Chandler · Arizona Where Values Make The Difference	**PURCHASING ITEM FOR COUNCIL AGENDA Memo No. CA12-031**	**1. Agenda Item Number:** 29 **2. Council Meeting Date:** October 27, 2011

TO:	**MAYOR & COUNCIL**	**3. Date Prepared:** October 14, 2011
THROUGH:	**CITY MANAGER**	**4. Requesting Department:** Municipal Utilities

5. SUBJECT: Award a Construction Manager at Risk contract to Achen-Gardner Construction, LLC for Phase I of the Ocotillo Water Reclamation Facility (OWRF)/Airport Water Reclamation Facility (AWRF) Lift Station and Deep Sewer, Project No. WW1104-401, in an amount not to exceed $12,685,782.71, contingent upon written notification from Intel and appropriate funding.

6. RECOMMENDATION: Staff recommends Council award a Construction Manager at Risk contract to Achen-Gardner Construction, LLC for Phase I of the OWRF/AWRF Lift Station and Deep Sewer, Project No. WW1104-401, in an amount not to exceed $12,685,782.71, contingent upon written notification from Intel and appropriate funding.

7. BACKGROUND/DISCUSSION: Staff identified the need for new wastewater infrastructure to accommodate Intel's plant expansion on South Dobson Road. Phase I of this project includes a 42" sewer line from Intel's property line north connecting to a 66" diameter sewer line upstream of the OWRF. Also included in this phase of the project will be construction of the lift station and diversion structure off of the 66" diameter sewer and long lead electrical and pump equipment required for the lift station.

Phase II of the project will include installation of the pumps, piping, and electrical items as well as startup testing for the new facility. The contract for Phase II of this project will be presented for Council approval in winter of 2012.

8. EVALUATION: The selection process was followed in accordance with State law for Construction Manager at Risk services. Twelve (12) Statements of Qualifications were received from qualified firms on July 13, 2011. The Selection Committee included the following members:

John Knudson, P.E., Utilities Engineering Manager
Joshua Plumb, P.E., Engineering Project Manager
Kim Neill, Utilities Operations Manager
Alvin Robertson, Wastewater Collection Superintendent
Reno Blomquist, Chandler Resident/Contractor

Achen-Gardner Construction, LLC was selected based on qualifications, construction capability, current workload, and experience. Staff recommends approval of this contract.

9. FINANCIAL IMPLICATIONS:

Cost:	$12,685,782.71
Savings:	N/A
Long Term Costs:	N/A

Fund Source:

Acct. No.:	Fund Name:	Program Name:	CIP Funded:	Amount:
615.3910.0000.6814.12S022	Wastewater Operating	Water Reclamation Facility Expansion	FY 11/12	$12,823,883.56

10. PROPOSED MOTION: Move Council award a Construction Manager at Risk contract to Achen-Gardner Construction, LLC for Phase I of the OWRF/AWRF Lift Station and Deep Sewer, Project No. WW1104-401, in an amount not to exceed $12,685,782.71, contingent upon written notification from Intel and appropriate funding, and authorize the Mayor to sign the contract documents.

ATTACHMENTS: Contract, Location Map

APPROVALS	
11. Requesting Department	**13. Department Head**
John Knudson, Utilities Engineering Manager	Dave Siegel, Municipal Utilities Director
12. City Engineer	**14. City Manager**
Sheina Hughes, City Engineer	Rich Dlugas

CONSTRUCTION MANAGER AT RISK
CONSTRUCTION CONTRACT

PROJECT TITLE: **OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE**
PROJECT NO: **WW1104-401**

This CONTRACT is made this day of , 2011, by and between the City of Chandler, 215 E. Buffalo Street, Chandler, Arizona 85225, (hereinafter referred to as "CITY,") and **Achen-Gardner Construction, LLC, limited liability company licensed to do business in the State of Arizona,** (hereinafter referred to as "CM@RISK.")

CITY and CM@RISK, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1. ARTICLE ONE – CITY'S STANDARD CONSTRUCTION GENERAL CONDITIONS

The City's General Conditions for Construction Contracts are incorporated herein by reference and the parties agree to be bound by all provisions therein. If any of the provisions of the contract conflict with the City's General Conditions for Construction Contracts, the parties are bound by the General Conditions. For the purposes of this Agreement, references to CONTRACTOR and to CM@RISK in said General Conditions refer to CM@RISK herein.

2. ARTICLE TWO – DEFINITIONS

Words used in this Agreement which are defined in CITY's General Conditions for Construction Contracts shall have the meaning stated therein. CM@RISK is the CONTRACTOR as defined in said General Conditions.

2.1. "Construction Allowance Items" means those items included in the GMP as allowances, which items shall be paid based on the actual cost to CM@RISK as described in the City's General Conditions for Construction Projects, Subsection 12.4., provided, however, no overhead or profit shall be included in the item as these are paid separately. The actual amounts paid for Allowance items shall be included in the Contract Price Subtotal by which the percentage for the Contractor's fee for overhead and profit is multiplied.

2.2. "Guaranteed Maximum Price" (GMP) means the maximum amount to be paid by the City to CM@RISK for the performance of the Work which shall constitute payment in full for the furnishing of all materials, equipment, appurtenances, labor, plant and tools necessary to provide a complete workmanlike, finished and satisfactory Project as described herein.

3. ARTICLE THREE – CM@RISK – FIDUCIARY DUTY

3.1. This is a contract for complete construction services in accordance with the Construction Manager at Risk method of delivery of construction services. CM@RISK has participated in the design process and been an active member of the Project Design Team and is fully aware of any issues and constraints involved in this construction project.

3.2. CM@RISK is the CITY's fiduciary responsible for undertaking all necessary action contemplated under the contract documents to construct the Project and ensure timely and quality completion of the project at a cost within the Guaranteed Maximum Price (GMP).

3.3. This project is an "open book" project. CITY is entitled to attend any and all meetings, and CITY shall have access to any and all records of CM@RISK or maintained by CM@RISK relating to the Project.

4. ARTICLE FOUR – WORK

4.1. CM@RISK shall perform all work necessary to complete the Project described herein. The Project is known as and is hereinafter referred to as, CITY PROJECT NO. **WW1104-401** and is described as follows: construction of OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE described in the Contract Documents and including the furnishing of all materials, equipment, appurtenances, labor, plant and tools necessary to provide a complete workmanlike, finished and satisfactory Project as described herein. Each item shall be completed with all necessary connections, testing, painting and related work accomplished to provide for the satisfactory use and/or operation of the item.

4.2. CM@RISK shall complete, provide and perform, or cause to be performed, all work in a proper and workmanlike manner, with appropriate consideration for public safety and convenience, consistent with the highest standards of professional and construction practices and in full compliance with, and as required by or pursuant to, this Contract, and with the greatest economy, efficiency, and expediency consistent therewith all as more particularly described in the Contract Documents.

5. ARTICLE FIVE – CITY'S REPRESENTATIVE

5.1. CITY has appointed a CITY'S REPRESENTATIVE (sometimes referred to as CITY REP and sometimes known as the Owner's Representative or Construction Manager) to manage this Project and to represent the CITY on the Project site. The CITY REP will assume all duties and responsibilities and will have all rights and authority assigned to the CITY REP in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents. Any references in the Contract Documents, or other pertinent documents, to the Engineer or Project Engineer shall mean the CITY REP.

5.2. The CITY'S Representative is John Knudson.

6. ARTICLE SIX - CONTRACT TIME

6.1. Completion time. The Work shall be substantially complete within **Eighteen (18)** months after the date when the Contract Time commences to run as provided in the Contract Documents, and all Work shall be finally completed and ready for final payment in accordance with the Contract Documents within **Twenty (20)** months after the date when the Contract Time commences to run.

