



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: July 7, 2015

or Procurement Director Award

Contractor/Vendor Name (DBA): KE & G Construction, Inc.

Project Title/Description:

Construction Manager at Risk Services (CMAR), Southeast Interceptor Sewer Augmentation, Project No. SEI13

Purpose:

*To receive Board approval to award the CMAR pre-construction services contract to KE & G Construction, Inc., the highest ranked firm in accordance with Pima County Board of Supervisor's Policy and Arizona Revised Statutes. Upon conclusion of pre-construction services, a final project scope and guaranteed maximum price will be negotiated with KE & G Construction to provide construction services. Pima County Board of Supervisor's approval will be sought at a future date for award of construction services and corresponding guaranteed maximum price. Pre-construction services fee is not to exceed \$520,000 and construction services is not to exceed a total of \$10,400,000.

Procurement Method:

Qualifications-based selection of the contractor in accordance with Board of Supervisors Policy D29.1 and Arizona Revised Statutes, Title 34, Chapter 6. KE & G Construction, Inc., was deemed highest qualified among respondents to the County's Solicitation for Qualifications.

Program Goals/Predicted Outcomes:

Pre-construction services for the design and subsequent construction of augmentation infrastructure to accommodate increased flow in the Southeast Interceptor. Specifically, the Pima County Wastewater Reclamation Department (RWRD) is experiencing capacity issues in the Southeast Interceptor (SEI) which conveys flows from Rita Ranch in southeast Tucson to the Auga Nuevo Wastewater Reclamation Facility, a distance of approximately 10 miles. This SEI begins as a 27-inch pipe and gradually expands to a 60-inch pipe and, in 2010, the RWRD hydraulic model indicated flows in the SEI from Park Avenue and I-10 to Euclid Avenue and 18th Street at greater than 85% of the pipe's capacity. Subsequent hydraulic modeling indicated surcharging and potential sanitary overflows in the reach along Euclid during a 10-year, 24-hour storm event. RWRD Capital Planning also anticipates the addition of 6.1 million gallons per day in additional flow attributed to growth along the I-10 corridor.

Public Benefit:

The new interceptor will provide the additional capacity needed for the anticipated future growth and as is required to comply with the Departments' Capacity Management, Operations and Maintenance (CMOM) Plan and the Arizona Administrative Code R18-9C305.2.05 General Permit Capacity, Management, Operation and Maintenance of a sewage collection system (E) (1) (d).

Metrics Available to Measure Performance:

Earned Value Analysis will be utilized to compare ongoing monthly costs with construction progress up to project completion.

Retroactive:

Not retroactive.

To: COB - 6-16-15 (1)

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JUN 26 2015 PMS0314 10 PC CLK/OF/AD

Original Information

Document Type: CT Department Code: WW Contract Number (i.e., 15-123): 15*532
Effective Date: 07/07/2015 Termination Date: 12/31/2017 Prior Contract Number (Synergen/CMS):
 Expense Amount: \$ \$NTE 580,000 Revenue Amount: \$ _____
Funding Source(s): RWRD Obligations

Cost to Pima County General Fund: \$0.00

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Expense Revenue Increase Decrease Amount This Amendment: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contact: Keith E. Rogers Keith E. Rogers 06-10-15
Department: Procurement/Design and Construction Division John Whaling 6/10/15 Telephone: 724-3542
Department Director Signature/Date: _____
Deputy County Administrator Signature/Date: Deputy County Journal 6/23/15 6-23-15
County Administrator Signature/Date: C. Debbie Beury 6/04/15
(Required for Board Agenda/Addendum Items)

NOTICE OF RECOMMENDATION FOR AWARD

The Pima County Procurement Department - Design & Construction Division hereby issues formal notice to participating respondents for **Solicitation No. 160784 – CONSTRUCTION MANAGER AT RISK SERVICES FOR THE SOUTHEAST INTERCEPTOR SEWER AUGMENTATION PROJECT NO. 3SEI13**, that the following listed respondent will be recommended for award as indicated below. The award action will be performed by the Pima County Board of Supervisors on or after July 7, 2015.

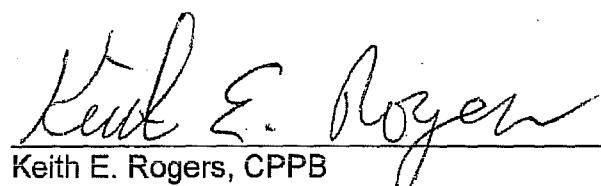
AWARDEE NAME

KE&G Construction, Inc.

OTHER FINAL LISTED FIRMS:

Achen-Gardner Construction, Inc.
B&F Contracting, Inc.

Issued by:



Keith E. Rogers, CPPB
Contracts & Commodities Officer
Phone: 520-724-3542

Date 06-03-15

This notice is in compliance with Pima County Procurement Code §11.12.060

Copy to: Pima County Vendor Relations/SBE – 4-3646



PROJECT NAME: SOUTHEAST INTERCEPTOR SEWER AUGMENTATION

	First Choice																				
	Second Choice																				
Respondent	Evaluator #1	Deviation #1	Evaluator #2	Deviation #2	Evaluator #3	Deviation #3	Evaluator #4	Deviation #4	Evaluator #5	Deviation #5	Evaluator #6	Deviation #6	Evaluator #7	Deviation #7	Standard Deviation	Avg. Score Max = 90	Subcontractor Score Max = 10	Total SOQ Score	Interview Score Max = 100	Total Score	Rank
ACHEN GARDNER	90	10.7	86	6.7	59	-20.3	87	7.7	80	0.7	79	-0.3	74	-5.3	9.71	79.29	9.17	88.45	89.60	178.05	3
B&F	90	7.7	80	-2.3	81	-1.3	87	4.7	83	0.7	72	-10.3	83	0.7	5.28	82.29	8.17	90.45	89.45	179.90	2
BORDERLAND	90	12.0	80	2.0	75	-3.0	87	9.0	67	-11.0	71	-7.0	76	-2.0	7.67	78.00	8.83	86.83	#DIV/0!	#DIV/0!	4
HUNTER	73	13.0	69	9.0	54	-6.0	66	6.0	62	2.0	54	-6.0	42	-18.0	9.90	60.00	8.33	68.33	#DIV/0!	#DIV/0!	5
KE&G	90	2.7	87	-0.3	86	-1.3	90	2.7	87	-0.3	82	-5.3	89	1.7	2.60	87.29	9.00	96.29	88.57	184.86	1

Interview Scores	Evaluator #1	Deviation #1	Evaluator #2	Deviation #2	Evaluator #3	Deviation #3	Evaluator #4	Deviation #4	Evaluator #5	Deviation #5	Evaluator #6	Deviation #6	Evaluator #7	Deviation #7	Standard Deviation	Average Max = 90	Subcontractor Plan Max = 10	Total Interview Score
ACHEN GARDNER	90	9.5714286	90	9.571429	72	-8.428571	80	-0.428571	75	-5.428571	83	2.57	73	-7.43	7.03	80.43	9.17	89.60
B&F	78	-3.285714	85	3.714286	80	-1.285714	90	8.7142857	79	-2.285714	75	-6.29	82	0.71	4.59	81.29	8.17	89.45
BORDERLAND		#VALUE!	#DIV/0!	#DIV/0!	8.83	#DIV/0!												
HUNTER		#VALUE!	#DIV/0!	#DIV/0!	8.33	#DIV/0!												
KE&G	80	0.4285714	87	7.428571	60	-19.57143	85	5.4285714	84	4.4285714	71	-8.57	90	10.43	9.78	79.57	9.00	88.57

ACHEN GARDNER
B&F
BORDERLAND
HUNTER
KE&G

SOQ Standard Deviation Table

69.58	-	88.99	73.40	-	87.46
77.00	-	87.57	76.70	-	85.87
70.33	-	85.67	#DIV/0!	-	#DIV/0!
50.10	-	69.90	#DIV/0!	-	#DIV/0!
84.68	-	89.89	69.79	-	89.35

Interview Std Deviation Table

PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT

**PROJECT: Construction Manager At Risk
Services for Southeast Interceptor
Sewer Augmentation - Project No.
3SEI13**

CONTRACTOR: KE&G Construction, Inc.
5100 S. Alvernon Way
Tucson, AZ 85706

AMOUNT: Not to Exceed \$520,000.00

FUNDING: RWRD Obligation Fund

CONSTRUCTION MANAGER AT RISK

THIS CONTRACT is entered into between Pima County, a body politic and corporate of the State of Arizona, hereinafter called "Owner", and KE&G Construction, Inc. hereinafter called "CMAR" or "CONTRACTOR".

WITNESSETH

WHEREAS, COUNTY requires the services of a Construction Manager at Risk (CMAR) to perform pre-construction services and, upon mutual agreement of the parties, construction services for the above-named project (hereafter the Project); and

WHEREAS, COUNTY requires CMAR to participate as a member of the Project Team, consisting of CMAR, the selected Design Professional(s), and COUNTY during pre-construction and other required phases of the Project; and

WHEREAS, CMAR has represented to COUNTY that CMAR has the requisite skill, expertise and resources to provide Construction Manager at Risk services and to construct the Project; and

WHEREAS, CMAR was determined on the basis of its representations submitted in response to Solicitation for Qualifications 160784 to be the most qualified applicant based on COUNTY's evaluation of qualifications; and

WHEREAS, at its regularly scheduled meeting on July 7, 2015, the Board of Supervisors approved the award of the Contract to CMAR for the not to exceed amount of Five Hundred Twenty Thousand Dollars (\$520,000.00) for pre-construction services; and

WHEREAS, COUNTY intends to negotiate with CMAR regarding general conditions, construction fees, and other elements of the Guaranteed Maximum Price (GMP) for construction.

NOW, THEREFORE, the parties hereto agree to the following:

ARTICLE I - TERM

This Contract, as approved by the Board of Supervisors, shall commence on July 7, 2015 and shall expire on December 31, 2017, unless sooner terminated or further extended for project completion. Owner and CMAR may extend this Contract for such additional period or periods as may be required for project completion. Any extension shall be by formal written amendment executed by the parties hereto.

ARTICLE II - Scope of Work

A. CMAR shall perform all needed services in the Pre-Construction and Construction Services Phases of the Project, and provide all material, equipment, tools, and labor necessary to satisfactorily complete all work, deliverables and services described in and reasonably inferable from the Contract Documents (collectively "Scope of Work", "Project Work" or "the Work"), as more fully described in **APPENDIX A: SCOPE OF WORK**, to this Contract. The Parties agree that this Agreement covers only Preconstruction Services and shall not be effective as a contract for Construction

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Phase services until such time as the parties agree on a Guaranteed Maximum Price (GMP), including CMAR's Construction Phase Fee, and incorporate those terms into this Contract by Amendment.

B. COUNTY has retained CMAR to provide construction and costing expertise as part of the project team. The project team's goal is to deliver a quality project, on schedule, at or below budget that meets COUNTY's needs. CMAR understands, therefore, that active participation and contribution of its expertise in preconstruction is critical to the success of the project and is the essence of this agreement for preconstruction services. In furtherance thereof, CMAR will take leadership in the development of the cost model and schedule for design and construction of the project and commits to actively participate in design meetings and reviews and apply its best expertise and knowledge to identify and recommend alternatives to advance the project. The use of terms like "constructability review" or "value engineering" to describe activities expected of CMAR is not meant to imply that CMAR shall only provide after-the-fact design reviews. The expectation is that CMAR will actively contribute its expertise in advance of and during design on an ongoing basis and that design will be accomplished collaboratively, rather than design-review-redesign.

C. CMAR will provide a scheduling and budget/cost expert as part of the preconstruction team. This expert(s) will be able to advise and render opinions to the team on a near real-time basis concerning impacts to the project budget and schedule arising from proposed design alternatives and/or design options being explored during the design process. This advice shall be used to help the team decide if proposed alternatives or options should be pursued. Nothing in this **Article II** shall be interpreted to require that CMAR provide design services.

D. CMAR shall develop detailed project construction estimates, study labor conditions, research and provide advice regarding materials, alternatives, methods, means, constructability, and sequencing and otherwise contribute to the advancement and development of the Project throughout the preconstruction phase. CMAR will update and refine the cost model as design progresses. CMAR shall actively track construction costs throughout preconstruction and will advise the team anytime that the likely construction costs approach or exceed COUNTY's budget for construction.

E. At such time during the preconstruction phase that COUNTY directs, CMAR shall prepare a cost estimate and provide a GMP for construction of the project (or for a segment of the project, if construction is to be in phases) for COUNTY's review and approval. If the GMP proposed by the CMAR is acceptable to the COUNTY, the Parties agree to execute an amendment to this agreement to incorporate the GMP and supporting documents as may be necessary to define the scope of construction work covered by the GMP. If the GMP is not within the COUNTY's construction budget or the budget for the project segment, if phased, the COUNTY reserves the right to terminate this Agreement or act as otherwise provided in **Article 2.2.2 of the CMAR General Conditions**. Acceptance by COUNTY of one or more phased GMPs shall not obligate COUNTY to accept any succeeding GMP.

F. The construction phase shall begin upon acceptance and execution by COUNTY of CMAR's GMP, or first GMP in the event of multiple GMPs. Construction shall be accomplished in accordance with this Contract, including all Appendices and Exhibits, and the construction documents to be developed under this contract. CMAR agrees to provide efficient business administration and superintendence, and exercise its best judgment and skill to complete the Project in the most expeditious and economical manner consistent with the best interests of COUNTY.

G. Changes in the scope or fee for the preconstruction phase must be accomplished by an amendment to this Contract executed by the parties. Preconstruction services in excess of the agreed preconstruction fee shall be at CMAR's own expense.

H. COUNTY shall have the option to request additional project-related preconstruction and/or construction services within the scope of this contract.

ARTICLE III - PRECONSTRUCTION PHASE FEE AND GUARANTEED MAXIMUM PRICE

A. COUNTY shall pay CMAR a preconstruction phase fee for preconstruction services. The CMAR's construction phase fee, plus the cost of the work (direct construction cost) plus a contingency, bonds, insurance and taxes (indirect construction costs) will comprise the GMP to be established in compliance with **APPENDIX B: CMAR GENERAL CONDITIONS** and **APPENDIX D: CONSTRUCTION COSTING**. Unless otherwise agreed, CMAR's GMP shall include all required sales, use, franchise and other taxes in effect on the date of COUNTY approval of the GMP, as well as all applicable bond and insurance costs.

B. The preconstruction phase fee shall not exceed Five Hundred Twenty Thousand Dollars (\$520,000.00). The construction phase fee shall be a fixed fee, shall be set forth in GMP described in **Article II.A** above and, if approved by the COUNTY, shall be incorporated into this agreement by amendment.

C. If the GMP requires an adjustment due to changes in the scope of work during the construction phase, the cost

of such changes shall be priced under **Article 10 of the CMAR General Conditions**.

D. For COUNTY caused construction delays, either agreed to or awarded, CMAR will provide all the necessary extended general conditions for a daily sum as provided for in **Article 10.3 of the CMAR General Conditions**.

ARTICLE IV - PROCEDURE FOR PAYMENT

A. Progress Payments: For preconstruction services, CMAR shall submit to COUNTY within one week of the last business day of each month CMAR's application for payment based on the percentage completed for each preconstruction design phase as agreed to by the COUNTY. Payment for CMAR's construction services shall be made in accordance with **Article 7 of the CMAR General Conditions**. All construction costs, which exceed the GMP and are not authorized by change order, are to be paid by the CMAR and not the COUNTY.

B. Record Keeping and Financial Controls. With respect to all work performed by CMAR, its subcontractors and consultants under this agreement, CMAR, its subcontractors and consultants shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles, and subject to approval by the COUNTY. During performance of the work and for five (5) years after final payment, CMAR shall retain and shall also require all subcontractors and any consultants to retain for review and/or audit by the COUNTY all correspondence, meeting minutes, memoranda, electronic media, books, accounts, reports, files, time cards, material invoices, payrolls, and evidence of all communications, direct and indirect costs and all other matter related to the work. Upon request by the COUNTY, a legible copy or the original of any or all such records shall be produced by the CMAR at any time during or after the work as the COUNTY may request. The CMAR shall submit to the COUNTY, upon request, all payrolls, reports, estimates, records and any other data concerning work performed or to be performed and concerning materials supplied or to be supplied, as well as subcontractor or consultant payment applications or invoices and such subcontractor's or consultant's progress payment checks. The requirements of this section shall be provided for in all contracts between the CMAR and its subcontractors and any consultants employed by the CMAR.

C. Audit. For a period of five (5) years from Final Payment under this Contract, COUNTY reserves the right to audit and question any payment made under this Article and to require reimbursement therefor by setoff or otherwise for payments determined to be improper or contrary to the contract or law.

ARTICLE V - CONTRACT TIME

A. COUNTY and CMAR mutually agree that time is of the essence with respect to the dates and times set forth in the contract documents. CMAR understands that the time(s) for completion(s) set forth in these documents are essential to the COUNTY and a material consideration for this agreement.

B. The work and contract time shall commence within five (5) days of CMAR's receipt of COUNTY's notice to proceed (NTP) unless the parties mutually agree otherwise in writing.

C. Substantial completion of the entire Work (the substantial completion date) shall be achieved no later than Six Hundred Seventy (670), calendar days after receipt of the NTP, subject to adjustments in accordance with the contract documents.

D. Interim milestones (if any) and/or substantial completion of identified portions or phases of the Work shall be achieved as determined by the parties during the project, and in accordance with the contract documents.

E. Final Completion. Final completion of the entire work or portion or phase thereof shall be achieved within sixty (60) calendar days after the date established for substantial completion of the entire work or corresponding portion or phase thereof, unless otherwise agreed in writing.

F. Liquidated Damages. CMAR understands and acknowledges that if substantial completion is not achieved by the substantial completion date provided in **Articles V.C** or by the dates in **Article V.D** above for identified portions or phases of the Work, COUNTY will suffer damages, which are difficult to accurately quantify and ascertain. CMAR agrees that if substantial completion for each portion or phase of the work is not timely achieved, CMAR shall pay COUNTY **One Thousand Seven Hundred Eighty Dollars (\$1,780.00) per day** as liquidated damages for each calendar day that substantial completion for each portion or phase extends beyond the scheduled substantial completion date(s). If final completion is not then attained within the time period defined by **Article V.E.** above, CMAR shall pay COUNTY **One Thousand Seven Hundred Eighty Dollars (\$1,780.00) per day** as liquidated damages for each calendar day that final completion extends beyond the required date. The liquidated damages provided for herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages,

whether special or consequential, and of whatsoever nature incurred by COUNTY which are occasioned by any delay in CMAR achieving substantial completion or final completion on or after the established dates.

ARTICLE VI - BONDS AND INSURANCE

CMAR shall have and maintain the insurance coverage required by **Article 6 of the CMAR General Conditions** and shall provide proof thereof to COUNTY before execution of the contract for preconstruction services. Payment and performance bonds and proof of insurance specific to construction must be provided to COUNTY prior to COUNTY's approval of the GMP, or if there are multiple GMPs, to the GMP to which they pertain. All insurance and bonds must conform to **Article 6 of the CMAR General Conditions**.

ARTICLE VII - TERMINATION FOR CONVENIENCE OR DEFAULT

This Contract may be terminated for convenience or default as provided in **Article 12 of the CMAR General Conditions**. If this contract is terminated for default and said termination is determined to be improper or wrongful, in whole or in part, then the termination shall be converted to a termination for convenience under **Section 12.2.3 of the CMAR General Conditions**, but only to the extent determined wrongful. In the event of a partial conversion to a termination for convenience, any sums due CMAR under the termination for convenience may be set off against amounts owed to COUNTY by CMAR as damages arising from the termination for default or otherwise.

ARTICLE VIII - INDEPENDENT CONTRACTOR

The status of CMAR shall be that of an independent contractor. CMAR shall perform its obligations under this Contract without supervision by COUNTY. Neither CMAR nor CMAR's officers, agents, employees, or subcontractors at any tier shall be considered an employee of COUNTY or be entitled to receive any employment-related fringe benefits under COUNTY's Merit System. CMAR shall be responsible for payment of all Federal, State and local taxes associated with payments received pursuant to this Contract, and shall indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of CMAR's failure to pay such taxes.

ARTICLE IX – ACCESS TO RECORDS

A. This Contract is "open book" with respect to all price and cost information, including invoices, estimates, pay applications, subcontractor bids or quotes, and any and all other financial or monetary information or data relevant to this Contract, whether hardcopy or in electronic form. CMAR shall keep and maintain proper and complete books, records and accounts, which shall be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY, including third-parties designated by COUNTY. Failure to provide such access to books or information shall be deemed a material breach of the contract.

B. CMAR shall retain all records relating to this contract at least five (5) years after its termination or cancellation or, if later, until any related proceeding or litigation has been closed.

C. Records for all contracts, specifically including but not limited to lump sum contracts (i.e. fixed price or stipulated sum contracts), unit price, cost plus or time & material contracts with or without a guaranteed maximum (or not-to-exceed amounts) shall upon reasonable notice be open to inspection and subject to audit, scanning, and/or reproduction during normal business working hours. Such audits may be performed by any COUNTY's representative or any outside representative engaged by COUNTY for the purpose of examining such records. The COUNTY or its designee may conduct such audits or inspections throughout the term of this contract and for a period of five years after final payment or longer if required by law. COUNTY's representatives may (without limitation) conduct verifications such as counting employees at the construction site, witnessing the distribution of payroll, verifying information and amounts through interviews and written confirmations with contractor employees, field and agency labor, subcontractors, and vendors.

D. Contractor's records shall include any and all information, materials and data of every kind and character, including without limitation, records, books, papers, documents, subscriptions, recordings, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, superintendent reports, drawings, receipts, vouchers and memoranda, and any and all other agreements, sources of information and matters that may in COUNTY's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any contract document. Such records shall include (hard copy, as well as computer readable data if it can be made available), written policies and procedures; time sheets; payroll registers; payroll records; cancelled payroll checks; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, negotiation notes, etc.); original bid estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); backcharge logs and supporting documentation; invoices and related payment documentation;

general ledger, information detailing cash and trade discounts earned, insurance rebates and dividends; and any other contractor records which may have a bearing on matters of interest to the COUNTY in connection with the contractor's dealings with the COUNTY (all foregoing hereinafter referred to as "records") to the extent necessary to adequately permit evaluation and verification of any or all of the following:

1. Compliance with contract requirements for deliverables
2. Compliance with approved plans and specifications
3. Compliance with COUNTY's business ethics expectations
 - a. Compliance with contract provisions regarding the pricing of change orders
 - b. Accuracy of contractor representations regarding the pricing of invoices
 - c. Accuracy of contractor representations related to claims submitted by the contractor or any of his payees.

E. Contractor shall require all payees (examples of payees include subcontractors, material suppliers, insurance carriers, etc.) to comply with the provisions of this article by including the requirements hereof in a written contract agreement between contractor and payee. Contractor will ensure that all payees (including those entering into lump sum contracts) have the same right to audit provisions contained in this contract.

F. COUNTY's authorized representative(s) shall have reasonable access to the contractor's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of this contract and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article.

G. If an audit inspection or examination in accordance with this article, discloses overpricing or overcharges to the COUNTY (of any nature) by the contractor and/or the contractor's subcontractors in excess of \$100,000 in addition to making adjustments for the overcharges, the reasonable actual cost of the COUNTY's audit shall be reimbursed to the COUNTY by the contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the contractor's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of COUNTY's findings to contractor.

H. In addition, to the normal paperwork documentation the contractor typically furnishes to the COUNTY, in order to facilitate efficient use of COUNTY resources when reviewing and/or auditing the contractor's billings and related reimbursable cost records, the contractor agrees to furnish (upon request) the following types of information in the specified computer (PC) readable file format(s):

Type of Record	PC Readable File Format
Monthly Job Cost Detail	.pdf and Excel
Detailed job Cost History To Date	.pdf and Excel
Monthly Labor Distribution detail (if not already separately detailed in the Job Cost Detail)	.pdf and Excel
Total Job to date Labor Distribution detail (if not already included in the detailed Job Cost History to date)	.pdf and Excel
Employee Timesheets documenting time worked by all individuals who charge reimbursable time to the project	.pdf
Daily Foreman Reports listing names and hours and tasks of personnel who worked on the project	.pdf
Daily Superintendent Reports	.pdf
Detailed Subcontract Status Reports (showing original subcontract value, approved subcontract change orders, subcontractor invoices, payment to subcontractors, etc.)	.pdf and Excel
Copies of Executed Subcontracts with all Subcontractors	.pdf
Copies of all executed change orders issued to Subcontractors	.pdf
Copies of all documentation supporting all reimbursable job costs (subcontractor payment applications, vendor invoices, internal cost charges, etc.)	.pdf

ARTICLE X - CONTRACTOR'S PERFORMANCE

CMAR shall employ suitably trained and skilled personnel to perform all required services under this Contract. Prior to changing any key personnel, especially those key personnel COUNTY relied upon in making this contract, CMAR shall obtain the written approval of COUNTY. For the purposes of this Article, the key personnel shall be those personnel whose resumes were included in CMAR's statement of qualifications referenced in the recitals to this contract or otherwise agreed to during contract negotiations and referenced in the CMAR's approved project organization chart, incorporated herein by reference.

CMAR's performance of its obligations in preconstruction and active participation in the design process are critical to the success of the project and are the essence of this contract for preconstruction services. Repeated failure by CMAR to carry out these responsibilities, without excuse for reasons outside the control of CMAR, shall be grounds for termination for default under **Article 12 of the CMAR General Conditions**. CMAR's performance of preconstruction services will be an important consideration in the determination whether to proceed to construction with CMAR and will be a factor for consideration in future procurements.

CMAR shall be responsible for the quality, technical accuracy, timely completion, and coordination of all its efforts and other services furnished by CMAR under this contract. Without additional compensation, CMAR shall correct or revise any errors, omission, or other deficiencies in all products of its efforts and other services provided. This shall include resolving any deficiencies arising out of the willful or negligent acts or omissions of CMAR found during or after the course of the services performed by or for CMAR under this contract, to the extent that such willful or negligent errors, omissions and acts fall below the standard of care and skill that a professional CMAR in Arizona would exercise under similar conditions. CMAR's responsibility for these corrections or revisions is regardless of COUNTY having knowledge of or condoning/accepting the products or the services. Any such resolution of deficiencies shall be at no cost to COUNTY.

Correction of errors and omissions discovered on architectural or engineering plans and specifications shall be the responsibility of the design professional.

ARTICLE XI - SUBCONTRACTORS

CMAR will be fully responsible for all acts and omissions of its subcontractor(s) at every tier and of persons directly or indirectly employed by subcontractors at any tier and of persons for whose acts any of them may be liable to the same extent that CMAR is responsible for the acts and omissions of persons directly employed by CMAR. Nothing in this contract shall create any obligation on the part of COUNTY to pay or see to the payment of any money due any subcontractor, except as may be required by law.

CMAR shall ensure that all subcontractors have the appropriate and current license issued by the Arizona Registrar of Contractors for work they perform under this contract. CMAR shall not permit any subcontractor to perform work that does not fall within the scope of the subcontractor's license, except as may be permitted under the Rules of the Registrar of Contractors.

For the purposes of the first paragraph of this Article, "subcontractor" includes consultants to CMAR.

If this contract or project is funded wholly or in part under a federal grant, then CMAR agrees not to subcontract work at any tier to any contractor, firm, consultant, individual or other entity named in the federal System for Award Management (<https://www.sam.gov>) with an open exclusion.

Subcontractors shall be selected in accordance with A.R.S. 34-603.C.2.(e)(i) and CMAR's Subcontractor Selection Plan, incorporated and attached hereto as **APPENDIX H**.

ARTICLE XII - OWNERSHIP OF DOCUMENTS AND MODELS

A. The COUNTY, through its separate agreement with the design professional (DP), has and shall continue to have, ownership of all drawings, specifications, and other documents and electronic data furnished by DP.

B. All original drawings, field data, estimates, field notes, plans, specifications, documents, reports, calculations, and other information developed by CMAR under this contract shall vest in and become the property of the COUNTY and shall be delivered to COUNTY upon completion or termination of the services, but CMAR may retain and use copies thereof. The COUNTY agrees that the material will not be used for any project other than the project for which it was prepared without the expressed permission of CMAR.

C. In the event CMAR develops or generates a building information model (or equivalent) of the project, CMAR will provide one electronic copy of the final model on permanent media to COUNTY. CMAR's delivery of the model to COUNTY shall constitute a grant to COUNTY of an irrevocable, paid-up, nonexclusive license to copy, use, display, disclose, or modify the model for any reasonable purpose for this project. CMAR agrees that the rights granted to COUNTY include the ability to provide a copy of the model to any subsequent contractor retained to maintain, modify or expand the project in any way. COUNTY agrees that, as between COUNTY and CMAR only, any modifications to the model by or for COUNTY after final completion and acceptance of this project shall be at COUNTY's sole risk and responsibility unless such modifications are performed by CMAR.

ARTICLE XIII – DISPUTE RESOLUTION

A. The parties agree that at their initial project meeting, they will develop and establish an escalation procedure to be followed in the event of a failure to resolve an issue or disagreement at the field level. If disputes or disagreements do arise, CMAR and COUNTY each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the work.

B. The parties agree to communicate regularly and work cooperatively to avoid or minimize disagreements or disputes between them. In the event disagreements or disputes do occur, the parties agree to work cooperatively at the field level to resolve the issue or issues. CMAR and COUNTY will first attempt to resolve disputes or disagreements through discussions between CMAR's Representative and COUNTY's Representative.

If the parties are not successful in reaching resolution at the field level, then the parties agree to pursue resolution through escalation. If the parties remain in disagreement, they will then follow the procedures in paragraph D. below.

C. Unless otherwise agreed in writing, the CMAR shall carry on the work and maintain its progress during the course of any unresolved claims and controversy proceedings, and the COUNTY shall continue to make payments as they fall due to the CMAR in accordance with the contract documents.

D. In the event of a dispute between COUNTY and CMAR regarding any part of this contract or the contract documents, or the parties' obligations or performance hereunder, either party may institute the dispute resolution procedures set forth herein. The parties shall continue performance of their respective obligations hereunder notwithstanding the existence of a dispute.

- a) **Mediation.** If the parties are unable to resolve the dispute through the special meeting and/or escalation, then on the written notice of either party of the desire to pursue resolution through mediation, a mediator, mutually acceptable to the parties and experienced in design and construction matters, shall be appointed. The parties shall share the cost of the mediator. The mediator shall be given any written statements of the parties and may review the project site and any relevant documents. The mediator shall call a meeting of the parties within ten (10) days after his/her appointment, which meeting shall be attended by COUNTY's project manager, CMAR's project manager, and any other person who may be affected in any material respect by the resolution of such dispute. Such representatives shall attempt in good faith to resolve the dispute. During such ten (10) day period, the mediator may meet with the parties separately.
- b) **Mediation Minutes.** No minutes shall be kept with respect to any mediation proceedings, and the comments and/or findings of the mediator, together with any written statements prepared, shall be non-binding, confidential and without prejudice to the rights and remedies of any party. The entire mediation process shall be completed within twenty (20) working days of the date upon which the initial special meeting is held, unless the parties agree otherwise in writing. If the dispute is settled through the mediation process, the decision will be implemented by written agreement signed by the parties.
- c) **Arbitration.** If a dispute involving \$1,000,000 or less is not resolved pursuant to the procedures set forth in paragraphs 1., 2., and 3. above, then the parties shall submit the matter to binding arbitration in accordance with the following:
 - a. **Jurisdiction.** The parties hereby agree, as permitted by A.R.S. § 12-1518, that claims, disputes and other matters in question hereunder which cannot be resolved pursuant to the procedures set forth in 1., 2., and 3. above shall be subject to arbitration as set forth below; provided, however, that the arbitrators shall have no power to change any of the provisions of this contract in any respect nor shall they have any power to make an award of reformation, and the jurisdiction of the arbitrators is hereby expressly limited accordingly.
 - b. **Request.** Either party may serve the other with a written request for arbitration, which notice shall also specify the name and address of one person designated to act as arbitrator on behalf of that party. Within

15 days after the service of such request, the other party shall give to the first party written notice specifying the name and address of the person designated to act as arbitrator on its behalf. If the other party fails to so notify the first party within the time above specified, then the appointment of the second arbitrator shall be made by the American Arbitration Association pursuant to the Rules then in effect. The arbitrators chosen shall meet within 10 days after the second arbitrator is appointed and shall appoint a third arbitrator who shall be a competent, impartial person, and in the event of their being unable to agree upon such appointment within the foregoing 10-day period, the third arbitrator shall be selected by the parties themselves if they can agree thereon within a further period of 15 days. If the parties do not so agree, then either party on behalf of both may request the American Arbitration Association to appoint the third arbitrator.

