Sum on account of such Change. The issuance of a Change Order pursuant to this Article 9 in connection with any Change authorized by the District under this Article 9.1 shall not be deemed a condition precedent to Contractor's obligation to promptly commence and diligently complete any such Change authorized by the District hereunder. The District's right to make Changes shall not invalidate the Contract nor relieve the Contractor of any liability or other obligations under the Contract Documents. Any requirement of notice of Changes in the scope of Work to the Surety shall be the responsibility of the Contractor. The District may make Changes to bring the Work or the Project into compliance with environmental requirements or standards established by state or federal statutes and regulations enacted after award of the Contract.

- 9.2 Oral Order of Change in the Work.** Any oral order, direction, instruction, interpretation, or determination from the District, the Inspector(s) or the Architect which in the opinion of the Contractor causes any change to the scope of the Work, or otherwise requires an adjustment to the Contract Sum or the Contract Time, shall be treated as a Change only if the Contractor gives the Architect and the Owner's Project Manager written notice within three (3) working days of the order, directions, instructions, interpretation or determination and prior to acting in accordance therewith. Time is of the essence in Contractor's written notice pursuant to the preceding sentence so that the District can promptly investigate and consider alternative measures to address the order, direction, instruction, interpretation or determination giving rise to Contractor's notice. Accordingly, Contractor acknowledges that its failure, for any reason, to give written notice within three (3) working days of such order, direction, instruction, interpretation or determination shall be deemed Contractor's waiver of any right to assert or claim any entitlement to an adjustment of the Contract Time or the Contract Sum on account of such order, direction, instruction, interpretation or determination. The written

notice shall state the date, circumstances, extent of adjustment to the Contract Sum or the Contract Time, if any, requested, and the source of the order, directions, instructions, interpretation or determination that the Contractor regards as a Change. Unless the Contractor acts in strict accordance with this procedure, any such order, direction, instruction, interpretation or determination shall not be treated as a Change and the Contractor hereby waives any claim for any adjustment to the Contract Sum or the Contract Time on account thereof.

**9.3 Contractor Submittal of Data.** Within ten (10) days after receipt of a written order directing a Change in the Work or furnishing the written notice regarding any oral order directing a Change in the Work, the Contractor shall submit to the Architect and the Owner's Project Manager a detailed written statement setting forth the general nature of the Change, the amount of any adjustment to the Contract Sum on account thereof, properly itemized and supported by sufficient substantiating data to permit evaluation of the same, and the extent of adjustment of the Contract Time, if any, required by such Change. No claim or adjustment to the Contract Sum or the Contract Time shall be allowed if not asserted by the Contractor in strict conformity herewith or if asserted after Final Payment is made under the Contract Documents.

**9.4 Adjustment to Contract Sum and Contract Time on Account of Changes to the Work.**

**9.4.1 Adjustment to Contract Sum.** Adjustments to the Contract Sum due to Changes in the Work shall be determined by application of one of the following methods, in the following order of priority:

**9.4.1.1 Mutual Agreement.** By negotiation and mutual agreement, on a lump sum basis, between the District and the Contractor on the basis of the estimate of the actual and direct increase or decrease in costs on account of the Change. Upon request of the Owner's Project Manager, the Contractor shall provide a detailed estimate of increase or decrease in costs directly associated with performance of the Change along with cost breakdowns of the components of the Change and supporting data and documentation. The Contractor's estimate of increase or decrease in costs pursuant to the foregoing, if requested, shall be in sufficient detail and in such form as to allow the District and the Architect to review and assess the completeness and accuracy thereof. The Contractor shall be solely responsible for any additional costs or additional time arising out of, or related in any manner to, its failure to provide the estimate of costs within the time specified in the request of the District or the Architect for such estimate.

**9.4.1.2 Determination by the District.** By the District, whether or not negotiations are initiated pursuant to Article 9.4.1.1 above, based upon actual and necessary costs incurred by the Contractor as determined by the District on the basis of the Contractor's records. In the event that the procedure set forth in this Article 9.4.1.2 is utilized to determine the extent of adjustment to the Contract Sum on account of Changes to the Work, promptly upon determining the extent of adjustment to the Contract Sum, the District shall notify the Contractor in writing of the same; the Contractor shall be deemed to have accepted the District's determination of the amount of adjustment to the Contract Sum on account of a Change to the Work unless Contractor shall notify the District and the Architect, in writing, not more than fifteen (15) days

from the date of the District's written notice, of any objection to the District's determination. Failure of the Contractor to timely notify the District and the Architect of Contractor's objections to the District's determination of the extent of adjustment to the Contract Sum shall be deemed Contractor's acceptance of the District's determination and a waiver of any right or basis of the Contractor to thereafter protest or otherwise object to the District's determination. Notwithstanding any objection of the Contractor to the District's determination of the extent of any adjustment to the Contract Sum pursuant to this Article 9.4.1.2, Contractor shall, pursuant to Article 9.7 below, diligently proceed to perform and complete any such Change.

**9.4.1.3 Basis for Adjustment of Contract Sum.** If Changes in the Work require an adjustment of the Contract Sum pursuant to Articles 9.4.1.1 or 9.4.1.2 above, the basis for adjustment of the Contract Sum shall be as follows:

**9.4.1.3.1 Labor.** Contractor shall be compensated for the costs of labor actually and directly utilized in the performance of the Change. Such labor costs shall be limited to field labor for which there is a prevailing wage rate classification. Wage rates for labor shall not exceed the prevailing wage rates in the locality of the Site and shall be in the labor classification(s) necessary for the performance of the Change. Use of a labor classification which would increase labor costs associated with any Change shall not be permitted. Labor costs shall exclude costs incurred by the Contractor in preparing estimate(s) of the costs of the Change, in the maintenance of records relating to the costs of the Change, coordination and assembly of materials and information relating to the Change or performance thereof, or the supervision and other overhead and general conditions costs associated with the Change or performance thereof.

**9.4.1.3.2 Materials and Equipment.** Contractor shall be compensated for the costs of materials and equipment necessarily and actually used or consumed in connection with the performance of Changes. Costs of materials and equipment may include reasonable costs of transportation from a source closest to the site of the Work and delivery to the Site. If discounts by Material Suppliers are available for materials necessarily used in the performance of Changes, they shall be credited to the District. If materials and/or equipment necessarily used in the performance of Changes are obtained from a supplier or source owned in whole or in part by the Contractor, compensation therefor shall not exceed the current wholesale price for such materials or equipment. If, in the reasonable opinion of the District, the costs asserted by the Contractor for materials and/or equipment in connection with any Change is excessive, or if the Contractor fails to provide satisfactory evidence of the actual costs of such materials and/or equipment from its supplier or vendor of the same, the costs of such materials and/or equipment and the District's obligation for payment of the same shall be limited to the then lowest wholesale price at which similar materials and/or equipment are available in the quantities required to perform the Change. The District may elect to furnish materials and/or equipment for Changes to the Work, in which event the Contractor shall not be compensated for the costs of furnishing such materials and/or equipment or any mark-up thereon.

**9.4.1.3.3 Construction Equipment.** Contractor shall be compensated for the actual cost of the necessary and direct use of Construction Equipment in the performance of Changes to the Work. Use of such Construction Equipment in the performance of Changes to the Work shall be compensated in increments of fifteen (15) minutes. Rental time for Construction Equipment moved by its own power shall include time required to move such Construction Equipment to the site of the Work from the nearest available rental source of the same. If Construction Equipment is not moved to the Site by its own power, Contractor will be compensated for the loading and transportation costs in lieu of rental time. The foregoing notwithstanding, neither moving time or loading and transportation time shall be allowed if the Construction Equipment is used for performance of any portion of the Work other than Changes to the Work. Unless prior approval in writing is obtained by the Contractor from the Architect and the Owner's Project Manager, no costs or compensation shall be allowed for time while Construction Equipment is inoperative, idle or on standby, for any reason. The Contractor shall not be entitled to an allowance or any other compensation for Construction Equipment or tools used in the performance of Changes to the Work where such Construction Equipment or tools have a replacement value of \$1,000.00 or less. Construction Equipment costs claimed by the Contractor in connection with the performance of any Change to the Work shall not exceed rental rates established by distributors or construction equipment rental agencies in the locality of the Site; any costs asserted which exceed such rental rates shall not be allowed or paid. Unless otherwise specifically approved in writing by the Architect and the Owner's Project Manager, the allowable rate for the use of Construction Equipment in connection with Changes to the Work shall constitute full compensation to the Contractor for the cost of rental, fuel, power, oil, lubrication, supplies, necessary attachments, repairs or maintenance of any kind, depreciation, storage, insurance, labor (exclusive of labor costs of the Construction Equipment operator), and any all other costs incurred by the Contractor incidental to the use of such Construction Equipment.