6.2. CPM Schedule. CM@RISK shall submit to CITY, on or before the effective date of the Construction Contract, a Construction Progress Schedule in Critical Path Method (CPM) format indicating the times for starting and completing the various stages of the Work, including any Milestones specified in this Contract and as more fully described in the General Conditions and other Contract Documents. Revisions/updates to the CPM schedule shall be submitted as often as necessary to accurately reflect plans for completion of the work, but no less frequently than required in the Contract Documents.

6.3. Time is of the Essence. All of the time limits for Milestones, if any, for Substantial Completion and for Final Completion and readiness for final payment as stated in the Contract Documents, are of the essence of the Contract.

6.4. No Waiver. Failure of CITY to insist upon the performance of any covenant or condition within the time periods specified herein, shall not constitute a waiver of CM@RISK'S duty to perform every other covenant or condition within the designated periods, unless a specific waiver is granted in writing for each such covenant or condition.

6.5. Specific Waiver. CITY'S agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provisions contained in the Contract Documents. Failure of CM@RISK to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of this Contract entitling CITY to all the remedies set forth herein or provided by law.

6.6. Material Breach. Failure of CM@RISK to perform any covenant or condition contained in the Contract Documents within the time periods specified herein, shall constitute a material breach of this Agreement entitling CITY to terminate the Agreement unless CM@RISK applies for and receives an extension of time, in accordance with the procedures set forth in the Contract Documents.

6.7. Written Extensions. Failure of CITY to insist upon the performance of any covenant or condition within the time periods specified herein, or CITY's agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of CM@RISK's duty to perform every other covenant or condition within the designated periods, unless a specific waiver is granted in writing for each such covenant or condition. Failure of CM@RISK to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of this Agreement entitling CITY to all the remedies set forth herein or provided by law.

7. ARTICLE SEVEN - LIQUIDATED AND SPECIAL DAMAGES

7.1. Liquidated Damages:

7.1.1. It is hereby agreed that the amounts per day set forth herein in paragraphs 7.1.2. are reasonable estimates of such damages, that said amounts do in fact bear a reasonable relationship to the damage that would be sustained by CITY, and CM@RISK agrees to pay such liquidated damages as herein provided.

7.1.2. CITY and CM@RISK recognize that time is of the essence of this Contract and that CITY will suffer financial loss, in addition to and apart from the costs described in Paragraph 7.2, if the Work and/or portions of the Work are not performed and completed within the times specified in Article Six, plus any extensions thereof allowed in accordance with the Contract Documents. CITY and CM@RISK also recognize the delays, expense, and difficulties involved in proving, through legal or arbitration proceedings, the actual loss suffered by CITY if the Work or portion of the Work is not completed on time. Accordingly, instead of requiring any such proof, CITY and CM@RISK agree that as liquidated damages for delay (but not as a penalty) CM@RISK shall pay CITY **One Thousand Seven Hundred Eighty** dollars and no cents (**$1,780**) for each calendar day that expires after the time specified in Article Six for substantial completion, until the Work is substantially complete. After Substantial Completion, if CM@RISK shall neglect, refuse or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by CITY, CM@RISK shall pay CITY **Eight Hundred Ninety**

dollars and no cents ($**890**) for each day that expires after the time specified in Article Six for final completion and readiness for final payment.

7.2. Special Damages: In addition to the amounts provided for liquidated damages, CM@RISK shall pay CITY the actual costs reasonably incurred by CITY for the CITY REP, the Project Designer and for engineering and inspection forces employed on the Work for each day that expires after the time specified in Article Six for Final Completion, including any extensions thereof made in accordance with the Contract Documents, until the Work is finally complete. The rate for inspection services for this contract is One Hundred Forty Eight dollars ($148 per) hour. The rate for work by the Project Designer for this Contract is One Hundred Ninety dollars ($190) per hour. The rate for work by the CITY REP is One Hundred Ninety dollars ($190) per hour. Each of these hourly rates is calculated at time and one half for work required to be performed during other than normal business hours

7.3. CITY may withhold and deduct from any payment due to CM@RISK the amount of liquidated damages, special damages, and other costs, such as CM@RISK'S failed testing costs or damages to other CITY property, from any moneys due CM@RISK under the Contract.

8. ARTICLE EIGHT - CONTRACT PRICE

8.1. Guaranteed Maximum Price.

8.2. Maximum Price (GMP) is the total amount payable by the City to Contractor for the complete construction of the Project. CM@RISK represents, warrants and guarantees to CITY that the total maximum cost to be paid by CITY for CM@RISK's complete performance of this Contract, including, without limitation, Final Completion of all Work, all services of CM@RISK under this Contract, and all fees, compensation and reimbursements to CM@RISK, shall not exceed the total amount of **Twelve Million Six Hundred Eighty Five Thousand Seven Hundred Eighty Two dollars and Seventy One cents ($12,685,782.71)** ("Guaranteed Maximum Price"), as set forth in Exhibit B, attached hereto and incorporated herein by reference. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the CM@RISK without reimbursement by CITY.

8.3. Guaranteed Maximum Price Components. The Guaranteed Maximum Price is comprised of the maximum amount payable by CITY for:

8.3.1. The Cost of the Work for full and complete performance of the Work to complete the Project as described herein. The items to be included in Cost of Work are those listed in Section 12.4 of the City's General Conditions for Construction Projects, except that no overhead and profit shall be included in the cost of work and shall be subtracted out of items listed in 12.4 A 5) c, and the items listed in 12.4.A 5) d and h are not included in the cost of the work. The Cost of the Work will be referred to as the Work Item Direct Costs. No additional payments will be made for any work included in and/or necessary for completion of the Project unless specifically noted and excluded from the GMP in the assumptions and clarifications of the GMP. Progress payments will be made based on the schedule of values, however, City reserves the right to audit the books of CM@RISK, at any time, to determine actual costs and to modify the schedule of values to better reflect actual costs of the work.

8.3.2. A fee to CM@RISK for Overhead and Profit which has been estimated for inclusion in the GMP to be the amount of One Million Thirty Two Thousand Six Hundred Ninety Seven dollars and Sixty Four cents ($1,032,697.64) ("CM@RISK's Fee"). This fee shall be determined by multiplying the agreed upon percentages listed in the GMP by the Work Item Direct Costs less the amounts listed for Contractor's General Conditions. This CM@RISK's Fee shall be the CM@RISK's sole and exclusive compensation for all costs not included in Subsections 8.2.1 or 8.2.3 herein and for those costs and expenses listed in Subsection 12.4 B and 12.5 of the City's

General Conditions for Construction Projects, and is inclusive of all overhead and profit arising out of or relating to the CM@RISK's Work.

8.3.3. Reimbursement to CM@RISK by CITY for the cost of insurance, bonds and taxes actually incurred by CM@RISK for this Project.

8.3.4. The Guaranteed Maximum Price is further broken down into line items and categories on Exhibit B attached hereto.

8.4. Quantities. The quantities set forth in the GMP are used only for the purpose of substantiating and demonstrating the basis for the GMP submitted by CM@RISK and are not a part of this Contract nor any guarantee by CITY. CM@RISK shall install and perform such quantities as necessary to complete the Project in accordance with the Project description and the Contractor agrees to perform all of the Work for costs plus fees and reimbursements described herein, not to exceed the Guaranteed Maximum Price, regardless of whether or not the items or units are decreased or increased.

8.5. Cost Overruns. CM@RISK shall be solely liable and responsible for and shall pay any and all costs, fees and other expenditures in excess of the Guaranteed Maximum Price for and/or relating to the Work, without entitlement to reimbursement from CITY. CM@RISK is not entitled to any fee, payment, compensation or reimbursement under this Agreement or relating to the Work or Project other than as expressly provided in this Article 8.

8.6. Inferable Work (intent of the Project). CM@RISK agrees that the scope of the Guaranteed Maximum Price includes Work not expressly indicated on the Contract Documents, but which is reasonably inferable from the Project description and/or Contract Documents, or consistent therewith, and such Work shall be performed by CM@RISK without any increase in the Guaranteed Maximum Price.