- c. Rules. The arbitration shall be conducted in Pima County, Arizona, and in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Any decision rendered shall be based upon Arizona law.
- d. Decision. The arbitrators shall render their decision, upon the concurrence of at least two of their number, within 30 days after the appointment of the third arbitrator. Their decision shall be in writing and counterpart copies shall be delivered to each party. A decision in which any two of the arbitrators acting hereunder concur may be appealed directly to the Superior Court of Pima County within 30 days of the date of the decision. Unless so appealed, such decision shall in all cases be final, binding and conclusive upon the parties and judgment upon the decision may be entered by any court having jurisdiction thereof.
- e. Fees. Unless otherwise required by the decision of the arbitrators, each party shall pay the fees and expenses of the original arbitrator appointed by such party or in whose stead, as above provided, such arbitrator was appointed, and the fees of the third arbitrator, if any, shall be borne equally by the parties. Each party shall bear the expense of its own counsel, experts, and preparation and presentation of proof, in connection with all proceedings prior to the entry of a decision by the arbitrators.

d) Litigation. If a dispute involving more than \$1,000,000 is not resolved pursuant to the procedures set forth in **1. and 3. above**, then the dispute may be submitted to the appropriate court of jurisdiction within Pima County or the parties may submit the matter to Binding Arbitration pursuant to **Sections 3. a. through e. above** if both parties agree to submit the dispute to the Binding Arbitration process.

ARTICLE XIV – GOVERNING LAW AND REMEDIES

Interpretation of the contract documents and any and all disputes arising under or in connection with the project, work and contract documents shall be governed by Arizona law. No suit or action shall be commenced hereunder by any claimant other than in the Arizona Superior Court in Pima County, and only after all contractual procedures have been exhausted.

Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this contract.

CONSEQUENTIAL DAMAGES: EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, NEITHER THE COUNTY NOR CMAR SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES ARISING OUT OF BREACH OF CONTRACT, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS.

ARTICLE XV – NONAVAILABILITY OF FUNDS

Notwithstanding any other provision in this contract, this Contract may be terminated if, for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining COUNTY or other public entity obligations under this contract. In the event of such termination, COUNTY shall have no further obligation to CMAR, other than to pay for services rendered prior to termination.

If funding for this Project is dependent on the sale of revenue bonds or other debt instruments and if bonds or other instruments are not sold or proceeds are not available for this Project, Pima County's obligations under this contract may be canceled by the Pima County Board of Supervisors. If such a cancellation should be necessary, the COUNTY shall reimburse CMAR for all services rendered and non-cancelable commitments made prior to the cancellation in the manner set forth in **Section 2.2.2.3 of the CMAR General Conditions**.

ARTICLE XVI – ASSIGNMENT

Neither CMAR nor COUNTY may, without the written consent of the other, assign, transfer, or sublet any portion or part of the work or the obligations required by a party under the contract documents.

ARTICLE XVII - NON-DISCRIMINATION

CMAR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website : <http://www.azsos.gov/aar/2009/46/governor.pdf> which is hereby incorporated into this Contract as if set forth in full herein. During the performance of this Contract, CMAR shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

ARTICLE XVIII - AMERICANS WITH DISABILITIES ACT

CMAR shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. If CONTRACTOR is carrying out government programs or services on behalf of COUNTY, then CONTRACTOR shall maintain accessibility to the program to the same extent and degree that would be required of the COUNTY under 28 CFR Sections 35.130, 35.133, 35.149 through 35.151, 35.160, 35.161 and 35.163. Failure to do so could result in the termination of this Contract.

ARTICLE XIX – BUSINESS ETHICS

A. Conflict of Interest: This Contract is subject to the provisions of A.R.S. 38-511 which provides in pertinent part:

"The state, its political subdivisions or any department of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time, while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract."

B. Ethics: During the course of pursuing contracts with COUNTY and while performing contract work in accordance with this agreement, CMAR agrees to maintain business ethics standards aimed at avoiding any impropriety or conflict of interest which could be construed to have an adverse impact on the COUNTY's best interests.

1) CMAR shall take reasonable actions to prevent any actions or conditions which could result in a conflict with COUNTY's best interests. These obligations shall apply to the activities of CMAR employees, agents, subcontractors, subcontractor employees, consultants to CMAR, etc.

2) CMAR employees, agents, subcontractors, material suppliers (or their representatives) should not make or cause to be made any cash payments, commissions, employment, gifts, entertainment, free travel, loans, free work, substantially discounted work, or any other considerations to COUNTY's representatives, employees or their relatives.

3) CMAR employees, agents or subcontractors (or their relatives) should not receive any payments, commissions, employment, gifts, entertainment, free travel, loans, free work, or substantially discounted work or any other considerations from representatives of subcontractors, or material suppliers or any other individuals, organizations, or businesses receiving funds in connection with the project.

4) CMAR agrees to notify a designated COUNTY representative within 48 hours of any instance where the CMAR becomes aware of a failure to comply with the provisions of this article.

5) Possible violations of the COUNTY's Business Ethics Expectations shall be reported to the COUNTY's representative.

6) Upon request by COUNTY, CMAR agrees to provide a certified Management Representation Letter executed by selected CMAR representatives in a form agreeable to COUNTY stating that they are not aware of any situations violating the business ethics expectations outlined in this contract or any similar potential conflict of interest situations.

7) CMAR agrees to include this clause in all contracts with subcontractors and material suppliers receiving more than \$25,000 in funds in connection with COUNTY's project.

8) CMAR shall permit interviews of employees, reviews and audits of accounting or other records by COUNTY

representative(s) to evaluate compliance with the business ethics standards. Such reviews and audits will encompass all dealings and activities of CMAR's employees, agents, representatives, vendors, subcontractors, and other third parties paid by CMAR in their relations with COUNTY's current or former employees or employee relatives.

9) CMAR agrees to implement a program requiring their employees sign acknowledgements that they have read and understand COUNTY's Business Ethics Expectations and the related obligations outlined in this contract.

ARTICLE XX- AUTHORITY TO CONTRACT

CMAR warrants its right and power to enter into this Contract. If any Court or administrative agency determines that COUNTY does not have authority to enter into this Contract, COUNTY shall not be liable to CMAR or any third party by reason of such determination or by any reason of this Contract.

ARTICLE XXI - NON-WAIVER

The failure of either COUNTY or CMAR to insist in any one or more instance upon the full and complete compliance with any of the terms and provisions of this contract or to take any action permitted as a result thereof shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time shall not be construed as an accord and satisfaction.

ARTICLE XXII – NOTICES

Any notice required or permitted to be given under this Contract shall be in writing and shall be served by personal delivery or by certified mail upon the other party as follows:

COUNTY:

Jackson Jenkins, Director
Regional Wastewater Reclamation Dept.
201 N. Stone Avenue
Tucson, AZ 85701
Phone: 520-724-6549
Fax: 520-724-6384

CONTRACTOR:

Christopher W. Albright, President
KE&G Construction, Inc.
5100 S Alvernon Way
Tucson, AZ 85706
Phone: 520-748-0188
Fax: 520-748-8975

ARTICLE XXIII - CONTRACT DOCUMENTS

A. This Contract is structured as a series of interrelated documents comprised of this Contract, associated appendixes, exhibits, and additional documents incorporated by reference.

B. The "Contract Documents" are comprised of the following in order of precedence:

1. This Contract, including exhibits and the following appendices, as it may be modified from time to time by the Parties:
APPENDIX A: SCOPE OF WORK
APPENDIX B: CMAR GENERAL CONDITIONS
APPENDIX C: SECTION RESERVED
APPENDIX D: CONSTRUCTION COSTING
APPENDIX E: ESTIMATED PRECONSTRUCTION FEE
APPENDIX F: INCORPORATED STANDARD DOCUMENTS
APPENDIX G: SMALL BUSINESS ENTERPRISES REQUIREMENTS
APPENDIX H: SUBCONTRACTOR SELECTION PLAN
2. Supplementary Conditions, if any, that modify the CMAR General Conditions.
3. CMAR General Conditions.
4. Special Conditions, if any, providing project-specific conditions and requirements.
5. The complete design as accepted by the COUNTY, including drawings, specifications, and COUNTY-approved design documents.
6. COUNTY's Project Criteria developed by COUNTY and Design Professional (if any).
7. Standard Specifications and similar type documents incorporated by reference.
8. COUNTY's Request for Qualifications (RFQ) with all Addenda, Exhibits and CMAR's Statement of Qualifications in response to the RFQ.

C. In the event of conflict between or among successive addenda, amendments, change orders, or modifications thereto, the later shall govern over the earlier in time, but only to the extent of any conflict.

D. It is the intent of the parties that the Contract documents, including all Appendixes, Exhibits, attachments, amendments, change orders, and documents incorporated by reference be complementary and interpreted in harmony so as to avoid conflict or ambiguity. Terms, words and phrases used in the contract documents shall have the meanings defined in the **CMAR General Conditions** or, if not specifically defined, their ordinary and common meaning interpreted in a manner consistent with construction and design industry standards and practice. The objective of the contract documents is to provide a contractual framework and define the relationship between the parties within which the parties may complete the project on time and within the budget for construction.

E. In the event of any conflict between this contract and any other document, the contract shall govern, and in the event of a conflict between any Appendix or Exhibit and any other document, the order of precedence shall be as above.

ARTICLE XXIV - INDEMNIFICATION

To the fullest extent permitted by law, CMAR shall indemnify and hold harmless COUNTY, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, including reasonable attorney's fees and court costs, to the extent caused by any negligent, reckless or intentionally wrongful act or omission of the CMAR, its agents, employees or anyone acting under its direction or control or on its behalf in connection with performance of this Contract. This obligation shall survive termination or expiration of this Contract. The obligations under this Article shall not extend to the negligence of COUNTY, its agents, employees or indemnitees.

ARTICLE XXV -- MISCELLANEOUS

A. SUCCESSORSHIP. The provisions of this Contract, including the other contract documents, shall be binding upon the parties, their employees, agents, heirs, successors and assigns.

B. HEADINGS. Headings used in the contract documents are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

C. SEXUAL HARASSMENT. The CMAR shall comply with COUNTY's current policy regarding sexual harassment. The COUNTY prohibits sexual harassment by any person on COUNTY's premises or at any COUNTY-affiliated functions or facilities.

D. MODIFICATIONS. The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of both parties.

ARTICLE XXVI – PUBLIC INFORMATION

Pursuant to A.R.S. § 39-121 et seq., and A.R.S. §§ 34-603(H), 604(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all information submitted in response to this solicitation that underlies this contract, including, but not limited to, pricing, product specifications, work plans, and any supporting data becomes public information and upon request, is subject to release and/or review by the general public including competitors.

Any records submitted in response to the solicitation that underlies this contract that respondent believes constitute proprietary, trade secret or otherwise confidential information must be appropriately and prominently marked as **CONFIDENTIAL** by respondent prior to the close of the solicitation.

Notwithstanding the above provisions, in the event records marked **CONFIDENTIAL** are requested for public release pursuant to A.R.S. § 39-121 et seq., County shall release records marked **CONFIDENTIAL** ten (10) business days after the date of notice to the respondent of the request for release, unless respondent has, within the ten day period, secured a protective order, injunctive relief or other appropriate order from a court of competent jurisdiction, enjoining the release of the records. For the purposes of this paragraph, the day of the request for release shall not be counted in the time calculation. Respondent shall be notified of any request for such release on the same day of the request for public release or as soon thereafter as practicable.

County shall not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records marked CONFIDENTIAL, nor shall County be in any way financially responsible for any costs associated with securing such an order.

ARTICLE XXVII – LEGAL ARIZONA WORKERS ACT COMPLIANCE

CONTRACTOR hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to CONTRACTOR'S employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). CONTRACTOR shall further ensure that each subcontractor who performs any work for CONTRACTOR under this contract likewise complies with the State and Federal Immigration Laws.

COUNTY shall have the right at any time to inspect the books and records of CONTRACTOR and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of CONTRACTOR'S or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting CONTRACTOR to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, CONTRACTOR shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to COUNTY approval if SBE or MWBE preferences apply) as soon as possible so as not to delay project completion.

CONTRACTOR shall advise each subcontractor of COUNTY'S rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"SUBCONTRACTOR hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SUBCONTRACTOR's employees, and with the requirements of A.R.S. § 23-214 (A). SUBCONTRACTOR further agrees that COUNTY may inspect the SUBCONTRACTOR'S books and records to insure that SUBCONTRACTOR is in compliance with these requirements. Any breach of this paragraph by SUBCONTRACTOR will be deemed to be a material breach of this contract subjecting SUBCONTRACTOR to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of CONTRACTOR. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of CONTRACTOR's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which CONTRACTOR shall be entitled to an extension of time, but not costs.

ARTICLE XXVIII - SEVERABILITY

If any provision or any part of a provision of the contract documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to applicable laws by any authority having jurisdiction, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the contract documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

THE REMAINDER OF THIS PAGE IS LEFT BLANK

ARTICLE XXIX - ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior contemporaneous agreements and understandings are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Contract on the dates written below.

PIMA COUNTY - COUNTY

Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

CONTRACTOR

C.W. Albright

Signature

CHRISTOPHER W. ALBRIGHT, PRESIDENT
Name and Title (Please Print)

6/17/2015

Date

APPROVED AS TO FORM

Deputy County Attorney

CHARLES WESSELHOFT

APPENDIX A: SCOPE OF WORK

PROJECT DESCRIPTION/SCOPE:

The Pima County Regional Wastewater Reclamation Department (RWRD) desires to enter into a Construction Manager At Risk (CMAR) Contract with a qualified Contractor for the construction of the proposed Southeast Interceptor Sewer Augmentation project (3SEI13). This project will augment a portion of the existing Southeast Interceptor (SEI) to address dry and wet weather capacity restrictions in Euclid Avenue between 18th Street and 36th Street. Hydraulic modeling has shown that projected flows in this reach are greater than existing pipe capacity and therefore augmentation of the interceptor is needed.

Westland Resources, Inc. has completed a Feasibility and Alignment Study for this project and a recommended route for this interceptor has been selected. Westland Resources, Inc. is under contract to design the interceptor along this selected route. The CMAR Contractor should be available to begin working with Westland Resources, Inc. on the design of this project as soon as this contract is executed.

The Feasibility and Alignment Study identified a number of constructability issues, identified easement acquisitions that will be needed, recommended pipe sizes and materials, estimated the length of the selected route and other construction related items. These items were included in our construction estimate of \$10.4M.

All flow metering, CCTV data, maps, and supporting documentation will be made available to the selected CMAR.

RWRD anticipates completing construction of the project in the summer of 2017. The CMAR will work with, and will be an integral part of this Design Team during the pre-construction phase of the project and is expected to provide constructability review and recommendations of appropriate new technologies to the project Design Team.

The challenges facing the CMAR Design Team include the crossing of an existing 84-inch water line among other water, sewer, gas, electric and communication utilities. The presence of storm drains and washes also adds to the difficulties during Construction.

The proposed sewer alignment also travels through a number of Historic Districts that are architecturally significant and recorded as being of important historic significance, while other areas potentially contain buried hazardous wastes that may require special handling and disposal.

The CMAR will develop a cost model for the project that will be used to track construction costs during preconstruction. The cost model must include all costs that will be included in the GMP, including bonds, insurance, general conditions, construction fee, etc. The CMAR must advise the Owner immediately whenever the cost model indicates that the construction costs will or are likely to exceed Owner's construction budget for the project. The CMAR will be required to be actively involved in all Public Relations aspects of this project.

PCRWRD will designate a Project Manager to represent Owner on this Project. Owner's Project Manager may either be a consultant or a member of PCRWRD staff, and will be responsible to oversee and advise on overall contractual performance and compensation and will be responsible for the day-to-day activities and communications between the Department and the Project Team. The CMAR shall likewise specify a Project Manager that shall act as the CMAR's representative and be a member of the Project Team throughout the duration of the contract.

Owner's Project Manager will provide information and documentation, when available, as requested by the CMAR during and relating to its performance of this Contract. The CMAR shall assume the responsibility of determining (field verifying, if necessary) the validity of such data provided.

Efforts to minimize disruptions to the operation of the existing facilities shall be identified and implemented at all times during construction of the Project. Flow management planning, including preparation, submission, and revisions as necessary to limit impacts on operations and maintain permit compliance will be required.

2.1 CMAR METHODOLOGY:

2.1.1 Phase I

The intent is to establish a relationship of trust and confidence between the CMAR and the Owners representatives (the Project Engineer and the Project Manager). The Project will be an "Open Book" job, whereby the Owner's representatives may attend any and all meetings and bid openings relating to the Project and have access to any and all books, accounts, and records of the CMAR relating to the Project.

The Owner will contract for the CMAR services in phases. The Owner anticipates a minimum of two phases with agreements and fee negotiations for each. For Phase I, the CMAR will start by providing pre-construction services during the design phase of the Project. At the completion of the design or at any point in Phase I prior to completion of design, as may be required by the Owner, the CMAR will be requested to provide a Guaranteed Maximum Price (GMP) to act as General Contractor for the construction and assume the risk of delivering the Project on schedule at or under the GMP. Acceptance of the GMP by the Owner will initiate the second phase, which will include complete construction services for the actual completion of the Project. The Owner reserves the right to phase work and/or use a fast track approach requiring multiple GMP's of the CMAR if deemed appropriate. It is possible that the phases may overlap. Acceptance of the GMP will be reflected by issuance of a construction phase services contract amendment. A Small Business Enterprise (SBE) goal, typically in the range of five to fifteen percent, will be set for the construction phase.

The Owner reserves the right to end the CMAR's services at any time during Phase I, and continue with an alternate CMAR procurement or with a traditional Design-Bid-Build procurement if deemed in the best interests of the Owner. If this occurs, the CMAR shall be paid at the agreed upon rate or fee for services rendered. No anticipated profits will be paid for work not performed.

2.1.1.1 Phase I Design/Pre-Construction services required of the CMAR will include the following:

- Team building/chartering (meetings)
- Project Scheduling/Management Planning
- Integration of Owner project controls in CMAR project delivery strategy
- Value analysis/engineering
- Permit application assistance
- Identify potential odor control issues
- Field work as required to obtain permit / regulatory body clearances
- Constructability reviews
- Development and maintenance of a project cost model/budget
- Estimating/price guarantees (GMP's)
- Bid package coordination/strategy (subcontracting, SBE compliance)
- Identification and ordering strategy of long lead-time materials
- All Public Relations requirements for the duration of the project

2.1.2 Phase II

If selected to continue as the General Contractor in Phase II, the CMAR shall be responsible for construction means, methods, sequencing, scheduling and coordination, and selection of subcontractors to perform the work.

2.1.2.1 Phase II Construction Phase services required of the CMAR may include the following:

- Team management/coordination
- Construction (Including Potential Construction Phasing)
- Provide Odor Control as required/needed during construction
- Scheduling/submittal process
- Cost control/change order management
- Subcontract management
- Field management
- Safety/QC programs
- All Public Relations requirements for the duration of the project
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GENERAL ARTICLES

1.1 MUTUAL OBLIGATIONS

COUNTY and Construction Manager at Risk (CMAR) commit, at all times, to cooperate fully with each other, and proceed on the basis of trust, confidence, and good faith to permit each party to realize the benefits expected and afforded under the Contract Documents, which benefits include the satisfactory and timely completion of the Project and performance of all obligations required by or inferable from the Contract Documents.

1.2 BASIC DEFINITIONS

1.2.1 "Actual Cost of the Work" is the aggregate amount of Direct Construction Costs and Indirect Construction Costs properly and actually chargeable to the COUNTY when calculated under the provisions of Appendix "D" throughout the Project up to the time of Final Completion.

1.2.2 "Allowances" are items established by COUNTY in the GMP as estimates for the cost of items of work. To the extent that the Actual Cost of the Work is lesser or greater than the corresponding estimate, the GMP will be reduced or increased by Change Order with such amount being added to or taken from the Owner's Contingency.

1.2.3 "Bidding Contingency", or "CMAR Contingency" means that part of the Guaranteed Maximum Price (GMP) the CMAR may use during the Bidding or Construction Phase as provided in these General Conditions at 7.11.1, to cover any excess of the amount bid by a subcontractor over the amount for that work in the GMP, or to cover legitimate unforeseen construction expenses once construction begins. Contingency may not be used to cover the cost of any work on the Project after issuance of the Certificate of Final Completion.

1.2.4 "CMAR Authorization" – Chapter 6 of Title 34, Arizona Revised Statutes

1.2.5 "CMAR" means the CMAR and all persons and entities identified as members of the CMAR Team in the CMAR's response to the COUNTY's RFQ which led to the Contract with all amendments, and any substitutes permitted under the terms of the Contract, and these General Conditions. The CMAR participates in the Pre-Construction Phase as set forth in Pre-Construction Phase Services Contract by, among other things, developing a cost model and refining it during design to ensure construction costs remain within the COUNTY's budget, doing value engineering and reviewing constructability, preparing schedules, and identifying the life-cycle implications of alternate designs, systems and materials. During construction, the CMAR assumes the risk for price and schedule under the Contract and its GMP, except as otherwise provided in the Contract.

1.2.6 "Construction General Conditions" include, but are not limited to, the following types of costs during construction: Project Director costs directly attributable to time expended in execution of the project, whether on- or offsite; payroll costs for project manager or construction manager for work conducted at the site; payroll costs for the superintendent and full-time general foremen; payroll costs for other management personnel resident and working on the site; general support workers not included in direct labor costs (e.g. loading/unloading, clean-up, etc.); onsite administrative office personnel; costs of offices and temporary facilities including office materials, office supplies, office equipment, minor expenses; utilities, fuel, sanitary facilities and telephone services at the site; and fees for licenses. General Conditions specifically exclude, without limitation, the following: Home (off-site) Expenses, Profit & Overhead; Home Office Personnel such as Corporate Executive, Project Executive; Home Office Staff Transportation & Travel Costs; Home Office Accounting & Contract Forms; Legal Expenses; Project Staff Moving Expense; off-site Staff Training & Education; Pre-Mobilization Office Space; off-site Equipment & Supplies; Forms; Estimating & Value/Constructability Analysis; Warranty Coordination; Legal Expenses, Contractor Yard not Dedicated to Project, Contractor Association Fees, Licenses & Memberships; Cost over GMP, Corrective Work, Bonuses, Cost of Living Allowance, marketing expenses, corporate sponsorships and entertainment, and Promotional or Celebratory Expenses the CMAR incurs while performing and completing the Project. The Parties acknowledge that some portion of the General Conditions represent upfront costs associated with mobilization and startup of construction. These amounts will be deducted from the total amount of General Conditions in the GMP and the balance will be divided by the number of days allowed for performance to arrive at a fixed daily rate for use in estimating the amount, if any, of the adjustment for General Conditions associated with changes in contract time or for the number of workdays in any particular month.

1.2.7 "Construction Documents" are the plans and specifications prepared by the DP for the Project, approved by the COUNTY, and incorporated into the Contract by reference after such approval, to be used to construct the Project. All amendments and modifications to the Construction Documents must be approved by the COUNTY prior to incorporation into the Contract.

1.2.8 "Construction Phase Fee" includes profit and unallowable costs, and overhead in the case of vertical construction. The Construction Phase Fee shall initially be calculated not to exceed (TBD) percent of Direct Construction Cost only, and then shall be fixed as a dollar amount as mutually negotiated and agreed to by the Parties. Overhead shall be treated as described in 1.2.22.

1.2.9 "Contract Float" - If the CPM schedule of the Work anticipates early completion of all or any part of the Work, Contract Float is the number of calendar days between CMAR's anticipated date for early completion of all or any such part of the Work and the corresponding specified contract time. It is owned jointly by COUNTY and CMAR.

1.2.10 "Cost of the Work" consists of those items of Work which are paid for by the COUNTY to the CMAR consisting of those Direct Construction Costs and Indirect Construction Costs set forth as allowable in Appendix "D" Construction Costing.

1.2.11 "Day" as used in these General Conditions refers to calendar day unless otherwise denoted.

1.2.12 "Deliverables" - the Work product prepared by the CMAR within the definition of the Scope of Work in the Contract. Some of these deliverables provided by the CMAR during the Pre-Construction Phase are the Cost Model, Project Schedule, Schedule of Values, Evaluations of Alternatives, Procurement Strategies, proposed SBE Utilization, Subcontractor and Supplier bid packages and Contracts.

1.2.13 Design Professional ("DP") or Engineer is contracted with the COUNTY, and a) is a qualified professional properly licensed in the State of Arizona to furnish applicable design services (and construction administration services, if so designated by COUNTY), and b) is responsible for the review of submittals, responding to CMAR Requests for Information (RFI), , and Substantial Completion, if so designated.

1.2.14 "Design Submission Documents" consist of the drawings and specifications submitted at specific milestones in the design effort by the DP and other documents prepared by the CMAR that are submitted for COUNTY's approval for each milestone in Project design. Because design milestones may vary from project to project, COUNTY will notify CMAR in writing separate from this Contract of the milestones applicable to the project covered by this Contract. Such milestones shall be as binding as if set forth herein.

1.2.15 Direct Construction Cost is the sum of all applicable Construction General Conditions costs, subcontractor costs, costs of self-performed work (if approved in writing in advance by COUNTY), Allowances and Contingencies. Contingencies specifically include Bidding and Construction Contingency, Design Contingency and Schedule Contingency, as applicable.

1.2.16 "Final Completion" is defined as 100% completion of all Work described by or reasonably inferred from the Project Criteria and Contract Documents, including but not limited to all punch lists, Close-Out Documents, and COUNTY training/start up activities, if included.

1.2.17 "Guaranteed Maximum Price" (GMP) is the dollar amount that the CMAR guarantees to be the maximum amount due from the COUNTY to the CMAR under the Contract for Construction Phase services. It is the sum of CMAR's Construction Phase Fee, the Cost of the Work, and Contingencies and Allowances established in accordance with the Contract. The GMP is subject to additions or deductions due to changes in the Scope of Work. All costs, which exceed the GMP and are not authorized by Change Order, are to be paid by the CMAR and not the COUNTY.

1.2.18 "Hazardous Materials" are defined as any materials, wastes, substances or chemicals deemed hazardous under applicable Legal and/or Environmental Requirements, or for which the handling, remediation, or disposal are regulated by applicable Legal or Environmental Requirements. Where applicable, the term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC, Section 6903), as it may be amended from time to time.

1.2.19 Indirect Construction Cost is the sum of all applicable insurance costs, bond costs and applicable sales or use taxes, but excludes Construction Phase Fee.

1.2.20 "Legal Requirements" include all regulations, policies, procedures and practices of the COUNTY and all applicable rules, laws, codes, ordinances and regulations of any government or quasi-government entity, federal, state and local having jurisdiction over the Work, the practices involved in the Work, or any work performed.

1.2.21 "Open Book Cost" is the Actual Cost of the Work as compiled and recorded in accordance with the provisions of Subsection 2.1.14 of these General Conditions.

1.2.22 "Overhead" is generally comprised of those items specifically excluded from General Conditions in paragraph 1.2.6 except for Estimating and Value/Constructability Analysis and profit. If this Contract is for vertical construction, overhead shall be included in the Construction Fee. If this Contract is not for vertical construction, then overhead shall be separately stated in the GMP Summary. Job overhead shall be included in General Conditions.

1.2.23 "Partnering or Teaming" is a mutual effort by all parties involved in the Project, principally the COUNTY, the DP and the CMAR, to cooperate and coordinate efforts to achieve the final result intended by the Project criteria. All involved use their expertise for the benefit of all. Partnering requires flexibility and appreciation of the positions of other parties and willingness to make compromises for the benefit of all. COUNTY has the exclusive right to decide whether or not to use Partnering on the Project and will indicate its decision on this during the Pre-Construction Phase.

1.2.24 "Pre-Construction Phase Fee" includes all direct and indirect costs of CMAR in providing Pre-Construction Phase Services until completion of the Construction Documents and the award of all bid packages, plus associated overhead and profit.

1.2.25 "Project Budget" is the funding available to the COUNTY for the total cost of the Project, including the DP, CMAR's Pre-Construction Phase Fee, the GMP (including CMAR's Construction Phase Fee, Construction Services, and Contingencies), permit fees and other costs necessary to achieve Final Completion of the Project.

1.2.26 "Project Criteria" developed by or for COUNTY describe COUNTY's program, requirements and objectives for the Project, including (if vertical) use, space, price, time, site, utility, parking, and expandability requirements, as well as all submittal requirements and other requirements affecting CMAR's performance of its Work. The Project Criteria may include conceptual documents, design criteria, performance requirements, and other Project specific technical materials and requirements prepared by or for COUNTY.

1.2.27 "Project Manager" refers to the COUNTY Representative that is responsible to COUNTY for the Project completion within COUNTY established Schedule, Budget and Scope. In this document "Project Manager" is the same as "COUNTY".

1.2.28 "Punch List" are those minor items of Work identified and listed by the COUNTY or DP and agreed to be completed by CMAR after Substantial Completion and prior to Final Completion, which do not prevent the Project from being fully used for the purpose for which it is intended.

1.2.29 "Savings" is the difference, if any, between the GMP and the Actual Cost of the Work and shall be allocated as set forth in Article 7. Amount of savings is to be determined by COUNTY with such assistance as COUNTY requests of CMAR and is to be based on the GMP in effect on the date of Final Completion of the entire work.

1.2.30 "Site" is the land and other areas on which the Project is located.

1.2.31 "Subcontractor" (of any tier) is any entity or person who performs a portion of the Work, on or off site, directly on behalf of the CMAR, including any materials, workers and suppliers, and shall include all employees, agents and authorized representatives of such entities or persons.

1.2.32 "Substantial Completion" is the date on which CMAR's Work, or an agreed upon portion of the Work, is sufficiently complete, as determined by the DP or COUNTY's issuance of a Certificate of Substantial Completion, so that COUNTY can fully occupy and utilize the Project, or a portion thereof, for the purposes for which it is intended. In order to achieve substantial completion, all Work must be complete, including all tests and inspections, except for items included on the approved punch list.

1.2.33 "Total Float" is the number of calendar days by which the Work or any part of the Work may be delayed without **necessarily extending a pertinent Contract Time**. Total Float is by definition at least equal to Contract Float.

1.2.34 "Value Engineering Proposal" is a modification to the Work proposed by the CMAR after the Effective Date of the Contract for the purpose of reducing the total cost of construction while still delivering a quality and functional Project. Value Engineering is part of the broader goal of obtaining optimum value for each dollar the COUNTY spends on the Project.

1.2.35 "Work" is comprised of all activities required in order to complete the Project as defined by the Project Criteria and Contract Documents, including procuring and furnishing all materials, equipment, services, and labor reasonably inferable from the Contract Documents, or from prevailing trade usage and custom.

1.3 MUTUAL UNDERSTANDING

COUNTY and CMAR agree that these provisions set forth their mutual understanding and agreement regarding the Contract general conditions or subjects addressed therein.

1.3.1 It is understood and agreed that COUNTY has hired or will hire a DP to design the Project.

1.3.2 CMAR understands and agrees that the design for the Project may not be complete at a) the time the GMP is agreed to, and b) at the time of execution of the Contract.

1.3.3 CMAR commits to cooperate and interact with and advise the DP in producing a completed design for the Project that is acceptable to the COUNTY, all as more fully described in the Contract Documents.

1.3.4 When the Design Documents are complete and requisite approvals obtained and are then accepted by the COUNTY, they shall become part of the Contract Documents without further action by the parties as though they were specifically set forth herein at the time of execution of the Contract.

ARTICLE 2

CMAR'S SERVICES AND RESPONSIBILITIES

2.1 GENERAL SERVICES

2.1.1 CMAR's Representative shall attend all meetings and assist the COUNTY during the Pre-Construction Phase in accordance with these General Conditions. During the Construction Phase, the CMAR's Representative, and Superintendent as necessary, shall be at the Site at all times when Work is being performed, and shall have the necessary expertise and experience required to properly supervise the Work. CMAR's Representative shall communicate regularly with COUNTY and DP and shall be vested with the authority to act on behalf of CMAR as to all matters. CMAR's Representative may only be replaced with the mutual written agreement of COUNTY and CMAR. The expectation is that meetings will be collaborative among the COUNTY, DP and CMAR as described below.

2.1.1.1 The CMAR, DP and COUNTY shall attend all regular meetings, including rolling design reviews, and such additional meetings that are called as provided below.

2.1.1.2 During the Design Phase all regular meetings will be scheduled by the DP with the agreement of the CMAR and approval of the COUNTY. Unless otherwise agreed, meetings will be held weekly for the purpose of tracking design progress and consistency with COUNTY's requirements. DP will be responsible for tracking and reporting on the design evolution log. CMAR will be responsible at such meetings for cost and scope tracking, early identification of long-lead items, and making recommendations regarding constructability, construction sequencing, materials, and other factors that can have a material impact on cost or schedule. All additional meetings will be scheduled by the COUNTY.

2.1.1.3 During the Design Phase, DP will take minutes at each meeting and distribute draft minutes within three (3) business days after each meeting. The CMAR and COUNTY will promptly review the minutes of each meeting and deliver any comments to the DP. The DP will promptly issue final minutes of each meeting, which shall be approved by DP, CMAR and COUNTY.

2.1.1.4 At the commencement of the Construction Phase, COUNTY, CMAR, and DP will meet to review cooperation, coordination, and if applicable, partnering during the construction phase and to establish procedures governing, among other matters, submittals and scheduling of site activities.

2.1.1.5 During the Construction Phase there will be weekly progress meetings of the DP, CMAR and COUNTY. The CMAR shall schedule and conduct the progress meetings during the Construction Phase. The weekly progress meetings will be used to discuss jointly such matters as procedures, progress, scheduling, submittals, requests for information (RFI), any work deficiencies, any other actual problems or potential problems, fixes to and limits on actual problems and ways to avoid, limit or fix potential problems. At each meeting, the CMAR will provide and discuss a CPM-based three-week look ahead schedule of construction activities to be accomplished in the next three weeks. Presentation of the look-ahead shall not absolve CMAR of the responsibility to notify COUNTY 24 hours in advance of any required special inspection. COUNTY, DP and CMAR will contribute their good faith efforts in such discussions to find ways (i) to complete the Project within the Contract Time(s) in accordance with the Construction Documents and the other CMAR Contract Documents and within the Guaranteed Maximum Price, (ii) to limit and fix actual problems, (iii) to anticipate and then avoid, limit or fix potential problems, and (iv) to discuss and decide other matters brought up by COUNTY, DP or CMAR. None of such discussions shall affect or impair the respective rights, responsibilities and obligations of DP, COUNTY and CMAR under the DP Contract or the CMAR Contract.