**9.4.1.3.4 Mark-up on Costs of Changes to the Work.** In the event a Change adding to the Work is authorized by the District, Contractor shall be paid a mark-up on the direct costs of the Change for general conditions and administration costs, all overhead (including home office and field overhead) and profit, which mark-up shall not exceed the percentage set forth in the Special Conditions, regardless of the number of Subcontractors, of any tier, performing any portion of any Change to the Work. If a Change to the Work reduces the Contract Sum, the maximum adjustment to the Contract Sum shall be the actual cost reduction realized by the reduced or deleted Work multiplied by the percentage set forth in the Special Conditions.

**9.4.1.3.5 Contractor Maintenance of Records.** In the event that Contractor shall be directed to perform any Changes to the Work pursuant to Article 9.1 or 9.2, or should the Contractor encounter conditions which the Contractor, pursuant to Article 9.6, believes would obligate the District to adjust the Contract Sum and/or the Contract Time, Contractor shall maintain detailed

records on a daily basis. Such records shall include without limitation hourly records for labor and Construction Equipment and itemized records of materials and equipment used that day in connection with the performance of any Change to the Work. In the event that more than one Change to the Work is performed by the Contractor in a calendar day, Contractor shall maintain separate records of labor, Construction Equipment, materials and equipment for each such Change. In the event that any Subcontractor, of any tier, shall provide or perform any portion of any Change to the Work, Contractor shall require that each such Subcontractor maintain records in accordance with this Article. Each daily record maintained hereunder shall be signed by Contractor's Superintendent or Contractor's authorized representative and District's authorized representative; such signature shall be deemed Contractor's representation and warranty that all information contained therein is true, accurate, complete and relate only to the Change referenced therein. All records maintained by a Subcontractor, of any tier, relating to the costs of a Change to the Work shall be signed by such Subcontractor's authorized representative or Superintendent. All records maintained hereunder shall be subject to inspection, review and/or reproduction by the District, the Owner's Project Manager, and the Architect upon request. In the event that Contractor shall fail or refuse, for any reason, to maintain or make available for inspection, review and/or reproduction such records and the adjustment to the Contract Sum on account of any Change to the Work is determined pursuant to this Article, the District's reasonable good faith determination of the extent of adjustment to the Contract Sum on account of such Change shall be final, conclusive, dispositive and binding upon Contractor. Contractor's obligation to maintain records hereunder is in addition to, and not in lieu of, any other Contractor obligation under the Contract Documents with respect to Changes to the Work.

- 9.4.2 Adjustment to Contract Time.** In the event of any Change(s) to the Work pursuant to this Article 9, the Contract Time shall be extended or reduced by Change Order for a period of time commensurate with the time reasonably necessary to perform such Change. Such time adjustment shall be requested in writing by the Contractor with the Contract Sum Adjustment Proposal. The time extension request shall be justified by the Contractor by submittal of a CPM analysis accurately portraying the impact of the change on the critical path of the project schedule. Changes performed within available float as indicated in the updated Approved Construction Schedule shall not justify a time extension to the Contract. If agreement is reached between the District and Contractor that a Change shall require an extension of the contract time, the Contractor shall not be subject to Liquidated Damages for such extended period of time. If completion of the Work is delayed by causes for which the District is responsible and the delay is unreasonable under the circumstances involved, and not within the contemplation of the Contractor and the District at the time of execution of the Agreement, the Contractor shall not be precluded from the recovery of damages arising therefrom. Delays caused by utility owners or other public entities are not within the control or responsibility of the District.
- 9.4.3 Addition or Deletion of Alternate Bid Item(s).** If the Bid for the Work includes proposal(s) for Alternate Bid Item(s), during Contractor's performance of the Work, the District may elect, pursuant to this Article to add any such Alternate Bid Item(s)

if the same did not form a basis for award of the Contract or delete any such Alternate Bid Item(s) if the same formed a basis for award of the Contract. If the District elects to add or delete any such Alternate Bid Item(s) pursuant to the foregoing, the cost or credit for such Alternate Bid Item(s) shall be as set forth in the Contractor's Bid. If any Alternate Bid Item is added or deleted from the Work pursuant to the foregoing, the Contract Time shall be adjusted by the number of days allocated for the added or deleted Alternate Bid Item in the Contract Documents; if days are not allocated for any Alternate Bid Item added or deleted pursuant to the foregoing, the Contract Time shall be equitably adjusted.

**9.5 Change Orders.** If the District approves of a Change, a written Change Order prepared by the Owner's Project Manager on behalf of the District shall be forwarded to the Contractor describing the Change and setting forth the adjustment to the Contract Time and the Contract Sum, if any, on account of such Change. All Change Orders shall be in full payment and final settlement of all claims for direct, indirect and consequential costs, including without limitation, costs of delays or impacts related to, or arising out of, items covered and affected by the Change Order, as well as any adjustments to the Contract Time. Any claim or item relating to any Change incorporated into a Change Order not presented by the Contractor for inclusion in the Change Order shall be deemed waived. The Contractor shall execute the Change Order prepared pursuant to the foregoing; once the Change Order has been prepared and forwarded to the Contractor for execution, without the prior approval of the District which may be granted or withheld in the sole and exclusive discretion of the District, the Contractor shall not modify or amend the form or content of such Change Order, or any portion thereof. The Contractor's attempted or purported modification or amendment of any such Change Order, without the prior approval of the District, shall not be binding upon the District; any such unapproved modification or amendment to such Change Order shall be null, void and unenforceable. Unless otherwise expressly provided for in the Contract Documents or in the Change Order, any Change Order issued hereunder shall be binding upon the District only upon action of the District's Board of Directors approving and ratifying such Change Order. In the event of any amendment or modification made by the Contractor to a Change Order for which there is no prior approval by the District, in accordance with the provisions of this Article 9.5, unless otherwise expressly stated in its approval and ratification of such Change Order, any action of the Board of Directors to approve and ratify such Change Order shall be deemed to be limited to the Change Order as prepared by the Architect; such approval and ratification of such Change Order shall not be deemed the District's approval and ratification of any unapproved amendment or modification by the Contractor to such Change Order.