8.7. Allowances. The GMP includes some work items with the cost listed as an allowance. Allowances are to be used specifically for the areas of work defined in the Contract Documents; provided however,

8.7.1. If the designated work is completed for less than the allowance, the surplus will revert to the project construction contingency.

8.7.2. If the designated work requires more than the allowance, the additional funds will be allocated by the CITY with assistance from CM@RISK within the GMP by transferring excess from other allowance items, value engineering or using less expensive means, methods or components or as a last resort reducing the scope of the Project.

8.7.3. A running balance sheet will be kept concerning the various allowances so that monies can be floated among the allowances to maintain the integrity of the overall GMP. Thus, savings in one area of work will be available to offset overruns in another area of work specifically associated with these allowances.

8.8. Construction Contingency. This GMP includes a dollar amount listed as a Construction Contingency which shall be readily available for increased costs for subcontractors, material and equipment subject to prior approval of City, which approval will not be withheld unreasonably. The Construction Contingency may also be used, at the discretion of CITY, to reimburse CM@RISK for unexpected costs due to (a) scope gaps between trade subcontractors; (b) contract default by trade subcontractors; (c) unforeseen field conditions but only as defined in Subsection 4.3 of the City's General Conditions for Construction Projects; (d)

work completed to meet the intent of the design, but which was not indicated on the plans; (e) costs overruns not covered by allowances; (f) costs of corrective work not provided for elsewhere and (g) implementation of any Recovery Plan. Cost for which CM@RISK desires to be paid from the Construction Contingency shall be documented by CM@RISK on a time and materials basis and are subject to verification by the CITY. If agreed to by CITY, a "Use of Contingency" form shall be executed by both parties authorizing the actual cost of the work to be paid and included in the Work Item Direct Costs. The Construction Contingency is not allocated to any particular item of the Project but may be used for any portion of the work as determined above. Any amount not used in the Construction Contingency shall belong to the CITY and shall reduce the GMP.

8.9. Owner's Contingency. This GMP also includes a dollar amount listed as an Owner's Contingency which may be used only by the CITY (owner department) for upgrades and changes in scope or other changes not already included within the intent of the Project Program. CITY shall provide CM@RISK with a Work Change Directive authorizing CM@RISK to perform the additional work and to transfer funds from the Owner's Contingency to the Work Item Direct Costs category to be paid with such direct costs. These additional costs shall be in amount mutually agreed upon by CM@RISK and CITY or shall be documented by CM@RISK on a time and materials basis and are subject to verification by the CITY. Any amount not used in the Owner's Contingency shall belong to the CITY and shall reduce the GMP.

8.10. Reduction of the Work. If CITY elects to have a party other than CM@RISK, or one of CM@RISK's Subcontractors, perform the Work related to an Allowance Item or other portion of the Work, or otherwise eliminates or reduces the scope of an Allowance Item or other portion of the Work, the Guaranteed Maximum Price shall be reduced by the Allowance Amount for any such Allowance Item or the budgeted amount in the Guaranteed Maximum Price for such item, and such amount shall be excluded from the Work Item Direct Costs upon which the CM@RISK's Fee is calculated.

8.11. Taxes. CM@RISK shall pay all existing and future applicable Federal, State and local sales, consumer, use and similar taxes, whether direct or indirect, relating to, or incurred in connection with the performance of the Work. In the event CM@RISK is obligated to pay any new or increased taxes or duties arising after the date hereof, the amount of such new or increased taxes shall increase the Guaranteed Maximum Price pursuant to the Change Order provisions of this Agreement as set forth in the General Conditions. In the event CM@RISK receives the benefit of a tax exemption or tax reduction taking effect after the date hereof, the amount of such exemption or reduction shall decrease the Guaranteed Maximum Price pursuant to the Change Order provisions of this Agreement.

9. ARTICLE NINE - PAYMENT PROCEDURES

9.1. Schedule of Values. Before the first application for Payment, CM@RISK shall submit to CITY, and the parties shall agree upon, a Schedule of Values, setting forth the various portions of the Work, and the costs listed in the Guaranteed Maximum Price allocated to each such portion of the Work. The Schedule shall be used as a basis for reviewing the contractor's applications for payment and as a basis for progress payments. The Schedule of values shall be updated as actual costs become known to accurately reflect the cost of the work. City reserves the right to audit the books of CM@RISK, at any time, to determine actual costs and to modify the schedule of values to better reflect actual costs of the work. At Project completion and prior to final payment the parties will reconcile the schedule of values with the actual costs in accordance with provisions in Article Eight herein to determine the final payment.

9.2. Applications for Payment. CM@RISK shall submit completed Applications for Payment in accordance with the Contract Documents. No payment application will be considered complete unless it is accompanied by an updated Construction Progress Schedule and a certification that the on-site, red lined, as-built drawings are up to date. Completed Applications for Payment will be processed by CITY REP as provided in the Contract Documents.

9.3. Waiver of Claims at Final Payment. Acceptance of Final Payment by CM@RISK shall constitute a waiver of affirmative claims by CM@RISK except those previously made in writing and identified as unsettled at the time of Final Payment.

9.4. Retention. Prior to Substantial Completion, progress payments will be made in the amount equal to the percentages indicated below, but in each case less the aggregate of payments previously made and less such amounts as CITY'S REPRESENTATIVE may determine, in accordance with the General Conditions or other provisions of the Contract Documents.

9.4.1. To insure the proper performance of the contract CITY shall retain ten per cent (10%) of the amount of each approved progress payment until the Work is fifty percent (50%) complete.

9.4.2. When the Work is fifty percent (50%) complete as measured by the schedule of values and approved by CITY REP, one-half of the amount retained under the ten percent (10%) retention provision, shall be paid to CM@RISK, provided CM@RISK is on schedule for project completion and is making satisfactory progress on the Work and there is no specific cause or claim requiring a greater amount to be retained. After fifty percent (50%) completion, CITY shall retain five percent (5%) of each approved progress payment providing CM@RISK is on schedule for project completion, is making satisfactory progress on the Work, except that if at any time CITY determines satisfactory progress is not being made, ten percent (10%) retention shall be reinstated for all progress payments made under the contract subsequent to such determination

9.4.3. In lieu of retention, CITY will, at the option of CM@RISK, accept security as provided in ARS § 34-221.

9.5. CITY may withhold and deduct from each progress payment and final payment an amount equal to CITY'S estimate of the liquidated damages then due, or that would become due based on CITY'S estimate of late completion of the Work, provided CM@RISK fails to submit and implement a written schedule recovery plan describing the cause of schedule slippage or delayed progress and the actions proposed and taken to recover schedule slippage.

9.6. Final Payment: Upon final completion and acceptance of the Work and upon compliance with all other terms and conditions of the Contract Documents, CITY shall pay the remainder of the Contract Price, including retainage withheld, less such deductions as may be withheld to cover claims in accordance with state law and the Contract Documents, and to cover liquidated and special damages and other charges owing to CITY.

10. ARTICLE TEN – CHANGES TO CONTRACT GMP

10.1. Changes to Scope. CITY reserves the right to change the scope of the Project by adding or deducting work to be performed by CM@RISK under this Contract. Increases to the scope of work to be paid for out of the Owner's Contingency shall be documented by a Work Change Directive. Deductions from the work and additions after the Owner's Contingency has been exhausted shall be documented by a Change Order executed by both parties.

11. ARTICLE ELEVEN - CM@RISK'S REPRESENTATIONS

As part of the inducement for CITY to enter into this Contract, CM@RISK makes the following representations:

11.1. CM@RISK was a member of the Design Team for this Project and participated in and provided recommendations concerning the Contract Documents and Project Design.