2.1.1.6 During the Construction Phase, special on-site meetings shall be held as requested by COUNTY, DP or CMAR.

2.1.1.7 During the Construction Phase, the CMAR will take minutes at each meeting and distribute draft minutes within three (3) business days after each meeting. The DP and COUNTY will promptly review the minutes of each meeting and deliver any comments to the CMAR. The CMAR will promptly issue final minutes of each meeting, which shall be approved by CMAR, DP and COUNTY.

2.1.1.8 CMAR and DP, when requested by COUNTY, will attend, make presentations and participate as may be appropriate in public agency and/or community meetings related to the Project. DP will provide drawings and illustrations and CMAR will provide schedule diagrams, budget charts and other materials describing the Project when their use is required or appropriate in any such public agency meetings.

2.1.2 During both the Pre-Construction and Construction Phases the CMAR shall provide COUNTY and DP, on a monthly basis, a written status report detailing the progress of the Work during that month, including whether the Work is proceeding according to Schedule, an updated and current Critical Path Method (CPM) Schedule, an updated and current Work cash flow projection for the duration of the Project, copies of the construction superintendent's daily site reports, identification of any discrepancies, conflicts, or ambiguities existing in the Construction Documents that require resolution, whether health and safety issues have arisen in connection with performance of the Work, and whether other matters exist that require resolution so as not to jeopardize CMAR's ability to complete the Work for the GMP on schedule and within the Contract Time(s). The CMAR's monthly report shall also include a cost tracking report with the updated Cost Model, projected final cost, subcontract amounts and buy-out status and status of contingency and allowance usage.

2.1.3 Within 30 days after executing the Contract, CMAR shall prepare and submit to COUNTY:

2.1.3.1 A Critical Path Method Master Schedule (CPM Schedule) for the Work including the activities in the Design Phase and the Construction Phase through bid and award. The CPM Schedule shall include three (3) weeks of COUNTY review time for Design Submission Documents at each milestone and adequate time for Government Agency and for other regulatory-type reviews and for all other necessary approvals. The CPM Schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when COUNTY information and approvals are required and all necessary shutdowns or suspensions of COUNTY or separate vendor activities on the site (if any). The CPM Schedule shall allow for such multiple bid packages and fast-tracked construction as may be required and include any contemplated completion date(s) earlier than those required by the Contract Documents.

2.1.3.2 A Cost Model for construction of the project. The Cost Model shall contain all of the costs that will be included in the GMP, including cost of the work, general conditions, bonds, insurance, permits, taxes, including, without limitation, applicable sales taxes and transaction privilege tax, CMAR's construction fee, contingency, and all other costs that will be in the GMP. As part of the Cost Model, the CMAR shall also identify all areas of concern or risk and assign a separate and reasonable contingency to each of them. The COUNTY and DP will review these submissions and may request changes. Final contingency amounts shall be as agreed by the team. The statement of areas of concern/risks shall be stratified by cost to enable the team to focus in preconstruction on

resolving or eliminating the most costly uncertainties. The Cost Model shall be updated not less than monthly as design progresses and uncertainties are resolved.

2.1.4 The COUNTY, DP and CMAR will have an initial meeting promptly after selection of the DP and the CMAR to discuss issues affecting Project administration and to implement procedures to permit the COUNTY, DP, and CMAR to perform their respective obligations under the CMAR Contract and the DP Contract. Among other matters to be covered at this meeting will be procedures for efficient interaction during the Design Phase so that each can perform its activities, functions and obligations in an efficient, cooperative, coordinated, collaborative and communicative manner. Among other subjects to be covered by the procedures will be:

2.1.4.1 Arrangements for collaboration between the DP and CMAR in 1) preparing Design Submission Documents, the DP's Construction Cost Estimates, and the CMAR's Construction Costs Estimates, as required during the development of Preliminary Design, Final Design, and Construction Documents, and 2) submitting each set of Design Submission Documents and the related DP and CMAR Construction Cost Estimates to COUNTY for review and comment by COUNTY and for group discussion among the DP, CMAR and COUNTY.

2.1.4.2 Arrangements that encourage frequent informal interaction, cooperation, coordination, collaboration and communication among DP, COUNTY and CMAR during the Design Phase, especially between submissions of Design Submission Documents and Construction Cost Estimates, including among other activities, the CMAR offering value engineering and constructability recommendations on the design of the Project and the DP using that information in its design work on the Project.

2.1.4.3 A schedule for the activities of the CMAR, COUNTY and DP during the Design Phase.

2.1.4.4 Formal partnering for the Design Phase (Optional). Partnering is a mutual effort by all the parties involved in the Project to cooperate and coordinate efforts in order to achieve the final result. Partnering requires that all parties use their particular expertise for the mutual benefit of all, rather than for the benefit of the one. Partnering requires flexibility, the ability to appreciate the positions of the other parties and to make compromises for the benefit of all. Partnering will be implemented through a formal partnering process developed as described above and presented in a separate workshop attended by CMAR, COUNTY, DP and their key participants. Follow up sessions will occur every three (3) months or as mutually agreed to ensure that all commitments are updated and being followed by all parties. The cost of this partnering effort during Design Phase will be shared equally by the COUNTY, the CMAR, and the DP.

2.1.4.5 A responsibility matrix developed with the cooperation and collaboration of the COUNTY, CMAR and DP.

2.1.4.6 No action, or attempted action, of cooperation, coordination, collaboration, or communication, nor any failure to cooperate, coordinate, collaborate or communicate, on any matter shall affect or impair the respective rights and obligations of COUNTY, DP and CMAR under the DP or CMAR Contracts. No failure by any one party to perform its obligations under this Section shall excuse any failure by another party to perform any obligation under other provisions of the Contract Documents, unless the obligation, which the first party failed to perform, was an essential predicate to performance by the second party.

2.1.5 The CMAR shall interact and cooperate fully with the COUNTY and DP during the design and construction phases so as to keep the Work within the COUNTY's budget and schedule limitations.

2.1.6 The CMAR covenants with the COUNTY to furnish its best skill and judgment and to cooperate with the DP in furthering the interests of the COUNTY. CMAR agrees to furnish efficient business administration and superintendence and to use its best efforts to timely complete the Work in an expeditious and economical manner consistent with the interests of the COUNTY.

2.1.7 The CMAR, COUNTY and DP, called the "Project Team", shall cooperatively work together during all phases of the Work to achieve completion. The CMAR shall provide leadership to the Project Team during the Pre-Construction Phase for all cost, schedule or alternative systems issues, and all matters relating to construction. During the pre-construction phase the CMAR shall provide to the COUNTY and the DP a written evaluation of the COUNTY's Project Program and Project Budget and Schedule, each in relationship to the other with recommendations on the appropriateness of each.

2.1.8 The Contract Documents do not create any contractual relationship between the DP and the CMAR or any separate contractors, consultants, subcontractors of any sub-tier or suppliers on the Project, nor shall anything contained in the Contract Documents be deemed to give any third party any claim or right of action against

COUNTY, the DP or CMAR which does not otherwise explicitly exist in the Contract Documents.

2.1.9 The CMAR's initial Work shall consist of its services in connection with the Pre-Construction Phase. The CMAR's Services in that phase shall be parallel to and coincidental with the DP's Services. CMAR shall prepare an itemized systems type cost estimate at the completion of the Schematic/Conceptual Design Phase, and at other times as agreed upon by the Project Team, in a format consistent with that used by DP or in a format otherwise mutually agreed upon prior to the cost estimate preparation. CMAR shall prepare CSI-formatted cost estimates at each submittal phase after the completion of Schematic/Conceptual Design, to verify that the Project is staying within the applicable portions of COUNTY's identified budget. It is the obligation of the CMAR to keep all Deliverables required of it up to date during the Pre-Construction Phase so that the Project activities will continue uninterrupted while progressing into the Construction Phase.

2.1.10 The CMAR shall provide a GMP during the Pre-Construction Phase as called out in Article III(A) of the Contract.

2.1.11 Subject to the other provisions of these General Conditions, execution of the Contract by the CMAR is a representation that the CMAR has visited the Site, become familiar with the locale and any specific conditions under which the Work is to be performed, and has correlated CMAR's personal observations with the requirements of the COUNTY's Project criteria.

2.1.12 The intent of the Contract Documents is to include all items and services necessary for the proper execution and completion of the Work. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. Work not covered in the Contract Documents but deemed necessary for the proper completion of the Work by the DP will be required of CMAR unless it is inconsistent with the Contract Documents, or is not reasonably inferable therefrom as being necessary to produce the intended results. Words and abbreviations, which have well known technical or trade meanings, are used in the Contract Documents in accordance with such recognized meanings.

2.1.13 The organization of the Specifications into division, section, and article, and the arrangement of Drawings shall not obligate or control the CMAR in dividing performance of the Work among subcontractors, or in establishing the extent of the Work to be performed by any one trade.

2.1.14 With respect to all Work performed by CMAR and its Subcontractors and Consultants, CMAR, its Subcontractors and Consultants, shall keep full and detailed accounts and exercise such cost controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and subject to review by COUNTY. During performance of the Work and for five (5) years after Final Payment, the CMAR shall retain and shall also require all Subcontractors and Consultants to retain for review or audit, or both, by the COUNTY all correspondence, meeting minutes, memoranda, electronic media, books, accounts, reports, files, time cards, material invoices, payrolls, and evidence of all communications, direct and indirect costs and all other matters related to the Work. Upon request by the COUNTY, a legible copy or the original of any or all such records as are described above shall be produced by the CMAR at any time during or after the Work as the COUNTY may request. Upon request the CMAR shall submit to the COUNTY copies of all payrolls, reports, estimates, records, change order costs and data, and any other data concerning Work performed or to be performed, materials supplied or to be supplied, including Subcontractor or Consultant payment applications or invoices and such Subcontractor's or Consultant's progress payment checks. The requirements of this Section shall be provided for in all contracts between the CMAR and its Subcontractors and Consultants. The COUNTY may exercise its rights under this Paragraph as often as reasonably necessary in the COUNTY's sole judgment to assure the COUNTY has a complete and accurate understanding of all Project costs.

2.2 PRE-CONSTRUCTION SERVICES

The CMAR's primary responsibility during preconstruction is to apply its knowledge and experience to keeping the design constructible within the budget and schedule. CMAR must track costs on an ongoing basis and proactively advise DP and COUNTY of lower cost or more effective means, methods, materials, design aspects, etc., or anytime when construction costs exceed, or threaten to exceed the budget, so the team can take appropriate action.

2.2.1 The CMAR shall independently develop a Construction Cost Model for the Project for COUNTY's review and approval. The COUNTY shall advise the DP and CMAR in writing of the amount of COUNTY's Construction Budget. DP and CMAR shall evaluate COUNTY's Construction Budget for cost realism and prepare construction cost estimates for the completion of the work. DP and CMAR's cost estimates must include all of the costs that will

be included in the GMP, including labor, materials, general conditions, bonds, taxes, CMAR construction fee, and CMAR's contingency, and all other GMP costs. DP, CMAR and COUNTY will reconcile the differences between the COUNTY's Construction Budget and the DP and CMAR estimates, if any, to develop an agreed estimate for the cost of construction. If the agreed estimate exceeds COUNTY's Construction Budget, COUNTY, at its sole discretion, may 1) seek additional funding; 2) direct redesign or rescoping of the Project to bring it within the available funding; or 3) any combination of 1) and 2); or 4) determine not to go forward with this Contract for all or part of the Project. Any adjustment to COUNTY's budget or scope must be in writing and approved by COUNTY.

2.2.2 Unless otherwise agreed by the COUNTY and the DP, COUNTY may retain or authorize DP or CMAR to retain surveyors, engineers, or other consultants in connection with the following items, provided such information is specifically requested by the DP or the COUNTY:

- a. A survey of existing site conditions. A complete and accurate survey of the Project site and existing improvements including, but not limited to, grades and lines of streets, pavements, and adjoining properties, contours of the site, and full information as to sewer, water, gas, electrical service, telephone lines, or other utilities.
- b. A report on subsurface investigations. Professional recommendations regarding local conditions accompanied by test borings, or test pits, soil bearing values, percolation tests, air and water pollution tests, ground corrosion, and resistivity tests including necessary operations for determining subsoil, air and water conditions, and chemical, mechanical, laboratory or other tests.
- c. CMAR may recommend such additional geotechnical or investigative tests, such as potholing, as CMAR believes may be necessary to support construction on the site.
- d. As-built information in possession of COUNTY concerning any existing improvements that will remain on the Site and that will be incorporated into the Project, to which the Project will be attached, or with which the Project will be interconnected.
- e. Other tests recommended by DP or CMAR and agreed to by COUNTY.

In addition to the above information, the DP shall be responsible for obtaining information concerning conditions of the Site typically obtained within the DP industry to assess conditions for similar projects and shall advise COUNTY of any such information obtained by DP that may be significant to the Project.

The COUNTY will deliver to DP a copy of all available surveys, reports, test results, and other information described in this Section 2.2.2. Such items, any other information concerning the Site delivered by COUNTY to DP, and all information DP is obligated to obtain on its own initiative are referred to as the "DP Site Information".

The DP shall thoroughly acquaint itself with all DP Site Information.

By making each submission of any Design Submission Documents (including, without limitation, the Construction Documents) the DP represents and warrants to COUNTY that DP has examined and evaluated the DP Site Information and has taken the DP Site Information into account in preparing the Design Submission Documents.

The DP and CMAR shall have the right to rely upon surveys, soil test reports, other test reports and other information provided by the COUNTY, but only to the extent provided in said reports or information. The DP shall carefully examine all surveys, soil test reports, other test reports and other information, whether obtained by the DP or the COUNTY, and shall promptly report to the COUNTY any errors, omissions or inadequacies or reasonably suspected errors, omissions or inadequacies in such surveys, soil test reports, other test reports and other information of which the DP becomes aware as a result of such examination or otherwise and of any disagreement the DP may have with the conclusions of such surveys, soil test reports, other test reports and other information. The DP and the DP Consultants shall make themselves available to the soils engineer and any other person retained by COUNTY to prepare any surveys, soils test reports, other test reports or other information, for the purpose of reconciling such concerns.

2.2.3 The DP shall submit to COUNTY and CMAR all required Design Submission Documents to describe the Project's essential elements. The Design Submission Documents required of the DP will include such drawings, specifications, and other documents as may be necessary to fully identify the Project scope and materials, together with the DP's Construction Cost Estimates. The CMAR shall submit to the COUNTY detailed Construction Cost Estimates as part of each design submission. At the time of each scheduled submission, CMAR, DP and COUNTY shall meet and confer about the submission. During the meeting, the CMAR and DP shall identify, among other things, the evolution of the design and any significant changes or deviations from previously submitted Design Submission Documents and any changes in the CMAR's Construction Cost Estimate or the DP's Construction Cost Estimate. Within three (3) weeks following each design review meeting, COUNTY shall approve or reject the Design Submission Documents, CMAR's Construction Cost Estimate, and the DP's Construction Cost Estimate.

COUNTY may reject in full or in part any Design Submission Documents or Construction Cost Estimates which do not conform to the COUNTY's Project Criteria or overall Project concepts, which exceed the Construction Budget or are not within the Guaranteed Maximum Price or not consistent with the GMP Setting Drawings, Specifications, Assumptions and Clarifications (unless the inconsistency was approved or requested by COUNTY), or for any other reasonable cause consistent with the intent of the DP Contract Documents or the CMAR Contract Documents, as applicable. In the event of such rejection, the costs of redesign or of revising the construction costs estimates shall be borne by the DP and/or CMAR respectively, unless the deficiencies upon which rejection is based are attributable to COUNTY-requested changes. All deviations from the COUNTY's Project Criteria, the Construction Budget, the Guaranteed Maximum Price or the GMP Setting Drawings, Specifications, Assumptions and Clarifications must be approved in writing by the COUNTY.

2.2.4 The CMAR will prepare a Project Management Plan (PMP), which will include:

- a. Project milestone dates and the Project Schedule, including the broad sequencing of the design and construction of the Project,
- b. Investigations, if any, to be undertaken to ascertain subsurface conditions and physical conditions for existing surface and subsurface facilities and underground utilities,
- c. Alternate strategies for fast-tracking and/or phasing the construction,
- d. Construction management plan,
- e. Permitting strategy,
- f. Safety and training programs,
- g. Construction quality control,
- h. A commissioning program, if required for the Project,
- i. Cost estimate and basis of the model,
- j. A site security plan,
- k. Define scope basis,
- l. Work breakdown structure if required,
- m. Organization chart,
- n. QA/QC Plan,
- o. Communication plan,
- p. Risk Management plan, and
- Procurement plan

Until such time as the CMAR has been selected and received Notice to Proceed, the DP will develop and maintain the Project Schedule on behalf of, and to be used by, the Project Team, based on input from the Project Team members. When the CMAR is brought into the Project Team, the CMAR will assume ownership and responsibility for the Project Schedule that will be incorporated into the PMP.

The fundamental purpose of the PMP is to identify, coordinate, and record the tasks and activities to be performed by all of the Project Team members. The Project Team will utilize the PMP as a basis for managing and monitoring all members' compliance with the requirements of the Project. Project Team members are responsible for their compliance with the PMP requirements. A member's failure to complete a task does not excuse a subsequent failure by another member unless the first member's task is a direct prerequisite to the latter's performance.

Resolution of compatibility issues between the different tracking programs that may be used is the responsibility of the CMAR (i.e. The CMAR may choose to re-enter all tracking data provided by the DP in his tracking program).

The Project Schedule shall be a CPM diagram schedule that shows the sequence of activities, the interdependency of each activity, shall indicate the Critical Path including the Design and Construction phases, and shall satisfy the requirements in Section 2.2.5.

2.2.5 The schedule for performance of the Construction Work shall be a CPM schedule with reasonable detail, including a time-scaled network and computer printout in accordance with the following requirements:

The DP and CMAR will use scheduling software acceptable to COUNTY to develop the Project Schedule. The Project Schedule shall be presented in graphical and/or tabular reports as agreed upon by the Project Team. If Project phasing, as described below, is required, the Project Schedule will indicate milestone dates for the phases, once determined.

The Project Schedule shall provide three (3) weeks for COUNTY to review Design Submission Documents at each subphase of the Design Phase and provide adequate time for government agency reviews and all other necessary approvals and permits. The schedule shall indicate the dates for the start and completion of the various stages of the Project, including, among others, the dates when COUNTY information and approvals are required and all

necessary shutdowns or suspensions of COUNTY or separate vendor activities on the Site (if any). CMAR will update and reissue the Project Schedule throughout the Design Phase and the Construction Phase, as necessary and appropriate to reflect adjustments in the schedule. Updates will be subject to approval by COUNTY

The Project Schedule shall be in Days (calendar days, unless otherwise directed by COUNTY) and shall indicate task duration (earliest start/latest completion) for all activities. Float times for all activities shall be shown. The CPM diagram shall be presented in a time scaled graphical format for the Project as a whole.

The Project Schedule shall indicate all relationships between activities.

The activities making up the Project Schedule shall be of sufficient detail to assure that adequate planning has been done for proper execution of the Work so that it provides an appropriate basis for monitoring and evaluating progress of the Work.

The activities upon which the Project Schedule is based shall coincide with the schedule of values.

The Project Schedule shall show all submittals associated with each work activity and the review time for each submittal.

The Project Schedule will show milestones, including milestones for all Team members.

The Project Schedule shall include anticipated rain delay during the performance of the construction contract. The duration shall reflect the average climatic range and conditions prevailing in the locality of the site. Weather data, provided by the CMAR, shall be based on information from the National Weather Services or other COUNTY-approved source.

The Project Schedule shall consider the Substantial Completion date requirements showing portions of the Project having priority.

Float time shall be prescribed as follows: The total Float within the overall schedule is not for the exclusive use of either COUNTY or CMAR, but is jointly owned by both and is a resource available to, and shared by, both parties as needed to meet contract milestones and the Project completion date.

CMAR shall not sequester shared Float through such strategies as extending activity duration estimates to consume available Float, using preferential logic, or using extensive crew/resource sequencing, etc. Since Float time within the schedule is jointly owned, no time extensions will be granted, nor delay damages paid, until a delay occurs which extends the Work beyond the Substantial Completion date.

Since Float time within the schedule is jointly owned, it is acknowledged that COUNTY-caused delays on the Project may be offset by COUNTY-caused time savings (i.e., critical path submittals returned in less time than allowed by the contract, approval of substitution requests and credit changes which result in savings of time to the CMAR, etc.). In such an event, the CMAR shall not be entitled to receive a time extension or delay damages until all COUNTY-caused time savings are exceeded, and the Substantial Completion date is also exceeded.

Throughout the Design Phase, CMAR will provide updates and/or revisions to the Project Schedule for use by the Project Team, whenever required, but no less often than monthly. The CMAR will add detail to previous version of the Project Schedule to keep it current throughout the Design Phase, so that the Project Schedule is ready for implementation at the start of the construction phase. The update/revisions shall include:

- a. A narrative analyzing the progress achieved to-date vs. planned
- b. Any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions
- c. Revisions in Drawings and Specifications
- d. The results of any additional investigative reports of subsurface conditions, drawings of physical conditions of existing surface and subsurface facilities, and documents depicting underground utilities placement and physical condition, whether obtained by COUNTY, DP or the CMAR
- e. Unresolved permitting issues, and significant issues, if any, pertaining to the acquisition of land and right of way
- f. The fast-tracking of any of the construction, or other chosen construction delivery methods
- g. The requisite number of separate bidding documents to be advertised
- h. The status of the procurement of long-lead time equipment and materials

i. Funding issues (i.e. delays) identified by the COUNTY

If phased construction is deemed appropriate and COUNTY and DP approve, CMAR will review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work, with the objective of shortening the Construction Time and/or reducing the Cost of the Work. The CMAR will take into consideration such factors as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, effect on traffic or public access, and any other factors pertinent to saving time and cost. The Project Schedule shall be adjusted to allow for phased construction or for portions of the Construction Work to be accepted separately by the COUNTY, if required by COUNTY.

2.3 CMAR – DP DESIGN COOPERATION

2.3.1 CMAR shall continuously and actively track Project costs throughout the design phase and will proactively advise DP and COUNTY and make recommendations relating to construction costs and concerns regarding the feasibility and practicality of any proposed means and methods, selected materials, equipment, building systems, and labor and material availability, and long-lead items. CMAR will further advise COUNTY and DP regarding proposed site improvements, excavation, utility coordination, traffic control and public access, or other issues, as well as any concerns regarding the coordination of drawings and specifications. CMAR will advise COUNTY and DP any time that a design revision results in the CMAR's estimate of the Cost of Construction exceeding the COUNTY's construction budget.

2.3.2 Conceptual/Schematic Design

- a. The DP shall review COUNTY's Project Criteria to ascertain the basic requirements for the Project. COUNTY will provide such planning and other documents to DP as are available.
- b. The DP shall prepare an expanded Project description for review by the COUNTY and CMAR and for COUNTY's approval, which expands and refines the Project Criteria. The description shall include all site conditions affecting the Project, including utilities, drainage and flood control implications, and other requirements specified by COUNTY.
- c. The CMAR shall work in a collaborative, cooperative, coordinated and communicative manner with the DP in developing items defined in Item (b) above. If agreement by the DP and the CMAR is not attainable with respect to any item, DP and CMAR shall promptly refer the matter to the COUNTY who will make the final determination on the matter.
- d. The CMAR shall develop and submit to COUNTY and DP a conceptual Construction Cost Estimate.
- e. Depending upon the stage of the Project at the inception of this Contract, COUNTY, in its sole discretion, may decide to forego performance of the activities under this Paragraph 2.3.2 in whole or in part without liability to CMAR or DP.

2.3.3 Preliminary Design

- a. The DP shall review the Project description with the COUNTY and the CMAR, solicit and receive comments and recommendations from the CMAR and the COUNTY, confirm the COUNTY's and CMAR's understanding of the subject matter, determine any additional, modified or alternative requirements, and obtain the COUNTY's approval.
- b. The DP shall provide the COUNTY with a preliminary evaluation of the requirements of the Project in light of the amount of the Construction Budget.
- c. The DP shall review with COUNTY and CMAR alternate methods and approaches to design and construction of the Project, recommend an approach, and jointly decide with COUNTY and CMAR on the method best suited to COUNTY's requirements and the Project.
- d. Based upon the Project description, discussions with COUNTY and CMAR, the Construction Budget, and the DP Site Information, the DP shall prepare Preliminary Design Documents (PDDs), which will consist of drawings and other documents depicting the scale and relationship of Project components, for review with COUNTY and CMAR and for the COUNTY's approval.

- e. The DP shall work in a collaborative, cooperative, communicative and coordinated manner with the CMAR in developing items defined in Item (d) above. If agreement by DP and CMAR is not attainable, DP and CMAR shall promptly refer the matter to the COUNTY who will make the final determination on the matter.
- f. The CMAR shall develop and submit to COUNTY and DP a Construction Cost Estimate.
- g. The DP and CMAR shall reconcile the DP's Construction Cost Estimate and CMAR's Construction Cost Estimate each with the other and both of them with the COUNTY's Construction Budget. DP and CMAR shall complete the reconciliation not later than seven (7) days after completion of both estimates. This reconciliation must provide an estimate no greater than COUNTY's Construction Budget before the Final Design subphase under Section 2.3.4 may begin.

2.3.4 Final Design

Based on the PDDs and any amendments approved by COUNTY to the Project or the amount of COUNTY's Construction Budget, the DP shall prepare Design Development Documents (DDs) for review with the COUNTY and the CMAR and for COUNTY's approval. The DDs shall consist of drawings and other documents to delineate and define the general design of the entire Project.

The DP shall work in a collaborative, cooperative, communicative and coordinated manner with the CMAR in developing the DDs defined above. If agreement between DP and CMAR is not attainable, DP and CMAR shall promptly refer the matter to the COUNTY who will make the final determination on the matter.

The CMAR shall develop and submit to COUNTY and DP a Construction Cost Estimate.

The DP and CMAR shall reconcile the DP's Construction Cost Estimate and the CMAR's Construction Cost Estimate with each other and both of them with the amount within COUNTY's Construction Budget. DP and CMAR shall complete the reconciliation not later than seven (7) days after completion of both estimates. This reconciliation shall provide an estimate no greater than the amount within COUNTY's Construction Budget before the Construction Documents subphase under Section 2.3.5 may begin.

2.3.5 Construction Documents

Based upon the approved Final Design Documents (DDs) and any further amendments of any kind approved by the COUNTY, the DP shall prepare detailed Construction Documents (CDs) setting forth the requirements for construction of the entire Project, including complete Drawings, Specifications, and a revised Construction Cost Estimate. The DP must be aware of, and conform to, the order of precedence provisions in Section 3.10.3. The Construction Documents are subject to review by COUNTY and CMAR and to approval by COUNTY.

If the GMP has been agreed by COUNTY and CMAR before completion of the Construction Documents, the Construction Documents will be subject to review by CMAR for conformance with the GMP Drawings, Specifications, Assumptions and Clarifications as provided in Section 3.2.5.

All drawings and specifications included in the Construction Documents shall bear the dated signature and seal of the DP. Except as expressly provided in the DP Contract Documents, the DP shall be fully responsible for all designs provided by them for the Project.

Unless otherwise specified, DP shall file all documents and obtain all approvals required for design approval by governmental authorities having jurisdiction over the Project and/or designated by COUNTY. The COUNTY will sign applications and pay applicable fees. The DP shall also assure that the Project meets all applicable statutory requirements for public works of the nature of the Project.

2.3.6 DP's Construction Cost Estimates and CMAR's Construction Cost Estimates

The DP will cooperate and exchange information with CMAR in CMAR's development of its Construction Cost Estimates and the Guaranteed Maximum Price. The CMAR will cooperate and exchange information with the DP in the development of DP's Construction Cost Estimates.

Each DP Construction Cost Estimate, CMAR Construction Cost Estimate and CMAR Schedule of Values shall include without duplication:

- a. All labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Construction Work, whether temporary or permanent, and whether or not incorporated or to be incorporated in the Construction Work. All fixed equipment, site improvements, utility and utility relocations, and equipment installations shall also be included.
- b. General Conditions;
- c. The Construction Phase Fee;
- d. All bond and insurance premiums;
- e. All applicable taxes, including, without limitation, applicable sales taxes and transaction privilege tax; and
- f. A CMAR Contingency.

The DP and CMAR Construction Cost Estimates shall include the costs of the Construction Work and shall not include the CMAR's Design Phase Services Fee, sums due the DP, the costs of land, rights of way, financing, or other costs which are the responsibility of the COUNTY.

The DP and the CMAR shall base each of their Construction Cost Estimates on the latest Design Submissions Documents. The DP and CMAR shall discuss the materials, equipment, component systems and types of construction contemplated by the DP to the extent such items are not in the latest Design Submission Documents.

The CMAR will make any recommendations the CMAR determines necessary or appropriate for modifications in the latest Design Submission Documents or in the materials or items the DP proposes to use.

Each DP and CMAR Construction Cost Estimate shall use a consistent method of allocating costs of the Construction Work, shall follow the standard construction format, and shall otherwise be in a form agreed by DP, CMAR and COUNTY.

After COUNTY and CMAR agree on a Guaranteed Maximum Price and in any event during the Construction Documents subphase of the Design Phase, CMAR shall continually monitor costs and develop cost estimates to help ensure that the cost of the Construction Work remains within both the COUNTY's Construction Budget and the Guaranteed Maximum Price.

DP Construction Cost Estimates and CMAR Construction Cost Estimates shall be independently prepared, shall be based on quantitative takeoffs whenever possible, and shall be in sufficient depth and organization to be used in preparing budgets based on the schedule of values.

CMAR shall submit its Construction Cost Estimates to the DP for review prior to submission of the estimates to COUNTY. DP shall submit its Construction Cost Estimates to CMAR for review before submission of the estimates to COUNTY. DP and CMAR shall reconcile their respective cost estimates not later than (7) days after DP's receipt of CMAR's Construction Cost Estimates and CMAR's receipt of DP's Construction Cost Estimate and the respective Design Submission Documents to assure the COUNTY that the DP's and CMAR's estimates are within COUNTY's Construction Budget and, when agreed to by COUNTY and CMAR, the Guaranteed Maximum Price. If DP and CMAR cannot agree on any individual cost items, then the highest identified cost will be utilized and noted as such by the CMAR and the DP in their respective estimates submitted to the COUNTY.

After the CMAR and the DP review each other's estimates and reconcile them, each of the DP and the CMAR:

- a. Shall notify the COUNTY if it appears that the DP's Construction Cost Estimate and the CMAR's Construction Cost Estimate will exceed COUNTY's Construction Budget or the GMP.
- b. Shall satisfactorily demonstrate the accuracy of its estimate in such detail as shall be reasonably required by COUNTY.
- c. Shall make reasonable recommendations for corrective action to bring the estimates back within COUNTY's Construction Budget or the GMP, if the estimates exceed COUNTY's Construction Budget.

COUNTY, CMAR and DP acknowledge that the overall design objective is to develop a design that can be constructed for an amount within COUNTY's Construction Budget. If, in connection with any submission of Design Submission Documents and Cost Estimates, the Cost Estimates exceed COUNTY's Construction Budget, then the costs of redesign and of revising the cost estimates shall be allocated as follows:

- a. If the excess costs of the Design Submission Documents are attributable to COUNTY-directed design choices, unanticipated significant materials cost increases or other unforeseen market dislocations, or other causes beyond the control of DP and/or CMAR, then the costs of revision shall be the responsibility of COUNTY.

- b. If the excess costs are attributable to unapproved deviations from COUNTY's Final Schematic Design Report or unreasonable or negligent design choices, then the costs of revision shall be the responsibility of DP.
- c. If the excess costs are attributable to the application of unsubstantiated deviations from the cost model by CMAR, then the costs of revising the costs estimates shall be the responsibility of CMAR.
- d. If the excess costs are attributable to any combination of the causes identified above, then the costs of design and or cost estimate revision shall be allocated to each party in the percentage by which their cause contributed to the excess.
- e. In the event the excess costs are attributable to an unanticipated cause not identified above, then the costs of revision shall be responsibility of COUNTY, unless the unanticipated cause arises from the error, omission or negligence of the DP or CMAR, in which case the offending Party shall bear the costs.
- f. If the Parties are unable to agree on causation or the allocation of costs, then the COUNTY shall make a determination with respect thereto and provide a copy of the determination in writing to each of the other parties. COUNTY's determination shall be final and conclusive unless, within seven (7) calendar days from delivery of the COUNTY's determination, the party or parties objecting to COUNTY's determination notifies each of the other parties in writing that they are initiating the disputes resolution procedure of Article XV of the Contract. The notice shall include a brief statement of the basis for the initiating party's objection to COUNTY's determination.