**9.6 Contractor Notice of Changes; Claims.** If the Contractor should claim that any instruction, request, the Drawings, the Specifications, action, condition, omission, default, or other situation obligates the District to increase the Contract Sum or to extend the Contract Time, the Contractor shall notify the Architect and the District, in writing, of such claim within three (3) working days from the date Contractor discovers or reasonably should discover, that an act, error or omission of District, its agents or employees, or action, condition or other situation has occurred that may entitle Contractor to an adjustment of the Contract Sum and/or Contract Time (even if Contractor has not been damaged, delayed, or incurred extra cost when Contractor discovers, or reasonably should discover, the act, error, omission, action, condition or situation giving rise to the claim). The District shall consider any such claim of the Contractor only if sufficient Supporting Documentation as required under this Article and the Contract Documents is submitted with the Contractor's notice to the Architect and District. Time is of the essence in Contractor's written notice pursuant to the preceding

sentence so that the District can promptly investigate and consider alternative measures to the address such instruction, request, Drawings, Specifications, action, condition, omission, default or other situation. Accordingly, Contractor acknowledges that its failure, for any reason, to give written notice (with Supporting Documentation to permit the District's review and evaluation) within three (3) working days of its actual or constructive knowledge of any instruction, request, Drawings, Specifications, action, condition, omission, default or other situation for which the Contractor believes there should an adjustment of the Contract Time or the Contract Sum shall be deemed Contractor's waiver, release, discharge and relinquishment of any right to assert or claim any entitlement to an adjustment of the Contract Time or the Contract Sum on account of any such instruction, request, Drawings, Specifications, action, condition, omission, default or other situation. In the event that the District determines that the Contract Sum or the Contract Time is subject to adjustment based upon the events, circumstances and Supporting Documentation submitted with the Contractor's written notice under this Article 9.6, any such adjustment shall be determined in accordance with the provisions of Articles 9.4.1 and 9.4.2. Contractor agrees that strict compliance with the requirements of this Article 9 is an express condition precedent to Contractor's right to arbitrate or litigate a claim. Contractor specifically agrees to assert no claims in arbitration or litigation unless there has been strict compliance with this Article 9.

**9.7 Supporting Documentation.** As used in this Article 9, "Supporting Documentation" consists of the following:

**9.7.1** A detailed description of the act, error, omission, unforeseen condition, event or other condition giving rise to the claim for adjustment of the Contract Sum or Contract Time.

**9.7.2** A detailed justification for any remedy or relief sought by the claim, including to the extent applicable, the following:

**9.7.2.1** If the claim involves extra work, a detailed cost breakdown of the amounts claimed, including the items specified in this Article 9. The breakdown must be provided even if the costs claimed have not been incurred when the claim is submitted. To the extent costs have been incurred when the claim is submitted, the claim must include actual cost records (including without limitation, payroll records, material and rental invoices and the like) demonstrating that costs claimed have actually been incurred. To the extent costs have not yet been incurred at the time the claim is submitted, actual cost records must be submitted on a current basis not less than once a week during any periods costs are incurred. A cost record will be considered current if submitted within seven (7) days of the date the cost reflected in the record is incurred. At the request of District, claimed extra costs may be subject to further verification procedures (such as having an inspector verify the performance of alleged extra work on a daily basis).

**9.7.2.2** If the claim involves an error or omission in the Contract Documents: (i) an affirmative representation under penalty of perjury by Contractor and any affected subcontractors and suppliers that the error or omission was not discovered prior to submitting a bid for the Contract, and (ii) a detailed statement demonstrating that the error or omission reasonably should not have been discovered, by Contractor, its subcontractors and suppliers, prior to submitting a bid for the Contract.



- 9.7.2.3 If the claim involves an extension of the Contract Time, written documentation demonstrating Contractor’s entitlement to a time extension under Article 7.4.
- 9.7.2.4 If the claim involves an adjustment of the Contract Sum for delay, written documentation demonstrating Contractor’s entitlement to such an adjustment under Article 7.4 and Article 9, as it may apply.
- 9.7.2.5 Contractor shall not be entitled to compensation for escalation of materials costs unless Contractor demonstrates to the satisfaction of the District that such cost escalation is the result of unusual, unforeseeable market conditions, not the fault of the Contractor, and were not reasonably foreseeable at the time of the award of the Contract. Contractor shall provide indisputable evidence to District of the costs included in the Contract, that such costs were reasonable at the time and that Contractor timely ordered the materials at issue.

**9.8 Disputed Changes.** In the event of any dispute or disagreement between the Contractor and the District regarding the characterization of any item as a Change to the Work or as to the appropriate adjustment of the Contract Sum or the Contract Time on account thereof, the Contractor shall promptly proceed with the performance of such item of the Work, subject to a subsequent resolution of such dispute or disagreement in accordance with the terms of the Contract Documents. The Contractor's failure or refusal to so proceed with such Work may be deemed to be Contractor's default of a material obligation of the Contractor under the Contract Documents.

**9.9 Emergencies.** In an emergency affecting the safety of life, or of the Work, or of property, the Contractor, without special instruction or prior authorization from the Owner’s Project Manager, is permitted to act at its discretion to prevent such threatened loss or injury. Any compensation claimed by the Contractor on account of such emergency work shall be submitted and determined in accordance with this Article 9.

**9.10 Minor Changes in the Work.** The Architect may order minor Changes in the Work not involving an adjustment in the Contract Sum or the Contract Time and not inconsistent with the intent of the Contract Documents. Such Changes shall be effected by written order and shall be binding on the District and the Contractor. The Owner’s Project Manager may direct the Contractor to perform Changes provided that each such Change does not result in an increase of more than \$500.00 to the Contract Sum and no adjustment of the Contract Time. The Contractor shall carry out such orders promptly.

**9.11 Unauthorized Changes.** Any Work beyond the extent of Work shown on the Contract Documents, or any extra Work performed or provided by the Contractor without notice to the Architect and the Owner’s Project Manager in the manner and within the time set forth in Articles 9.2 or 9.6 shall be considered unauthorized and at the sole expense of the Contractor. Work so done will not be measured or paid for, no extension to the Contract Time will be granted on account thereof and any such Work may be ordered removed at the Contractor's sole cost and expense. The failure of the District to direct or order removal of such Work shall not constitute acceptance or approval of such Work nor relieve the Contractor from any liability on account thereof.

**ARTICLE 10: SEPARATE CONTRACTORS**

- 10.1 District's Right to Award Separate Contracts.** The District reserves the right to perform construction or operations related to the Project with the District's own forces or to award separate contracts in connection with other portions of the Project or other construction or operations at or about the Site. If the Contractor claims that delay or additional cost is involved because of such action by the District, the Contractor shall seek an adjustment to the Contract Sum or the Contract Time as provided for in the Contract Documents. Failure of the Contractor to request such an adjustment of the Contract Time or the Contract Sum in strict conformity with the provisions of the Contract Documents applicable thereto shall be deemed a waiver of the same.
- 10.2 District's Coordination of Separate Contractors.** The District shall provide for coordination of the activities of the District's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the District in reviewing their respective Construction Schedules when directed to do so. The Contractor shall make any revisions to the Approved Construction Schedule for the Work hereunder deemed necessary after a joint review and mutual agreement. The Construction Schedules shall then constitute the Construction Schedules to be used by the Contractor, separate contractors and the District until subsequently revised. The Contractor shall not impede or delay the work of the separate contractors and shall be responsible for all costs associated therewith.
- 10.3 Mutual Responsibility.** The Contractor shall afford the District and separate contractors reasonable access to the Site and reasonable opportunity for storage of their materials and equipment and performance of their activities at the Site and shall connect and coordinate the Contractor's Work, construction and operations with theirs as required by the Contract Documents.
- 10.4 Discrepancies or Defects.** If part of the Contractor's Work depends for proper execution or results upon construction or operations by the District or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report in writing to the Owner's Project Manager any apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor to so report shall constitute an acknowledgment that the District's or separate contractors' completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then discoverable by the Contractor's reasonable diligence.

## ARTICLE 11: TESTS AND INSPECTIONS

### 11.1 Tests; Inspections; Observations.

- 11.1.1 Contractor's Notice.** If the Contract Documents, laws, ordinances or any public authority with jurisdiction over the Work requires the Work, or any portion thereof, to be specially tested, inspected or approved, the Contractor shall give the Architect, the Owner's Project Manager and the Inspector(s) written notice of the readiness of such Work for observation, testing or inspection at least two (2) working days prior to the time for the conducting of such test, inspection or observation. The Contractor shall not cover up any portion of the Work subject to tests, inspections or observations prior to the completion and satisfaction of the requirements of such test, inspection or observation. In the event that any portion of the Work subject to tests, inspection or approval shall be covered up by Contractor prior to completion

and satisfaction of the requirements of such tests, inspection or approval, Contractor shall be responsible for the uncovering of such portion of the Work as is necessary for performing such tests, inspection or approval without adjustment of the Contract Sum or the Contract Time on account thereof.