11.2. CM@RISK has examined and carefully studied the Contract Documents (including any Addenda) and other related data identified in the Bidding Documents, including "technical data" and all federal, state and local laws, ordinances, standards, rules and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

11.3. CM@RISK has obtained and carefully studied (or assumes responsibility for having done so) the reports of investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) and the drawings of physical conditions in or relating to existing surface or subsurface structures, at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing all the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by CM@RISK and safety precautions and programs incident thereto. The reports and drawings available to CITY are listed in the Supplementary Conditions. CM@RISK acknowledges that such reports and drawings are not Contract Documents and may not be complete for CM@RISK's purposes. CM@RISK acknowledges that CITY and CITY'S REP do not assume responsibility for the accuracy or completeness of information and data shown or indicated therein with respect to Underground Facilities at or contiguous to the site. CM@RISK acknowledges full responsibility for locating and resolving any conflicts with any Underground Facilities.

11.4. CM@RISK has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance or furnishing of the Work.

11.5. CM@RISK has made or caused to be made examinations, investigations, tests, studies and related data as he deems necessary, and CM@RISK does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

11.6. CM@RISK has correlated the information known to CM@RISK, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies, reports, and data, with the terms and conditions of the Contract Documents.

11.7. CM@RISK has given CITY REP written notice of all conflicts, errors, or discrepancies that CM@RISK has discovered in the Contract Documents, and the written resolution thereof by CITY is acceptable to CM@RISK, and the Contract Documents are sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work. CM@RISK assumes full responsibility and liability for any conflicts, errors or discrepancies in the Contract Documents, including, but not limited to, the specifications, design and engineering for the project, for which written notice has not been provided and which a reasonable Contractor, participating in the Design Process as the Construction Manager at Risk would have discovered.

12. ARTICLE TWELVE – CONTRACT DOCUMENTS, DRAWINGS AND ADDENDA The Contract Documents which comprise the entire agreement between CITY and CM@RISK concerning the Work consist of those listed below. There are no Contract Documents other than the following:

12.1. This Contract

12.2. The project Design, Engineering and Specifications entitled: OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE Project No. WW1104-201 (Dated September 2011)

12.3. The Drawings, comprised of a set entitled: OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE Project No. WW1104-201 (Dated 9-23-11)

12.4. Performance Bond and Payment Bond.

12.5. The approved Construction Schedule (CPM) (re: Exhibit D)

12.6. General Conditions (pages 1 to 55, inclusive).

12.7. Notice to Proceed.

12.8. Approved Construction GMP and attached Assumptions (re: Exhibit A and C)

12.9. CM@RISK'S Schedule of Manufacturers and Suppliers of Major Equipment and Material Items (re: GMP Proposal Dated 10-13-11).

12.10. The following which may be delivered or issued after the Effective Date of this Contract and are not attached hereto:

A. Written Amendments;
B. Work Change Directives;
C. Change Order(s).

ARTICLE THIRTEEN – BONDS

CM@RISK shall furnish Payment and Performance bonds, each in an amount at least equal to the Contract Price, as security of the faithful performance and payment of all CM@RISKS obligations under the contract documents. Exhibit E and Exhibit F attached hereto and incorporated in by reference.

ARTICLE FOURTEEN – INSURANCE

General Requirements:

CM@RISK, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of A-6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.

A. With the exception of professional liability policies, policies written on a "Claims made" basis are not acceptable without written permission from the City's Risk Manager.

B. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.

C. If any of the insurance policies are not renewed prior to expiration, payments to the CM@RISK may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the CM@RISK.

D. All insurance policies, except Workers' Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

E. CM@RISK's insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.

F. The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of CM@RISK's acts, errors, mistakes, omissions, work or service.

G. The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of CM@RISK. CM@RISK shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require CM@RISK to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of $25,000 will not be accepted except with permission of the Management Services Director/designee.

H. All policies and certificates shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.

I. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CM@RISK with reasonable promptness in accordance with the CM@RISK's information and belief.

J. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CM@RISK until such time as the CM@RISK shall furnish such additional security covering such claims as may be determined by the CITY.

11.8. Proof of Insurance - Certificates of Insurance

A. Prior to commencing work or services under this Agreement, CM@RISK shall furnish to CITY Certificates of Insurance, issued by CM@RISK's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.

B. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler five (5) days prior to the expiration date.

C. All Certificates of Insurance shall identify the policies in effect on behalf of CM@RISK, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.

D. CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise CM@RISK of any deficiencies in such policies and endorsements, and such receipt shall not relieve CM@RISK from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of CM@RISK's obligations under this Agreement.

11.9. Required Coverage

Such insurance shall protect CM@RISK from claims set forth below which may arise out of or result from the operations of CM@RISK under this Contract and for which CM@RISK may be legally liable, whether such operations be by the CM@RISK or by a Sub-consultant or subCM@RISK or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage under the policy will be at least as broad as Insurance Services Office, Inc., policy form CG00011093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.

A. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;

B. Claims for damages because of bodily injury, occupational sickness or disease, or death of the CM@RISK's employees;

C. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the CM@RISK's employees;

D. Claims for damages insured by usual personal injury liability coverage;

E. Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

F. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "1" "any auto" policy form CA00011293 or equivalent thereof.

G. Claims for bodily injury or property damage arising out of completed operations;

H. Claims involving contractual liability insurance applicable to the CM@RISK's obligations under the Indemnification Agreement;

I. Claims for injury or damages in connection with one's professional services;

J. Claims involving construction projects while they are in progress. Such insurance shall include coverage for loading and off loading hazards. If any hazardous material, as defined by any local, state or federal authorities are to be transported, MCS 90 endorsement shall be included;

11.9.1. Commercial General Liability - Minimum Coverage Limits:
The Commercial General Liability insurance required herein shall be written for not less than $1,000,000 limits of liability or ten percent (10%) of the Contract Price, whichever coverage is greater. Any combination between general liability and excess general liability alone amounting to a minimum of $1,000,000 per occurrence (or 10% per occurrence) and an aggregate of $2,000,000 (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services, Inc's (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for CM@RISK's operations and products, and completed operations.

11.9.2. General Liability - Minimum Coverage Limits

A. The General Liability insurance required herein, including, Comprehensive Form, Premises-Operations, Explosion and Collapse, Underground Hazard, Products/Completed Operations, Contractual Insurance, Broad Form Property Damage, Independent CM@RISKs, and Personal Injury shall be written for Bodily Injury and Property Damage Combined shall be written for not less than $1,000,000 or 10% of the contract cost and with a $2,000,000 aggregate.

B. Automobile Liability: CM@RISK shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the CM@RISK's work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards if hazardous substances, materials or wastes are to be transported and a MCS 90 endorsement shall be included with coverage limits of $5,000,000 per accident for bodily injury and property damage.

11.9.3. Worker's Compensation and Employer's Liability:
CM@RISK shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CM@RISK's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than $1,000,000 for each accident, $1,000,000 disease coverage for each employee, and $1,000,000 disease policy limit. In case any work is subcontracted, CM@RISK will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of CM@RISK.

Builders' Risk (Property) Insurance:
CM@RISK shall purchase and maintain in force on a replacement cost basis, Builders' Risk insurance in the amount of the initial Contract Amount as well as subsequent modifications thereto for the entire work at the site. Such Builders' Risk insurance shall be maintained until final payment has been made or until no person or entity other than the City of Chandler has an insurable interest in the property required to be covered, whichever is earlier. The insurance shall, at a minimum, cover the perils insured under the Insurance Services Office, Inc. (ISO) special causes of loss form CP1030, and shall be endorsed as needed to provide full coverage for loss or damage from collapse, including collapse resulting from design error. CM@RISK shall provide and maintain Builder's Risk insurance covering construction activities including but not limited to fire, extended coverage, vandalism and malicious mischief, theft, collapse, flood, with the coverage limit of not less than the contract value, less site preparation.

11.9.4. Construction Insurance:
CM@RISK shall provide and maintain construction insurance coverage listed below until the project is accepted by the City of Chandler which shall be written for 100% of the completed value covering the City of Chandler as the insured.

A. For construction of new buildings: "Builders Risk Form" - all risk forms with an extension of buildings coverage to include personal property of others in the care, custody and control of the insured.