2.3.7 BUDGETING AND GUARANTEED MAXIMUM PRICE

2.3.7.1 The CMAR shall provide its Pre-Construction Services for the Preconstruction Phase Fee identified in the Contract. That fee will be earned based upon the amount of Design Phase Work completed. That fee shall be billed and payable monthly as a percentage of completion of Pre-Construction Services. The Construction Phase services of CMAR will be provided based upon an Open Book Cost of the Work, plus the separate Construction Phase Fee for CMAR identified in the Contract.

2.3.7.2 As provided for in Article III of the Contract and when the design has sufficiently progressed, COUNTY will require CMAR to propose a GMP for the construction that is to be based on the Cost of the Work. The GMP will be prepared in accordance with these Sections 2.3.7.2 and 2.3.7.3 and Appendix "D" Construction Costing.

2.3.7.3 The COUNTY will, at its sole discretion, have the option to accept the GMP submitted by CMAR, request that CMAR submit another GMP, or reject the GMP and terminate all contracts and agreements with the CMAR. In the event of such a termination the CMAR shall receive payment for services it has provided to date. In this situation, there shall be no amounts paid for any termination cost, lost profits, lost opportunity or any other such reason.

2.3.7.4 Once accepted by the COUNTY, the GMP may be revised only by an approved Change Order or Amendment.

2.3.7.5 In the event the CMAR elects, in its sole discretion, to maintain a construction contingency within the GMP, the criteria for the development of that contingency must be acceptable to the COUNTY.

Thereafter, the CMAR must inform the COUNTY of any intended usage of the contingency, with supporting itemized schedule and pricing documentation, to maintain complete records and confirm its appropriate use for the Project.

2.3.8 COST ESTIMATES

2.3.8.1 Construction Cost: All estimates of GMP, and associated Schedule(s) of Values shall include without duplication:

- a) All labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent, and whether or not incorporated or to be incorporated in the Work;
- b) The CMAR's Construction Phase Fee;
- c) All bond and insurance premiums;
- d) All applicable taxes, including without limitation, applicable sales taxes and transaction privilege tax;
- e) A Contingency for bidding/construction;
- f) Construction General Conditions;

2.3.8.2 The CMAR's estimates of Construction Costs shall not include sums due the DP, the CMAR's Pre-Construction Phase Fee, the costs of land, rights of way, financing or other costs which are the responsibility of the COUNTY. CMAR's allowable labor rates within rates or part of Construction General Conditions are restricted to direct labor costs, i.e. actual salaries/wages plus associated costs required by statute or regulation (social security, Medicare employee's match, unemployment, etc.) and employee benefits (vacations, health insurance, etc.). Non-Project specific training costs, bonuses, cost of living allowance, education and training are not allowable labor costs and are not reimbursable. Promotional or celebratory expenses the CMAR incurs while performing and completing the Project are not reimbursable as part of Construction General Conditions and must be paid out of the CMAR Construction Phase fee.

2.3.8.3 The CMAR, prior to and in preparing its estimates of Construction Costs and providing the GMP, shall consult with the DP to determine to the extent possible what materials, equipment, component systems and types of construction are to be included in the Construction Documents and to make recommendations for reasonable adjustments in the Scope of Work, and to include in the Construction Documents such alternate items as are approved by the COUNTY in writing.

2.3.8.4 The CMAR shall take the lead in developing a cost model and prepare an estimate of Construction Cost as soon as major Project requirements have been identified, and update the cost model and estimate for each submittal of the Design Submission Documents specified in 1.2.14 of the General Conditions. For all Bid Packages for Construction, the CMAR shall prepare a quantity take-off cost estimate based on C.S.I. formats within two weeks of receipt of applicable documents from the DP. All estimates of Construction Cost shall make allowance for bidding and price escalation. During the Preconstruction Phase, the CMAR shall continually monitor the cost estimates and develop a cost estimate to help assure that the Cost of the Work remains within the applicable portion of the Project Budget or GMP, as applicable. No Construction Services or Work to be performed under the Contract shall commence until a GMP is established by the CMAR, submitted and accepted by COUNTY and incorporated into this Contract by amendment..

2.3.8.5 All CMAR cost estimates shall be prepared separate and independently from DP estimates, shall be based on quantitative takeoffs whenever possible, and shall be completed in sufficient depth and organization to be used in preparing budgets based on sub-trades, combinations of sub-trades, building systems (if any), and Bid Packages. Lump sum estimates are not acceptable.

2.3.8.6 CMAR shall submit all applicable cost estimates to the DP and COUNTY for review, scope verification and reconciliation with the DP's estimates of cost. If the DP and CMAR cannot agree on any individual cost items, then the highest identified cost of either will be utilized and noted as such by the CMAR in the submission of the cost estimate to the COUNTY as part of the Design Submittal.

2.3.8.7 After review and scope verification of the cost estimate done by the DP, the CMAR shall a) notify the COUNTY if it appears that the DP estimate of Construction Costs will exceed the applicable portion of the projected Construction Cost Budget or GMP as may be applicable, b) satisfactorily demonstrate the accuracy of its estimate in such detail as shall be reasonably required by the COUNTY, and c) make reasonable recommendations for corrective action consistent with the Project Budget or GMP, as may be applicable. All such cost estimates must be within Project Budget or GMP as applicable, or include reasonable recommendations for bringing the estimates within the Project Budget or GMP, as applicable, prior to final submission to COUNTY for review and acceptance. Any costs to correct Design Documents to bring the Project back within the Project Budget or GMP, as applicable, shall not be borne by the CMAR except for the CMAR's own costs incurred in re-estimating.

2.3.8.8 DP/CMAR Cooperation: The DP, by the terms of its contract with the COUNTY, is obligated to provide reasonable cooperation to the CMAR in the development of estimates of Construction Cost and the GMP. Conversely, the CMAR shall provide reasonable cooperation to the DP in the development of estimates of Construction Cost and the GMP. DP and CMAR shall reconcile their Cost estimates with each other and the COUNTY not later than (7) days after the completion of CMAR's estimate or receipt of DP's estimate to assure the COUNTY that the Project Cost is within the designated budget.

2.3.9 OTHER PRE-CONSTRUCTION SERVICES

2.3.9.1 The CMAR shall review the Drawings and Specifications as they are being prepared, recommending alternative materials, alternatives, methods, means, constructability, and/or sequencing whenever design details affect construction feasibility, schedules or cost. However, nothing contained in this section 2.3.9.1. shall be

construed to require the CMAR to provide design services.

2.3.9.2 The CMAR shall make recommendations to the COUNTY and the DP regarding the division of work in the Drawings and Specifications to facilitate the bidding and awarding of subcontracts, allowing for phased construction, if applicable, taking into consideration such factors as time of performance, availability of labor, overlapping trade jurisdictions, provisions for temporary facilities, and the like.

2.3.9.3 Coordinating with the DP, the CMAR shall provide a written Constructability Review of all Drawings and Specifications, in a form acceptable to COUNTY. The Constructability Review shall (a) minimize areas of conflict, errors, omissions, and overlapping of the Work to be performed by the various subcontractors, (b) confirm that the full Scope of Work has been included in the drawings, (c) endeavor to minimize cost and Value Engineer where appropriate, and (d) allow for phased and/or fast-track bid packages and construction, as required. An acceptable and effective Constructability Review is a goal for the CMAR and the COUNTY.

2.3.9.4 The CMAR shall attend all regular meetings with the COUNTY and DP and such additional meetings as the COUNTY may request. All regular meetings shall be scheduled by the DP with the prior agreement of the CMAR and approval of the COUNTY. All additional meetings shall be scheduled by the COUNTY.

2.3.9.5 The CMAR shall investigate and recommend materials and equipment that could be purchased directly by the COUNTY; consider long lead time procurement and mass purchasing power in making such recommendations; recommend a schedule for such purchases after coordination with the DP regarding the timetable for preparation of Construction Documents; and expedite and coordinate delivery of these purchases to facilitate their delivery by the required dates.

2.3.9.6 If the COUNTY determines that Integrated Project Delivery (IPD) or Building Information Modeling (BIM) objectives will benefit the Project and it is or will be to the advantage of COUNTY or the Project to select certain subcontracting trades to participate in the design process during the Pre-Construction Phase, as well as provide Construction Services during the Construction Phase, then the following procedures will apply:

- A. CMAR prequalifies Subcontractors from the trades needed in the Pre-Construction Phase.
- B. Upon acceptance of the COUNTY, a Request for Proposal (RFP) is requested from pre-qualified Subcontractors. The RFP will request additional qualification information in addition to pricing information, such as labor rates and overhead and profit factors.
- C. The Statement of Qualifications (SOQ) from the Subcontractors will be reviewed by a committee consisting of CMAR, COUNTY and design team members. The qualification and pricing information will be scored by a pre-determined weighted scoring system.
- D. The committee will develop a list of firms that will be interviewed.
- E. The Subcontractors will be interviewed and ranked, and the highest ranked Subcontractor will be selected to provide the services.
- F. All Subcontractor selections shall be in accordance with A.R.S. 34-603.C.2 (e)(i) and CMAR's subcontractor selection plan.

For Subcontractors selected in this manner, the CMAR must establish to the COUNTY's satisfaction that the Subcontractor's price submission is reasonable and appropriate, by following the procedures outlined for CMAR in Article 2.3.9.11 and 2.3.9.12.

2.3.9.7 The CMAR shall: Assist the COUNTY and DP in the preparation of the necessary and appropriate bidding information, bidding forms, and pre-qualification criteria for bidders; develop subcontractor interest; establish bidding schedules; advertise for bids; and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques and with any special systems, materials, or methods. The CMAR shall review all potential subcontractors with the COUNTY and DP and obtain COUNTY's approval of the pre-qualification of any subcontractor. If the CMAR becomes aware prior to any bid date that fewer than three (3) pre-qualified subcontractors plan to bid any portion of any Bid Package or that anticipated bids from previously approved or pre-qualified subcontractors are likely to exceed the current Schedule of Values or estimate of Construction Cost, the CMAR shall promptly notify the COUNTY.

2.3.9.8 The CMAR's post-bid selection of any subcontractor must be based on qualifications alone, or on a combination of qualifications and price selection, but shall not be based on price alone. The CMAR shall receive and open bids when advertised, prepare a bid analysis, conduct pre-award conferences, and notify the COUNTY and DP concerning which bids from pre-qualified subcontractors will be accepted and awarded. The COUNTY and DP shall be notified of the time and place of all bid openings and shall be permitted to attend such openings with their representatives and guests. A proposal to accept other than a low lump sum bid shall be justified in writing by the CMAR with sufficient detail to satisfy COUNTY, and be subject to prior written approval by the COUNTY, with no increase in the GMP. Once approved by COUNTY, no subcontractor may be replaced by CMAR without COUNTY's prior approval and any change in cost to CMAR will not be a responsibility of COUNTY and there will be no increase in GMP or contract price by reason of such change of subcontractor. Within ten (10) days after award, one fully executed subcontract for work or services on this Project shall be furnished to COUNTY together with all special or supplementary conditions applicable to the subcontract work.

2.3.9.9 The CMAR shall provide the COUNTY and DP with requirements and assignment of responsibilities for safety precautions and programs as required for the execution of the Work, temporary Project facilities and for equipment, materials and services for common use of subcontractors and verify that all such information is included in the Construction Documents.

2.3.9.10.1 If the project covered by this Contract is not "horizontal construction" as defined in A.R.S. § 34-101 and the CMAR indicates it desires to self-perform any portion of the Construction Work, the following procedures will be followed: The CMAR must submit its qualifications to do the listed portion(s) of the Construction Work to the COUNTY and if the COUNTY is satisfied with CMAR's qualifications as to that portion of the Construction Work, the COUNTY will designate the CMAR as a pre-qualified Subcontractor for that portion of the Construction Work. A bid package for each portion of the Construction Work as to which CMAR is a pre-qualified Subcontractor will be prepared in the same manner and content as bid packages for Subcontractors in other trades. CMAR will submit a proposed price for each of these portions of the Construction Work. This proposed price shall include labor rates, and certify that sub-sub trades and materials will be bid with a minimum of three pre-qualified bidders.

2.3.9.10.2 If the project covered by the Contract is "horizontal construction" as defined in A.R.S. § 34-101, CMAR's submitted GMP shall clearly identify the work the CMAR intends to self-perform and distinguish the costs thereof.

2.3.9.11 In order to evaluate the CMAR's Price Submission on self-performed Work, COUNTY may do any or all of the following at the COUNTY's discretion: (i) engage an estimator selected by COUNTY to prepare an independent estimate of this portion of the Construction Work; (ii) engage the DP, or other consultants to do a construction market study to confirm construction market impacts to the cost of this portion of the Construction Work, or (iii) take other action to evaluate the CMAR's Price Submission. In any event, CMAR is responsible to establish to the COUNTY's satisfaction that the CMAR's Price Submission is reasonable and appropriate. If the COUNTY is satisfied that the CMAR Price Submission is reasonable and appropriate, the COUNTY will advise the CMAR that the CMAR is selected as Subcontractor for the respective portion of the Construction Work.

2.3.9.12.1 If the project covered by this Contract is not "horizontal construction" as defined in A.R.S. § 34-101 and at the conclusion of the review of the CMAR's proposed price, the COUNTY is not satisfied that the CMAR's Price Submission is reasonable and appropriate, the COUNTY will so advise the CMAR and the CMAR will proceed in the following manner: There will be a normal Subcontractor bid competition for selection of the Subcontractor to perform this portion of the Construction Work, in accordance with the procedures in Section 2.3.9.7, except that, notwithstanding any other provision of the CMAR Design Phase Services Contract Documents to the contrary, (i) the CMAR's Price Submission will be the CMAR's bid for that portion of the Construction Work in the Subcontractor bidding process; (ii) the CMAR must obtain bids for that portion of the Construction Work from a minimum of two other pre-qualified Subcontractors, (iii) the Subcontractor bids for that portion of the Construction Work must be delivered to COUNTY rather than the CMAR, and (iv) the COUNTY will decide which Subcontractor bid to accept, in accordance with Article 2.3.9.8.

2.3.9.12.2 If the project covered by this Contract is "horizontal construction" as defined in A.R.S. § 34-101 and at the conclusion of the review of CMAR's proposed price, the COUNTY is not satisfied that CMAR's Price Submission is reasonable and appropriate, COUNTY may, at its sole discretion: 1) negotiate with CMAR to arrive at a more acceptable price; 2) negotiate with CMAR and request a best and final offer; 3) seek additional funding, if available; 4) terminate this contract for convenience and acquire construction services by different means; or 5) any combination of these or such other actions as COUNTY deems appropriate within its sole discretion.

2.4 LEGAL REQUIREMENTS.

CMAR shall perform all Work in accordance with all applicable Legal Requirements as described in 1.2.20 and otherwise shall provide all notices applicable to the Work. It is the responsibility of the CMAR during the Pre-Construction Phase to assist the DP and the COUNTY to ascertain that the Construction Documents under preparation are in compliance with all applicable laws, statutes, ordinances, building codes, rules and regulations.

2.5 GOVERNMENT APPROVALS AND PERMITS

Unless otherwise provided in the Contract Documents, CMAR has the responsibility to obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6 CMAR'S CONSTRUCTION PHASE SERVICES

2.6.1 Unless otherwise provided in the Contract Documents to be the responsibility of COUNTY or a separate Contractor(s), CMAR's construction phase services shall include: team management and coordination, scheduling, cost controls and change order management, submittal process management, subcontracting, field management, safety program, close-out process, and warranty period services. This responsibility shall include providing, through itself or its Subcontractors, all necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities, and other temporary facilities needed to complete construction of all Work consistent with the Construction Documents.

2.6.2 CMAR shall perform all construction work, services and activities efficiently and with the requisite expertise, skill, quality and competence necessary to satisfy the requirements of the Contract Documents. CMAR shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.6.3 CMAR shall only employ Subcontractors (of any tier) who are properly licensed and fully able and committed to performing the Work in compliance with the Construction Documents and with the same degree of skill, quality and competence as CMAR.

2.6.4 CMAR shall be fully responsible for the Work of its Subcontractors' and any of their acts and omissions in connection with the performance of their work. Nothing in the Contract Documents is intended or shall be deemed to create any legal or contractual relationship between COUNTY and a Subcontractor (of any tier). In addition, nothing in the Contract Documents is intended to, or shall be deemed to create any third-party beneficiary rights.

2.6.5 CMAR is responsible for coordinating the activities and Work of all Subcontractors. If COUNTY is performing other work with separate Contractors under COUNTY's control, CMAR agrees to cooperate and coordinate its Work with the work of COUNTY's separate Contractors so that the Project can be completed in an orderly, efficient and coordinated manner reasonably free of significant disruption to any party.

2.6.5.1 The COUNTY reserves the right to award other contracts related to the Project, or to perform certain work itself. Any such other work may or may not be known to the COUNTY or disclosed to the CMAR prior to execution of the Contract. The CMAR shall afford the COUNTY and such other contractors reasonable opportunity for the introduction and storage of their materials and equipment and the execution of their work, and shall properly coordinate its Work with theirs in such manner as the COUNTY or DP may direct. The CMAR shall also assure at its own cost reasonable access of other contractors to their site and their work.

2.6.5.2 Upon request of CMAR, the COUNTY will provide CMAR with a copy of Drawings, Specifications, Schedules or other needed data relating to such other contracts or work as may be necessary to meet CMAR's duty to coordinate. The CMAR shall thoroughly examine these documents and shall within three (3) work days of completing such examination notify the COUNTY in writing of any conflicts with the Work to be performed by the CMAR. In no event shall such notice be given by CMAR so late as to interfere with or delay the Work to be performed by the CMAR. Failure of the CMAR to request, review, or provide written notice as provided above shall constitute a waiver of any objections or claims the CMAR may otherwise have as a result of the necessity to coordinate the CMAR's work with other activities.

2.6.5.3 Should the CMAR sustain any damage through any act or omission of any other such contractor or subcontractor, CMAR shall have no claim or cause of action against the COUNTY for such damage and hereby waives any such claim. The CMAR does not waive any claim or cause of action against any other contractor or subcontractor to recover any and all damages sustained by reason of the acts or omissions of such other contractor or subcontractor. The phrase "act or omission" as used in this section shall be defined to include, but not be limited

to, any delay on the part of any such other contractor or subcontractor, whether due to negligence, gross negligence, inadvertence or any other cause.

2.6.5.4 Should the CMAR cause damage to the Work or property of any other contractor or subcontractor of the COUNTY, the CMAR shall upon receiving due notice of damage promptly attempt to settle with such other contractor by contract, repair or otherwise to resolve the dispute. If any such separate contractor sues or initiates a proceeding against the COUNTY on account of any damage alleged to have been caused the CMAR or its subcontractors, the COUNTY shall notify the CMAR who shall at its own cost defend such proceedings, or pay the costs of the COUNTY defending such proceedings, and if any judgment or award against the COUNTY arises therefrom the CMAR shall pay or satisfy it and shall reimburse the COUNTY for all attorney's fees and court or other costs which the COUNTY has incurred in connection with the matter.

2.6.6 CMAR shall keep the Site free from debris, trash and construction waste to permit CMAR to perform its construction services efficiently, safely, and so as not to interfere with the use of any adjacent land areas, including the reasonable aesthetic appearance of the jobsite and all storage/staging areas. CMAR shall also be responsible for and take precautions and measures to fully secure, safeguard and protect the Work during the Construction Phase. Unless previously released of responsibility by COUNTY, CMAR's responsibility to secure, safeguard and protect shall continue until final completion and acceptance.

2.6.7 Upon Substantial Completion of the Work, or a portion of the Work, CMAR shall remove all debris, materials, waste, equipment, machinery and tools from the Work so as to permit COUNTY to safely occupy the Work or a portion of the Work for the use in which it is intended.

2.6.8 CONTROL OF THE WORK

2.6.8.1 The CMAR shall supervise and direct the Work of its employees and Subcontractors and coordinate the Work with the activities and responsibilities of the COUNTY and the DP so as to complete the Work in accordance with the COUNTY's objectives of cost, time and quality as set forth in the Contract Documents.

2.6.8.2 The CMAR shall establish an on-site organization with lines of authority in order to carry out the overall plans for completion of the Work.

2.6.8.3 The CMAR shall schedule, notice, conduct, and take and distribute minutes of weekly progress meetings at which the COUNTY, DP, and CMAR can discuss jointly such matters as procedures, progress, and problems.

2.6.9 DAILY LOG

2.6.9.1 The CMAR shall maintain a daily log of construction activities for each calendar day of the Contract Time, using a form pre-approved by the DP. In that log the CMAR shall document all activities at the Work site, including, but not limited to:

- a) Weather conditions showing the high and low temperatures during work hours, the amount of precipitation received on the job site, and any other weather conditions which adversely affect Work at the site;
- b) Soil conditions which adversely affect Work at the site;
- c) The hours of operation by CMAR and individual Subcontractor personnel;
- d) The number of CMAR and Subcontractor personnel present and working at the site, by subcontract and trade, and updated schedule activity number;
- e) The equipment active or idle at the site;
- f) A description of the Work being performed at the site by updated schedule activity number;
- g) Any delays, disruptions or unusual or special occurrences at the site;
- h) Materials received at job site; and
- i) A list of all visitors at the site.
- j) Any other relevant information deemed relevant as to activities on the site that day.

2.6.9.2 The CMAR shall provide copies of the daily logs to the COUNTY on a weekly basis. The daily log shall not constitute written notice to the COUNTY of any event or occurrence when such notice is required by the Contract Documents.

2.6.9.3 Any changes affecting previously approved Work shall require prior written approval of the COUNTY.

2.6.10 SUPERVISION AND CONSTRUCTION PROCEDURES

2.6.10.1 The CMAR shall supervise and direct the Work, using the CMAR's best skill and attention. The CMAR shall be solely responsible for the coordination and accomplishment of all portions of the Work under the Contract Documents.

2.6.10.2 CMAR shall be responsible to the COUNTY for the acts and omissions of CMAR's employees, Subcontractors of all tiers, their agents and employees, and any other persons performing any of the Work or furnishing materials under a contract with the CMAR.

2.6.10.3 The CMAR shall not be relieved from its obligation to perform the Work in accordance with the Contract Documents either by the activities or duties of the DP in its administration of this Contract, or by inspections, tests or approvals required or performed by persons other than the CMAR. Nothing contained in this paragraph shall preclude the CMAR from asserting any rights it may have under this Contract in the event of unreasonable delays to the CMAR in the conduct of any inspections, test, approvals, or other actions by the DP upon which CMAR's schedule is dependent.

2.6.10.4 The CMAR shall employ a competent COUNTY-approved Superintendent and necessary assistants, who shall be in attendance at the Project site during the progress of the Work. The CMAR shall also employ a COUNTY-approved Representative together with such additional engineering and clerical support as may be reasonably required and appropriate to the stage of construction work. Once designated the Superintendent and Representative of CMAR shall not be changed except with the prior consent of the COUNTY, unless the Superintendent or Representative proves to be unsatisfactory to the CMAR or ceases to be in its employ. The Superintendent and Representative shall represent the CMAR and all communications given to the Representative shall be binding on the CMAR. All such communications shall be confirmed in writing.

2.6.10.5 The CMAR shall at all times enforce strict discipline and good order among its employees and its Subcontractors' employees, and shall not allow employment on the Work of any unfit person or anyone not skilled in and capable of performing the task assigned to them.

2.6.10.6 The CMAR shall at all times allow the COUNTY, DP, or any other designated representatives access to the construction work to observe progress and inspect the quality of work and conformance to the Construction Documents.

2.6.10.7 Any Work required to be inspected by the DP and/or the COUNTY prior to being covered, which is covered up without prior inspection or without prior consent of the DP and/or the COUNTY, must be uncovered by the CMAR, if requested by the DP or the COUNTY, and then recovered at no cost to COUNTY, notwithstanding the provisions of the following subsection.

2.6.10.8 CMAR shall notify the COUNTY and DP in writing at least 24 hours prior to the time at which the COUNTY or DP must be present to perform an inspection. Failure to provide such notice shall make the CMAR solely responsible for all consequences of non-inspection and any required access to or uncovering of such Work.

2.6.11 ADMINISTRATION

2.6.11.1 Except as may be expressly provided to the contrary in the Contract Documents, the CMAR's Representative shall forward all communications in writing and all documents simultaneously to the COUNTY's Representative and the DP's Representative as listed below:

DP's Representative:

Ray Montoya, EEC

CMAR's Representative:

Christopher Albright

COUNTY's Representative:

Mandley Rust

2.6.12 DRAWINGS AND SPECIFICATIONS

2.6.12.1 The CMAR shall study and compare the Construction Documents prior to beginning work on each phase or portion of the Work and immediately report any material error, inconsistency, conflict, ambiguity, or omission that is discovered to the DP and COUNTY.

2.6.12.2 The Construction Drawings are intended to show general arrangements, design and extent of Work and are not intended to serve as Shop Drawings. Where required, the CMAR shall perform no portion of the Work without having Shop Drawings, Product Data or Samples approved; any Work performed in violation of this provision will be solely at the CMAR's risk regardless of DP's and/or COUNTY's knowledge of such Work being performed.

2.6.12.3 In the event of any conflict or ambiguity, the Construction Documents shall be interpreted as being complementary, requiring delivery by CMAR of a complete Project, or designated portion thereof. Any requirement occurring in any one of the Construction Documents is as binding as though occurring in all Construction Documents. In the event of any conflict or ambiguity, perceived or real, the CMAR shall request an interpretation by the DP before performing the Work. Generally, the Specifications address quality, types of materials and contractual conditions while the Drawings show placement, sizes, and fabrication details of materials. In the event a conflict is discovered in the Construction Documents, the priorities stated below shall govern and control:

- a) Addenda shall govern over all other Construction Documents;
- b) Subsequent addenda shall govern over prior addenda, but only to the extent modified;
- c) In case of conflict between Drawings and Specifications, the Specifications shall govern;
- d) Conflicts within the Drawings:
 - (1) Schedules, when identified as such, shall govern over all other portions of the Drawings.
 - (2) Specific notes shall govern over all other notes and all other portions of the Drawings, except the schedules described in 2.6.12.3.d(1) above.
 - (3) Larger scale drawings shall govern over smaller scale drawings.
 - (4) Figured or numerical dimensions shall govern over dimensions obtained by scaling.
- e) Conflicts within the Specifications: These General Conditions shall govern over all sections of the Specifications except for specific modifications thereto that may be stated in Special Conditions or addenda. No other section of the Specifications shall modify these General Conditions; and
- f) In the event provisions of codes, safety orders, Construction Documents, referenced manufacturer's specifications or industry standards are in conflict, the more restrictive or higher quality shall govern;

2.6.12.4 In the event of conflict between COUNTY's Technical Standards and the Drawings and Specifications, CMAR shall promptly call the conflict to the attention of COUNTY and DP and the use of such Drawing by CMAR shall be deferred until resolution of the conflict to COUNTY's satisfaction.

2.6.12.5 If the Construction Documents are not complete as to any minor detail of a required construction system or with regard to the manner of combining or installing of parts, materials, or equipment, but there exists an accepted trade standard for good and skillful construction, such detail shall be deemed to be an implied requirement of the Construction Documents in accordance with such standard. That is to say, a) "minor detail" shall include the concept of substantially identical components, where the price of each such component is small even though the aggregate cost or importance is substantial, and shall include a single component which is incidental, even though its cost or importance may be substantial, and b) the quality and quantity of the parts or materials so supplied shall conform to trade standards and be compatible with the type, composition, strength, size, and profile of the parts or materials otherwise set forth in the Construction Documents.

2.6.13 SUBMITTALS, DRAWINGS AND SHOP DRAWINGS

2.6.13.1 The CMAR shall maintain at the Site, for the use of the COUNTY and of the DP, one copy of all Drawings, Specifications, bulletins, addenda, Change Orders, field orders, approved Shop Drawings, approved Submittals, supplementary instructions, requests for information, catalog data, manufacturers' operating and maintenance instructions, certificates, warranties, guarantees and other contract related documents and their modifications, if any, in good order and marked daily by the CMAR to record all approved changes made during construction. All of these shall be turned over to the DP by the CMAR at the time of Substantial Completion for the purpose of the DP assembling and correlating the material for use by the COUNTY.

2.6.13.2 The CMAR shall submit to the DP, with such promptness as to cause no delay in its Work or in the Work of any other Contractor, all Submittals and Shop Drawings as are required by the Construction Documents, or are necessary to illustrate details of the Work.

2.6.13.3 Each Submittal and Shop Drawing must be accompanied by a CMAR transmittal letter containing a list of the titles and numbers of the Shop Drawings. Each series shall be numbered consecutively for ready reference. Each Submittal and Shop Drawing shall be marked with the following information:

- a) Date of Submission
- b) Name of Project
- c) Location of Project
- d) Branch of Work (Specification Section)
- e) Project Number
- f) Name of Submitting CMAR
- g) Name of Subcontractors
- h) Revision Number

Submittals identified by COUNTY shall be submitted to COUNTY for its review concurrent with review of same by DP. During Construction Phase CMAR shall promptly provide COUNTY with an electronic copy of all approved submittals.

2.6.13.4 All Subcontractor Submittals and Shop Drawings shall be reviewed by the CMAR prior to being submitted to the DP and each shall bear a written statement by the CMAR that the Submittals and shop drawings are consistent with the Construction Documents and other Contract Documents or if not totally consistent shall bear a written statement indicating all variances from the Construction Documents and other applicable Documents. Any submittals or shop drawings submitted without the statements will be returned for resubmission; the submittals or shop drawings will be considered as not having been submitted, and any delay caused thereby shall be the CMAR's sole responsibility. This review by CMAR of Subcontractor submittals and shop drawings shall not be construed as CMAR approval of the design therein except that it shall be a representation that the letter accompanying the submittal or shop drawings does indicate all variations from the Construction Documents and other Contract Documents as required by Section 2.6.13.5.

2.6.13.5 The CMAR shall include with Submittals and Shop Drawings, a letter indicating all variances from the DP's Drawings and Specifications. Failure to so notify the DP of such variances will be grounds for subsequent rejection of the related Work or materials. If, in the opinion of the DP, the variances are not acceptable, the CMAR must furnish the item as specified or as indicated on the Construction Drawings.

2.6.13.6 It is the CMAR's obligation and responsibility to check all of its Submittals and Shop Drawings and to be fully responsible for them and for coordination with connecting Work. Submittals and Shop Drawings shall indicate in detail all parts of an item of Work, including erection and setting instructions and engagements with Work of other trades or other separate Contractors.

2.6.13.7 By the act of reviewing or submitting Submittals and/or Shop Drawings, the CMAR thereby represents the COUNTY and DP that it has determined and verified availability, field measurements, field construction criteria, materials, catalog numbers and similar data, or will do so, and that it has checked and coordinated each Submittal and/or Shop Drawing with the requirements of the Work and of the Construction Documents. If any specified material item or part is not available, the CMAR shall so indicate to the DP.

2.6.13.8 The DP shall review and approve Submittals and Shop Drawings and return them to the CMAR within twenty (20) calendar days of receipt unless otherwise previously agreed in writing. For scheduling purposes, the CMAR must assume a 20-day review period for each Submittal or set of Shop Drawings, and ten (10) calendar days for resubmittals, except for complex submittals identified by the DP as having significant deficiencies, wherein the resubmittal turnaround time will be within twenty (20) calendar days. If review and approval are delayed beyond twenty (20) calendar days, the DP shall notify the CMAR and the COUNTY in writing stating the reason for the delay. Approval shall not relieve the CMAR from the responsibility for variances from the drawings and specifications, unless it has been called to the DP's attention, in writing, at the time of submission. Any modification will be approved only if it is in the interest of the COUNTY to effect an improvement in the Work and does not increase the GMP or Contract Time. Any such modification is subject generally to all other provisions of the Construction Documents, and is without prejudice to any and all rights under any surety bond.

2.6.13.9 If the DP returns a Submittal or Shop Drawing to the CMAR with the notation "rejected", "revise and resubmit", or "approved as noted", the CMAR, so as not to delay the Work, shall promptly resubmit a Submittal or Shop Drawing conforming to the requirements of the Construction Documents and indicating in writing on the Submittal or Shop Drawing and on the transmittal what portions of the resubmittal have been altered in order to meet with the approval of the DP. Any other differences between the resubmittal and the prior submittal shall also be indicated by CMAR on the Shop Drawing and on the resubmittal as a special note.

2.6.13.10 No extension of contract time will be granted to the CMAR because of its failure to submit Submittals or

Shop Drawings in ample time to allow for review, possible resubmittals and approval. Fabrication of Work shall not commence until the CMAR has received written approval. The CMAR shall furnish prints of its approved Submittals and Shop Drawings to all the Subcontractors whose work is in any way related to the Work. Only prints bearing this approval will be allowed on the Site.

2.6.14 PRODUCT SAMPLES, TESTS, AND CERTIFICATES

2.6.14.1 The CMAR shall furnish Product Samples of all items requested or required by the Specifications. Product Samples shall be properly identified and submitted with such promptness as to cause no delay in Work or in the work of any other Contractor and to allow time for consideration by the DP and the COUNTY. The DP and/or COUNTY will review Product Samples in accordance with Sections 2.6.13.2 – 2.6.13.10 above.

2.6.14.2 Each Product Sample must be accompanied by a letter of transmittal containing the following information:

- a) Date of Submission
- b) Name of Project
- c) Location of Project
- d) Branch of Work (Specification Section Number)
- e) Project Number
- f) Name of Submitting CMAR
- g) Name of Subcontractor

2.6.14.3 The CMAR shall furnish the DP a certificate stating that material or equipment submitted by CMAR complies with Contract Documents. If a certificate originates with the manufacturer, the CMAR shall endorse it and submit it to the DP together with a statement of compliance in its own name.