**11.1.2 Cost of Tests and Inspections.** The Contractor will pay for fees, costs and expenses to complete the initial tests/inspections of portions of the Work as required by law, code or regulation. If the portion(s) of the Work subject to tests/inspections is/are not ready for such test/inspection at the time indicated in the Contractor's notice under Article 11.1.1 or if upon completion of such test/inspection, the portion(s) of the Work subject to such test/inspection do not meet or exceed the minimum requirements of such test/inspection, the Contractor shall be solely responsible for the payment of all fees, costs or expenses arising out of or related in any manner to subsequent tests/inspections of such portion(s) of the Work.

**11.1.3 Testing/Inspection Laboratory.** The Contractor shall select duly qualified person(s) or testing laboratory(ies) to conduct the tests and inspections required by the Contract Documents. Test/inspection standards shall be as set forth in the Contract Documents or established by applicable law, rule or regulation. Where inspection or testing is to be conducted by an independent laboratory or testing agency, materials or samples thereof shall be selected by the laboratory, testing agency, the Inspector(s), the Owner's Project Manager, or the Architect and not by the Contractor.

**11.1.4 Additional Tests, Inspections and Approvals.** If the Architect, the Owner's Project Manager, the Inspector(s) or public authorities having jurisdiction over the Work determine that portions of the Work require additional testing, inspection or approval, the Architect will, upon written authorization from the District, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the District, and the Contractor shall give timely notice to the Architect, the Owner's Project Manager, and the Inspector(s) of when and where tests and inspections are to be made so the Inspector(s) and the Architect may observe such procedures. The Contractor shall bear the costs of such additional tests, inspections or approvals.

**11.2 Delivery of Certificates.** Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Owner's Project Manager.

**11.3 Timeliness of Tests, Inspections and Approvals.** Tests or inspections required and conducted pursuant to the Contract Documents shall be made or arranged by Contractor to avoid delay in the progress of the Work.

**ARTICLE 12: UNCOVERING AND CORRECTION OF WORK**

**12.1 Review and/or Inspection of the Work.** All Work and all materials and equipment forming a part of the Work or incorporated into the Work are subject to review and/or inspection by the Owner's Project Manager, the Architect, and the Inspector(s) for conformity with the Contract Documents. The Contractor shall, at its cost and without adjustment to the Contract Sum or the Contract Time, furnish any facilities necessary for sufficient and safe access to the Work including but not limited to scaffolding, safety harnesses and other safety equipment,



such amount, the Contractor and the Surety shall promptly pay the difference to the District.

**12.7 Acceptance of Defective or Non-Conforming Work.** The District may, in its sole and exclusive discretion, elect to accept Work which is defective or which is not in accordance with the requirements of the Contract Documents, instead of requiring its removal and correction, in which case the Contract Sum shall be reduced as appropriate and equitable.

## ARTICLE 13: WARRANTIES

**13.1 Workmanship and Materials.** The Contractor warrants to the District that all materials and equipment furnished under the Contract Documents shall be new, of good quality and of the most suitable grade and quality for the purpose intended, unless otherwise specified in the Contract Documents. All Work shall be of good quality, free from faults and defects and in conformity with the requirements of the Contract Documents. If required by the Architect or the District, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment incorporated into the Work. Any Work, or portion thereof not conforming to these requirements, including substitutions or alternatives not properly approved in accordance with the Contract Documents may be deemed defective. Where there is an approved substitution of, or alternative to, material or equipment specified in the Contract Documents, the Contractor warrants to the District that such installation, construction, material, or equipment will equally perform the function and have the quality of the originally specified material or equipment. The Contractor expressly warrants the merchantability, the fitness for use, and quality of all substitute or alternative items in addition to any warranty given by the manufacturer or supplier of such item.

**13.2 Warranty Work.** If, within one year after the date of Final Acceptance, or such other time frame set forth elsewhere in the Contract Documents, any of the Work is found to be defective or not in accordance with the requirements of the Contract Documents, or otherwise contrary to the warranties contained in the Contract Documents, the Contractor shall commence all necessary corrective action not more than seven (7) days after receipt of a written notice from the District to do so, and to thereafter diligently complete the same. In the event that Contractor shall fail or refuse to commence correction of any such item within said seven (7) day period or to diligently prosecute such corrective actions to completion, the District may, without further notice to Contractor, cause such corrective Work to be performed and completed. In such event, Contractor and Contractor's Surety shall be responsible for all costs in connection with such corrective Work, including without limitation, general administrative overhead costs of the District in securing and overseeing such corrective Work. Nothing contained herein shall be construed to establish a period of limitation with respect to any obligation of the Contractor under the Contract Documents. The obligations of the Contractor hereunder shall be in addition to, and not in lieu of, any other obligations imposed by any special guarantee or warranty required by the Contract Documents, guarantees or warranties provided by any manufacturer of any item or equipment forming a part of, or incorporated into the Work, or otherwise recognized, prescribed or imposed by law. Neither the District's Final Acceptance, the making of Final Payment, any provision in Contract Documents, nor the use or occupancy of the Work, in whole or in part, by District shall constitute acceptance of Work not in accordance with the Contract Documents nor relieve the Contractor or the Contractor's Performance Bond Surety from liability with respect to any warranties or responsibility for faulty or defective Work or materials, equipment and workmanship incorporated therein.

**13.3 Guarantee.** Upon completion of the Work, Contractor shall execute and deliver to the District

the form of Guarantee included within the Contract Documents. The Contractor's execution and delivery of the form of Guarantee is an express condition precedent to any obligation of the District to disburse the Final Payment to the Contractor.

- 13.4 Survival of Warranties.** The provisions of this Article 13 shall survive the Contractor's completion of Work under the Contract Documents, the District's Final Acceptance or the termination of the Contract.

## ARTICLE 14: SUSPENSION OF WORK

- 14.1 District's Right to Suspend Work.** The District may, without cause, and without invalidating or terminating the Contract, order the Contractor, in writing, to suspend, delay or interrupt the Work in whole or in part for such period of time as the District may determine. The Contractor shall resume and complete the Work suspended by the District in accordance with the District's directive, whether issued at the time of the directive suspending the Work or subsequent thereto.
- 14.2 Adjustments to Contract Sum and Contract Time.** In the event the District shall order suspension of the Work, an adjustment shall be made to the Contract Sum for increases in the direct cost of performance of the Work of the Contract Documents, actually caused by suspension, delay or interruption ordered by the District; provided however that no adjustment of the Contract Sum shall be made to the extent: (i) that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible under the Contract Documents; or (ii) that an equitable adjustment is made or denied under another provision of the Contract Documents. The foregoing notwithstanding, any such adjustment of the Contract Sum shall not include any adjustment to increase the Contractor's overhead, general administrative costs or profit, all of which will remain as reflected in the Cost Breakdown submitted by the Contractor pursuant to the Contract Documents. In the event of the District's suspension of the Work, the Contract Time shall be equitably adjusted.