B. For additions or repairs of existing buildings or structures: "Builders Risk Completed Value Form", covering CM@RISKs' interest in improvements, repairs, additions, alteration to completed buildings, and subject the coverages described in item A above.

C. For construction of bridges, viaducts or similar structures: "Bridge Builders Risk Form", All Risk Contract.

12. ARTICLE FIFTEEN - INDEMNIFICATION

To the fullest extent permitted by law, CM@RISK shall defend, indemnify and hold harmless the City of Chandler, its agents, representatives, officers, directors, officials and employees, individually and collectively, (hereinafter CoC) from and against all losses, claims, damages, suits, actions, payments, judgments, demands, expenses and costs, including, but not limited to, attorney's fees, defense costs, court costs, and the cost of appellate proceedings, or actions of any kind and nature, wages or overtime compensation due employees in rendering service under this Contract and whether to any person or property, including natural resources and any claim made under the Fair Labor Standards Act or any other federal or state laws, related to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, work or services of CM@RISK, its employees, agents, or any tier of subcontractors in the performance of this Contract or of any other person for whose acts, errors, mistakes or omissions CM@RISK may be legally liable, and from any claims or amounts arising or recovered under Workers' Compensation laws or any other law, bylaw, or ordinance, order or decree or any failure on the part of CM@RISK, its agents, employees or representatives to fulfill CM@RISK'S obligations under this Contract. This indemnity shall not be construed to include losses, claims, damages, suits, or actions of any kind and nature, to the extent arising from or alleged to have resulted from the errors, mistakes or omissions of CoC, (other than CM@RISK, its employees, agents, or any tier of subcontractors). The provisions of this paragraph shall survive termination of this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

13. ARTICLE SIXTEEN - MISCELLANEOUS

13.1. Terms used in this Contract which are defined in the General Conditions, shall have the meanings indicated in the General Conditions.

13.2. The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

13.3. CITY and CM@RISK each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in these Contract Documents.

17. ARTICLE SEVENTEEN – CONFLICT OF INTEREST

CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract.

Pursuant to A.R.S. Section 38-511, the City may cancel this contract within three (3) years after its execution without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Chandler is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

18. ARTICLE EIGHTEEN - TERMINATION WITHOUT CAUSE

CITY may at any time and for any or no reason, at its convenience, terminate this Agreement or any part of the services to be rendered pursuant thereto by ten (10) day written notice to CONTRACTOR specifying the termination date. Immediately after receiving such notice, CONTRACTOR shall discontinue advancing the work under this Agreement and shall deliver to CITY all drawings, notes, calculations, sketches and other materials entirely or partially completed, together with all unused materials supplied by CITY.

18. ARTICLE NINETEEN - COMPLIANCE WITH ARIZONA STATE PROCUREMENT LAW

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-391.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan."

Contractor Immigration Warranty
To Be Completed by Contractor Prior to Execution of Contract

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form and attached Employee Verification Worksheet the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Project Number/Division: WW1104-401 OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE
Contractor Name (as listed in the contract): Achen-Gardner Construction, LLC
Street Name and Number: 550 S. 79th Street
City: Chandler State: AZ Zip Code: 85226

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;

2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and

3. The contractor has identified all contractor and subcontractor employees who perform work under the contract and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Contractor (Employer) or Authorized Designee:

Printed Name: David J. Spitza

Title: Vice President

Date (month/day/year): 10-18-11

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first written above.

This Contract will be effective on of , 2011.

CITY OF CHANDLER

MAYOR Date

ADDRESS FOR NOTICE

City of Chandler
P.O. Box 4008, Mail Stop 407
Chandler, AZ 85244-4008
Phone: 480-782-3307
Fax: 480-782-3355

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney by: SEAL

CONSTRUCTION MANAGER AT RISK

By:

Signature

Printed or Typed

ADDRESS FOR NOTICE
Achen-Gardner
550 S. 79th St.
Chandler, AZ 85226
Phone: 480-940-1300
Fax: 480-940-4576

ATTEST: If Corporation

Secretary

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first written above.

This Contract will be effective on of , 2011.

CITY OF CHANDLER

MAYOR Date

ADDRESS FOR NOTICE

City of Chandler
P.O. Box 4008, Mail Stop 407
Chandler, AZ 85244-4008
Phone: 480-782-3307
Fax: 480-782-3355

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney by: _____ SEAL

CONSTRUCTION MANAGER AT RISK

By: Signature

Daniel J. Spitzer
Printed or Typed

ADDRESS FOR NOTICE
Achen-Gardner
550 S. 79th St.
Chandler, AZ 85226
Phone: 480-940-1300
Fax: 480-940-4576

ATTEST: If Corporation

Secretary

EXHIBIT A
Project Description and Phasing

The following is a brief description of the Project for which construction services are specified to be performed.

General Description – This project's ultimate scope includes a:

- Approximately 2400 lf of 42-inch diameter deep sanitary sewer (SS) and associated junction structure, and sanitary sewer wastewater flow by-pass pumping services at the Ocotillo Water Reclamation Facility (OWRF) near Queen Creek and Price Roads.
- 20 million gallon per day wastewater lift station and associated improvements at the OWRF.
- Diversion structure and piping to connect an existing 66-inch diameter deep SS at the OWRF with the new lift station. Scope includes sanitary sewer wastewater flow by-pass pumping services at the OWRF.
- Wastewater receiving structure at the headworks of the Airport Water Reclamation facility (AWRF) located near Queen Creek and McQueen roads.

Project Phasing - This project will be released in two phases with the sewer line construction (Phase 1) commencing first followed by the construction of the lift station and receiving structures (Phase 2).

GMP 1 Scope – This GMP 1 scope includes:

- Phase 1 / 42-inch SS (complete) – Based on 100% plans and specifications
- Phase 2 / Lift Station and Diversion Structure (partial long-lead items) – based on 100% diversion Structure plans and conceptual/preliminary lift station plans and specifications

GMP 2 Scope – A future second GMP is scheduled to refine and complete balance of Phase 2 items of work (see EXHIBIT F, GMP Schedule)

Construction Duration –

- Phase 1's duration is estimated at approximately 8 months (November, 2011 through June, 2012). See EXHIBIT F, GMP Schedule.
- Phase 2's duration is estimated at approximately 12 months (December, 2011 through November, 2012). See EXHIBIT F, GMP Schedule.

(Note: Final durations are subject to revision based on receipt and review of forthcoming Phase 2 Plans and Specifications.)

EXHIBIT B
GMP Schedule of Values (SOV)

- **EXHIBIT B1.1 - Phase 1 AGC General Conditions**
- **EXHIBIT B1.2 - Phase 2 AGC General Conditions**
- **EXHIBIT B1.3 - Phase 2 MGC General Conditions**
- **EXHIBIT B2.1 Phase 1 Construction (Contractor) Contingency**
- **EXHIBIT B2.2 Phase 2 Construction (Contractor) Contingency**

EXHIBIT B
GMP

EXHIBIT B - GMP SCHEDULE OF VALUES (SOV)

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

ACHEN-GARDNER
550 South 79th Street
Chandler, AZ 85226-4706
Office: (480) 940-1300 / Fax: (480) 940-4576