2.6.14.4 No tests, inspections or approvals performed or given by the COUNTY or the DP or others acting for the COUNTY or any agency of Federal, State or Local government nor any acts or omissions by the COUNTY or the DP in administering this Contract shall relieve the CMAR from its duty to perform the Work in accordance with the Contract Documents and all applicable law or regulation or code.

2.6.14.5 Unless the DP is authorized at the time of submittal to return samples at the CMAR's expense, rejected samples will be destroyed.

2.6.14.6 After delivery of materials by CMAR, the DP may make such tests, as it deems necessary, with samples required for such tests being furnished by and at the cost of the CMAR. Any test is for the benefit of the COUNTY and shall not relieve CMAR of the responsibility for providing quality control measures to assure that Work strictly complies with the Construction Documents. No test shall be construed as implying acceptance of materials, work, workmanship, equipment, accessories or any other item or thing.

2.6.14.7 Materials, workmanship, equipment or accessories may be rejected on the basis of the test results even though general approval has been previously given. If items have been incorporated in Work, the DP shall have the right to cause their removal and replacement by items meeting Construction Document requirements, with the cost therefore being borne by the CMAR and not the COUNTY, or to demand and secure appropriate reparation to or price adjustment for the benefit of COUNTY from the CMAR.

2.6.15 AS-BUILT DRAWINGS

2.6.15.1 Prior to Final Payment, the CMAR shall complete and turn over to the DP the Red Line Drawings kept current at the Project site by CMAR. Those Red Line Drawings shall consist of a set of drawings which clearly indicate all field changes that were made during contract performance to adapt to field conditions, changes resulting from Change Orders and all buried and concealed installation of piping, conduit and utility services. All buried and concealed items both inside and outside the facility shall be accurately located on the Red Line Drawings as to depth and in relationship to not less than two permanent features such as interior or exterior wall faces. The Red Line Drawings shall be clean and all changes, corrections, and dimensions shall be given in a neat and legible manner in a contrasting color. CMAR shall also provide an electronic file of the Red Line Drawings to COUNTY in digital form pre-approved by COUNTY. The DP will use the CMAR Red Line Drawings to finalize and seal the As Built Drawings (Record Drawings) which, in turn, will be turned over to the COUNTY at the end of construction.

2.6.15.2 With respect to any changes or corrections in the Work which are made subsequent to Substantial Completion, such revisions shall be submitted to the DP for approval prior to Final Payment.

2.6.16 SCHEDULE AND COORDINATION

2.6.16.1 The CMAR shall schedule and coordinate the work of all of its Subcontractors on the Project including their use of the Site. The CMAR shall keep the Subcontractors informed of the Project CPM Schedule to enable the Subcontractors to plan and perform their Work properly.

2.6.16.2 At the time of the submission of the GMP, the CMAR shall submit to the DP a detailed CPM Schedule for the Work, which shall provide for the expeditious and practicable execution of the Work. The CPM Schedule shall be consistent with and build upon any previous schedules issued during the Pre-Construction Phase. The CPM Schedule is not to exceed time limits current under the Contract Documents and shall be related to the entire Work to the extent required by the Contract Documents.

2.6.16.3 The CPM Schedule required for the performance of the Work shall include reasonable detail including a time scaled network and computer printout in accordance with the following requirements:

- a) no activity shall be longer than twenty-one (21) calendar days (i.e. task line item duration in the CPM Schedule) in length except fabrication and delivery activities;
- b) each activity must be logically tied to another activity to show its interdependency with other activities;
- c) installation activities must be logically tied to submittal/approval, fabrication and delivery;
- d) only a single critical path shall be allowed; and
- e) all activities on the schedule must be clearly designated.

2.6.16.4 The CMAR shall prepare and keep current, for the DP's approval, a timetable for submittals which is coordinated with the CMAR's CPM Schedule for the Work and allows the DP the specified time to review submittals.

2.6.16.5 The CPM Schedule shall be revised monthly by the CMAR to reflect actual conditions in the field and be transmitted monthly to COUNTY and DP with a copy and a Narrative Report including a description of current and anticipated problem areas, delaying factors and their impact and corrective action taken or proposed. This update is to be submitted with each Application for Progress Payment. COUNTY's review of the CPM Schedule update shall not be construed as relieving CMAR of its complete and exclusive control over the means, methods, sequences, and techniques of construction. The CMAR understands and agrees that the monthly updated CPM Schedule will be the basis for the analysis and granting or rejection of time extensions in accordance with Article 9 of these General Conditions.

2.6.16.6 In addition to the monthly CPM Schedule update, the CMAR's schedule shall also be revised at appropriate intervals as required by the conditions of the Work or as directed by the COUNTY or DP with a printed and electronic copy of the revision submitted to the COUNTY and DP in a format acceptable to the COUNTY.

2.6.16.7 The CMAR shall perform the Work at all times during the Construction Phase within the identified times of the most recent COUNTY-approved schedule and consistent with the established Contract Time.

2.6.16.8 It is agreed by the CMAR and COUNTY that if the CMAR submits an original or updated CPM schedule which shows the Project and/or individual Milestone(s) for the Project completing earlier than required by the adjusted contractual completion date(s), the differences between the forecasted early completion and the required completion shall be considered Project-owned float available for use by both the COUNTY and the CMAR.

2.6.16.9 It is also agreed by the CMAR and COUNTY that since float time within the CPM Schedule is jointly owned, no time extensions will be granted nor delay damages paid by COUNTY until a critical path activity delay occurs which extends the Work beyond the adjusted contractual completion date. Since float time within the CPM Schedule is jointly owned, it is acknowledged and agreed by CMAR that COUNTY-caused delays on the Project may be offset by COUNTY-caused time savings which result in a critical path activity savings of time to the CMAR. In such an event, the CMAR shall not be entitled to receive a time extension or delay damages until all COUNTY-caused time savings are exhausted and the applicable contractual completion date or milestone date is also exceeded.

2.6.16.10 It is also agreed that no time extensions shall be granted nor delay damages paid unless the delay is clearly demonstrated by the updated CPM Schedule and the current and supporting narrative as of the month the

change was issued or occurred, or the delay took place, and which delay cannot be mitigated, offset, or eliminated through such actions as revising the intended sequence of work or other reasonable or industry recognized means of mitigating schedule slippage.

2.7 CMAR's RESPONSIBILITY FOR PROJECT SAFETY

2.7.1 CMAR recognizes the importance of performing its Work in the safest manner possible so as to prevent damage, injury or loss to (a) all individuals at or in the vicinity of the Work, whether working or visiting the Project; (b) all Work, including materials and equipment incorporated or stored on or off Site; and (c) all property adjacent to the Site. On that basis CMAR assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work and will submit a Safety Plan complete form to COUNTY and DP at the time of issuance of the Notice to Proceed with the Work. CMAR shall, prior to commencing construction, designate a safety manager with the necessary qualifications and experience to supervise the implementation of the plan and the monitoring of all safety precautions and programs related to the Work. The safety manager shall make routine daily inspections of the Work site, and shall hold at least weekly safety meetings with CMAR's personnel and Subcontractors.

2.7.2 CMAR and its Subcontractors shall comply with all Legal Requirements relating to safety, as well as any COUNTY specific safety requirements set forth in the Contract Documents. CMAR will immediately report, in writing, to COUNTY's Representative and all government or quasi-government authorities having jurisdiction over matters involving the Work, any injury, loss, damage or accident occurring at the site of the Work.

2.7.3 CMAR's responsibility for safety under this Section 2.7 is not intended to in any way relieve CMAR's Subcontractors (of any tier) from applicable obligations and responsibilities for complying with all Legal Requirements, including those related to health and safety matters, and their taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

2.8 WARRANTY

2.8.1 CMAR warrants to COUNTY that the construction, including all materials and equipment furnished as part of the Work, shall be new, unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. CMAR's warranty obligation excludes defects caused by abuse, alterations, or unreasonable failure to maintain the Work by persons other than CMAR, CMAR's subcontractors, or others under CMAR's control. Nothing in this warranty by CMAR shall limit any manufacturer's warranty, which provides COUNTY with greater warranty rights than set forth in this Section 2.8 or the Contract Documents.

2.8.2 CMAR will provide COUNTY with all manufacturers' warranties and Operation and Maintenance Manuals upon the date of Substantial Completion of the Work. CMAR shall provide COUNTY a one (1) year warranty for all portions of the Work which warranty will commence upon Substantial Completion of the Work. All statutory or other warranties, express or implied, related to latent defects will remain in force and are not limited or superseded by this provision.

2.8.3 The Warranties identified herein do not limit or control other remedies available to COUNTY at law or their limitation periods, if any.

2.9 CORRECTION OF DEFECTIVE WORK

2.9.1 If any portion of the Work is covered over by CMAR or its subcontractor contrary to the request of the DP or COUNTY or as required by the Construction Documents or the applicable building standards or codes if requested in writing by the DP or COUNTY, that work or portion thereof must be promptly uncovered for observation at the CMAR's own expense.

2.9.2 If any portion of the Work, other than those portions required to be inspected by the DP, the COUNTY or others, prior to being covered, has been covered over, the DP or COUNTY may request that it be uncovered for observation. If such portion of the Work is found to be in accordance with the requirements of the Construction Documents, the cost of uncovering it shall be charged to the COUNTY as a Change Order. If such portion of the Work is found not to be in compliance with the requirements of the Contract Documents, the CMAR shall bear such costs to uncover and remove and replace or repair.

2.9.3 Unless a specific written waiver of such non-conformance has been provided to the CMAR, CMAR agrees to promptly correct any Work that is found not to be in conformance with the Contract Documents, whether previously inspected by the COUNTY's representatives or not. This obligation of CMAR shall continue for a period of two (2) years from the date of Substantial Completion. Nothing in this Section shall waive any other rights or remedy that the COUNTY may have under Arizona law.

2.9.4 CMAR, upon receipt of written notice from COUNTY that the Work is not in conformance with the Contract Documents, shall, within seven (7) days (except in the case of an emergency or item on the schedule critical path, which will require immediate response) commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to any other parts of the Work affected by the nonconforming Work. In the event CMAR fails to commence the necessary corrective steps within seven (7) days of the Notice, COUNTY, in addition to any other remedies provided under the Contract Documents, may at the end of the seven (7) day period commence to correct or cause the correction of such nonconforming Work with its own or other forces. CMAR shall be responsible for all costs and expenses that COUNTY incurs in remedying any such Work not in conformance with the Contract Documents, including at COUNTY's sole discretion, any of its own staff time costs and all DP or other fees incurred. COUNTY will notify CMAR of its intent to make such corrections at or before the commencement of the corrective work.

2.9.5 The one-year warranty period referenced in Section 2.8.2 applies only to the CMAR's obligation to correct Work not in compliance with the Construction Documents, and shall not constitute a period of limitations with respect to any other rights or remedies COUNTY may have with respect to CMAR's other obligations under the Contract Documents. CMAR acknowledges that, for purposes of statutes of limitations, COUNTY is a body politic and corporate of the State of Arizona, acting in its governmental capacity for the general good.

ARTICLE 3

DP'S SERVICES AND RESPONSIBILITIES

In addition to the DP Responsibilities outlined in Article 2,

3.1 The DP will be the initial interpreter of the intent and requirements of the Construction Documents. The DP shall render written initial interpretations with reasonable promptness following a written request from the COUNTY or the CMAR. These initial interpretations shall be consistent with the intent of the Contract Documents.

3.2 The DP will timely review and approve or take other appropriate action upon the CMAR's submittals, such as Shop Drawings, Product Data and Samples, for conformance with the Construction Documents. Such action shall be taken with reasonable promptness as specified so as to cause no delay. The DP's approval of a specific item or component shall not indicate approval of an assembly of which the item is a component.

3.3 Following consultation with the COUNTY, the DP will take appropriate action on issuance of Change Orders and may authorize minor changes in the Work as defined in Section 10.3.

3.4 The DP and COUNTY will each have authority to reject work which does not conform to the Contract Documents and to require special inspection or testing but may take such action only after consultation with the other. However, neither the authority to act given to the DP and the COUNTY under this subparagraph nor any decision made by them in good faith either to exercise or not exercise such authority shall give rise to any duty or responsibility by them to the CMAR, any Subcontractor, any of their agents or employees, or any other person performing any of the Work.

3.5 Based on its observations of the Work and evaluation of applications for payment the COUNTY or COUNTY'S designee will have the responsibility to approve the amounts owing the CMAR from time to time under and in accordance with Article 7 of these General Conditions and applicable law.

3.6 DESIGN SERVICES

3.6.1 Under separate contract with the COUNTY, the DP shall submit to COUNTY all required Design Submission Documents to describe the Project's essential elements. The Design Submissions, required of the DP, will include Drawings, Specifications, cost estimates and other documents as may be necessary to fully identify the Project scope and materials. The CMAR shall submit detailed cost estimates as part of the design submission to the COUNTY. At the time of the scheduled submissions, CMAR, DP and COUNTY shall meet and confer about the submission with CMAR and DP identifying during the meeting, among other things, the evolution of the design and any significant changes or variances from the requirements of the Contract Documents, or previously submitted

design submissions, and, if any, changes in anticipated costs.

3.6.2 Minutes of these milestone design review meetings will be maintained by DP and provided to all attendees for review. Following the design review meeting, COUNTY shall review and approve or reject the Design Submission within three (3) weeks from receipt. COUNTY may reject full or partial design submittals which do not conform with the COUNTY's Project Criteria, overall Project concepts, and budgets or for any other reasonable cause consistent with the intent of the Contract Documents. Upon such rejection, the DP shall redesign or reengineer the portion of the design rejected. CMAR shall revise the cost estimate at no additional cost, such that it meets COUNTY's requirements. All variances from the COUNTY's Project Criteria must be approved in writing by the COUNTY.

3.6.3 As necessary for the timely completion of the Work, the DP shall submit to COUNTY for COUNTY's review and approval or rejection, Construction Documents describing the requirements for construction of the Work. The COUNTY, DP and CMAR shall have design review meetings to discuss Construction Documents consistent with Section 3.6.1 above, and COUNTY shall review and approve or reject the Construction Documents within three (3) weeks of receipt from the DP.

3.7 The DP if so stated through this contract or a third party Project Manager under a separate contract with COUNTY, will provide administration of this Contract on behalf of the COUNTY as described throughout the Contract and these General Conditions and in COUNTY's contract with the DP. COUNTY is to be copied on all instructions and communications by the DP to the CMAR.

ARTICLE 4

COUNTY'S SERVICES AND RESPONSIBILITIES

In addition to its responsibilities outlined in Article 2,

4.1 COUNTY shall, throughout the performance of the Contract, cooperate with CMAR and perform its responsibilities, obligations and services in a timely manner so as not to delay or interfere with CMAR's performance of its obligations under the Contract Documents.

4.2 COUNTY's Representative shall be responsible for processing and delivery of COUNTY-supplied information and approvals or rejections in a timely manner to permit CMAR to fulfill its obligations under the Contract Documents. COUNTY's Representative shall also provide CMAR with reasonably prompt notice if and when it observes any failure on the part of CMAR to fulfill its contractual obligations, including errors, omissions or defects in the CMAR's performance of its Work. Failure of the COUNTY or its representatives to notify the CMAR hereunder shall not reduce, change, lessen or alleviate in any way, the duties and obligations of CMAR under the Contract Documents.

4.3 COUNTY shall provide reviews and approvals or rejections of the CMAR's cost estimate portion of the Design Submission within three (3) weeks of receipt of those documents. The COUNTY shall review documents submitted by the CMAR and shall render any decisions pertaining thereto without unreasonable delay.

4.4 COUNTY is responsible for all Work performed at the Project by parties under the COUNTY's control other than CMAR or Design Professional. COUNTY shall contractually require such parties to cooperate with, and coordinate their activities with, CMAR so as not to unreasonably interfere with CMAR's ability to complete its Work in a timely manner, consistent with the Contract Documents.

4.5 The COUNTY shall interact and cooperate with the CMAR to keep the Work within the portions of the Project Budget or GMP, as may be applicable, including but not limited to giving appropriate and reasonable consideration to all reasonable recommendations of the CMAR, approving redesign, deductive alternatives or reductions in the Work, consideration of any requested additional Value Engineering, making modifications to the Contract Documents or exercising such other rights or remedies as may be available elsewhere under this Contract including termination for convenience. If at any time, it is apparent that the Cost of the Work cannot be kept within the Project Budget or GMP, the COUNTY may terminate this Contract in accordance with the termination for convenience provisions set forth below.

4.6 The COUNTY acting through the DP and consistent with the COUNTY's contract with the DP, shall furnish the CMAR a sufficient quantity of documents and information required for the CMAR's performance of its Pre-Construction Services.

ARTICLE 5
HAZARDOUS MATERIALS AND UNFORESEEN
PROJECT SITE CONDITIONS

5.1 HAZARDOUS MATERIALS

5.1.1 It is the sole responsibility of the CMAR to properly remove and dispose of any Hazardous Materials in the Project identified as such in the Contract Documents by the COUNTY. CMAR, upon encountering any Hazardous Materials not identified in the Contract Documents, shall stop Work immediately in the affected area and notify COUNTY and, if required by applicable rules, all governmental or quasi-governmental entities with jurisdiction over the Project. COUNTY has responsibility to take the necessary measures required to properly remove and dispose of Hazardous Materials not identified in the Contract Documents as being the responsibility of the CMAR.

5.1.2 CMAR will be entitled, in accordance with the provisions of these General Conditions, to an adjustment in the GMP or Contract Time(s) of performance, or both, to the extent that the CMAR's costs or time of performance have been adversely and materially impacted by the presence of unforeseen or undisclosed Hazardous Materials.

5.1.3 COUNTY is not responsible for Hazardous Materials introduced to the Site by CMAR, CMAR's Subcontractors (at any tier) or anyone else for whom the CMAR is responsible unless the Contract Documents explicitly call for either the provision or removal of the specific Hazardous Materials.

5.1.4 CMAR agrees to indemnify, defend and hold harmless COUNTY and others under COUNTY's control, and the officers, directors, employees and agents of each of them, from and against all claims, losses, liabilities, costs and expenses, including but not limited to attorney's fees and expenses, arising out of or resulting from CMAR's importation, improper handling, storage, abatement, removal or disposal of any Hazardous Materials by CMAR.

5.1.5 Releases of Hazardous Substances: Upon any release of any hazardous substance in connection with the Work, whether relating to a pre-existing condition or acts or omissions of CMAR, CMAR shall take immediate action reasonably necessary to contain the release and if the hazardous material release is not a CMAR release, COUNTY will pay CMAR the reasonable costs incurred by CMAR in taking such containment action. COUNTY may elect to have CMAR control and carry out any containment, clean-up, removal and remediation activity needed, provided that if the release is not a CMAR release, COUNTY will be responsible to pay CMAR for such CMAR containment activities in accordance with the Change Order provision set forth in Section 10.4 of these General Conditions including allowance of additional Contract Time.

5.2 UNFORESEEN PROJECT SITE CONDITIONS

5.2.1 If CMAR encounters, during the performance of its Work, concealed or latent physical conditions or subsurface conditions at the Project which (a) materially differ from the conditions indicated in the Contract Documents; or (b) are of an unusual nature which differ materially from the conditions ordinarily encountered and generally recognized as inherent in the sort of Work provided for in the Contract Documents, CMAR shall immediately provide written notice to COUNTY apprising COUNTY of the unforeseen conditions encountered. CMAR shall not disturb or modify such conditions without COUNTY's prior written consent. COUNTY shall promptly investigate CMAR's notice of an unforeseen site condition and advise CMAR of its findings and determination.

5.2.2 If the conditions encountered by CMAR under Section 5.2.1 are determined by the COUNTY to be an unforeseen Project site condition, CMAR will be entitled, in accordance with the provisions of these General Conditions, to an adjustment in its GMP and/or Contract Time(s) of performance, or both to the extent that CMAR's cost or time of performance have been adversely impacted by the unforeseen conditions. Adjustments to GMP will be for the actual direct cost impact incurred by CMAR to address and resolve the unforeseen conditions.

5.2.3 No claim by the CMAR for an increase in the GMP or in Contract Time(s) shall be considered or allowed by COUNTY without compliance with the advance notice requirement set forth above, submission of verifiable documentation of specific direct cost impact, and an adequate opportunity for the COUNTY to investigate. Extensions of Contract Time(s) will be considered and allowed only when based upon submission of an updated CPM Schedule and supporting narrative showing an actual unavoidable delay to the Project Critical Path due to the unforeseen Project Site Conditions.

5.2.4 In no event shall the Contract Time or GMP be adjusted for conditions that could or should have been identified by the CMAR through past work or its investigations or survey of existing conditions prior to submission

and establishment of the GMP and the GMP Schedule.

5.2.5 If COUNTY determines CMAR has no entitlement to an adjustment in GMP or Contract Time for what CMAR contends is an unforeseen Project Site Condition, CMAR may only proceed in pursuit of its position or claim in accordance with the provisions of Article XIII Disputes of the Contract.

5.3 ARCHEOLOGICAL CONDITIONS: If in the course of performing the Work, the CMAR, any subcontractor or other persons or entities under the control of CMAR, encounter any Native American burial site or other archeological artifacts, CMAR shall immediately notify COUNTY and suspend any Work or activity in the vicinity of the burial site or artifact. COUNTY will determine with reasonable promptness what action, if any, needs to be taken and advise CMAR how to proceed or adjust the Work. Any claim or need for adjustment in Contract Time or GMP will be handled under 5.2.2 above.

ARTICLE 6 INSURANCE AND BONDS

6.1 BOND REQUIREMENTS

The CMAR, before acceptance of the GMP by the COUNTY and prior to the start of any Construction Phase Services by the CMAR, shall furnish to the COUNTY performance and payment bonds, satisfactory in form to the COUNTY each in a penal sum equal to one hundred percent (100%) of the GMP. These surety bonds in the form attached hereto as Exhibit A are not to be expressly limited as to time in which action may be instituted against the surety company. The bonds shall be furnished on COUNTY's forms and shall be executed by a surety company authorized to do business in the State of Arizona and shall strictly comply with the requirements of these General Conditions. Individual sureties and default type insurance will not be accepted by COUNTY as a substitute for the requisite performance and payment bonds. The bonds shall be valid through the full term of the warranty period provided for in this Contract.

6.2 CMAR'S INSURANCE REQUIREMENTS

6.2.1 The CMAR shall not commence any Work until it obtains all required insurance and delivers satisfactory proof thereof to the COUNTY in accordance with section 6.3.7 of these General Conditions. The CMAR shall not permit any Subcontractor to commence Work until applicable insurance requirements have been complied with by the Subcontractor.

6.2.2 CMAR's commercial, business auto, and excess liability coverages and workers compensation shall be maintained after the Substantial Completion of the Project for the full warranty period specified herein and any longer specific guarantee or warranty set forth in the Contract Documents or available by law. Except as permitted under section 6.3.5, if insurance is canceled before the end of any such period and the CMAR fails to immediately procure replacement coverage as specified, the COUNTY may procure such insurance. Any such procured coverage shall be for the account of the CMAR and the provisions regarding payment of subparagraph 6.3.8 shall apply as applicable. In no instance will the COUNTY's exercise of its option to occupy and use completed portions of the Work relieve the CMAR of its obligation to maintain insurance required under the insurance provisions of this Contract until the date of Final Completion plus the warranty period as provided herein.

6.3 MINIMUM SCOPE AND LIMITS OF INSURANCE

6.3.1 Without limiting any liabilities or any other obligations of CMAR, the CMAR shall provide and maintain, and cause its Subcontractors to provide and maintain, insurance coverage in forms and with duly licensed or approved non-admitted insurers in the state of Arizona and rated at least A-VII in the current A.M. Best Company ratings. The COUNTY in no way warrants that the above-required minimum insurer rating is sufficient to protect the CMAR or any subcontractor from potential insurer insolvency.

6.3.2 Worker's Compensation Insurance.

CMAR shall procure and maintain worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the CMAR, its employees, or both, engaged in the performance of services under this Contract.

Worker's Compensation

Statutory

Employer's Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

Policy shall contain a waiver of subrogation against Pima County and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the CMAR.

This requirement shall not apply to: Separately, each contractor or subcontractor that is exempt under A.R.S. 23-902, when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

6.3.3 Commercial General Liability Insurance

The policy shall include coverage for bodily injury, broad form property damage (including completed operation), personal injury (including coverage for contractual and employee acts), and blanket contractual products. Said policy shall contain a severability of interest provision, and shall not contain any provision which would serve to eliminate third-party action over claims.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Each Occurrence	\$1,000,000

The policy shall be endorsed to include the following additional insured language: "Pima County and its officers, officials and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".

Policy shall contain a waiver of subrogation against Pima County, and its officers, officials, and employees for losses arising from work performed by or on behalf of the Contractor

6.3.4 Business Automobile Liability Insurance

CMAR shall procure and maintain commercial/Business automobile liability insurance with a minimum, combined single limit for bodily injury and property damage of not less than \$1,000,000 each accident with respect to the CMAR's owned, hired, or non-owned vehicles assigned to or used in performance of the services.

If hazardous materials or waste are to be transported, the Commercial Automobile Liability insurance shall be endorsed with the MCS-90 endorsement in accordance with applicable legal requirements.

6.3.4.1 Excess Liability Insurance

CMAR shall procure and maintain Umbrella/Excess insurance covering General, Automobile and Employers Liability excess of scheduled primary limits, with minimum policy limits of \$10,000,000 per occurrence and \$10,000,000 aggregate.

The Umbrella/Excess insurance policy shall include a drop-down provision. In the event of the depletion or exhaustion of the CMAR's underlying policy aggregate(s) by payment of loss, the umbrella/excess policy shall continue for subsequent losses as follows:

In the event of such depletion, it shall continue for subsequent losses as excess insurance over the amount of insurance remaining under the Underlying Insurance, subject to the policy limits.

In the event of such exhaustion it shall continue for subsequent losses as primary insurance excess of any retention specified in the excess policies.

6.3.5 Builder's Risk Insurance

CMAR shall provide and maintain, until written notice of Final Completion from the COUNTY, a Builder's All Risk Insurance Policy, which will protect the interests of the COUNTY and contractors of all tiers against loss as

specified below. This policy shall provide coverage for 100% of the insurable value of the Work, including any COUNTY furnished work. The insurance shall provide replacement cost coverage for all real and personal property incorporated into the Work including engineered and Project specific false works and formings, while at the Project site, off-site, or in transit. Coverage shall be extended to include soft costs (such as reasonable compensation for DP, COUNTY and contractors' services and expenses required as a result of an insured loss, excluding any Liquidated Damages), extra expense, and expediting expense.

The insurance obtained under this Section 6.3.5 shall insure against "all risks" of direct physical loss or damage, including, without duplication of coverage, collapse, earthquake, flood, testing and startup, and ensuing damage as a result of faulty workmanship or material or both.

The Builder's Risk policy shall name Pima County as loss payee for all covered losses as their interests may appear.

The Builder's Risk policy shall be endorsed waiving the carrier's right of recovery under subrogation against the COUNTY, CMAR and Subcontractors, for losses covered under the Builder's Risk policy.

The CMAR shall be responsible for the deductible on each loss and shall retain responsibility for any loss not covered by the Builder's Risk policy.

The CMAR shall be solely responsible for any required notice to or consent of the insurer providing the Builder's Risk coverage regarding a) a covered event or occurrence and b) occupancy of the Work, or a portion thereof, by the COUNTY.

6.3.6 Additional Insurance Requirements - The policies shall include, or be endorsed to include, the following provisions:

Pima County, and its officers, officials and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the CMAR, even if those limits of liability are in excess of those required by this Contract.

The CMAR's insurance coverage shall be primary insurance with respect to all other available sources, except for Worker's Compensation insurance. Any self-insurance or other insurance carried by Pima County, its officers, or employees, if any, shall be excess and not contributory to the insurance provided by the CMAR.

Coverage provided by the CMAR shall not be limited to the liability assumed under the indemnification provisions of this Contract.

6.3.7 Proof of Insurance.

CMAR shall provide to the COUNTY certificates of insurance (ACORD form or equivalent approved by the COUNTY) evidencing the coverages required herein as proof that the policies providing the required coverages are in full force and effect. CMAR must provide certificates for the above-described general and automobile liability, workers compensation, and excess liability coverage before the COUNTY executes the initial contract for preconstruction services. Certificates for required construction-specific insurance, such as builders risk, professional/pollution liability or other construction insurance, must be provided to COUNTY before COUNTY executes the amendment incorporating the GMP into this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All of the above conditions shall be clearly shown on each certificate. Such certificates shall identify this Contract or be an annual or periodic certificate stating that it covers any and all projects or work performed by the CMAR during said period and shall contain provisions that coverage afforded under the policies will not be canceled, terminated or materially altered until at least thirty (30) days' prior written notice has been given to the COUNTY as evidenced by a return receipt signed by the COUNTY. Certificates of insurance should be addressed as follows:

Pima County Regional Wastewater Reclamation Department
201 N. Stone Avenue
Tucson, AZ 85701

COUNTY has the right to request and to receive, within ten (10) working days, certified copies of any or all of the policies and/or endorsements required in this Contract. COUNTY shall not be obligated to review same or to advise CMAR of any deficiencies in such policies and endorsements, and such receipt shall not relieve CMAR from, or be deemed waiver of, COUNTY's right to insist on strict fulfillment of CMAR's obligations under this Contract.

6.3.8 Failure to Provide or Maintain Insurance.

Failure on the part of the CMAR to procure or maintain the required insurance shall constitute a material breach of this Contract upon which the COUNTY may immediately terminate this Contract, or at its discretion procure new or renew such insurance and pay all premiums in connection therewith, and all monies so paid by the COUNTY shall be repaid by the CMAR to the COUNTY upon demand, or the COUNTY may offset the cost of such premiums together with interest at the statutory legal rate against any money due the CMAR from the COUNTY. Costs for coverages maintained by the CMAR in excess of those required hereunder shall not be charged to the COUNTY.

6.3.9 Authorization to Obtain Information.

The COUNTY may, and the CMAR hereby authorizes the COUNTY to, request and receive directly from insurance companies utilized by the CMAR in meeting the insurance requirements any and all information reasonably considered necessary in the sole discretion of the COUNTY.

6.3.10 Waiver.

CMAR and its insurers providing the coverages required above shall and do hereby waive all rights of recovery against Pima County, and their officers and employees.

6.3.11 Claim Reporting.

Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect COUNTY.

6.3.12 Self-insurance.

The policies specified herein may provide coverage which contains deductibles or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to COUNTY under such policies. The CMAR shall be solely responsible for deductible and/or self-insured retention, and COUNTY, at its option, may require the CMAR to secure the payment of such deductible or self-insured retention by a surety bond or an irrevocable and unconditional letter of credit.

6.3.13 Cancellation of Insurance. In the event any insurance coverage required in this Article 6 for the Work is canceled, reduced, or terminated, CMAR agrees to provide notice to COUNTY and replace the insurance without any lapse of protection to COUNTY. If such coverage is not replaced, or CMAR fails to meet any of the requirements for insurance listed above, COUNTY may at its option immediately terminate the Contract between COUNTY and CMAR, or in COUNTY's discretion, procure or renew such missing insurance coverage and pay the premiums therefor. Any such premium amounts paid by COUNTY shall be repaid by CMAR upon demand, or COUNTY, if not paid, may offset the premium cost plus interest at the legal rate from CMAR's final payment under the Contract.

6.3.14 Contractual Obligations.

The stipulation of insurance coverages in this Section 6.3 or elsewhere, shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

ARTICLE 7 PAYMENT

7.1 GUARANTEED MAXIMUM PRICE; SAVINGS.

7.1.1 The COUNTY shall pay the CMAR for the CMAR's performance and the CMAR shall accept the Preconstruction Phase Fee in full payment for preconstruction services, and the Actual Cost of Work (as defined in Exhibit B hereto) plus the Construction Phase Fee for construction services, provided, however, that the amount paid to CMAR shall not exceed the GMP as originally fixed or as adjusted from time to time as provided in these General Conditions.

7.1.2 Savings shall be calculated and paid upon Final Completion of the Work. All savings shall be 100% allocated to COUNTY. Savings returned to the COUNTY shall not include return of Construction Phase Fee for the amount of the savings, but shall include an appropriate percentage of bonds and insurance premiums and taxes attributable to the savings amount. Allocations to GMP for allowance and contingency items that remain unused upon Final Completion shall be returned 100% to the COUNTY.

7.2 SCHEDULE OF VALUES.

7.2.1 Before issuance of the Notice to proceed and commencement of the Work in the Construction Phase, the CMAR shall submit to the COUNTY, and the COUNTY and the CMAR shall agree upon, a complete Schedule of Values on the items constituting the GMP following the sample outline in Exhibit "B", setting forth the various portions of the Work, and the portions of the GMP allocated to each portion of the Work. This Schedule of Values shall be also used as a basis for payment as the Work progresses. Those portions of the Schedule of Values allocable to work to be performed by Subcontractors of the CMAR shall be finalized as and when the Subcontracts are executed. All estimated construction costs not specifically allocated to a Subcontract (including work self-performed) or to Construction General Conditions shall be allocated to "Bidding Contingency" and shall, upon approval of the COUNTY, be available for later use by the CMAR as Construction Contingency, for reallocation to other line items as provided for in these General Conditions.