## ARTICLE 15: TERMINATION

### 15.1 Termination for Cause.

- 15.1.1 District's Right to Terminate.** The District may terminate the Contract and/or the Contractor's performance of the Contract, in whole or in part, upon the occurrence of any one or more of the following events of the Contractor's default: (i) if the Contractor refuses or fails to prosecute the Work with diligence as will insure Substantial Completion of the Work within the Contract Time, or if the Contractor fails to substantially Complete the Work within the Contract Time; (ii) if the Contractor becomes bankrupt or insolvent, or makes a general assignment for the benefit of creditors, or if the Contractor or a third party files a petition to reorganize or for protection under any bankruptcy or similar laws, or if a trustee or receiver is appointed for the Contractor or for any of the Contractor's property on account of the Contractor's insolvency, and the Contractor or its successor in interest does not provide adequate assurance of future performance in accordance with the Contract Documents within 10 days of receipt of a request for such assurance from the District; (iii) if the Contractor repeatedly fails to supply sufficient skilled workmen or suitable materials or equipment; (iv) if the Contractor repeatedly fails to make prompt payments to any Subcontractor, of any tier, or Material Suppliers or others for labor,

materials or equipment; (v) if the Contractor disregards laws, ordinances, rules, codes, regulations, orders applicable to the Work or similar requirements of any public entity having jurisdiction over the Work; (vi) if the Contractor disregards proper directives of the Architect, the Inspector(s), or the District under the Contract Documents; (vii) if the Contractor performs Work which deviates from the Contract Documents and neglects or refuses to correct such Work; or (viii) if the Contractor otherwise violates in any material way any provisions or requirements of the Contract Documents. Once the District determines that sufficient cause exists to justify the action, the District may terminate the Contract without prejudice to any other right or remedy the District may have, after giving the Contractor and the Surety at least seven (7) days advance written notice of the effective date of termination. The District shall have the sole discretion to permit the Contractor to remedy each cause for the termination without waiving the District's right to terminate the Contract, or otherwise waiving, restricting or limiting any other right or remedy of the District under the Contract Documents or at law.

- 15.1.2 District's Rights Upon Termination.** In the event that the Contract or the Contractor's performance of the Contract is terminated pursuant to this Article 15.1, the District may take over the Work and prosecute it to completion, pursuant to the Contract or otherwise, and may exclude the Contractor from the site. The District may take possession of the Work and of all of the Contractor's tools, appliances, construction equipment, machinery, materials, and plant which may be on the site of the Work, and use the same to the full extent they could be used by the Contractor without liability to the Contractor. In exercising the District's right to prosecute the completion of the Work, the District may also take possession of all materials and equipment stored at the site of the Work or for which the District has paid the Contractor but which are stored elsewhere, and finish the Work as the District deems expedient. In exercising the District's right to prosecute the completion of the Work, the District shall have the right to exercise its sole discretion as to the manner, methods, and reasonableness of the costs of completing the Work and the District shall not be required to obtain the lowest figure for completion of the Work. In the event that the District takes bids for remedial Work or completion of the Work, the Contractor shall not be eligible for the award of such contract(s).
- 15.1.3 Completion by the Surety.** In the event that the Contract or the Contractor's performance of the Contract is terminated pursuant to this Article 15.1, the District may demand that the Surety take over and complete the Work. The District may require that in so doing, the Surety not utilize the Contractor in performing and completing the Work. Upon the failure or refusal of the Surety to take over and begin completion of the Work within twenty-one (21) days after demand therefor, the District may take over the Work and prosecute it to completion as provided for above.
- 15.1.4 Assignment and Assumption of Subcontracts.** The District shall, in its sole and exclusive discretion, have the option of requiring any Subcontractor or Material Supplier to perform in accordance with its Subcontract or Purchase Order with the Contractor and assign the Subcontract or Purchase Order to the District or such other person or entity selected by the District to complete the Work.
- 15.1.5 Costs of Completion.** In the event of termination under this Article 15.1, the Contractor shall not be entitled to receive any further payment of the Contract Sum until the Work is completed. If the unpaid balance of the Contract Sum as of the

date of termination exceeds the District's direct and indirect costs and expenses for completing the Work, including without limitation, attorneys' fees and compensation for additional professional and consultant services, such excess shall be used to pay the Contractor for the cost of the Work performed prior to the effective date of termination with a reasonable allowance for overhead and profit. If the District's costs and expenses to complete the Work exceed the unpaid Contract Sum, the Contractor and/or the Surety shall pay the difference to the District.

- 15.1.6 Contractor Responsibility for Damages.** The Contractor and the Surety shall be liable for all damages sustained by the District resulting from, in any manner, the termination of Contract under this Article 15.1, including without limitation, attorneys' fees, and for all costs necessary for repair and completion of the Work over and beyond the Contract Sum.
- 15.1.7 Conversion to Termination for Convenience.** In the event the Contract is terminated under this Article 15.1, and it is finally determined by an arbitrator, court, jury or other tribunal having jurisdiction, for any reason, that the Contractor was not in default under the provisions hereof or that the District's exercise of its rights under Article 15.1 was defective, deficient, ineffective, invalid or improper for any reason, the termination shall be deemed a Termination for Convenience of the District and thereupon, the rights and obligations of the District and the Contractor shall be determined in accordance with Article 15.2 hereof.
- 15.1.8 District's Rights Cumulative.** In the event the Contract is terminated pursuant to this Article 15.1, the termination shall not affect or limit any rights or remedies of the District against the Contractor or the Surety. The rights and remedies of the District under this Article 15.1 are in addition to, and not in lieu of, any other rights and remedies provided by law or otherwise under the Contract Documents. Any retention or payment of monies to the Contractor by the District shall not be deemed to release the Contractor or the Surety from any liability hereunder.
- 15.2 Termination for Convenience of the District.** The District may at any time, in its sole and exclusive discretion, by written notice to the Contractor, terminate the Contract or the Contractor's performance of the Contract, in whole or in part, when it is in the interest of, or for the convenience of, the District. In such case, the Contractor shall be entitled to payment for: (i) Work actually performed and in place as of the effective date of such termination for convenience of the District, with a reasonable allowance for profit and overhead on such Work, and (ii) reasonable termination expenses for reasonable protection of Work in place and suitable storage and protection of materials and equipment delivered to the site of the Work but not yet incorporated into the Work, provided that such payments exclusive of termination expenses shall not exceed the total Contract Sum as reduced by payments previously made to the Contractor and as further reduced by the value of the Work as not yet completed. The Contractor shall not be entitled to profit and overhead on Work which was not performed as of the effective date of the termination for convenience of the District or for any other damages, direct or indirect, which the Contractor or anyone claiming through the Contractor alleges resulted from the District's election to terminate under this Article 15.2 or where a termination under Article 15.1 has been converted to a termination for convenience under Article 15.1.7. The District may, in its sole discretion, elect to have subcontracts assigned pursuant to Article 15.1.4 above after exercising the right hereunder to terminate for the District's convenience.



**ARTICLE 16: MISCELLANEOUS**

- 16.1 Governing Law.** This Contract shall be governed by and interpreted in accordance with the laws of the State of California.
- 16.2 Marginal Headings; Interpretation.** The titles of the various Articles of these General Conditions and elsewhere in the Contract Documents are used for convenience of reference only and are not intended to, and shall in no way, enlarge or diminish the rights or obligations of the District or the Contractor and shall have no effect upon the construction or interpretation of the Contract Documents. The Contract Documents shall be construed as a whole in accordance with their fair meaning and not strictly for or against the District or the Contractor.
- 16.3 Successors and Assigns.** Except as otherwise expressly provided in the Contract Documents, all terms, conditions and covenants of the Contract Documents shall be binding upon, and shall inure to the benefit of the District and the Contractor and their respective heirs, representatives, successors-in-interest and assigns.
- 16.4 Cumulative Rights and Remedies; No Waiver.** Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not in lieu of or otherwise a limitation or restriction of duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the District shall constitute a waiver of a right or remedy afforded it under the Contract Documents or at law nor shall such an action or failure to act constitute approval of or acquiescence in a breach hereunder, except as may be specifically agreed in writing. No course of conduct or act of forbearance on any one or more occasions by the District shall preclude the District from asserting any right or remedy available to it in the future. No course of conduct or act of forbearance on any one or more occasions shall be deemed to be an implied modification of the terms of this Contract. Neither the making of any payment, including final payment, the recordation of a Notice of Completion or any other act or failure to act by the District, the Architect, or the Owner's Project Manager or anyone else employed by them, shall relieve the Contractor or the Surety from full and exact compliance with the requirements of the Contract Documents, including the approved plans and specifications or shall serve to exonerate, in whole or in part, any obligation or duty owed to the District by the Contractor or the Surety.
- 16.5 Severability.** In the event any provision of the Contract Documents shall be deemed illegal, invalid, unenforceable and/or void, by a court or any other governmental agency of competent jurisdiction, such provision shall be deemed to be severed and deleted from the Contract Documents, but all remaining provisions hereof, shall in all other respects, continue in full force and effect.
- 16.6 No Assignment by Contractor.** The Contractor shall not sublet or assign the Contract, or any portion thereof, or any monies due thereunder, without the express prior written consent and approval of the District, which approval may be withheld in the sole and exclusive discretion of the District. The District's approval to such assignment shall be upon such terms and conditions as determined by the District in its sole and exclusive discretion.
- 16.7 Gender and Number.** Whenever the context of the Contract Documents so require, the neutral gender shall include the feminine, masculine, and non-binary; the masculine gender shall include the feminine and non-binary; the singular number shall include the plural and

the plural number shall include the singular.