COC OWRF GMP 1 10-13-11.xls

GMP Item #	Division	Item Description	MGC & Subs	UM	GMP Total Qty	GMP Unit Cost	GMP % (Ph1)	GMP Total Cost (Phase 1)	GMP % (Ph2)	GMP Total Cost (Phase 2)
		Phase 1 - 42-inch SS								
10010		Mobilization		LS	1	11,940.00	100.00%	11,940.00	0.00%	-
10020		SWPP (Allowance)		LS	1	47,893.98	25.00%	11,973.50	75.00%	35,920.49
10030		Project Dust Control		LS	1	129,909.17	25.00%	32,477.29	75.00%	97,431.88
10040		Survey and As-Builts - Phase 1	SIG	LS	1	4,220.00	100.00%	4,220.00	0.00%	-
10050		QC Testing (Allowance)	ATC	LS	1	15,572.00	100.00%	15,572.00	0.00%	-
10060		Temporary Fence (By-Pass Area)	American	LF	500	18.00	50.00%	4,500.00	50.00%	4,500.00
10070		Remove & Dispose Existing Trees		LS	1	9,115.36	100.00%	9,115.36	0.00%	-
10080		Landscape & Irrigation Re-Establishment (Allowance)	Allow	LS	1	22,000.00	100.00%	22,000.00	0.00%	-
10090		Remove & Replace CL Fence and Gates	American	LS	1	30,500.00	100.00%	30,500.00	0.00%	-
10100		42-inch SS		LF	2,400	402.04	100.00%	964,896.00	0.00%	-
10101		42-inch SS Slide Rail Add'l Cost (Unit Price Allowance)		LF	475	521.70	100.00%	247,807.50	0.00%	-
10110		SS Manholes	Oldcastle	EA	7	30,457.71	100.00%	213,203.97	0.00%	-
10120		42-inch SS & MH Related Shoring		LS	1	78,922.14	100.00%	78,922.14	0.00%	-
10130		MAG 404 Crossings		EA	10	15,158.42	100.00%	151,584.20	0.00%	-
10140	16 & 17	Flow Meter and Electrical Work (MGC/Ludvik)	MGC/Ludv	LS	1	60,808.07	100.00%	60,808.07	0.00%	-
10150		SS Flow By-Pass Pumping	WM	LS	1.00	851,867.80	40.00%	340,747.12	60.00%	511,120.68
10160		SS Flow By-Pass Fuel (Allowance)	Allow	LS	1.00	256,435.20	40.00%	102,574.08	60.00%	153,861.12
10170		SS Flow By-Pass Odor Control (Allowance)	STS	LS	1.00	333,270.00	0.00%	-	100.00%	333,270.00
10180		Junction Structure Ex/Shore/BF/Form/Pour/Strip		LS	1	427,291.97	100.00%	427,291.97	0.00%	-
10190		Junction Structure Coating	Murphy	LS	1	34,200.00	100.00%	34,200.00	0.00%	-
		SUBTOTAL - Phase 1						$ 2,764,333.20		

EXHIBIT B (CONT.)
GMP

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

ACHEN-GARDNER
550 South 79th Street
Chandler, AZ 85226-4706
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COC OWRF GMP 1 10-13-11.xls

GMP Item #	Division	Item Description	MGC & Subs	UM	GMP Total Qty	GMP Unit Cost	GMP % (Ph1)	GMP Total Cost (Phase 1)	GMP % (Ph2)	GMP Total Cost (Phase 2)
		Phase 2 - Lift Station								
		DIVISION 1 - GENERAL REQUIRMENTS								
20110	01500	Mobilization (Achen-Gardner)		LS	1	11,264.29	0.00%	-	100.00%	11,264.29
20111	01500	Mobilization (MGC and Sub-Subcontractors)	MGC	LS	1	25,346.00	0.00%	-	100.00%	25,346.00
20120	01000	Performance and Payment Bond (MGC)(Allowance)	MGC	LS	1	34,610.00	0.00%	-	100.00%	34,610.00
20130		Survey and As-Builts (Allowance)	Allow/SIG	LS	1	88,160.00	0.00%	-	100.00%	88,160.00
20140		QC Testing (Allowance)	ATC	LS	1	30,000.00	0.00%	-	100.00%	30,000.00
		DIVISION 2 - SITE WORK & YARD PIPING								
20210		Lift Station & Diversion Structure Excavation (Allowance)	Allow	CY	18,644	9.74	0.00%	-	100.00%	181,592.56
20211		Lift Station & Diversion Structure Backfill (Allowance)	Allow	CY	15,683	12.88	0.00%	-	100.00%	201,997.04
20220		Shoring and Slope Stability Measures (Allowance)	Allow	LS	1	410,000.00	0.00%	-	100.00%	410,000.00
20221		Shoring Design and Post Design Inspection (Allowance)	Allow	LS	1	20,724.00	0.00%	-	100.00%	20,724.00
20222		Temporary Fence (Lift Station & Div Str Ex Area)	American	LF	1,300	7.00	0.00%	-	100.00%	9,100.00
20230		Rem and Replace 8" WL (Incl tee Hydrant)		LF	900	64.60	0.00%	-	100.00%	58,140.00
20240		Purchase 72-Inch SD (Allowance)		LF	46	208.70	0.00%	-	100.00%	9,600.20
20241		Install 72-Inch SD & Place Collars (Allowance)	MGC	LS	1	21,158.00	0.00%	-	100.00%	21,158.00
20250	02220	Hand Excavate and Cut 66" Pipe	MGC	LS	1	18,693.00	0.00%	-	100.00%	18,693.00
		DIVISION 3 - CONCRETE								
20310	03300	Form & Pour Diversion Structure Concrete	MGC	LS	1	352,779.00	0.00%	-	100.00%	352,779.00
20320	03300	Form & Pour Lift Station Wetwell Structure Concrete (Allowance)	MGC	LS	1	977,734.00	0.00%	-	100.00%	977,734.00
20330	03210	Reinforcing Steel - Diversion Structure	MGC	LS	1	57,703.00	0.00%	-	100.00%	57,703.00
20340	03210	Reinforcing Steel - Lift Station Wetwell (Allowance)	MGC	LS	1	229,313.00	0.00%	-	100.00%	229,313.00

EXHIBIT B (CONT.)
GMP

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-261
ACHEN-GARDNER PROJECT NO.: 3160100

ACHEN-GARDNER
550 South 79th Street
Chandler, AZ 85226-4706
Office: (480) 940-1300 / Fax: (480) 940-4576

COC OWRF GMP 1 10-13-11.xls

GMP Item #	Division	Item Desription	MGC & Subs	UM	GMP Total Qty	GMP Unit Cost	GMP % (Ph1)	GMP Total Cost (Phase 1)	GMP % (Ph2)	GMP Total Cost (Phase 2)
		DIVISION 8 - ACCESS DOORS								
20810	08114	Supply Access Hatches - Diversion Structure	MGC	LS	1	20,056.00	0.00%	-	100.00%	20,056.00
20811	08955	Install Access Hatches - Diversion Structure	MGC	LS	1	2,906.00	0.00%	-	100.00%	2,906.00
20820	08114	Supply Access Hatches - Lift Station Wetwell (Allowance)	MGC	LS	1	24,024.00	0.00%	-	100.00%	24,024.00
20821	08955	Install Access Hatches - Lift Station Wetwell (Allowance)	MGC	LS	1	10,654.00	0.00%	-	100.00%	10,654.00
		DIVISION 9 - FINISHES								
20910	09900	Special Coatings - Diversion Structure	MGC	LS	1	51,397.00	0.00%	-	100.00%	51,397.00
20920	09900	Special Coatings - Lift Station Wetwell	MGC	LS	1	237,341.00	0.00%	-	100.00%	237,341.00
		DIVISION 11 - EQUIPMENT								
21110	11285	Furnish Stop Logs - Diversion Structure (Allowance)	MGC	LS	1	66,340.00	0.00%	-	100.00%	66,340.00
21111	11285	Furnish Slide Gates - Diversion Structure (Allowance)	MGC	LS	1	60,720.00	0.00%	-	100.00%	60,720.00
21112	11285	Install Stop Logs - Diversion Structure	MGC	LS	1	6,055.00	0.00%	-	100.00%	6,055.00
21113	11285	Install Slide Gates - Diversion Structure	MGC	LS	1	13,801.00	0.00%	-	100.00%	13,801.00
21120	11285	Furnish Slide Gates - Lift Station Wetwell (Allowance)	MGC	LS	1	160,451.00	0.00%	-	100.00%	160,451.00
21121	11285	Install Slide Gates - Lift Station Wetwell (Allowance)	MGC	LS	1	20,702.00	0.00%	-	100.00%	20,702.00
21130	11311	Furnish Pumps & Hatches - Lift Station Wetwell (Allowance)	MGC	LS	1	609,143.00	0.00%	-	100.00%	609,143.00
21140	11???	Furnish Odor Control System (Allowance)	MGC	LS	1	292,030.00	0.00%	-	100.00%	292,030.00