7.3 APPLICATIONS FOR PROGRESS PAYMENT.

7.3.1 CMAR shall deliver to COUNTY (or such other person as is designated by COUNTY) on the last Day of each month a sworn application for progress payment in the format specified by COUNTY. Each such application for payment shall be based on the Schedule of Values and be in an amount determined by the percentage of completion of the Work in the month being billed. It shall show the percentage of completion of each category of the Work performed in the billing period. The payment application shall be accompanied (as separate documents) by (a) an updated CPM Schedule and narrative schedule update report as provided for herein, and (b) conditional lien waivers from each subcontractor or supplier entitled to progress payment thereunder. In addition, the CMAR shall provide the following documentation upon specific request by COUNTY: a) a written accounting in a form agreed by CMAR and COUNTY of the Actual Cost of the Work completed, b) a report by CMAR on Subcontractor buy-out status, contract sums, and subcontractor pay applications, c) a copy of job cost ledger, d) a copy of timecards for all employees charged to the Project and e) a copy of Construction General Conditions invoices and purchase orders, each for the time periods periodically requested by COUNTY.

7.3.2 The CMAR Construction Phase Fee and the Construction General Conditions shall be paid monthly in accordance with the percentage of completion of the Work. The amount approved and paid for progress achieved in the month billed for shall not constitute final acceptance of the Work and is subject to final adjustment at the time of Final Acceptance and Final Payment. At no time may the cumulative value of past progress payments plus the current requested progress payment on any pay application exceed the GMP as it may be adjusted under these General Conditions.

7.3.3 The COUNTY, within seven (7) days after receipt of CMAR's application for progress payment, and no later, will either issue (a) a certificate of approval for payment of such amount as is invoiced in the payment application, or (b) specific written findings setting forth those items in detail in the estimate of the Work in the pay application that are not approved for payment under the contract. All items in the payment application not made the subject of the written detailed finding of non-approval shall be deemed approved.

7.3.4 COUNTY may withhold an amount from the progress payment to be made for the time period billed for a sufficient sum to pay the expenses COUNTY reasonably expects to incur in correcting the deficiency set forth in the written finding issued by the COUNTY as to the items not approved for payment.

7.4 PAYMENT AND RETAINAGE.

7.4.1 Within fourteen (14) days following the receipt of the DP certificate of approval for payment and the written detailed findings of items not approved, if any, the COUNTY shall pay the amount due on the progress payment application to the CMAR. However, the payment shall be limited to 90% of the value approved of the Construction Work in place and for materials suitably stored in accordance with Section 7.6.1 below of these General Conditions during the month being billed. The remaining 10% shall be retained by the COUNTY until the Contract is 50% complete at which time the retainage shall be reduced to 5%; provided that: (a) the CMAR is making satisfactory progress on the Contract; and (b) in the COUNTY's sole judgment, there is no specific cause or claim requiring a greater amount than 5% to be retained. Thereafter, the COUNTY shall pay the CMAR 95% of the value of the Construction Work and materials on approved progress billings, unless and until the COUNTY determines, in its sole discretion, that satisfactory progress is not being made, at which time 10% Retainage may be reinstated. Such 10% reinstatement would be 10% of the total contract value of Construction Work in place and materials stored. The COUNTY's determination concerning the satisfactory progress of the Work for retainage adjustments purposes shall be final.

7.4.2 Within sixty (60) days after the issuance of the Certificate of Final Completion by the DP and receipt by COUNTY of all other documents required from CMAR by the Contract Documents, all retained amounts shall be paid to CMAR as part of Final Payment provided however; a) the Final Payment shall not become due from COUNTY until the CMAR delivers full and final unconditional releases in statutory form from all Subcontractors and major Suppliers acknowledging their having received payment in full. Any claim filed thereafter shall be the responsibility of the CMAR, and b) if any claim does remain unsatisfied after all payments are made by COUNTY, the CMAR shall immediately upon demand refund to the COUNTY all monies that the latter may be compelled to pay in discharging such unsatisfied claim including all costs, interest and attorneys' fees.

7.5 EARLY RELEASE OF SUBCONTRACTOR RETAINAGE.

7.5.1 If a Subcontractor has completed his/her portion of the Work (including all Punch list items) pursuant to his/her Subcontract, the CMAR may request the COUNTY to disburse the amount of Retainage allocable to such Subcontractor, after delivering to the COUNTY, when required by the COUNTY, consent to such disbursement from such Subcontractor's surety, in a form satisfactory to the COUNTY, and a final lien release from the Subcontractor. If the COUNTY is satisfied that the Subcontractor's work has been fully and finally completed in accordance with the Contract Documents, the COUNTY may disburse said Retainage to CMAR for payment over to the Subcontractor, however, the warranty period with respect to such subcontractor work shall not commence until Substantial Completion of the entire Work.

7.6 PAYMENT FOR ON-SITE AND OFF-SITE MATERIALS.

7.6.1 Progress Payment shall be made when due to CMAR on account of materials and equipment delivered and suitably stored at the Site for subsequent incorporation in the Work. Payment may be similarly made to CMAR for materials and equipment suitably stored off the Site, conditioned upon the CMAR furnishing satisfactory evidence to the COUNTY that (a) title to the materials and equipment will pass to the COUNTY upon payment for same; and (b) there are no claims of third parties; and (c) the materials and equipment are adequately insured for full replacement value plus delivery; and (d) such other matters as the COUNTY may reasonably request in order to protect its interests.

7.7 OWNERSHIP OF CONSTRUCTION WORK.

7.7.1 The CMAR warrants that title to all Construction Work included in an Application for Progress Payment shall pass to the COUNTY no later than the time of payment therefor. The CMAR further warrants and represents to COUNTY that upon submittal of an Application for Payment, all Construction Work for which Applications for Payment have been previously issued and payments received from the COUNTY shall, to the best of the CMAR's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the CMAR, its Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

7.7.2 As a condition precedent to Final Payment from the COUNTY the CMAR shall provide unconditional waivers of lien in statutory form from all Subcontractors, material suppliers, or other persons or entities having provided labor, materials and equipment relating to the Work.

7.8 SUBSTANTIAL COMPLETION.

7.8.1 When the CMAR believes the Work, or a portion thereof which the COUNTY wants to accept separately and agrees to do so, is Substantially Complete, the CMAR shall notify the COUNTY and the DP and submit to the COUNTY and DP a comprehensive list of items to be completed or corrected as to that Work or all work. Within five (5) working days of receipt of the CMAR's notice and list, the COUNTY, the DP and CMAR will jointly make an inspection of the Project to determine whether Substantial Completion has in fact occurred. If it is determined by the COUNTY that the Work, or the relevant portion thereof, is Substantially Complete, COUNTY shall issue the Punch List and the Certificate of Substantial Completion stating the date of Substantial Completion which certificate shall be executed by the COUNTY, the DP and the CMAR. The CMAR shall thereupon proceed promptly to complete or correct Punch List items. Failure to include an item on the Punch List does not alleviate or alter the responsibility of the CMAR to complete all work in accordance with the Contract Documents.

7.9 FINAL COMPLETION AND FINAL PAYMENT

7.9.1 Completion of all outstanding Work items noted in the Substantial Completion "Punch List" for the entire Work, or relevant portion thereof, and other Contract requirements is required for COUNTY to certify Final Completion. Requirements for this certification also include, but are not limited to, equipment operating training for

COUNTY and submission and approval by COUNTY of all Record and Close Out Documents and copy of all Construction General Conditions and Purchase Orders not previously provided, and all required reports.

7.9.2 Conditions Precedent to Final Payment. Neither final payment nor any final release of Retainage shall become due until such time as CMAR submits to the COUNTY:

- a) An affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the COUNTY or the COUNTY's property might be responsible or encumbered (less amounts withheld by the COUNTY) have been paid or otherwise satisfied by CMAR;
- b) A certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least sixty (60) Days' prior written notice has been given to the COUNTY;
- c) Consent of Surety to final payment;
- d) Unconditional waivers of lien in statutory form from all Subcontractors, material suppliers, or other persons or entities having provided labor, materials and equipment relating to the Work;
- e) If required by the COUNTY, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract Documents;
- f) All Project warranty documents;
- g) Final Subcontractor List;
- h) All approved Submittals and Shop Drawings (electronic copy);
- i) Schedule of Required Maintenance;
- j) Operation and Maintenance Manuals (electronic and hard copies);
- k) As-Builts (electronic copies, hard copies and BIM Model, if any);
- l) Any required COUNTY training provided by CMAR;
- m) State Fire Marshal and State Elevator Inspection approvals / certificates received, if applicable;
- n) Commissioning completed and reports received, if applicable; and
- o) Any other items identified by COUNTY, and agreed to by CMAR in Contract Documents, to be received by COUNTY.

7.9.3 If, after Substantial Completion of the Work has been achieved, Final Completion is materially delayed through no fault of the CMAR, or by the issuance of additional Change Orders or Change Directives by the COUNTY, the COUNTY may at its sole discretion, upon request of the CMAR, and without terminating the Contract, make payment to CMAR of the balance due for that portion of the Work fully completed. If the remaining balance for Work not fully completed is less than the Retainage, and if bonds have been furnished, the written consent of surety to payment for that portion of the Work fully completed shall be delivered by the CMAR to the COUNTY, and such payment shall be made under the terms and conditions governing final payment, except that such payment shall not constitute a waiver of claims by either the CMAR or the COUNTY.

7.9.4 Acceptance of Final Payment by the CMAR shall constitute a waiver of all affirmative claims by the CMAR in connection with the Contract and performing of the Project. The making of the Final Payment by the COUNTY shall constitute a waiver of claims by the COUNTY, except those arising from (a) liens, claims, security interests and encumbrances arising out of the Work after final payment; (b) latent defects which the COUNTY becomes aware of after Final Payment; or (c) the terms of warranties required by the Contract Documents and other rights provided under Arizona law.

7.10 ALLOWANCES.

7.10.1 The CMAR shall include in the GMP all allowances required by the COUNTY. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the COUNTY may direct, but the CMAR shall not be required to employ persons or entities against which the CMAR makes reasonable objection. Unless otherwise provided in the Contract Documents:

- a) Materials and equipment under an Allowance shall be selected by the COUNTY within a reasonable time frame as defined in the COUNTY approved Project CPM Schedule;
- b) Allowances shall cover the cost to the CMAR of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- c) Allowances shall not include professional or construction fees, Construction General Conditions, bond and insurance premiums;
- d) Allowances shall cover CMAR's costs for unloading and handling at the Site, labor, installation costs and other expenses;

e) Whenever costs are more than or less than Allowances, the GMP may be adjusted accordingly by Change Order in accordance with provisions of Article 10. The amount of the Change Order shall reflect the difference between Actual Costs and the Allowances plus Fee on such difference in accordance with Article 10 hereof if the Actual Costs are greater than the allowances.

7.11 CONTINGENCIES.

7.11.1 For Vertical Construction:

7.11.1.1 The CMAR and COUNTY acknowledge that the GMP contains a line item for a "Bidding Contingency". The Bidding Contingency, upon approval of the COUNTY, shall be for the CMAR's use and shall be increased by amounts not expended on other line item bid packages and shall decrease by additional amounts required to be expended on other line item bid packages. Following completion of all contract execution by subcontractors (Project buy-out), Bidding Contingency shall become Construction (CMAR) Contingency and CMAR may use this Construction (CMAR) Contingency for legitimate unforeseen construction expenses, subject to COUNTY's review and approval. CMAR shall submit detailed monthly reports to COUNTY indicating how the Construction (CMAR) Contingency was used in the reporting period, and the status of the Construction (CMAR) Contingency. The COUNTY has the authority to reject any use of the Construction (CMAR) Contingency after it has been submitted if the COUNTY believes in its reasonable judgment that some or all of the amount included in the use of the Construction (CMAR) Contingency is not a legitimate expense for the Project. Upon the COUNTY's rejection of a Construction (CMAR) Contingency use, the CMAR will thereupon credit the Construction (CMAR) Contingency amount back to the Construction (CMAR) Contingency in the next subsequent payment request. Any amounts remaining in Bidding / Construction (CMAR) Contingency at Final Completion shall be deemed Savings and will be allocated to COUNTY. Should the Bidding / Construction (CMAR) Contingency be exhausted prior to award of all the bid packages, any subsequent overruns in bid package costs shall be the CMAR's sole responsibility, with no additional compensation due thereon from the COUNTY.

7.11.1.2 Total Bidding Contingency for all Bids shall not exceed ____% of the Direct Construction costs.

7.11.1.3 Upon award of each Bid Package, the difference between the CMAR's estimated Cost of the Work contained within the Bid Package, exclusive of contingency, versus the actual award cost thereof as determined by the bidding and award of the package shall be promptly calculated. If the award cost exceeds the CMAR's estimated cost in the GMP, any necessary portion of the Bidding Contingency identified in subparagraph 7.11.1.2 above shall be applied, subject to COUNTY's approval, to cover any overrun and any underrun amount shall be used to increase the Bidding Contingency.

7.11.2 Non-Vertical and Horizontal Construction:

7.11.2.1 The CMAR and COUNTY agree that the GMP may contain a line item for "Construction Contingency" for CMAR's use as a bidding contingency and for legitimate unforeseen construction expenses, subject to COUNTY's review. The amount of Construction Contingency shall represent CMAR's risk from the point at which it is established forward. In establishing the amount of the initial Construction Contingency, CMAR shall provide a description of the risks the Construction Contingency is intended to cover, including unresolved areas of concern identified in preconstruction, in such format as COUNTY may prescribe.

7.11.2.2 The amount of the Construction Contingency is not cumulative. At any given time, even if there are multiple GMPs, there shall be only one Construction Contingency for the Work. The amount of the Construction Contingency may be adjusted by any change order, amendment or subsequent GMP to reflect CMAR's risk from that point forward. The value of the Construction Contingency shall not exceed the value stated in the most recent change order, amendment or GMP.

7.11.2.3 "Legitimate unforeseen construction expenses" does not include expenses arising from factors the existence of which CMAR knew or should have known at time of establishment of the value of the Construction Contingency. The expense of relocating utilities in an intersection, for example, of which CMAR was or should have been aware as a result of prior work or blue stake for prior work in the intersection is not a "legitimate unforeseen expense."

7.11.2.4 CMAR shall submit detailed monthly reports to COUNTY indicating how the Construction (CMAR) Contingency was used in the reporting period, and the status of the Construction (CMAR) Contingency. The COUNTY may reject any use of the Construction (CMAR) Contingency after it has been submitted if the COUNTY believes in its reasonable judgment that some or all of the amount included in the use of the Construction

(CMAR) Contingency is not a legitimate expense for the Project. Upon COUNTY's rejection of a Construction (CMAR) Contingency use, the CMAR will thereupon credit the Construction (CMAR) Contingency amount back to the Construction (CMAR) Contingency in the next subsequent payment request. Any amounts remaining in the Construction (CMAR) Contingency at Final Completion shall be deemed Savings and will be allocated to COUNTY. Should the Construction (CMAR) Contingency be exhausted prior to completion of the work, any subsequent overruns shall be the CMAR's sole responsibility, with no additional compensation due thereon from the COUNTY except for those items for which COUNTY is responsible under the Contract Documents.

7.11.3 CMAR will include in all subcontracts an explicit requirement that Change Orders between CMAR and the subcontractors will be priced consistent with the requirement of Article 11 of these General Conditions, with adequate itemized Change Order pricing regardless of whether or not there is a comparable Change Order between CMAR and the COUNTY. In addition, CMAR shall retain, and make available to COUNTY upon request, all bid documents including requests for proposals, requests for quotes, and bid responses from both successful and unsuccessful bidding subcontractors.

ARTICLE 8

INDEMNIFICATION

8.1 PROPRIETARY RIGHTS, PATENT AND COPYRIGHT INFRINGEMENT

8.1.1 CMAR shall defend any action or proceeding brought against COUNTY based on any assertion or claim that the Work, or any part thereof, or the operation thereof or use of the Work or any part thereof, constitutes infringement of any proprietary rights, United States patent or copyright, now or hereafter issued. COUNTY agrees to give prompt notice in writing to CMAR of any such action or proceeding and to provide authority, information and assistance in the defense of same. CMAR shall indemnify and hold harmless COUNTY from and against all damages and costs, including attorney's fees, awarded against COUNTY or CMAR in any such action or proceeding. CMAR further agrees to keep COUNTY informed of all developments in the defense of such actions or proceedings.

8.1.2 In the event that COUNTY is enjoined from the operations or use of the Work, or any part thereof in connection with any proprietary rights, patent suit, claim, or proceeding, CMAR shall at its sole expense take reasonable steps to procure the right or license to operate or use the Work. If CMAR cannot so procure the aforesaid right within a reasonable time, CMAR shall then, promptly, at CMAR's option and at CMAR's expense (a) modify the Work so to avoid infringement of any patents, or copyrights; or (b) replace said Work with Work that does not infringe or violate any such proprietary rights, patent or copyright.

8.1.3 Sections 8.1.1 and 8.1.2 above shall not be applicable to any action or proceeding based on infringement or violation of a proprietary rights patent or copyright (a) relating solely to a particular process or the product of a particular manufacturer specified by COUNTY and such processes or products are something other than that which has been offered or recommended by CMAR to COUNTY; or (b) arising from modifications to the Work by COUNTY or its agents after acceptance of the Work.

8.1.4 CMAR's warranty and indemnification obligations shall survive expiration or termination of this Contract unless otherwise specifically stated.

8.1.5 The obligations set forth in this "Proprietary Rights, Patent and Copyright Infringement" section shall constitute the sole agreement between the parties relating to liability for infringement or violation of any proprietary rights, patent or copyright.

ARTICLE 9

TIME AND DELAY

9.1.1 The CMAR and COUNTY both recognize and acknowledge that any time limits set forth in the Contract Documents for performance are of the essence of this Contract. CMAR agrees that it will commence performance of the Work, achieve Substantial and Final Completion of the entire Work, and achieve any interim Milestones for Substantial and Final Completion in compliance with all contractual time requirements.

9.1.2 It also is agreed that time is of the essence of each and every part of the Contract Documents and of the Specifications wherein a definite and certain length of time is fixed for the performance of any act or activity whatsoever. Where, under the Contract Documents additional time is allowed for the completion of any work, the

new time limit fixed by such extension shall also be of the essence of this Contract.

9.1.3 Failure of the CMAR to achieve the completion dates for Substantial or Final Completion set forth in the Contract will result in the assessment of Liquidated Damages as required by the Contract. The per diem amount for Liquidated Damages provided for in the Contract shall be paid for each and every calendar day that the CMAR is not in full compliance with the time(s) stipulated in the Contract for completing the Work. The Liquidated Damages per diem amount is fixed and agreed upon by and between the CMAR and COUNTY because of the impracticality and extreme difficulty of fixing and ascertaining the actual damages the COUNTY would in such event sustain. Any such sums may be withheld by the COUNTY from Final Payment due hereunder or from retainage.

9.1.4 If CMAR is delayed in the performance of the Work and such delay actually and directly delays a timely achievement of a critical path activity, element or component, based upon an analysis of the current CPM Schedule due to acts, omissions, conditions, events, or circumstances beyond its reasonable control or prevention and due to no legal fault of its own or those for whom CMAR is responsible under the terms of the Contract Documents, the time for Substantial Completion of the Work, and to the extent applicable, any interim milestones or Substantial Completion dates for portions of the Work shall be extended by written Change Order for the amount of time attributable to such events or circumstances. By way of example only, such acts, omissions, conditions, events, and circumstances which would entitle CMAR to an extension of the Contract Time(s), include acts or omissions of COUNTY, or anyone under COUNTY's control, including changes made by separate contractors in the Work by COUNTY, unforeseeable Project site conditions, wars, floods, labor disputes, unusual delay in transportation and unusually adverse weather conditions.

9.1.5 The CMAR has included a specified number of days of weather related delays within the CPM Schedule which the COUNTY has approved and that number of days is incorporated herein by reference. If the Project experiences weather-related delays beyond the contractually specified number of weather days, the CMAR shall be entitled to a commensurate extension of time.

9.1.6 CMAR shall be entitled to an appropriate adjustment of its GMP for extended Construction General Conditions only for mutually determined delays directly caused by the actions, omissions or inactions of the COUNTY and upon proof of the actual, direct additional cost to the CMAR for such delays.

9.1.7 Notice of any delay in performance of the Work which CMAR attributes to the COUNTY shall be made by CMAR in writing to the DP and COUNTY immediately but in no event later than 24 hours after discovery of the event giving rise to the delay. The CMAR shall then provide additional details concerning the delay in writing to the DP and the COUNTY within seven (7) calendar days from the delay notice. Failure to satisfy each of these time requirements shall absolutely bar any and all later delay claims. The detailed notice shall indicate the cause of the delay, the anticipated length of the delay in reasonable detail, the probable effect of such delay upon the progress and Cost of the Work, and possible mitigation plans. If the cause of the delay is ongoing, the CMAR must give further detailed notice every month at the same time it submits the updated progress Narrative Report to COUNTY.

9.1.8 Within fifteen (15) calendar days after elimination of any such delay, the CMAR shall, unless the time is extended in a change order approved by the COUNTY, submit further documentation concerning the delay and, if appropriate, a formal written request requesting an extension of time for such delay and any compensation sought for the delay. The written request for time extension shall state the cause of the delay, the number of days of extension requested and the compensation sought and provide a fully documented analysis of the Progress Schedule, including a "fragnet" and any other data demonstrating a delay in the critical path of the Work or individual milestone or the overall Project completion. If the CMAR does not timely comply with the notice and documentation requirements set forth in this Section 9.1.8, the CMAR's claim for delay is barred.

9.1.9 In the event the CMAR gives notice to the COUNTY of compensable delay alleging that the COUNTY is responsible for the delay as to which the notice was given and the delay is unreasonable under the circumstances and was not within the contemplation of the COUNTY and CMAR when they entered into the Contract, the COUNTY will enter into negotiations with CMAR as to CMAR's damages, if any.

ARTICLE 10

CHANGES TO THE CONTRACT PRICE AND TIME

10.1 CHANGES

10.1.1 After the Contract is signed, modifications to the Contract, including any changes to GMP, the Contract Time(s) or Scope of Work, may only be made by a written Amendment or Change Order.

10.1.2 The CMAR shall not proceed with the Work on any change involving an increase or decrease in cost or time without prior approval of the change order or amendment by the Board of Supervisors or the Procurement Director, as required by Section 11.16.010(C) of the Pima County Procurement Code. If the CMAR proceeds with any change involving an increase or decrease in cost or time without written authorization from COUNTY as required by this paragraph, the CMAR hereby waives all rights or claims CMAR may have in connection with or as a result of the change.

10.1.3 The COUNTY's right to make changes in the work shall not invalidate this Contract, relieve the CMAR of any responsibility or require the COUNTY to give notice to the surety. Any requirement of notice to the Surety of a change in the work shall be the sole responsibility of CMAR.

10.1.4 An Amendment or Change Order is a written instrument issued after execution of the Contract signed by the COUNTY and CMAR, stating their agreement upon all of the following:

- a) The scope of the change in the Work;
- b) The amount of the adjustment, if any, to the GMP; and
- c) The extent of the adjustment, if any, to the Contract Time(s) for performance set forth in the Contract Documents.

10.1.5 All changes in the Work authorized by an Amendment or Change Order shall be performed under the applicable terms of the Contract Documents, and COUNTY, and CMAR shall negotiate in good faith and as expeditiously as possible on the appropriate adjustments, if any, in contract time or GMP. No GMP adjustment on account of a Change Order shall include the CMAR's or Subcontractor's profit, fee, home office overhead or a formula allocation of indirect costs except as allowed in Section 10.4.1 below unless otherwise specifically allowed under these General Conditions.

10.2 MINOR CHANGES IN THE WORK

10.2.1 DP may make minor changes in the Work consistent with the intent of the Contract Documents providing such changes do not involve an adjustment in the GMP or Contract Time(s) of performance and do not materially affect or alter the design, quality, or performance. The DP shall promptly inform COUNTY, in writing, of any such changes, and verify that CMAR has recorded such changes on the As-Built Documents.

10.3 PRICE, TIME, OR SCOPE OF WORK ADJUSTMENT

10.3.1 The cost of or credit to the COUNTY resulting from a change in the Work shall be determined in one or more of the following ways:

- a) By unit prices stated in the Contract Documents;
- b) By cost, as defined below, and described in Exhibit C, properly itemized and supported by sufficient data reduced to meaningful unit prices for each assembled component of the Work in order to facilitate evaluation. Such costs shall be itemized by crafts as defined within the Schedule of Values, submitted in a format approved by the COUNTY, and limited to items directly allocable to the change in the Work:
 - 1) Cost of materials, including delivery;
 - 2) Cost of labor, fully-burdened, including, but not limited to, payroll taxes, social security, old age and unemployment insurance, vacation and fringe benefits required by contract or routinely paid by CMAR, and worker's or workman's compensation insurance but excluding Subcontractor's labor;
 - 3) Rental value of equipment and machinery to be established by rental receipts and not to exceed reasonable and customary rates for the locale of the Work. For owned equipment, CMAR must prove reasonable rental rate pursuant to actual ownership costs. County will not pay for equipment idle time unless the equipment is engaged in County-authorized force account or other time and materials work, and then only for the time it is engaged in such work. When the work is completed or the equipment ceases to be used for that work, payment for idle time stops;

4) As a guideline, on a not-to-exceed ("NTE") percentage of Direct Construction Cost only basis, the following overhead, general conditions and fee percentages shall be utilized, and shall be fixed as a dollar amount, unless otherwise established in the Contract, or otherwise mutually agreed upon and documented in the change order description:

Subcontractor Fee (profit):	5%
Subcontractor Overhead & General Conditions, NTE:	<u>10%</u>
Total Subcontractor Markups, NTE:	15%
CMAR Fee (profit), approximately or as per CMAR Contract:	5%
CMAR Overhead & General Conditions, NTE or as per CMAR Contract:	<u>(TBD)%</u>
Total CMAR Markups, NTE:	<u>(TBD)%</u>

5) The Contract may include provisions for some situations where larger amounts of Overhead and General Conditions are needed to address extenuating site-related circumstances. However, the combined total fee, Profit, Overhead and General Conditions, including the CMAR and all levels or tiers of subcontractors, shall not exceed twenty-five percent (25%) of the total direct costs of materials, labor, rental equipment and subcontractor insurance and bonds.

c. Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to facilitate evaluations; provided that such lump sum shall not exceed that amount calculated under (b) above.

10.3.2 Any dispute regarding the pricing methodology or cost of a change shall not relieve the CMAR of the obligation to proceed with work on the change. Any such dispute shall be preserved by inclusion in the change order or amendment.

10.3.3 A COUNTY approved written Amendment or Change Order shall be full and final settlement of all entitlement claims for direct, indirect, delay, disruption, inefficiency, productivity and any other consequential costs related to items covered or affected, as well as for related delays. Any such claim not presented by the CMAR for inclusion in the Amendment or Change Order prior to signature is irrevocably waived.

10.3.4 In the event that COUNTY and the CMAR disagree upon whether CMAR is entitled to be paid for any Change Order or Change Directive services required of CMAR by COUNTY, or as to amount of compensation in the event of any other disagreement over the Scope of Work or proposed changes to the Work, COUNTY and CMAR agree to resolve all such disagreements consistent initially with Article 10 of these General Conditions and thereafter if not resolved, in accordance with Article XIII of the Contract. As part of the negotiation process, CMAR shall furnish COUNTY and DP with a good faith estimate of the costs to perform the disputed services or work in accordance with COUNTY's interpretations. If the parties are unable to agree, and COUNTY expects CMAR to promptly perform the services in accordance with COUNTY's or DP's interpretations of the documents, CMAR shall proceed to perform the disputed services, conditioned upon COUNTY issuing a written order to CMAR directing CMAR to proceed and specifying COUNTY's or DP's interpretation of the services that are to be performed.

10.3.5 The requirements set forth above as to CMAR providing detailed, itemized pricing on subcontractor Change Orders is fully applicable to Change Orders from CMAR to subcontractor where there is no comparable Change Order between COUNTY and CMAR.

10.4 EMERGENCIES

In any emergency affecting the safety of persons or property, CMAR shall promptly act, at its discretion, to prevent threatened damage, injury or loss. Any increase in the Guaranteed Maximum Price or Contract Time(s) of performance or both claimed by CMAR on account of emergency work shall be determined as provided in this Article.

ARTICLE 12
STOP WORK AND TERMINATION

12.1 COUNTY'S RIGHT TO STOP WORK OR TERMINATE FOR CONVENIENCE

12.1.1 COUNTY at any time may, without cause and for its convenience, order CMAR in writing to stop or suspend its Work, for a period not to exceed sixty (60) calendar days. In that event, CMAR may seek an adjustment of the GMP or Time(s) of performance or both under Article 10 of the General Conditions to the extent that its Work has been adversely impacted by any such suspension or stoppage of work by COUNTY, unless actions, omissions or inactions of the CMAR are the cause of the COUNTY stopping or suspending the Work.

12.1.2 Upon seven (7) days written notice to CMAR, COUNTY may, without cause and without prejudice to any other right or remedy of COUNTY, elect to terminate the Contract for convenience of the COUNTY. In such case CMAR shall be paid (without duplication of any items): a) for completed and accepted Work executed in accordance with Contract Documents prior to the effective date of the termination, including fair and reasonable sums for overhead and profit on such Work; b) for expenses sustained prior to termination in performing services and furnishing labor, materials and equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; c) for all claims, costs, losses and damages incurred in settlement of terminated contracts with subcontractors, suppliers and others and d) for reasonable expenses directly attributable to termination.

12.1.3 Upon receiving a Notice of Termination for Convenience, the CMAR shall proceed as follows: a) stop work as specified in the Notice, b) place no further subcontracts on purchase orders, c) terminate all subcontracts to the extent they relate to the Work terminated, d) assign to the COUNTY all rights of the CMAR under terminated subcontracts, in which case COUNTY shall have the right to settle or to pay any termination settlement proposal arising out of these terminations, and e) submit complete termination inventory schedules to COUNTY no later than 120 days from date of the Notice of Termination.

12.2 COUNTY'S RIGHT TO TERMINATE FOR DEFAULT AND PERFORM

12.2.1 If CMAR persistently fails to (a) provide a sufficient number of skilled workers; or the materials required by the Construction Documents or both; (b) comply with applicable Legal Requirements; (c) pay, without cause, its Subcontractors or suppliers; (d) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s) as may be from time to time adjusted; (e) maintain contractor, business or other required license or authority; or (f) otherwise perform the Work and its obligations in compliance with the Contract Documents; or if or for any reason CONTRACTOR curtails or ceases business or business operations to a degree that would substantially impair or preclude CONTRACTOR's performance of this Contract, COUNTY shall have the right, in addition to any other rights and remedies provided in the Contract Documents or by law, after seven (7) days written notice of default to CMAR and CMAR's failure to cure within that seven day period, to (i) perform and furnish through itself or through others it selects any such labor, materials, or Work, and to deduct the cost thereof from any monies due or to become due to CMAR under the Contract Documents; or (ii) terminate the Contract with CMAR for all or any portion of the Work, enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment scaffolds, tools, appliances, and other items thereon, all of which CMAR hereby transfers, assigns and sets over to COUNTY for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items; or (iii) both. Upon exercising its right to Terminate for Default for any reason set forth above, COUNTY, at its discretion, may also exercise the right to have each or any of CMAR's subcontractor and supply contracts assigned to COUNTY, or COUNTY's nominee, provided however, COUNTY should have no responsibility or liability for acts or omission of CMAR under such Contracts and the sole recourse of subcontractors on pre-termination events shall be against CMAR. CMAR shall ensure that a clause providing for this conditional assignment on the afore described terms is inserted into each subcontract.

12.2.2 In the event of such termination for default:

12.2.2.1 CMAR shall not be entitled to recover any further payment until the Work is completed and shall then only be entitled to be paid for all acceptable Work performed prior to its date of default minus costs incurred by COUNTY to complete the Project exceeding the GMP as described below. In the event COUNTY's cost and expense of completing CMAR's Work shall exceed the GMP, then CMAR or its surety shall promptly pay the difference to COUNTY. Such costs and expense shall include, not only the cost of completing the Work to the satisfaction of COUNTY and of performing and furnishing all labor, services, tools, equipment and other items

required in the Contract Documents, but also losses, damages, costs and expense, including consultant and attorney's fees and expenses incurred in connection with the reprocurement and defending claims, arising from or related to CMAR's default.

12.2.2.2 All finished and unfinished as-builts, shop drawings, documents, data, studies, surveys, drawings, photographs, reports and other information in whatever form, including electronic, acquired or prepared by CMAR for this project shall become COUNTY's property and shall be delivered to COUNTY not later than five (5) business days after the effective date of the termination.

12.2.3.8 COUNTY may withhold payments to CMAR arising under this or any other Contract for the purpose of set-off until such time as the exact amount of damage due COUNTY from CMAR is determined.

12.3.8 CMAR agrees that in the event that COUNTY terminates the Contract for default and such termination is ultimately determined to be improper or wrongful, the termination for default will be automatically converted to a termination for convenience and the provisions of 12.1 of these General Conditions shall apply.