**16.8 Independent Contractor Status.** In performing its obligations under the Contract Documents, the Contractor is an independent contractor to the District and not an agent or employee of the District. Nothing contained herein shall be deemed or construed as creating a relationship of employer and employee between the District and the Contractor or any Subcontractors, employees of the Contractor or Subcontractors or their respective agents and representatives. Neither the Contractor, Subcontractors nor any employees of the Contractor or Subcontractors are entitled to any rights or privileges of District employees.

**16.9 Notices.** Except as otherwise expressly provided for in the Contract Documents, all notices which the District or the Contractor may be required, or may desire, to serve on the other, shall be effective only if delivered by personal delivery or by postage prepaid, First Class Certified Return Receipt Requested United States Mail, addressed to the District or the Contractor at their respective address set forth in the Contract Documents, or such other address(es) as either the District or the Contractor may designate from time to time by written notice to the other in conformity with the provisions hereof. In the event of personal delivery, such notices shall be deemed effective upon delivery, provided that such personal delivery requires a signed receipt by the recipient acknowledging delivery of the same. In the event of mailed notices, such notice shall be deemed effective on the third working day after deposit in the mail.

**16.10 Disputes; Continuation of Work.** Notwithstanding any claim, dispute or other disagreement between the District and the Contractor regarding performance under the Contract Documents, the scope of Work thereunder, or any other matter arising out of or related to, in any manner, the Contract Documents, the Contractor shall proceed diligently with performance of the Work in accordance with the District's written direction, pending any final determination or decision regarding any such claim, dispute or disagreement.

**16.11 Dispute Resolution; Attorneys' Fees.**

**16.11.1 Public Contract Code § 9204.** Claims between the District and the Contractor shall be resolved in accordance with the procedures established in Public Contract Code § 9204 and this Article 16.11.

**16.11.2 Claim.** The term "Claim" means a written demand by the Contractor sent by registered mail or certified mail with return receipt requested for:

- (1) An extension of the Contract Time, including relief from damages or penalties assessed by the District for delay;
- (2) Payment of money or damages arising from work done by, or on behalf of, the Contractor pursuant to the Contract and payment that is not otherwise expressly provided for in the Contract Documents or to which the Contractor is not otherwise entitled; or
- (3) Payment of an amount that is disputed by the District.

**16.11.3 Submission of Claim.** A Claim arises upon the District's rejection of a request by the Contractor for a Change Order. The Contractor shall submit the Claim by registered mail or certified mail with return receipt requested to the District's Chief

Financial Officer, 1200 Del Amo Street, Redondo Beach, CA 90277, with a copy to the Owner's Project Manager. The Contractor shall submit its Claim in writing, together with all Supporting Documentation as specified in Article 16.11.4 no later than the earlier of either: (1) thirty (30) days after the date the Claim arises; or (2) sixty (60) days after the date of Substantial Completion. It is the intent of the District to evaluate and resolve Claims with the Contractor as close to the events giving rise to such Claims as possible and to avoid stale or late Claims, including late notice and documenting of Claims, and to timely mitigate the issue, event, condition, circumstance and/or cause of the Claim and any adverse impacts or damages related thereto. Should the Contractor fail to submit a Claim by the deadline set forth in this Article, Contractor waives and releases such Claim, including all rights and remedies in connection therewith.

**16.11.4 Contents of Claim.** A Claim must include all Supporting Documentation as set forth in Article 9.7 and a statement identifying it as a Claim signed by an authorized agent or officer of the Contractor under penalty of perjury and including the following language immediately above or before the Contractor's signature: "I declare under penalty of perjury under the laws of the State of California that the information provided and statements made in this Claim are true and correct, substantiated and of merit." The Contractor recognizes and acknowledges that this requirement is not a mere formality but is intended to ensure that the Contractor only submits Claims that it believes are true and correct, substantiated and have merit. Should Contractor fail to submit the foregoing written statement signed under penalty of perjury, Contractor waives and releases its Claim, including all rights and remedies in connection therewith.

**16.11.5 Subcontractor Claims.** Pursuant to Public Contract Code § 9204(d)(5), a Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that the Contractor submit to the District a claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. The Subcontractor requesting that the claim be submitted to the District shall furnish reasonable documentation to support the claim. Regardless of whether or not the Contractor decides to submit the Subcontractor's claim to the District, Contractor shall provide a copy of the Subcontractor's written request, including all supporting documentation, to the Owner's Project Manager within ten (10) days of Contractor's receipt of the request. In the event the Contractor agrees to submit a Subcontractor's claim to the District, the Contractor shall submit such claim as a request for a Change Order in accordance with Article 9, unless such claim was previously submitted to the District as a request for a Change Order. Within forty-five (45) days of receipt of the Subcontractor's written request, the Contractor shall notify the Subcontractor in writing as to whether the Contractor submitted the claim to the District and, if the Contractor did not submit the claim, the Contractor shall provide the Subcontractor with a written statement of the reasons for not having done so and shall concurrently provide a copy of such written statement to the Owner's Project Manager. In the event the Contractor includes supporting documentation with such written statement, the Contractor shall concurrently provide a copy of such supporting documentation to the Owner's Project Manager. If the Contractor submits a Claim on behalf of a Subcontractor, the Claim shall include a statement in writing and signed by an authorized agent or officer of the Contractor under penalty of perjury that includes the following language immediately above or before the Contractor's signature: "I declare under penalty of

perjury under the laws of the State of California that [insert name of Contractor] has thoroughly evaluated the claim of [insert name of Subcontractor] and determined that the information provided and statements made in the claim are true and correct, substantiated and of merit.”

- 16.11.6 District Review of Claim.** Upon receipt of a Claim, the District shall review the Claim and, within a period not to exceed forty-five (45) days, shall provide Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the District and the Contractor may, by mutual written agreement, extend the forty-five (45) day time period. The District shall process and make payment of any undisputed portion of a Claim within sixty (60) days after the District issues its written statement. Failure by the District to provide a written statement in response to a Claim from the Contractor within the forty-five (45) day time period, or within an agreed upon extended time period, shall result in the Claim being deemed rejected in its entirety. A Claim that is rejected by reason of the District’s failure to respond, or failure to timely respond, to the Claim shall not constitute an adverse finding regarding the merits of the Claim or the claimant’s responsibility or qualifications.
- 16.11.7 Meet and Confer Meeting.** If the Contractor disputes the District’s written response made pursuant to Article 16.11.6, or if the District fails to respond within the time frame prescribed in Article 16.11.6, the Contractor, within fifteen (15) days of the District’s written response or, if the District fails to respond, within fifteen (15) days after the District’s response was due, may demand, in a writing sent to the District’s Chief Operations Officer or designee by registered mail or certified mail, return receipt requested, with a copy to the Owner’s Project Manager, an informal conference to meet and confer for settlement of the issues in dispute. The District shall schedule a meet and confer conference within thirty (30) days of its receipt of the Contractor’s written demand.
- 16.11.8 Mediation.** Within ten (10) business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, the District shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the District issues its written statement. Any disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation. The expenses and fees of the mediator and the administrative fees shall be divided among the parties equally. Each party shall pay its own legal fees, witness fees, and other expenses. The District and the Contractor shall mutually agree to a mediator within ten (10) business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. The foregoing notwithstanding, pursuant to Public Contract Code § 9204(f), the parties may mutually agree in writing to waive mediation.
- 16.11.9 Contractor’s Obligation to File a Government Code Claim.** Nothing in this Contract, including this Article 16, waives, modifies or tolls the Contractor’s obligation to present a timely claim under Government Code § 910, et seq. Therefore, in

addition to complying with the contractual Claims procedures, the Contractor is required to present claims to the District pursuant to Government Code § 910, et seq. If after the requirements of Articles 16.11.6, 16.11.7 and 16.11.8 are satisfied, and all or a portion of the Claim remains unresolved, and if the Government Code claim is rejected by the District, the Contractor may proceed under Article 16.11.10.