EXHIBIT B (CONT.)
GMP

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

ACHEN-GARDNER
550 South 79th Street
Chandler, AZ 85226-4706
Office: (480) 940-1300 / Fax: (480) 940-4576

COC OWRF GMP 1 10-13-11.xls

GMP Item #	Division	Item Desription	MGC & Subs	UM	GMP Total Qty	GMP Unit Cost	GMP % (Ph1)	GMP Total Cost (Phase 1)	GMP % (Ph2)	GMP Total Cost (Phase 2)
		DIVISION 15 - MECHANICAL								
21510	15000	Furnish Misc Pipe - Diversion Structure	MGC	LS	1	21,253.00	0.00%	-	100.00%	21,253.00
21511	15000	Install Misc Pipe - Diversion Structure	MGC	LS	1	2,906.00	0.00%	-	100.00%	2,906.00
21520	15000	Furnish Misc Pipe - Lift Station (Allowance)	MGC	LS	1	31,303.00	0.00%	-	100.00%	31,303.00
21521	15000	Install Misc Pipe - Lift Station (Allowance)	MGC	LS	1	8,706.00	0.00%	-	100.00%	8,706.00
		DIVISION 16 & 17 - ELECTRICAL & INSTRUMENTATION								
21610	16682	Furnish Standby Generator (Allowance)	MGC	LS	1	583,024.00	0.00%	-	100.00%	583,024.00
21620	16485	Furnish VFD's for Pumps (Allowance)	MGC	LS	1	473,860.00	0.00%	-	100.00%	473,860.00
21630	16400	Furnish Electrical Switchgear (Allowance)	MGC	LS	1	253,460.00	0.00%	-	100.00%	253,460.00
21640	16500	Furnish Electrical Enclosure (Allowance)	MGC	LS	1	137,750.00	0.00%	-	100.00%	137,750.00
21650	17000	Furnish RTU/PLC (Allowance)	MGC	LS	1	33,060.00	0.00%	-	100.00%	33,060.00
		Not Used			-	-	0.00%	-	0.00%	-
		Not Used			-	-	0.00%	-	0.00%	-
		SUBTOTAL - Phase 2								$ 6,994,960.25
		Subtotal #1 / Running Total #1 - Work Item Direct Costs						$ 2,764,333.20		$ 6,994,960.25

EXHIBIT B (CONT.)
GMP

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

ACHEN-GARDNER
550 South 79th Street
Chandler, AZ 85226-4706
Office: (480) 940-1300 / Fax: (480) 940-4576

COC OWRF GMP 1 10-13-11.xls

GMP Item #	Division	Item Description	MGC & Subs	UM	GMP Total Qty	GMP Unit Cost	GMP % (Ph1)	GMP Total Cost (Phase 1)	GMP % (Ph2)	GMP Total Cost (Phase 2)
		Achen-Gardner General Conditions (Re: Exhibit B1.1)		MO	6.0	29,580.00	60.00%	106,488.00	40.00%	70,992.00
		Achen-Gardner General Conditions (Re: Exhibit B1.2)		MO	6.0	24,430.00	0.00%	-	100.00%	146,580.00
		MGC General Conditions (Re: Exhibit B1.3)	MGC	MO	10.0	29,874.00	0.00%	-	100.00%	298,740.00
		Subtotal #2 - Management Indirect Costs						106,488.00		516,312.00
		Running Total #2 - Total Direct Costs + Management Indirect						2,870,621.20		7,511,272.25
		Contractor's Fee for Overhead (7.5%) and Profit (2.5%) OR Total Fee of 10%		%				287,062.12		751,127.23
		Subtotal #3 - Fee						287,062.12		751,127.23
		Running Total #3 - Total w/o Bond, Insurance, Tax, and Contingency						3,157,903.32		8,262,399.48
		Builder's Risk, General Liability, Auto Insurance, etc. (1.5% of Running Total #3)		%				47,368.55		123,935.99
		General Contractor's Bond (1% of Running Total #3)(Allowance)		Allow				31,579.03		82,623.99
		Subtotal #4 - Markups						78,947.58		206,559.98
		Running Total #4 - Total w/o Tax and Contingency						3,236,850.90		8,468,959.46
		Sales Tax (COC 8.6% of 65% or 5.72% of Running Total #4) (Allowance)		%				185,147.87		484,424.48
		Tax Credits (Allowance)		Allow				-		(116,000.00)
		Subtotal #5 - Tax						185,147.87		368,424.48
		Running Total #5 - TOTAL GMP (Before Contingencies)						3,421,998.77		8,837,383.94
		Construction Contingency (Re: Exhibit B2.1)		LS	1			82,400.00		
		Construction Contingency (Re: Exhibit B2.2)		LS	1					344,000.00
		Subtotal #6 - Construction Contingency						82,400.00		344,000.00
		Running Total #8 - TOTAL GMP (w/ Construction Contingency)						3,504,398.77		9,181,383.94
		Phase 1 Budget Adjustment		LS	1			(804,398.77)		804,398.77
		Subtotal #7 - Budget Adjustment						(804,398.77)		804,398.77
		Running Total #7 - TOTAL GMP w/o OWNER CONTINGENCY						$2,700,000.00		9,985,782.71
							TOTAL GMP 1 =	$12,685,782.71		

EXHIBIT B1.1
GENERAL CONDITIONS

EXHIBIT B1.1 - SCHEDULE OF GMP GENERAL CONDITIONS (Ph 1&2 / AGC)

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

COC OWRF GMP 1 10-13-11.xls

Item Desription	Qty	Total % of Project	Unit	Unit Cost	Total Cost
GENERAL CONDITIONS	6		MO		
PROJECT MANAGER (Paul Ekstrom) (50%)	1,056	50%	HR	$ 96.25	$ 50,820.00
PROJECT GEN SUPT (Johnny Martinez) (100%)	1,056	100%	HR	96.25	101,640.00
PROJECT PHOTOGRAPHY & VIDEO (Excluded)	0	0%	LS	-	-
PROJECT OFFICE TRAILERS (2ea)	6	200%	MO	750.00	9,000.00
PROJECT YARD RENT (Excluded - To be provided at no cost by COC)	0	0%	MO	-	-
FIELD OFFICE AND YARD TEMPORARY POWER HOOKUPS	1	100%	EA	2,500.00	2,500.00
FIELD OFFICE POWER AND UTILITIES	1	100%	MO	500.00	500.00
STORAGE CONTAINERS (2 EA)	6	200%	MO	350.00	4,200.00
MISC YARD TRASH DUMPSTERS (1ea/Mo)	6	100%	MO	500.00	3,000.00
FIELD OFFICE YARD TOILETS (2 EA - 1 Male / 1-Female)	6	200%	MO	100.00	1,200.00
PROJECT FIELD TOILETS (2 EA)	6	200%	MO	100.00	1,200.00
PROJECT ICE & DRINKING WATER	6	100%	MO	100.00	600.00
CONSTRUCTION YARD FENCE (Excluded)	0	0%	MO	-	-
OFFICE EQUIP & SUPPLIES	6	100%	MO	250.00	1,500.00
COUNTY EARTH MOVING PERMIT PHASE 1 (DUST PERMIT)	1	100%	EA	1,325.00	1,325.00
HYDRANT METER FEE (Not Required)	0	0%	MO	-	-
					-
TOTAL PROJECT GENERAL CONDITIONS			LS		$ 177,485.00
Monthly GC Value	6		MO		$ 29,580.833
					$ 29,580.00