12.3.9 The parties agree that if CMAR institutes or has instituted against it a proceeding under the United States Bankruptcy Code, such event may impair or frustrate CMAR's performance of its obligations under the Contract Documents. Accordingly, if such event of default occurs, COUNTY shall be entitled to request CMAR, its trustee or other successor, to provide adequate assurance of future performance and CMAR agrees such request must be complied with. If CMAR fails to comply with such request within ten (10) days after receiving notice of the request, COUNTY, in addition to any other rights and remedies provided by the Contract Documents, or by law, shall be entitled to terminate the Contract. COUNTY shall thereupon be entitled to perform and furnish through itself or through others any such labor, materials or equipment necessary for the completion of the Work and necessary to maintain the Contract Time(s) of performance, and to deduct the costs from any monies due or to become due CMAR under the Contract Documents pending receipt of adequate assurances of performance and actual performance in accordance herewith. In the event of any such bankruptcy proceedings, the Contract shall terminate if CMAR rejects the Contract or if there has been a default under the Contract Documents, and CMAR is unable to give adequate assurances that it will perform as provided in the Contract Documents or otherwise is unable to comply with the requirements for assuming the Contract under the applicable provisions of the Bankruptcy Code.

12.3 CMAR'S RIGHT TO STOP WORK AND TERMINATE FOR CAUSE

12.3.1 CMAR may, in addition to any other rights afforded it under the Contract Documents or by applicable law, either stop work or terminate the Contract for cause upon COUNTY's failure to timely pay an amount in excess of \$100,000 dollars properly due to CMAR under any CMAR Application for Payment. In this regard CMAR shall provide COUNTY with written notice indicating that such non-payment condition has occurred, and that it is CMAR's intention to only stop work or terminate the Contract if the non-payment condition is not cured within seven (7) days from COUNTY's receipt of CMAR's notice. In the event that CMAR elects to only stop Work, it may nonetheless later indicate its intention to terminate the Contract by providing COUNTY with written notice that CMAR will terminate the Contract within seven (7) days from receipt of CMAR's notice; unless the alleged cause of termination is cured in the interim.

12.3.2 In the event CMAR properly and lawfully elects to stop Work under section 12.3.1 for non-payment and then resumes Work, CMAR shall be entitled to make a claim for adjustment to the GMP and Contract Time(s) of performance to the extent CMAR has been adversely impacted by the stoppage of Work. In the event that CMAR elects to terminate the Contract on the basis permitted under Section 12.3.1, CMAR shall be entitled to recover the same costs it would be permitted to recover had COUNTY terminated this Contract for convenience under 12.1 of these General Conditions.

12.4 If the Contract is terminated for any of the reasons set forth above, CMAR's contracts with its subcontractors and suppliers, at COUNTY's option and without further action by CMAR, be assigned to COUNTY; provided however, that COUNTY shall have no liability for any pre-existing acts or omissions or default by CMAR under such contracts and the sole recourse of such subcontractors and suppliers for any such events shall be against CMAR.

APPENDIX C: SECTION RESERVED

01/06/15
APPENDIX D: CONSTRUCTION COSTING

ARTICLE 1 – GENERAL

The Guaranteed Maximum Price (GMP) shall be developed as provided for in this Appendix. The GMP Proposal for the entire Work (or portions thereof) will be presented in a format acceptable to COUNTY, and shall include the clarifications or assumptions upon which the GMP Proposal is based.

A. The format of the GMP proposal shall generally adhere to the following:

1. Summary of the GMP: A summary of the GMP with a total for each of the components of the GMP defined in the Construction Provisions (i.e. "Cost of the Work", "CMAR Contingency", "Fee") as described and as shown in Attachment 1 to this GMP Appendix. If there will be multiple GMPs, then the GMP Summary will be presented in a spreadsheet format with each successive GMP in a separate column with the total GMP in the rightmost column.
2. Scope of Work: a brief description of the work to be performed for the Project or phase(s) to which the GMP proposal applies. Exclusions must be clearly stated.
3. Schedule of Values – summary spreadsheet and backup documents: Spreadsheet with the estimated cost organized by subcontract categories, systems, etc., and used to review the contractor's applications for progress payments. The supporting document(s) for the spreadsheet must be provided in an organized manner that correlates with the schedule of values. The backup information shall consist of the request for bids, bids received, and clarification assumptions used for the particular bid item listed on the schedule of values, if applicable.
4. List of Plans and Specifications used for GMP Proposal: A list of the Plans and Specifications with latest issuance date including all addenda used in preparation of the GMP proposal. (Date stamped and signed by CMAR).
5. List of clarifications, assumptions and exclusions: A list of the clarifications, assumptions, and exclusions by CMAR with regard to the Scope of Work in the GMP proposal, to supplement the information contained in the documents.
6. Project Schedule in CPM format: A Critical Path Method (CPM) diagram construction schedule. An updated Project Management Plan shall also be submitted with each GMP proposal.
7. A cash-flow forecast based on the proposed construction schedule, schedule of values and GMP. If the construction covered by the GMP overlaps construction performed under a prior GMP, their cash flows will be consolidated into a single cash-flow statement.
8. Subcontractor Selections / SBE Requirements / Utilization Form / Letters of Intent: A summary of the Subcontractor Selections, including an SBE requirements section addressing the goals set for the Project and the current status on meeting the Project goals. The Utilization form and Letters of Intent must be attached when subcontractor selection has been made prior to final GMP submittal. Subcontractor selections must conform to the approved Subcontractor Selection Plan.

B. The submittal package must be kept as simple as possible all on 8 1/2 x 11 sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

C. The parties may, by agreement, use a simplified GMP format for smaller projects or phases, so long as the documents supporting the GMP clearly delineate the work—or that portion of the work—to which the GMP applies and provide a schedule for completion of the work.

ARTICLE 2 – COST OF THE WORK

A. Cost of the Work

The term "Cost of the Work" shall mean costs necessarily incurred by the Contractor in the proper performance of

the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the COUNTY. The Cost of the Work shall include only the items set forth in this **Article 2**.

B. Labor Costs

1. Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the COUNTY's approval, at off-site workshops. *Cost to be reimbursed will be the actual wages paid to the individuals performing the work.*
2. Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site with the COUNTY's approval. No Contractor personnel stationed at the Contractor's home or branch offices shall be charged to the Cost of the Work. Non-field office based Contractor management and support personnel are expected to provide service and advice from time to time throughout the job and their time devoted to project matters is considered to be covered by the Contractor's overhead.
3. Wages and salaries of the Contractor's supervisory or administrative personnel who would normally be stationed at the field office but who become engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.
4. Employee bonuses and/or costs associated with Employee Stock Ownership Plans (ESOP) will not be considered reimbursable labor or labor burden costs and will be considered non-reimbursable costs covered by the Contractor's Fee.
5. Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Subparagraphs B.1 through B.3.
6. When computing actual costs chargeable to the Cost of the Work for payroll taxes, the Contractor shall give proper consideration to the annual limitations of the wages subject to applicable payroll taxes. The Contractor may accomplish this through the use of an accounting system which computes actual costs for payroll taxes when incurred up to the wage limit cut-off and allocated same to all jobs by individual based on the time worked on each job by the individual. Alternatively the Contractor may use an estimated net effective payroll tax percentage to allocate payroll tax costs during the year and make appropriate adjustments at the end of the year or at the end of the project (whichever is more appropriate) to adjust the costs to actual net payroll tax cost. Using the latter approach, if 50% of the wages paid to an employee during the year were chargeable to the Cost of the Work, then only 50% of the actual annual costs of payroll taxes would be allocable to the Cost of the Work, etc.
7. Cost of the Work shall include the actual net cost to the Contractor for worker's compensation insurance attributable to the wages chargeable to the Cost of the Work per this agreement. The actual net cost of worker's compensation shall take into consideration all cost adjustments due to experience modifiers, premium discounts, policy dividends, retrospective rating plan premium adjustments, assigned risk pool rebates, any applicable weekly maximums, etc. The Contractor may charge an estimated amount for worker's compensation insurance costs, but will make appropriate cost adjustments to actual costs within 45 days of receipt of actual cost adjustments from the insurance carrier.
8. Overtime wages paid to onsite salaried personnel (if approved in advance in writing by the COUNTY) will be reimbursed at the actual rate of overtime pay paid to the individual. No time charges for overtime hours worked on the project will be allowed if the individual is not paid for the overtime worked.
9. Any overtime premium or shift differential expense to be incurred by Contractor for hourly workers shall require COUNTY's advance written approval before the incremental cost of the overtime premium or shift differential will be considered a reimbursable cost. If the Contractor is required to work overtime as a result of an inexcusable delay or other coordination problems caused by the Contractor or anyone for whom they are responsible, the overtime premium and/or shift differential expense portion of the payroll expense and related labor burden costs will be considered as cost not to be reimbursed.

10. Reimbursable labor burden costs will be limited to payroll taxes, worker's compensation insurance, the employer's portion of union benefit costs for union employees working on the project, and the actual verifiable fringe benefit costs incurred by Contractor for non-union individuals working on the project subject to the following maximum percentages for the following reimbursable non-union fringe benefit costs. The following maximums (as a percentage of reimbursable actual wages by individual) shall apply for each of the following types of fringe benefit costs specifically attributable to the each of the non-union personnel working on the project:

Medical Insurance, Dental, Life & AD&D Insurance	12.00%
Holiday, vacation and other paid time not worked	10.00%
Pension Plan Contributions to Vested Employee Account, Simplified Employee Pension Plans, or 401K matching plans (Note: ESOP related costs are covered by Contractor FEE)	
	10.00%

Note: For non-union personnel, no other fringe benefit costs (other than the 3 specific categories listed immediately above shall be considered reimbursable Cost of the Work. Any labor burden costs that are in excess of the amounts considered reimbursable or are otherwise not considered reimbursable under the terms of this agreement are intended to be covered by Contractor FEE.

C. Subcontract Costs

1. Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts.
2. For scope of work bid packages typically performed by subcontractors, Contractor may "self-perform" such work in accordance with **Sections 2.2.4.10 – 12 of the General Conditions**. All savings under any such subcontract for "self-performed work" shall be applied to reduce the Cost of the Work under this Contract and the Guaranteed Maximum Price of this Contract. For purposes of defining "self-performed work" subject to this contract, any division of Contractor, or any separate Contractor or subcontractor that is partially owned or wholly owned by the Contractor or any of their employees or employee's relatives will be considered a related party entity and will be subject to this provision regarding "self-performed work". No self-performed work will be allowed to be performed on a lump sum basis.
3. Contractor (with respect to its suppliers, subcontractors and all lower tier subcontractors) shall provide COUNTY advance written notice and shall obtain COUNTY's approval for any proposed subcontract change order, material purchase order, or other financial commitment in an amount in excess of \$5,000 prior to placing such order or entering into such agreement (regardless of whether or not any such commitment will affect the prime contract Guaranteed Maximum Cost). It is agreed that sums applicable to any subcontract change order, purchase order or other financial commitment entered into in violation of the above notice and approval requirement shall not be included in the amounts owing to Contractor whether as Costs of the Work or as reasonable termination costs in the event of termination.

D. Overhead

1. Corporate overhead properly allocable to the project shall be considered a reimbursable cost.
2. The amount or rate of contribution to overhead must be established by independent audit and the same or similar rate applied to other contracts with public or private entities.

E. Costs of Materials and Equipment Incorporated in the Completed Construction

1. Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.
2. Costs of materials described in the preceding Subparagraph D.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the COUNTY's property at the completion of the Work or, at the COUNTY's option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the COUNTY as a deduction from the Cost of the Work.
3. Proceeds from the sale of recyclable materials, scrap, waste, etc. shall be credited to job cost.

F. Costs of Other Materials and Equipment, Temporary Facilities and Related Items

1. Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.
2. Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the COUNTY's prior approval.
3. The projected usage for each piece of equipment to be rented for use on the project and the estimated total rentals shall be considered by the Contractor before the piece of equipment is rented so that an appropriate rent versus buy decision can be made. Purchased equipment shall be considered "job owned". At the completion of the project, the Contractor shall transfer title and possession of all remaining job-owned equipment to the COUNTY, or Contractor may keep any such equipment for an appropriate fair market value credit to job cost mutually agreed by COUNTY and Contractor.
4. Each piece of equipment to be rented shall have hourly, daily, weekly and monthly rates and the most economical rate available shall be reimbursed based on the circumstances of actual need and usage of the piece of equipment while it is stationed at the jobsite. When the piece of equipment is no longer needed for the work, no rental charges will be reimbursed if the piece of equipment remains at the jobsite for the convenience of the contractor.
5. Reimbursable equipment rental rates for CMAR-owned equipment shall not exceed the published rates in the latest edition of the "Rental Equipment Blue Book." If the Blue Book does not contain information related to the type of equipment rented, the Contractor will be allowed to use a maximum equipment rental rate not greater than current competitive rental rates from local third party equipment rental companies.
6. The aggregate rentals chargeable for each piece of CMAR-owned tools or equipment shall not exceed 50% of the fair market value of such equipment at the time of its commitment to the Work. The original purchase price and date of purchase of the equipment will be documented with a copy of the purchase invoice for the piece of equipment. Such aggregate limitations will apply and no further rentals shall be charged even if a piece of equipment is taken off the job and is later replaced by a similar piece of equipment. For purposes of computing the aggregate rentals applicable to aggregate rental limitations, rental charges for similar pieces of equipment will be combined if the pieces of equipment were not used at the same time.
7. Fair market value for used material and equipment as referred to in this contract shall mean the estimated price a reasonable purchaser would pay to purchase the used material or equipment at the time it was initially needed for the job. Note: This is usually lower than the price a reasonable purchaser would pay for similar new construction material or construction equipment.
8. Rental charges for equipment which is not owned by Contractor or any of its affiliates, subsidiaries, or other related parties and is rented from third parties for proper use in completion of the Work shall be considered reimbursable, will be reimbursed at actual costs, as long as rental rates are generally competitive with those prevailing in the locality. For any lease/purchase arrangement where any of the lease/purchase rental charges were charged to COUNTY as reimbursable job costs, appropriate credit adjustments to job cost will be made for an appropriate pro rata share of the fair market value of the equipment at the time it was last used on the job.
9. Except for charges incurred in responding to an emergency, standby or idle time charges for CMAR-owned equipment are allowable only to the extent specifically approved by COUNTY as part of a changed conditions claim or force account work. County will not pay for equipment idle time unless the equipment is engaged in County-authorized force account or other time and materials work, and then only for the time it is engaged in such work. When the work is completed or the equipment ceases to be used for that work, payment for idle time stops. Standby and idle time charges not specifically so approved are not allowable. Allowable standby and idle time charges may not exceed 8 hours in any one working day nor 40 hours in any workweek. The charge for standby or idle time may not exceed 33% of the agreed rental rate for the

particular piece of equipment. No standby or idle time charges shall apply after the last use of equipment on the project for both CMAR-owned equipment and equipment rented from third parties.

10. All losses resulting from lost, damaged or stolen tools and equipment shall be the sole responsibility of the Contractor, and not the COUNTY, and the cost of such losses shall not be reimbursable under this contract.
11. The Contractor shall be required to maintain a detailed equipment inventory of all job-owned equipment (either purchased and charged to job cost or job-owned through aggregate rentals) and such inventory shall be submitted to COUNTY each month. For each piece of equipment, such inventory should contain at a minimum (1) original purchase price or acquisition cost (2) acquisition date (3) approved FMV at the time the piece of equipment was first used on the job and (4) final disposition.
12. All costs incurred for minor maintenance and repairs shall be reimbursed at actual cost. Such costs include routine and preventive maintenance, minor repairs and other incidental costs. Repairs and/or replacement of a capital nature are considered to be covered by the rental rates. Major repairs and overhauls are not considered routine and ordinary, consequently such costs are not reimbursable and are intended to be covered by the rental rates.
13. Costs of removal of debris from the site.
14. Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.
15. That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.
16. No travel expenses will be reimbursed to Contractor's representatives unless Project related travel required them to travel to a destination more than 50 miles from the project location. Any travel involving airfare will require advance written approval by COUNTY's authorized representative. If approved, compensation for travel shall be subject to COUNTY's current travel policy or, in absence thereof, the then current U.S. General Services Administration per diem rates.
17. Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the COUNTY.
18. Reproduction costs will be the actual costs of reproduction subject to a maximum of five cents (\$.05) per square foot for prints and a maximum of five cents (\$.05) per 8 1/2 by 11 inch page for offset print or photo copied contract documents, specifications, etc. Telephone costs will be the actual costs paid to the third party telephone company for the field office telephone.

G. Miscellaneous Costs

1. That portion of insurance and bond premiums that can be directly attributed to this Contract.
2. The Contractor's actual cost for insurance shall be considered to be included within the Maximum limit for General Conditions costs. All premiums for any insurance and bonds required for the project shall reflect the net actual costs to Contractor after taking into consideration cost adjustments due to experience modifiers, premium discounts, policy dividends, retrospective rating plan premium adjustments, assigned risk pool rebates, refunds, etc.
3. The amount to be reimbursed to the contractor for all contractually required liability insurance will be actual costs not to exceed a total of 0.5% of the net reimbursable Cost of Work (not including liability insurance and not including fee). If the Contractor's cost of contractually required liability insurance is greater than the amount agreed to be reimbursed per this contract provision, the difference shall be considered to be covered by the Contractor's fee.
4. In the event the contractor elects to utilize worker's compensation insurance programs that involve either self-insurance and/or large deductibles, the maximum amount to be considered reimbursable costs under this contract will not exceed an amount equal to 40% of the standard state worker's compensation rates applicable times contractor straight time wages. Any contractor costs incurred in connection with the

contractor's elected worker's compensation insurance program that exceeds the amount reimbursed by the COUNTY under the formula in this paragraph will be considered to be covered by the Contractor's fee.

5. In the event that the contractor elects to utilize a subcontractor default insurance program (sometimes referred to as SUBGUARD), the maximum amount to be considered reimbursable costs under this contract will be 0.7% of the total amount of subcontracts enrolled in such an insurance program. Enrollment in any such program will be limited to subcontracts in excess of \$100,000. Any contractor costs incurred in connection with the contractor's elected subcontractor default insurance program that exceed the amount reimbursed by the COUNTY under the formula in this paragraph will be considered to be covered by the Contractor's fee. In the event the Contractor elects to bond selected subcontractors rather than enroll them in the subcontractor default insurance program, the net cost to purchase any such bonds will be reimbursed in lieu of the 0.7%
6. In the event that the contractor elects to utilize a Contractor Controlled Insurance Program (CCIP) the maximum to be considered reimbursable costs under this contract will be 2% of the final agreed upon Guaranteed Maximum Price of this contract. This 2% cost factor will cover all insurance required to be carried by the prime contractor and all applicable subcontractors covered by this agreement (specifically worker's compensation insurance, general liability insurance, excess liability insurance, umbrella liability insurance). Any contractor cost incurred in connection with the contractor's elected CCIP program that exceeds the amount reimbursed by the COUNTY under the formula in this paragraph will be considered to be covered by the Contractor's fee.
7. Sales, franchise, use or other taxes imposed by a governmental authority that are related to the Work.
8. Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.
9. Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work and which do not fall within the scope of Subparagraph 2.H.3.
10. Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against Contractor resulting from such suits or claims and payments of settlements made with the COUNTY's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price.
11. Data processing costs related to the Work.
12. However, any such data processing costs will be limited to the cost of personal computer hardware used at the field office in the normal day to day administration, management and control of the project. The aggregate charges for any such hardware shall not exceed the FMV of the hardware at the time it was brought to the field office. If the total charges for any particular piece of hardware reach an amount equal to the FMV, that particular piece of hardware shall be turned over to the COUNTY whenever it is no longer needed for the project. If the Contractor elects to keep the particular piece of hardware, the job costs shall be credited with a mutually agreeable amount which shall represent the FMV of the particular piece of hardware at the time it was no longer needed for the job. Software or other costs associated with the use of computer programs shall not be considered to be a reimbursable cost and will be considered to be covered by the Contractor's Fee.
13. Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the COUNTY as set forth in the Contract Documents.
14. Expenses incurred in accordance with the Contractor's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, if approved **in advance** by the COUNTY.
Note: At the current time, it is not anticipated that any such costs will be necessary to staff the project. If, however, the Contractor determines that such expenses will be necessary to properly staff the job, the COUNTY's advance written approval will be required before any such costs are considered reimbursable. In the event that the COUNTY authorizes the reimbursement of relocation costs, the reimbursable relocation expenses will be limited to a maximum of \$50,000 per person. Any relocation cost incurred by

Contractor in excess of the amount reimbursed by COUNTY will be considered to be covered by the Contractor's FEE.

H. Other Costs and Emergencies

1. Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the COUNTY.
2. Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.
3. Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.
4. Costs incurred to provide site safety, including all Traffic Control; however, to the extent any cost referred to in this paragraph is incurred by reason of the negligence or other fault of CMAR or any Subcontractor or sub-subcontractor or is reimbursable by insurance or otherwise, then such costs shall be excluded from the Cost of the Work.

ARTICLE 3 - COSTS NOT TO BE REIMBURSED

A. The Cost of the Work shall not include:

1. Expenses of the Contractor's principal office and offices other than the site office and salaries and other compensation of personnel stationed at the Contractor's principal office or offices other than the site office may not be charged directly to the project. Such expenses shall be included in overhead.
2. Costs of Contractor's home office computer services or other outside computer processing services shall be considered overhead and general expense. Accordingly the Contractor should not plan to perform any such computer related services or alternatives at the field office when such services or functions can be performed at the Contractor's home or branch offices, or other outside service locations.
3. The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.
4. Rental costs of machinery and equipment, except as specifically provided in Subparagraph 2.F.2.
5. Except as provided in Subparagraph 2.H.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts of them may be liable.

B. Any cost not specifically and expressly described in Article 2.

C. Costs, other than costs included in Change Orders approved by the COUNTY, that would cause the Guaranteed Maximum Price to be exceeded. All costs, if any, in excess of the cumulative GMP as set forth in the Contract.

D. Legal expenses incurred in prosecuting or defending claims in mediation or litigation (including without limitation, legal expenses incurred pursuant to indemnifying the COUNTY and other Covered Parties).

ARTICLE 4 - DISCOUNTS, REBATES AND REFUNDS

A. Cash discounts obtained on payments made by the Contractor shall accrue to the COUNTY if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefore from the COUNTY, or (2) the COUNTY has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales or surplus materials and equipment shall accrue to the COUNTY, and the Contractor shall make provisions so that they can be secured.

1. Cost of the Work will be credited with all insurance policy discounts, performance and payment bond rebates or refunds, refunds or return premiums from any subcontractor default insurance, refunds or rebates from any contractor controlled insurance programs applicable to the project, merchandise rebates of any nature, refunds of any nature, insurance dividends; and a portion of any volume rebates or free material credits earned with purchase of material or other goods and services charged to the job.
2. "Cash" discounts which may accrue to the Contractor will be limited to a maximum of 1.5% of invoice cost. Any portion of "Cash" discounts greater than 1.5% shall automatically accrue to COUNTY if the contractor is eligible to take advantage of the discounts.

B. Amounts that accrue to the COUNTY in accordance with the provisions of Paragraph 4.A.1 shall be credited to the COUNTY as a deduction from the Cost of the Work.

ARTICLE 5 - CONTINGENCY FUND

Generally:

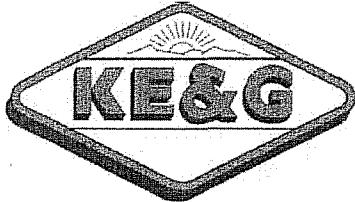
- A. The GMP may include a CMAR Contingency in the amount stated in the GMP Summary. Each line item of the GMP Summary for which risk remains after preconstruction will carry an agreed on contingency that can be traced back to the initial cost model. Subject to the terms of the Contract Documents and with prior notification to and approval by COUNTY, CMAR shall be entitled to allocate from and apply against the CMAR Contingency increases in the Cost of the Work that could not have been reasonably anticipated by a contractor using the standard of care and skill that a professional CMAR in Arizona would exercise under similar conditions at the time the GMP was established or for increases in General Condition Costs. The COUNTY may disallow such contingency use and deny reimbursement in the absence of prior notice or if the COUNTY determines that the use was not consistent with the Contract documents.
- B. CMAR may not apply, use or allocate from the CMAR Contingency any amounts for any of the foregoing purposes that are the result of a material breach or material failure to perform by CMAR, any subcontractor or vendor (except as necessary to replace any subcontractor or vendor because of the bankruptcy or failure of such party to perform), or any party for which any of them are liable or responsible at law or under the contract documents, or for any non-allowable costs of the work.
- C. Each application of the CMAR contingency by CMAR shall be reflected (with narrative explanation) on the Application for Progress Payment for the period during which CMAR makes such application. Application of contingency to any particular risk event should not exceed the agreed associated amount of the contingency previously assigned to the specific line item in the GMP. Any portion of the CMAR contingency remaining unapplied at final completion shall be a credit against and reduce the GMP. When the CMAR utilizes CMAR's Contingency funds, the CMAR shall make the appropriate changes to the schedule of values with the next regular progress payment request. The CMAR shall deduct the amount of CMAR's Contingency funds used from the CMAR's Contingency line item and add the same amount to the line item on the schedule of values where the funds were used. If the CMAR's Contingency funds are used for a new line item that was not included in the original schedule of values, that will be so indicated.
- D. CMAR contingency is not cumulative across multiple GMPs.
- E. Owner's Contingency is a sum of money in the Contract but not included in the GMP that may be used at the discretion of the COUNTY to cover any increases in Project costs that result from COUNTY directed changes, changed site conditions, or additional costs of Allowance Items the cost of which exceeds the Allowance therefor. Owner's Contingency will be added to the GMP amount provided by the CMAR, the sum of which will be the full contract price for construction. Markups for Construction Fee, taxes and overhead shall be applied by CMAR at the time that Owner's Contingency is used.
- F. Owner's Contingency and CMAR Contingency shall not be combined into a single project contingency.

GMP SUMMARY FORMAT - ATTACHMENT 1 TO APPENDIX "D"

CONSTRUCTION	AMOUNT
CONSTRUCTION COSTS:	
Cost of Construction	\$
CMAR Contingency	\$
<i>Subtotal Direct Construction Costs</i>	\$
INDIRECT CONSTRUCTION COSTS:	
General Conditions	\$
Overhead	\$
Insurance	\$
Payment and Performance Bonds	\$
Subtotal Direct Construction Cost + Gen Cond, Overhead, Bonds, Insurance	\$
Construction Fee (As a percentage of Subtotal above or to exclude any items above)	
Subtotal Direct Construction Cost + Gen Cond, Overhead, Bonds, Insurance and Fee	
Arizona Gross Receipts Tax	\$
Subtotal Direct Construction Cost + Gen Cond, Overhead, Bonds, Insurance, Fee and Tax	\$
GUARANTEED MAXIMUM PRICE (GMP)	\$
OTHER PROJECT COSTS:	
Owner Contingency	\$
TOTAL CONTRACT COST	\$

END APPENDIX "D"

APPENDIX E: ESTIMATED PRECONSTRUCTION FEE



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5100 S. ALVERNON WAY
TUCSON, ARIZONA 85706
(520) 748-0188
FAX (520) 748-8975

June 19, 2015

Pima County Procurement Department, Design & Construction Division
130 W. Congress Street, 3rd Floor
Tucson, AZ 85701

Attn: Keith Rogers, CPPB, Contract Officer

Re: Pre-Construction Services – Construction Manager at Risk Services For The
Southeast Interceptor Augmentation Project Number 2SEI13

Dear Mr. Rogers,

We appreciate the opportunity to work with you and the Pima County Team on another Construction Manager at Risk project. Per your request, attached is the preconstruction fee breakdown including a level of effort breakdown for KE&G Construction, Inc., our public relations team member, Kaneen PR. Included in KE&G's breakdown are the hourly rates and anticipated hours for given tasks we feel are necessary for the preconstruction phase.

Should you have any questions or comments concerning our preconstruction services breakdown, please contact me at your convenience.

Sincerely,

KE&G Construction, Inc.

A handwritten signature in black ink that reads "Christopher W. Albright". The signature is fluid and cursive, with "Christopher" and "W." being more formal and "Albright" being more stylized.

Christopher W. Albright
President

APPENDIX E: ESTIMATED PRECONSTRUCTION FEE

Phase I, Pre-Construction/Design Services:

TASK 1: Team Building / Chartering (Meetings)

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	38	\$4,750.00
2. PROJECT MANAGER	\$65.00	72	\$4,680.00
3. PROJECT ENGINEER	\$40.00	110	\$4,400.00
4. GENERAL SUPERINTENDENT	\$70.00	36	\$2,520.00
5. KANEEN PR	\$96.80	156	\$15,100.80
Total for Task 1:			\$31,450.80

TASK 2: Project Scheduling / Management Planning

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
<u>Labor Rate</u>			
1. PRINCIPAL	\$125.00	4	\$ 500.00
2. PROJECT MANAGER	\$65.00	40	\$2,600.00
3. PROJECT ENGINEER	\$40.00	60	\$2,400.00
4. GENERAL SUPERINTENDENT	\$70.00	6	\$ 420.00
Total for Task 2:			\$5,920.00

TASK 3: Integration of Owner Project Controls in CMAR Project Delivery Strategy

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
<u>Labor Rate</u>			
1. PRINCIPAL	\$125.00	6	\$ 750.00
2. PROJECT MANAGER	\$65.00	16	\$1,040.00
3. PROJECT ENGINEER	\$40.00	24	\$ 960.00
4. GENERAL SUPERINTENDENT	\$70.00	4	\$ 280.00
Total for Task 3:			\$3,030.00

TASK 4: Value Analysis / Engineering

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
<u>Labor Rate</u>			
1. PRINCIPAL	\$125.00	30	\$3,750.00
2. PROJECT MANAGER	\$65.00	70	\$4,550.00
3. PROJECT ENGINEER	\$40.00	110	\$4,400.00
4. GENERAL SUPERINTENDENT	\$70.00	50	\$3,500.00
Total for Task 4:			\$16,200.00

TASK 5: Permit Application Assistance

<u>Classification/Discipline:</u> <u>Labor Rate</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	8	\$1,000.00
2. PROJECT MANAGER	\$65.00	40	\$2,600.00
3. PROJECT ENGINEER	\$40.00	120	\$4,800.00
4. GENERAL SUPERINTENDENT	\$70.00	8	\$ 560.00
Total for Task 5:			\$8,960.00

TASK 6: Identify Potential Odor Control Issues

<u>Classification/Discipline:</u> <u>Labor Rate</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	4	\$ 500.00
2. PROJECT MANAGER	\$65.00	8	\$ 520.00
3. PROJECT ENGINEER	\$40.00	12	\$ 480.00
4. GENERAL SUPERINTENDENT	\$70.00	4	\$ 280.00
Total for Task 6:			\$1,780.00

TASK 7: Field Work as Required to Obtain Permit / Regulatory Body Clearances

<u>Classification/Discipline:</u> <u>Labor Rate</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	6	\$ 750.00
2. PROJECT MANAGER	\$65.00	12	\$ 780.00
3. PROJECT ENGINEER	\$40.00	40	\$1,600.00
4. GENERAL SUPERINTENDENT	\$70.00	44	\$3,080.00
5. CONSTRUCTION SUPERVISOR	\$200.00	120	\$24,000.00
Total for Task 7:			\$30,210.00

TASK 8: Constructability Reviews

<u>Classification/Discipline:</u> <u>Labor Rate</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	13	\$1,625.00
2. PROJECT MANAGER	\$65.00	40	\$2,600.00
3. PROJECT ENGINEER	\$40.00	44	\$1,760.00
4. GENERAL SUPERINTENDENT	\$70.00	24	\$1,680.00
Total for Task 8:			\$7,665.00

TASK 9: Development and Maintenance of a Project Cost Model / Budget

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	12	\$1,500.00
2. PROJECT MANAGER	\$65.00	40	\$2,600.00
3. PROJECT ENGINEER	\$40.00	60	\$2,400.00
Total for Task 9:			\$6,500.00

TASK 10: Estimating / Price Guarantees (GMP's)

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	18	\$2,250.00
2. PROJECT MANAGER	\$65.00	60	\$3,900.00
3. PROJECT ENGINEER	\$40.00	80	\$3,200.00
4. GENERAL SUPERINTENDENT	\$70.00	8	\$ 560.00
		Total for Task 10:	\$9,910.00

TASK 11: Bid Package Coordination / Strategy (Subcontracting, SBE Compliance)

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	8	\$1,000.00
2. PROJECT MANAGER	\$65.00	40	\$2,600.00
3. PROJECT ENGINEER	\$40.00	48	\$1,920.00
		Total for Task 11:	\$5,520.00

TASK 12: Identification and Ordering Strategy of Long Lead-Time Materials

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	8	\$1,000.00
2. PROJECT MANAGER	\$65.00	20	\$1,300.00
3. PROJECT ENGINEER	\$40.00	24	\$ 960.00
		Total for Task 12:	\$3,260.00

TASK 13: All Public Relations Requirements for the Duration of the Project

<u>Classification/Discipline:</u>	<u>Direct Hourly Labor Rate</u>	<u>Estimated Hours</u>	<u>Total</u>
1. PRINCIPAL	\$125.00	4	\$ 500.00
2. PROJECT MANAGER	\$65.00	136	\$8,840.00
3. PROJECT ENGINEER	\$40.00	204	\$8,160.00
4. KANEEN PR	\$93.85	500	\$46,925.00
		Total for Task 13:	\$64,425.00

Total Tasks: **\$194,830.80**

Overhead 9%: **\$17,534.77**

Profit 6%: **\$12,741.93**

Total Not to Exceed Amount for Phase I: **\$225,107.50**

KE&G CONSTRUCTION, INC.
PROPOSED COMPENSATION SCHEDULE

Project: CMAR Pre-Construction Services for Southeast Interceptor Sewer Augmentation Project No. 2SEI13