#### **16.11.10 Dispute Resolution.**

**16.11.10.1 Claims of \$375,000 or Less:** The provisions of Public Contract Code § 20104.4 shall apply. Pursuant to Public Contract Code § 20104.4(a), within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. Pursuant to Public Contract Code § 9204(d)(2)(D), a mediation conducted pursuant to Article 16.11.8 shall excuse the obligation under Public Contract Code § 20104.4(a) to mediate after litigation has been commenced unless otherwise agreed to by the parties in writing.

**16.11.10.2 Arbitration.** Except as provided in Article 16.11.10.1, any other claims, disputes, disagreements or other matters in controversy between the District and the Contractor arising out of, or related, in any manner, to the Contract Documents, or the interpretation, clarification or enforcement thereof shall be resolved by arbitration conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA") in effect as of the date that a Demand for Arbitration is filed, except as expressly modified herein. The locale for any arbitration commenced hereunder shall be the regional office of the AAA closest to the Site or at a location as mutually agreed by the parties. The award rendered by the Arbitrator(s) shall be final and binding upon the District and the Contractor. In connection with any arbitration proceeding commenced hereunder, the discovery rights and procedures provided for in California Code of Civil Procedure §1283.05 shall be applicable, and the same shall be deemed incorporated herein by this reference. A Demand for Arbitration shall be filed and served within a reasonable time after the occurrence of the claim, dispute or other disagreement giving rise to the Demand for Arbitration, but in no event shall a Demand for Arbitration be filed or served after the date when the institution of legal or equitable proceedings based upon such claim, dispute or other disagreement would be barred by the applicable statute of limitations. In the event more than one Demand for Arbitration is made by either the District or the Contractor, all such controversies shall be consolidated into a single arbitration proceeding, unless otherwise agreed to by the District and the Contractor. The Contractor's Surety, a Subcontractor or Material Supplier to the Contractor and other third parties may be permitted to join in and be bound by an arbitration commenced hereunder if required by the terms of their respective agreements with the Contractor, except to the extent that such joinder would unduly delay or complicate the expeditious resolution of the claim, dispute or other disagreement between the District and the Contractor, in which case an appropriate severance order shall be issued by the Arbitrator(s). The expenses and fees of the Arbitrator(s) shall be divided equally among the parties to the arbitration. Each party to any arbitration commenced hereunder shall be responsible for and shall bear its own

attorneys' fees, witness fees and other cost and expense incurred in connection with such arbitration. The foregoing notwithstanding, the Arbitrator(s) may award arbitration costs, including Arbitrators' fees but excluding attorneys' fees, to the prevailing party. The confirmation, enforcement, vacation or correction of an arbitration award rendered hereunder shall be the Superior Court of the State of California for the county in which the Site is situated. The substantive and procedural rules for such post-award proceedings shall be as set forth in California Code of Civil Procedure §1285 et seq.

**16.11.11 Inapplicability to Bid Bond.** The provisions of this Article 16.11 shall not be applicable to disputes, disagreements or enforcement of rights or obligations under the Bid Bond; all claims, disputes and actions to enforce rights or obligations under the Bid Bond shall be adjudicated only by judicial proceedings commenced in a court of competent jurisdiction.

**16.11.12 No Attorneys' Fees.** Except as expressly provided for in the Contract Documents, or authorized by law, neither the District nor the Contractor shall recover from the other any attorneys' fees or other costs associated with or arising out of any legal, administrative or other proceedings filed or instituted in connection with or arising out of the Contract Documents or the performance of either the District or the Contractor thereunder.

**16.11.13 No Interest.** Notwithstanding any other provision of law, the District shall not be liable for payment of interest on any disputed amounts pending final adjudication of such disputes.

**16.12 Capitalized Terms.** Except as otherwise expressly provided, capitalized terms used in the Contract Documents shall have the meaning and definition for such term as set forth in the Contract Documents.

**16.13 Provisions Required by Law Deemed Inserted.** Each and every provision of law and clause required by law to be inserted in the Contract Documents is deemed to be inserted herein and the Contract Documents shall be read and enforced as though such provision or clause are included herein, and if through mistake, or otherwise, any such provision or clause is not inserted or if not correctly inserted, then upon application of either party, the Contract Documents shall forthwith be physically amended to make such insertion or correction.

**16.14 Prohibited Interests.** No employee of the District, who is authorized in such capacity on behalf of the District to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving any architectural, engineering, inspection, construction or material supply contract or subcontract in connection with the Work shall become directly or indirectly financially interested in the Work or any part thereof.

**16.15 Entire Agreement.** The Contract Documents contain the entire agreement and understanding between the District and the Contractor concerning the subject matter hereof, and supersedes and replaces all prior negotiations, proposed agreements or amendments, whether written or oral. No amendment or modification to any provision of the Contract Documents shall be effective or enforceable except by an agreement in writing executed by the District and the Contractor.

## Section 00 80 00 SPECIAL CONDITIONS

### 1. Contract Time; Liquidated Damages.

**1.1** Contract Time. The Contract Time for the Contractor's Substantial Completion of the Work is **Ninety Two (92) calendar days** after the date for commencement of the Work as set forth in the Notice to Proceed issued by or on behalf of the District to the Contractor. The District anticipates, but does not guarantee, that the Notice to Proceed will be issued directing Work to commence on **June 30, 2023**, thereby establishing a Substantial Completion date of **September 30, 2023**.

**1.2** Liquidated Damages.

**1.2.1** Delayed Substantial Completion. Pursuant to Article 7 of the General Conditions, the Contractor shall be liable to the District for Liquidated Damages for failure to achieve Substantial Completion of the Work within the Contract Time, including adjustments thereto in accordance with the Contract Documents. **Liquidated Damages shall be at the rate of One Thousand Dollars (\$1,000.00) per day until Substantial Completion of the Work is achieved.**

**1.2.2** District Withhold of Liquidated Damages; Performance Bond Surety. If the Contractor is subject to Liquidated Damages for delayed completion of one or more Milestones and/or delayed Substantial Completion, the District may withhold such Liquidated Damages from the Contract Price then or thereafter due the Contractor. If the Liquidated Damages exceed the then remaining balance of the Contract Price, the Contractor and the Surety issuing the Performance Bond shall be jointly and severally liable to the District for such amounts.

**2. Mark-Ups on Changes to the Work.** In the event of Changes to the Work, pursuant to Article 9 of the General Conditions, the mark-up for all overhead (including home and field office overhead), general conditions costs and profit, shall not exceed the percentage of allowable direct actual costs for performance of the Change as set forth herein. For the portion of any Change performed by Subcontractors of any tier, the percentage mark-up on allowable actual direct labor and materials costs incurred by all Subcontractors of any tier shall be Fifteen Percent (15%). For the portion of any Change performed by the Contractor's own forces, the mark-up on the allowable actual direct labor and materials costs of such portion of a Change shall be Fifteen Percent (15%). This mark-up includes all general requirements, general conditions, bond, insurance, profit and fee. In the event the Change is deductive, the District shall receive a credit equal to the value of the direct actual costs of the Work of the deductive Change plus Ten Percent (10%) of such direct actual costs for all general conditions, overhead (including home and field office overhead), profit and bond, which Ten Percent (10%) is inclusive of all general conditions, overhead (including home and field office overhead), profit and bond for the Contractor and all Subcontractors of every tier.

### 3. Insurance; Subcontractors' Bonding.

**3.1 Contractor's Insurance.** Pursuant to Article 6 of the General Conditions, the Contractor shall obtain and maintain the following insurance coverage, with minimum coverage amounts as set forth below:

<b>Comprehensive General Liability Insurance:</b>	
Per Occurrence	<b>\$1,000,000</b>
Aggregate	<b>\$2,000,000</b>
<b>Automobile Liability Insurance:</b>	<b>\$1,000,000</b>
<b>Workers Compensation Insurance</b>	<b>Statutory Limits</b>

**Insurance Primary.** Certificates of insurance shall clearly state that the District is named as additional insured under the policy described and that such insurance policy shall be primary to any insurance or self-insurance maintained by the District.

**Subcontractors' Insurance.** Contractor is required to have all subcontractors insured to the minimum coverage amounts as set forth below:

<b>Comprehensive General Liability Insurance:</b>	
Per Occurrence	<b>\$1,000,000</b>
Aggregate	<b>\$2,000,000</b>
<b>Automobile Liability Insurance:</b>	<b>\$1,000,000</b>
<b>Workers Compensation Insurance</b>	<b>Statutory Limits</b>

4. **Hours of work.** All construction and delivery activities shall be restricted to the hours of work in accordance with local ordinances applicable to the Project, or as otherwise modified or amended.

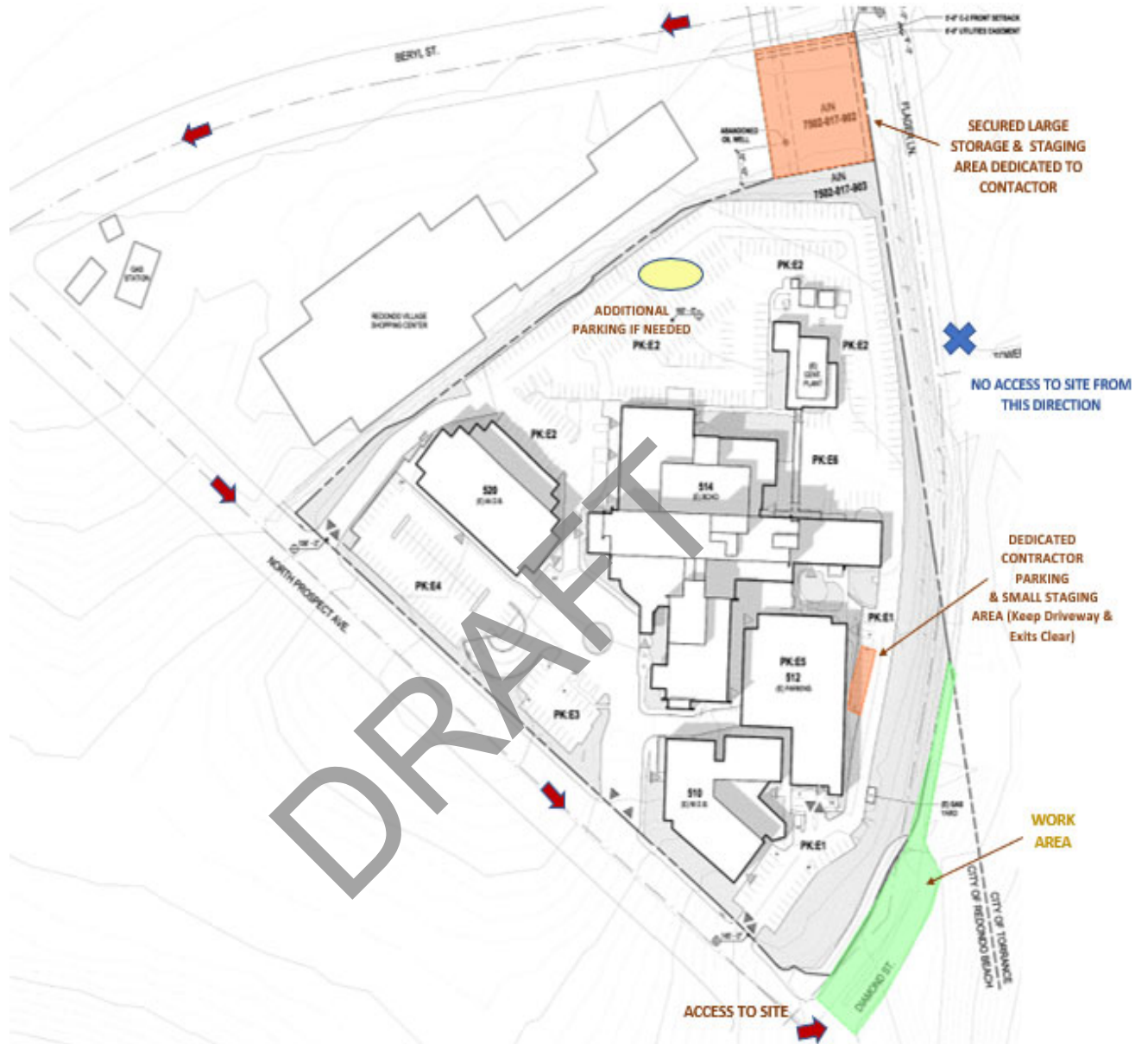
5. **Project Manager.** The District's Project Manager is:

John Reser, CCP  
Sr. Project Manager  
**Turner & Townsend Heery**  
6060 Center Drive 10<sup>th</sup> Floor, Los Angeles, CA 90045  
[John.reser@turntown.com](mailto:John.reser@turntown.com)  
747 232-4247 |

All project correspondence shall be routed through the Project Manager, unless otherwise directed.

6. **Site Plan.** The Site Plan for the Project is as follows:





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END OF DOCUMENT

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# GUARANTEE

## BEACH CITIES HEALTH DISTRICT

\_\_\_\_\_ (Contractor's Name) hereby unconditionally guarantees that the work performed at **DIAMOND STREET BIKE PATH PROJECT** (Project) has been done in accordance with the requirements of the Contract and therefore further guarantees the work of the Contract to be and remain free of defects in workmanship and materials for a period of one (1) year from the date of completion of the Contract, unless a longer guarantee period is called for by the Contract Documents, in which case the terms of the longer guarantee shall govern. The Contractor hereby agrees to repair or replace any and all work, together with any other work which may have been damaged or displaced in so doing, that may prove to be not in accordance with the requirements of the Contract or that may be defective in its workmanship or materials within the guarantee period specified, without any expense whatsoever to the District, ordinary wear and tear and unusual abuse and neglect only excepted. The Contractor has provided contract bonds which will remain in full force and effect during the guarantee period.

The Contractor further agrees that within ten (10) calendar days after being notified in writing by the District of any work not in accordance with the requirements of the Contract or any defects in the work, he will commence and prosecute with due diligence all work necessary to fulfill the terms of this guarantee, and to complete the work within a reasonable period of time. In the event he fails to so comply, he does hereby authorize the District to proceed to have such work done at the Contractor's expense and he will pay the cost thereof upon demand. The District shall be entitled to all costs, including reasonable attorneys' fees, necessarily incurred upon the Contractor's refusal to pay the above costs.

Notwithstanding the foregoing paragraph, in the event of an emergency constituting an immediate hazard to the health or safety of the employees of the District, or its property or licensees, the District may undertake at the Contractor's expense without prior notice, all work necessary to correct such hazardous condition when it was caused by the work of the Contractor not being in accordance with the requirements of this contract, or being defective, and to charge the same to the Contractor as specified in the preceding paragraph.

The guarantee set forth herein is not intended by the parties, nor shall it be construed, as in any way limiting or reducing the District's rights to enforce all terms of the Contract referenced hereinabove or the time for enforcement thereof. This guarantee is provided in addition to, and not in lieu of, the District's rights under such Contract.

\_\_\_\_\_  
CONTRACTOR'S SIGNATURE

Representative to be contacted for services:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

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