TASKS	Assignment															Fixed Fee (\$)		
	Principal			Project Manager			Project Engineer			General Superintendent			Construction Utility Investigation					
	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)			
Team Building / Chartering																		
Initial Team Meeting	4	125	500	4	65	260	8	40	320	2	70	140				12	96.8	1,161.60
Partnering/Goal Setting																		2,381.6
Storyboard Brainstorming																		
Block Schedule																		
Organizational Chart																		
Weekly Team Meetings	34	125	4,250	68	65	4,420	102	40	4,080	34	70	2,380				144	96.8	13,939.20
Block Schedule Performance																		29,059.2
Storyboard Session																		
Develop Block Schedule																		
Project Scheduling / Management Planning																		
Construction Schedule	2	125	250	32	65	2,080	48	40	1,920	4	70	280						4,530.00
Create Initial CPM Construction Schedule																		4,530.00
Schedule Updates																		
Alignment Development	2	125	250	8	65	520	12	40	480	2	70	140						1,390.00
Line Alignment Scenarios																		1,390.00
Identify Need for Temporary Easements																		
Integration of Owner Project Controls in CMAR Project Delivery Strategy																		
Final Design Report	2	125	250	4	65	260	6	40	240									750.00
Final Design Report																		750.00
Construction Planning	4	125	500	12	65	780	18	40	720	4	70	280						2,280.00
Safety Program																		2,280.00
Job/Site Specific Job Hazard Analyses																		
Value Analysis / Engineering																		
Value Analysis	8	125	1,000	16	65	1,040	24	40	960	4	70	280						3,280.00
Additional Sewer Line Design	12	125	1,500	24	65	1,560	36	40	1,440	12	70	840						5,340.00
Manhole Design																		
Jack & Bore/Micro Tunnel Design & Procedure																		
Potential Pavement Replacement Options																		
Possible Bedding and Backfill Options																		
Investigate Phasing Opportunities																		
Soil Analysis Report	2	125	250	8	65	520	12	40	480	2	70	140						1,390.00
Soil Analysis Report																		1,390.00
Create Shoring Plans																		
Safety Evaluation for Construction Personnel	2	125	250	2	65	130	4	40	160	4	70	280						820.00
Traffic Control Plans																		820.00
Quality Control Plan	2	125	250	8	65	520	16	40	640	4	70	280						1,690.00
Quality Control Plan																		1,690.00
Construction Planning	4	125	500	12	65	780	18	40	720	24	70	1,680						3,680.00
Refine Construction Schedule																		3,680.00
Possible Utility Support Systems																		
Permit Application Assistance																		
Permit Requirements/Preparation	8	125	1,000	40	65	2,600	120	40	4,800	8	70	560						8,960.00
Identification of Applicable Permits																		8,960.00
Cultural Resource Clearance																		
ADEQ Approval																		
ROW Clearance (City of Tucson)																		
ROW Clearance (City of South Tucson)																		
SWPPP Provisions																		
Kinder Morgan																		
ADOT Coordination																		

KE&G CONSTRUCTION, INC.
PROPOSED COMPENSATION SCHEDULE

Project: CMAR Pre-Construction Services for Southeast Interceptor Sewer Augmentation Project No. 2SEI13

TASKS	Assignment														Fixed Fee (\$)	
	Principal			Project Manager			Project Engineer			General Superintendent			Construction Utility Investigation			
	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	
Identify Potential Odor Control Issues																
Flow Data	2	125	250	4	65	260	8	40	320							830.00
Solicitation of Flow Data																
Estimate Future Flow Requirements																
Odor Control	2	125	250	4	65	260	4	40	160	4	70	280				950.00
Identify MH Plugging Locations																
Assess Odor Control Options																
Identify Past Odor Complaints																
Analyze Past Odor Procedures																
Field Work as Required to Obtain Permit / Regulatory Body Clearances																
Sub Surface Conditions/Existing Utility Investigation	2	125	250	4	65	260	8	40	320	8	70	560	80	200	16,000	17,390.00
Soil Analysis																
Blue Staking																
Sewer Line Parameters	2	125	250	4	65	260	8	40	320	4	70	280				1,110.00
Pipe Type																
Pipe Size																
Potholing to Confirm Locations	2	125	250	4	65	260	24	40	960	32	70	2,240	40	200	8,000	11,710.00
Pothole Rail Road Excavation Hazard Locations																
Soil Sampling / Testing of Existing Soils																
Pothole to Verify Roadway Section																
Constructability Reviews																
Constructability	8	125	1,000	16	65	1,040	24	40	960	16	70	1,120				4,120.00
Generation of Flow Monitoring & Flow Management Procedure	4	125	500	12	65	780	16	40	640	4	70	280				2,200.00
Bypass Pumping																
Impact to Adjacent Properties																
Potential Bypass Pumping Structures																
Sewer Line Parameters	1	125	125	12	65	780	4	40	160	4	70	280				1,345.00
Corrosion Control Design																
Develop and Maintenance of a Project Cost Model / Budget																
Financial Tracking	8	125	1,000	20	65	1,300	30	40	1,200							3,500.00
Cash Flow Forecasting	4	125	500	20	65	1,300	30	40	1,200							3,000.00
Estimating / Price Guarantees																
GMP Stages (PMP)																
30% - Plans & Specs	4	125	500	8	65	520	24	40	960	2	70	140				2,120.00
60% - Plans & Specs	8	125	1,000	28	65	1,820	32	40	1,280	2	70	140				4,240.00
99% - Plans & Specs	4	125	500	16	65	1,040	16	40	640	2	70	140				2,320.00
Final - Construction Documents	2	125	250	8	65	520	8	40	320	2	70	140				1,230.00
Bid Package Coordination / Strategy (Subcontracting, SBE Compliance)																
Subcontracting Possibilities	4	125	500	24	65	1,560	16	40	640							2,700.00
Subcontracting Opportunities																
Bid Packaging Strategies																
Pre-Qualification of Subcontractors																
SBE Goal Establishment																
Subcontracting	4	125	500	16	65	1,040	32	40	1,280							2,820.00
Develop/Distribute Bid Packages																
Award Subcontract Work																

KE&G CONSTRUCTION, INC.

PROPOSED COMPENSATION SCHEDULE

Project: CMAR Pre-Construction Services for Southeast Interceptor Sewer Augmentation Project No. 2SEI13

TASKS	Assignment														Fixed Fee (\$)		
	Principal			Project Manager			Project Engineer			General Superintendent			Construction Utility Investigation				
	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)	Hours	Rate (\$/hr)	Total (\$)		
<u>Identification and Ordering Strategy of Long Lead-Time Materials</u>																	
Pipe Availability	2	125	250	8	65	520	4	40	160							930.00	
Manufacture / Delivery Timeframes																	
Engineer Review / Acceptance Durations																	
Pipe Jacking Material Leads																	
Manhole Materials	2	125	250	8	65	520	4	40	160							930.00	
Polymer Lead Times / Manufacturing																	
Engineer Review / Shop Drawing Review																	
Trench Safety	4	125	500	4	65	260	16	40	640							1,400.00	
Specialized Shoring Availability																	
Shoring Alternatives																	
<u>All Public Relations Requirements for the Duration of the Project</u>																	
Public Relations Program	4	125	500	136	65	8,840	204	40	8,160					500	93.85	46,925.00	64,425.00
Develop a Pro-active Program																	
Safety Evaluation of Traveling Public																	
Neighborhood Meetings																	
Meetings With Public Officials																	
Hotline Monitoring																	
Website Updates																	
Stakeholder Coordination																	
Open House																	
Totals (\$)			19,875			38,610			37,440			12,880		24,000		62,025.80	194,830.80
																OH (9%)	17,534.77
																PROFIT (6%)	12,741.93
																TOTAL	225,107.50

APPENDIX F: INCORPORATED STANDARD DOCUMENTS

DESIGN STANDARDS, SPECIFICATIONS & DETAILS

The new 2012 Standards for Public Sanitary Sewers in Pima County were approved and adopted by the Pima County Board of Supervisors on December 18, 2012.

These Standards are divided into two separate documents: Pima County Regional Wastewater Reclamation Department's Engineering Design Standards 2012 and the Pima County Regional Wastewater Reclamation Department's Standard Specifications and Details for Construction 2012.

Hard Copies are **not** available through the Pima County Regional Wastewater Reclamation Department.

Please note that the new 2012 Design Standards do **not** include the requirements for how public sanitary sewer facilities are to be shown on tentative plans and development plans, nor does it supersede the Preliminary Sewer Layout Requirements, March 1984 that was adopted by Resolution (1984-44) of the Pima County Board of Supervisors.

These documents are available for viewing or downloading at:

<http://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=56988>

APPENDIX G: SMALL BUSINESS ENTERPRISES REQUIREMENTS

1. **Goal Setting Meeting:** The CMAR, based on information provided by DP and OWNER and prior to preparing each GMP Proposal, will meet with Owner's Vendor Relations & SBE Division to obtain Small Business Enterprise goals. The CMAR will make a presentation to the Vendor Relations & SBE Division to identify the estimated value of Work to be performed by each Subcontractor/ Supplier. The Vendor Relations & SBE Division will establish the minimum goals for Work to be performed during the construction phase by Owner-certified SBE firms, expressed as a percentage of estimated construction costs for the Project. The CMAR shall meet or exceed the minimum goals set for each phase of the Project.
2. **Documentation:** The CMAR will submit the following documents with each GMP Proposal package if subcontractors have been selected prior to submission of the GMP Proposal. If the GMP Proposal is submitted prior to subcontractor selection, the CMAR will submit these documents before the selected SBE subcontractor commences onsite construction operations.
 - a) SBE Utilization Form. The Owner will provide the Form to the CMAR as required. The CMAR shall list all proposed certified SBE subcontractors who will be performing work under the respective GMP Proposal package. On the form the CMAR will list the name of the firm, the value of work to be performed by that firm, and the estimated percentage of the total Project construction cost to be performed by that firm. When received by the Owner, these Utilization forms will be sent to Vendor Relations & SBE Division to verify that the firms are properly certified within the Owner's system.
 - b) Letters of Intent to Perform as a Subcontractor. These letters must be submitted for each Subcontractor or Supplier listed on the SBE Utilization form. These letters are prepared by the respective subcontractors and indicate the subcontractors' intent to perform the work as detailed on the CMAR's Utilization form for the indicated price.
3. **Goal:** The Agreed SBE goal for this Project is as follows:

SBE = TBD (This usually has a range of 5 to 15%)
4. **SBE Utilization:**
 - 4.1 CMAR shall utilize the Subcontractors stated on the Contractor's Statement of Proposed SBE Utilization form as part of each GMP submittal.
 - 4.2 **ONLY certified firms whose business is located within the Tucson Metropolitan Statistical Area may be counted against the SBE goal for each phase of the Project.** The most recent City of Tucson/Pima County Construction SBE directory is available at <http://www.pima.gov/procure/sbe/SBEDir.pdf>
5. **Compliance:** Submittal of the GMP to Owner shall constitute an agreement by the CMAR to comply with the SBE utilization requirements of this Section. This includes, but is not limited to, the following compliance activities:
 - 5.1 CMAR shall contract, or attempt to contract, in good faith with all SBE firms listed on the Statement of Proposed SBE Utilization form submitted with its GMP. The subcontract shall be for an amount that is equal to, or greater than, the total dollar amount listed on the form, with the exception of instances where Owner changes a scope of work in a GMP that would reduce the available Work in the Subcontractor's area of performance.
 - 5.2 CMAR shall notify the Vendor Relations/SBE Division of the County Procurement Department immediately if any firm listed on the Statement of Proposed SBE Utilization form refuses to enter into a subcontract or fails to perform according to the requirements of the subcontract.
 - 5.3 CMAR shall act in good faith to meet the SBE utilization goals and provide all necessary documentation to show proof of those efforts as requested by Owner.
 - 5.4 CMAR shall participate in compliance reviews as determined necessary by Owner. This includes, but is not limited to, participating in on-site reviews and providing monthly utilization reports of SBE activity

including signed copies of subcontracts and/or purchase orders with each SBE listed on the Statement of Proposed SBE Utilization form.

6. **Breach:** The CMAR further agrees that breach of the SBE provisions contained herein may subject it to any or all of the following remedies:
 - a) Withholding of ten percent (10%) of all future payments under the involved eligible project until it is determined that the CMAR is in compliance;
 - b) Withholding of all future payments under the involved project until it is determined that the CMAR is in compliance;
 - c) Consideration for suspension or debarment under Chapters 11.28 and 11.32 of the Pima County Procurement Code.
6. **Waiver:** CMAR may submit a Certificate of Good Faith Effort/Request for Waiver and documentary evidence to support a full or partial waiver of the subcontracting goal if the goal is not met. A request for waiver may be rejected by Owner. Good faith efforts to meet a goal will not be recognized if CMAR failed to contact the County SBE Program Coordinator to request assistance at (520) 724-8260

APPENDIX H: SUBCONTRACTOR SELECTION PLAN



1601 PASEO SAN LUIS, SUITE 202
SIERRA VISTA, ARIZONA 85635
(520) 458-9594
FAX (520) 458-2362

5100 S. ALVERNON WAY
TUCSON, ARIZONA 85706
(520) 748-0188
FAX (520) 748-8975

April 14, 2015

Pima County Procurement Department, Design & Construction Division
130 W. Congress Street, 3rd Floor
Tucson, AZ 85701

Attn: Keith Rogers, CPPB, Contract Officer

Re: Subcontracting Plan Solicitation No. 160784 – Construction Manager at Risk Services for the
Southeast Interceptor Sewer Augmentation- Project No. 3SEI13

Dear Mr. Rogers,

Enclosed for your attention are the original and two copies of our Subcontracting Plan submitted in
response to your Solicitation for Qualification No. 160784 – Construction Manager at Risk Services for the
Southeast Interceptor Sewer Augmentation- Project No. 3SEI13.

KE&G has an excellent history of SBE goal setting and utilization on its contracts.

Should you have any questions or comments concerning our proposal, please contact me at your
convenience.

Sincerely,
KE&G Construction, Inc.

A handwritten signature in black ink, appearing to read 'Christopher W. Albright'.

Christopher W. Albright
President

Qualifications-Based Selection

The goal of KE&G is to provide quality projects to our clients on time, safely, and under budget. KE&G has a history of building a cohesive and trustworthy team of quality Subcontractors and Suppliers in order to ensure project success. This includes guaranteeing opportunities for Certified Small Business Enterprise (SBE) Subcontractors and in some cases mentoring and training those subcontractors to further their development and the development of the subcontracting community.

In order to ensure compliance with A.R.S. § 34-603(C)(2)(e), below is an outline applied to Subcontractors under consideration, which details our general procedures for selection. A copy of our Subcontractor Pre-Qualification Statement is included as *Attachment A*.

Subcontractors play an important role in the project delivery process. Just as they rely on general contractors and agencies to effectively manage projects, we rely on them for specialized knowledge of specific construction trades. For this reason, selection of Subcontractors based solely upon their advertised abilities is irresponsible of the project team. The first step is pre-qualification. KE&G utilizes the information provided by their statement to gather data and assign a meaningful level of qualification. Preliminary assessment, very similar to this SOQ is based on the following categories:

- ▶ Detailed knowledge of local practices and people.
- ▶ Past performance with KE&G.
- ▶ Reputation in the community.
- ▶ Past performance with other contractors.
- ▶ Minimum bonding and insurance capacity.
- ▶ Safety (EMR) rate.
- ▶ Average and largest dollar volume of work.

The preliminary qualification can happen in two ways. First, a new Subcontractor is identified, but if we have no immediate need, we identify the potential to work with this firm in the future. Second, when we need a Specialty Subcontractor for an upcoming bid, we seek out firms that we have not worked with in the past. Data from the preliminary qualification allows KE&G to solicit the most appropriate companies for the task. The best-suited Subcontractors shall be invited to submit a cost proposal. Price consistency is an important component to final selection but is never a component in pre-qualification. This method allows both a broad list and narrow focus, without limiting opportunities for new companies.

Through discussions with the potential Subcontractors, KE&G will rank each Subcontractor based upon the six criteria set forth on the following page. The scoring method shall be based on a cumulative points system. Meeting the requirements of the financial criteria is a *prerequisite* for continued evaluation. Only Subcontractors who meet the requisite financial criteria will be eligible for continued evaluation. The Subcontractor shall receive either all or none of the points possible for each sub-criteria. The total for all sub-criteria shall establish a total number of points for each criteria. The overall score shall be the cumulative total of all criteria, with a maximum of 150 total points available. A copy of our Subcontractor Selection Criteria Worksheet is included as *Attachment B*.

The final step in selecting a Subcontractor is analysis of the best value to the project. This selection is task specific only, and does not exclude Subcontractors from future selection. Best value is rated on some general points as well as job specific points.

The general topics include:

- ▶ SBE status, if the project has a utilization goal, a preference is given to SBE firms.
- ▶ If there is a deadline, has the information been received on time?
- ▶ Approach, does one company have an innovative plan that is advantageous?

Job specific examples may include:

- ▶ Completeness of scope, were necessary items excluded?
- ▶ Can the anticipated schedule be met, are resources available?
- ▶ Is the price competitive, complete, and guaranteed?

Utilization of Small Business Enterprises

To continue to provide our owners with a competitive price for each project, pricing is a component to the final subcontractor selection. However, as you can see, the emphasis on performance history and SBE classification has been instrumental in KE&G's selection process.

We have an established track record for exceeding the minimum SBE goals and are diligently working to maintain this record. Since its inception, KE&G has been rigorously seeking out SBE's and mentoring non SBE's to participate. Examples of this mentoring are discussed below. The table shown below indicates the prior success of our selection plan.

KE&G's pathway to meeting or exceeding the overall goal with respect to utilization of available Small Business Enterprises includes:

- ▶ Scope identification related to the specific CMAR or Job Order Contract for identification of SBE qualified opportunities.
- ▶ Detailed estimating and planning identifying potential SBE utilization amounts.
- ▶ Regular tracking of the SBE utilization on the project.
- ▶ Identifying and assisting non-certified SBE contractors to become certified.
- ▶ Separating economically feasible pieces of work to further include SBE's.

PROJECT/CONTRACT	SBE/DBE GOAL	ACTUAL
PC RWRD CMAR South Rillito West Central Interceptor Rehabilitation	2%	4%
PC DOT Cortaro Farms Road/Magee Road – Thornydale/Mona Lisa Road Improvement	9%	12%
PC DOT JOC for Road Traffic Signal, Road Interchange and Drainage Improvements 2008	6%	42%
COTW JOC for Pre-Stressed Concrete Cylinder Pipe and Concrete Cylinder Pipe Modification	1%	2%
COT DOT – Speedway and Main Intersection Improvements	17%	31%
PC DOT – Continental Roundabout	3%	12%
Town of Sahuarita – La Cañada Phase 3	0%	7%
COT DOT – Stone/ Limberlost Improvements	4%	8%
COT DOT – Menlo Park Reinvestment Project	4%	5%
PC DOT JOC for Road Traffic Signal, Road Interchange and Drainage Improvements 2011-2014	5%	20%
PC DOT La Cañada Phase III – Ina to Calle Concordia	8%	11%
COT – Modern Streetcar Water Modifications	4%	7%
COTW- Emergency Repair at Congress	0%	8%
Average		13%
5%		13%

We understand that a minimum goal of 5% to 15% will be set for the construction phase of the PCRWRD CMAR Services for the Southeast Interceptor Sewer Augmentation contract. We have adjusted our process to include the analysis of SBE utilization prior to submitting our proposal to Pima County. Should we identify a project that is not anticipated to meet the goal, we will meet with Pima County Procurement Vendor Relations/SBE to discuss our identified SBE firms and the current goal. KE&G commits to achieving the overall goal established for this project and will make every effort to exceed the minimum as we have on past projects.

KE&G will review the list of qualified SBE contractors monthly to ensure that we are using all available Subcontractors.

Subcontracting areas identified for possible SBE utilization on this contract include: Manhole Installation, Concrete Work, Fencing, Paving, Saw Cutting, Traffic Control, Trucking, and Community Relations.

Subcontractor/Supplier Assistance/Development

Understanding that not all Subcontractors and Suppliers are equally qualified, it is in our best interest to enhance the qualifications of the regional Subcontractor base. KE&G does not view Subcontracting as a commodity, and as a result endeavors to assist Subcontractors, including SBE firms, to be more capable and professional; the better the Subcontractor, the better the project.

Therefore, we may obligate ourselves to assist and mentor Subcontractors and Suppliers in order to meet internal and external requirements. This assistance has not only benefited those Subcontractors and Suppliers we have worked with, but it has directly resulted in a more prepared and capable team. KE&G works with Subcontractors and Suppliers to ensure that they fully understand the scope of work to be performed on all projects. When meeting with potential Subcontractors and Suppliers, planning sessions are conducted to clarify the work to be done and to ensure that effective workable plans are developed in advance of field operations.

Mentoring Assistance

- ▶ Partnering in preconstruction and design phase services
 - This allows the Subcontractor to be involved in a project from the start and learn preconstruction methods from KE&G.
- ▶ Business developmental assistance: working on best practices
 - The constant development of best practices for KE&G and its Subcontractors is paramount to advancement of the project team, which is communicated weekly and after each project with Subcontractors.
- ▶ Business insurance assistance: networking with insurance providers
 - As an example, when firms are unable to meet KE&G requirements for insurance coverage, we offer to speak directly with the company principal and provide Certificate of Insurance Requirements, followed by assistance in obtaining those documents.
- ▶ Business technical assistance: mentoring on project management technology
 - KE&G has assisted Subcontractors by providing assistance with project schedule development by teaching Subcontractors scheduling basics and how to use scheduling programs.
- ▶ Business financial assistance: working through financial requirements held by KE&G and/or any agency partners
 - Subcontractors can have difficulty when they are starting out with bonding and we have assisted them by talking with bonding companies and also paying bond costs upfront to ensure that the Subcontractor can bond this and other projects that they pursue.
- ▶ Counseling regarding project implementation and preparation
 - Involvement of Subcontractors in the preconstruction phase and early in the construction phase will allow the Subcontractor to utilize KE&G as a resource for project planning.

Subcontractors and Suppliers on KE&G projects are exposed to our management philosophy and, as integral members of our project teams, they participate fully in our project planning sessions, including development of detailed two-week look-ahead schedules and effective weekly team meetings. We feel that the most effective mentoring / assistance that we can provide to Subcontractors and Suppliers is to expose them to our philosophy of construction in live, "on the job," experiences.



Project Name

Sent By

SUBCONTRACT PRE-QUALIFICATION STATEMENT

Please complete as it appears on your State Contractor's License:

Legal Name of Firm	DBA		
Address	City	State	Zip
State	License No.	Class(es)	Expiration
State	License No.	Class(es)	Expiration
State	License No.	Class(es)	Expiration

Shipping Address	City	State	Zip
Shipping Address	City	State	Zip
Phone	Fax	Web Address	

Provide Names and Titles of Your Firm's Principal Contacts

Principal Contact	Title	
Phone	Fax	Email
Estimating Contact	Title	
Phone	Fax	Email

Scope of Work

Are you willing to bid on prevailing wage projects?

Yes

□ No

Your Company's Minority Status

Please check all that may apply and provide proof of certifications:

DBE Disadvantage Business Enterprise DVBE Disable Veteran Business Enterprise
 WBE Women Business Enterprise SBE Small Business Enterprise

Minority Ownership

Native American (Includes American Indian, Eskimo, Aleut & Native Hawaiian)

Year	Annual Sales	Largest Single Contract Value	General Contractor
2014	\$	\$	
2013	\$	\$	
2012	\$	\$	

Safety

Experience Modification Rate: 2014 _____ 2013 _____ 2012 _____

Current Bonding and Banking Information

Federal Tax ID

Dunn & Bradstreet Number

Surety Company

Broker

Contact Person

Phone

Name of Bank

Address

City

State

Zip

Contact Person

Phone

\$

Line of Credit Amount (\$)

Unused Portion (\$)

Expiration Date

Major Supplier References

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

Major Supplier References (continued)

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

General Contractor References (List Three)

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

Company Name

Address

City

State

Zip

Contact Person

Phone

Fax

In order to be prequalified for more than \$50,000, the following must be provided:

- A letter from your Surety outlining the single project and aggregate amounts for which they will issue a performance and payment bond (we are not asking for a bond).
- A copy of your latest (consolidated) financial statements, i.e. Balance Sheet, Income Statement, etc., prepared by an outside accounting firm (audited, reviewed or compiled financial statements) AND a copy of your most recent internal financial statements.
- Please be assured your financial information will be kept confidential.
- Your pre-qualification status cannot be determined until the pre-qualification statement is accurately completed, a letter from your surety is received and the necessary financial statements are provided.

Completed by

Title

Date

Questions can be directed to our office at (520) 748-0188

Submit to:

KE&G Construction, Inc.

Attn: Subcontractor Pre-Qualification

5100 S. Alvernon Way, Tucson, AZ 85706

Or by Confidential Fax:

(520) 748-8975



SUBCONTRACT SELECTION EVALUATION CRITERIA/SCORING

Project: _____

Firm: _____

Date: _____ Completed by: _____

1. Financial Yes/No

- a. The Subcontractor's ability to obtain the necessary bonds for the project. _____
- b. The Subcontractor's ability to meet KE&G insurance requirements for the project. _____

2. Safety (Total Points 40) Points Earned Points Possible

- a. Does the Subcontractor maintain a formal safety program, which applies to the scope of work being requested of the Subcontractor for this project including mandatory drug testing? _____ 10
- b. Is the safety program accessible to the workers in the field? _____ 10
- c. Will the Subcontractor provide a site responsible person for this project? Is the site responsible person OSHA certified in first aid and CPR? _____ 10
- d. Is the Subcontractor's current workmen's compensation E-Modification rate less than or equal to 1.00? _____ 10

3. Management (Total Points 20) Points Earned Points Possible

- a. The Subcontractor's management depth. This shall include the Subcontractor's key personnel and their resumes. _____ 10
- b. The Subcontractor's management team organization chart. _____ 10

4. Capacity (Total Points 30) Points Earned Points Possible

- a. The Subcontractor maintains a local office and locally based personnel. Depending on the work involved this may include the size of the Subcontractor's physical facilities and the Subcontractor's ability to store equipment and materials offsite. _____ 10
- b. The Subcontractor's ability to provide manpower for the project and to allocate its resources to meet the required schedule of performance. _____ 10
- c. Does the Subcontractor provide additional training opportunities for its workforce? _____ 10

5. Capability & Experience (Total Points 20) Points Earned Points Possible

- a. Does the Subcontractor maintain the required Industry Quality Certification for the required scope of work? KE&G will consider references of past projects and consider whether the Subcontractor maintains the appropriate industry and technical certifications for the required scope of work. _____ 10
- b. Can the Subcontractor assist the Contractor to meet the SBE participation goals for the project? _____ 10

6. Project Specifics (Total Points 40) Points Earned Points Possible

- a. The Subcontractor's understanding of the Construction Manager at Risk process. _____ 20
- b. The Subcontractor's understanding of project scope _____ 10
- c. The Subcontractor's understanding of preconstruction services. _____ 10

Total Points: **150**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/17/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERs NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lovitt & Touché - Tucson 7202 E. Rosewood Dr. #200 Tucson AZ 85710		CONTACT NAME: Cherie Pijanowski, Account Manager PHONE (A/C. No. Ext): 520-722-3000 FAX (A/C. No): 520-722-7245 E-MAIL ADDRESS: cpijanowski@lovitt-touche.com
		INSURER(S) AFFORDING COVERAGE INSURER A: Navigators Insurance Company NAIC #
INSURED KE&G Construction, Inc. 5100 S Alvernon Tucson AZ 85706-1976		INSURER B: Indian Harbor Insurance Company INSURER C: Zurich American Ins Co 16535 INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER: 1693161599

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		ADDL SUBR INSD WVD	POLICY NUMBER		POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		Y	Y	GLA008422700	1/1/2015	1/1/2016	EACH OCCURRENCE	\$1,000,000	
								DAMAGE TO RENTED PREMISES (Ea occurrence)	\$500,000	
								MED EXP (Any one person)	\$10,000	
								PERSONAL & ADV INJURY	\$1,000,000	
								GENERAL AGGREGATE	\$2,000,000	
								PRODUCTS - COMP/OP AGG	\$2,000,000	
									\$	
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		Y	Y	GLA008422700	1/1/2015	1/1/2016	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000	
								BODILY INJURY (Per person)	\$	
								BODILY INJURY (Per accident)	\$	
								PROPERTY DAMAGE (Per accident)	\$	
									\$	
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input type="checkbox"/> RETENTION \$0		Y	Y	CH15EXC802650IV	1/1/2015	1/1/2016	EACH OCCURRENCE	\$9,000,000	
								AGGREGATE	\$9,000,000	
									\$	
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N <input type="checkbox"/> N if yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/> N	Y/N N/A	Y	WC008422800	1/1/2015	1/1/2016	X PER STATUTE E.L. EACH ACCIDENT	\$500,000	
								E.L. DISEASE - EA EMPLOYEE	\$500,000	
								E.L. DISEASE - POLICY LIMIT	\$500,000	
B	Pollution Liability				PEC002923905	1/1/2015	1/1/2016	Each Pollution Condit Pollution Aggregate SelfInsured Retention	\$2,000,000 \$2,000,000 \$25,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

COVERAGE IS SUBJECT TO ALL POLICY TERMS, CONDITIONS, DEFINITIONS, EXCLUSIONS, FORMS & ENDORSEMENTS.
APPLICABLE ENDORSEMENTS ARE ATTACHED WITH REGARD TO THE FOLLOWING (If required by written contract):

NOTE: Excess Liability Coverage shown above is excess limits over the general liability, auto liability and employers liability coverage limits.

Forms Listing & Project Information (If Applicable) follows on page #2 (Acord 101):
See Attached...

CERTIFICATE HOLDER

CANCELLATION

Pima County Regional Wastewater Reclamation Department 201 N Stone Ave Tucson AZ 85701	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Lovitt & Touché - Tucson	NAMED INSURED KE&G Construction, Inc. 5100 S Alvernon Tucson AZ 85706-1976
POLICY NUMBER	
CARRIER	NAIC CODE EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

GENERAL LIABILITY:

1. Automatic Additional Insured-Ongoing and Completed Operations including Primary/NonContributory coverage per form UGL1175FCW 04/13 attached.
2. Blanket Waiver of Subrogation if required by written contract per form CG2404 05/09 attached.
3. Per Project Aggregate is included in the general liability coverage form.

AUTOMOBILE

1. Automatic Additional Insured including Primary/NonContributory coverage if required by written contract per form CA2048 10/13 attached.
2. Blanket Waiver of Subrogation if required by written contract per form CA0444 10/13 attached.

WORKERS' COMPENSATION

1. Blanket Waiver of Subrogation if required by written contract per form WC000313 04/84 attached.

PROJECT: #150216 - PCRWRD Contract #2SEI13



Additional Insured – Automatic – Owners, Lessees Or Contractors

ZURICH

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
GLA-0084227-00	01-01-15	01-01-16	01-01-15			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: KE&G Construction Inc

Address (including ZIP Code):

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization whom you are required to add as an additional insured on this policy under a written contract or written agreement. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations or "your work" as included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:

- a. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

C. The following is added to Paragraph 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section IV – Commercial General Liability Conditions:

The additional insured must see to it that:

1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
2. We receive written notice of a claim or "suit" as soon as practicable; and
3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured if the written contract or written agreement requires that this coverage be primary and non-contributory.

D. For the purposes of the coverage provided by this endorsement:

1. The following is added to the Other Insurance Condition of Section IV – Commercial General Liability Conditions:

Primary and Noncontributory insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured provided that:

- a. The additional insured is a Named Insured under such other insurance; and
- b. You are required by written contract or written agreement that this insurance be primary and not seek contribution from any other insurance available to the additional insured.

2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV – Commercial General Liability Conditions:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by a written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

E. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

F. With respect to the insurance afforded to the additional insureds under this endorsement, the following is added to Section III – Limits Of Insurance:

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract or written agreement referenced in Paragraph A. of this endorsement; or
2. Available under the applicable Limits of Insurance shown in the Declarations,
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Any Person or Organization that requires You to waive your Rights of Recovery, in a written contract or agreement with the Named Insured that is executed prior to the accident or loss.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of
Rights Of Recovery Against Others To Us of
Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: KE&G Construction Inc

Endorsement Effective Date: 01-01-15

SCHEDULE

Name Of Person(s) Or Organization(s): Any person and / or organization to whom or which you are required to provide additional insured status or additional insured status on a primary, non-contributory basis, in a written contract or written agreement executed prior to loss, except where such contract or agreement is prohibited by law.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: KE&G Construction Inc

Endorsement Effective Date: 01-01-15

SCHEDULE

Name(s) Of Person(s) Or Organization(s): ALL PERSONS AND / OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Transfer Of Rights Of Recovery Against Others To Us condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

ALL PERSONS AND / OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY FOR WORK PERFORMED BY YOU FOR THAT PERSON AND / OR ORGANIZATION.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement

Effective Policy No. WC-0084228-00

Endorsement No.

Insured KE&G Construction Inc

Premium \$

Insurance Company Zurich American Insurance Company

Countersigned by John G. Johnson