EXHIBIT B1.2
GENERAL CONDITIONS

EXHIBIT B1.2 - SCHEDULE OF GMP GENERAL CONDITIONS (Ph 2 / AGC)

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

COC OWRF GMP 1 10-13-11.xls

Item Desriptlon	Qty	Total % of Project	Unit	Unit Cost	Total Cost
GENERAL CONDITIONS	6		MO		
PROJECT MANAGER (Paul Ekstrom) (25%)	1,056	25%	HR	$ 96.25	$ 25,410.00
PROJECT GEN SUPT (Johnny Martinez) (100%)	1,056	100%	HR	96.25	101,640.00
PROJECT PHOTOGRAPHY & VIDEO (Excluded)	0	0%	LS	-	-
PROJECT OFFICE TRAILERS (2ea)	6	200%	MO	750.00	9,000.00
PROJECT YARD RENT (Excluded - To be provided at no cost by COC)	0	0%	MO	-	-
FIELD OFFICE AND YARD TEMPORARY POWER HOOKUPS	1	0%	EA	-	-
FIELD OFFICE POWER AND UTILITIES	1	100%	MO	500.00	500.00
STORAGE CONTAINERS	0	0%	MO	-	-
MISC YARD TRASH DUMPSTERS (1ea/Mo)	6	100%	MO	500.00	3,000.00
FIELD OFFICE YARD TOILETS (2 EA - 1 Male / 1-Female)	6	200%	MO	100.00	1,200.00
PROJECT FIELD TOILETS (2 EA)	6	200%	MO	100.00	1,200.00
PROJECT ICE & DRINKING WATER	6	100%	MO	100.00	600.00
CONSTRUCTION YARD FENCE (Excluded)	0	0%	MO	-	-
OFFICE EQUIP & SUPPLIES	6	100%	MO	250.00	1,500.00
COUNTY EARTH MOVING PERMIT PHASE 2 (DUST PERMIT)(See Ph 1)	1	100%	EA	2,530.00	2,530.00
HYDRANT METER FEE (Not Required)	0	0%	MO	-	-
					-
TOTAL PROJECT GENERAL CONDITIONS			LS		$ 146,580.00
Monthly GC Value	6		MO		$ 24,430.000
					$ 24,430.00

EXHIBIT B1.3
GENERAL CONDITIONS

EXHIBIT B1.3 - SCHEDULE OF GMP GENERAL CONDITIONS (Ph 2 / MGC)

OWRF/AWRF Lift Station & SS
CITY OF CHANDLER PROJECT NO.: WW1104-251
ACHEN-GARDNER PROJECT NO.: 3160100

COC OWRF GMP 1 10-13-11.xls

Item Desription	Qty	Total % of Project	Unit	Unit Cost	Total Cost
GENERAL CONDITIONS	10		MO		
PROJECT MANAGER (Ken Stokes) (50%)	1,760	50%	HR	$ 90.45	$ 79,596.00
PROJECT GEN SUPT (Shayne McNiel) (100%)	1,760	100%	HR	$ 104.85	184,536.00
PROJECT PHOTOGRAPHY & VIDEO	10	100%	MO	$ 253.00	2,530.00
PROJECT OFFICE TRAILERS (2ea)	0	0%	MO		AGC
PROJECT YARD RENT (Excluded - To be provided at no cost by COC)	0	0%	MO	$ -	AGC
FIELD OFFICE AND YARD TEMPORARY POWER HOOKUPS	0	0%	EA	$ -	AGC
FIELD OFFICE POWER AND UTILITIES	0	0%	MO	$ -	AGC
STORAGE CONTAINERS	14	100%	MO	$ 220.00	3,080.00
CONSTRUCTION WATER SYSTEM	10	100%	MO	$ 1,100.00	11,000.00
FIELD OFFICE YARD TOILETS (2 EA - 1 Male / 1-Female)	0	0%	MO	$ -	AGC
PROJECT FIELD TOILETS (2 EA)	0	0%	MO	$ -	AGC
PROJECT ICE & DRINKING WATER	10	100%	MO	$ 330.00	3,300.00
CONSTRUCTION YARD FENCE (Excluded)	0	0%	MO	$ -	AGC
OFFICE EQUIP & SUPPLIES	10	100%	MO	$ 550.00	5,500.00
COUNTY EARTH MOVING PERMIT (DUST PERMIT)(See Ph 1)	0	0%	MO	$ -	AGC
HYDRANT METER FEE	0	0%	MO	$ -	AGC
TEMPORARY ELECTRIC	10	100%	MO	$ 370.00	3,700.00
LAYOUT EQUIPMENT & MATERIAL EXPENSE	1	100%	MO	$ 3,300.00	3,300.00
MISC. DUMP FEES	10	100%	MO	$ 220.00	2,200.00
MISC QA/QC ENGINEERING AND TESTING	0	0%	MO	$ -	AGC
					-
TOTAL PROJECT GENERAL CONDITIONS			LS		$ 298,742.00
Monthly GC Value	10		MO		$ 29,874.200
					$ 29,874.00

EXHIBIT B2.1
CONSTRUCTION CONTINGENCY

EXHIBIT B2.1 - GMP ESTIMATE OF PROJECT CONTINGENCY (Ph 1)				
OWRF/AWRF Lift Station & SS				
CITY OF CHANDLER PROJECT NO.: WW1104-251				
ACHEN-GARDNER PROJECT NO.: 3160100				
				COC OWRF GMP 1 10-13-11.xls
Item Desription	Total Qty	Unit	Unit Cost	Total Cost
CONTINGENCIES				
QUANTITY / SCOPE VARIATIONS 2.5% of Running Total #2 (RE: Exhibit B)	1	LS	69,108.33	69,108.33
				-
				-
SUBTOTAL #1- CONSTRUCTION CONTINGENCY DIRECT COSTS				$ 69,108.33
Contractor's Fee for Overhead (7.5%) and Profit (2.5%) OR Total Fee of 10%	%			6,910.83
Subtotal #2 - Fee				$ 6,910.83
Running Total #2 - Total w/o Bond, Insurance, & Tax				$ 76,019.16
Builder's Risk, General Liability, Auto Insurance, etc. (1.5% of Running Total #2)	%			1,140.29
General Contractor's Bond (1% of Running Total #2)(Allowance)	%			760.19
Subtotal #3 - Markups				$ 1,900.48
Running Total #3 - Total w/o Tax				$ 77,919.64
Sales Tax (COC 8.8% of 65% or 5.72% of Running Total #4) (Allowance)	%			4,457.00
Tax Credits (Allowance) (Current Estimated Costs - Storm Drain, Irrigation Pipe, Potable, and Reclaimed Water Pipe)	Allow	TBD		$ -
Subtotal #4 - Taxes				$ 4,457.00
Running Total #4 - TOTAL CONSTRUCTION CONTINGENCY COST ESTIMATE				$ 82,376.65
				$ 82,400.00

EXHIBIT B2.2 (CONT.)
CONSTRUCTION CONTINGENCY

EXHIBIT B2.2 - GMP ESTIMATE OF PROJECT CONTINGENCY (PH 2)				
OWRF/AWRF Lift Station & SS				
CITY OF CHANDLER PROJECT NO.: WW1104-251				
ACHEN-GARDNER PROJECT NO.: 3160100				
				COC OWRF GMP 1 10-13-11.xls
Item Desription	Percent Contingency		Cost in GMP	Sugested Contingency
CONTINGENCIES				
Form & pour Lift Station Wetwell concrete	0%		$ 977,734	-
Reinforcing steel Wetwell Structure	15%		$ 229,313	34,396.95
Special Coatings Lift Station Wetwell Structure	0%		$ 241,049	-
Furnish Lift Station Slide Gates	10%		$ 160,451	16,045.10
Furnish Lift Station Pumps & Hatches	5%		$ 609,143	30,457.15
Furnish Ordor Control System	5%		$ 292,030	14,601.50
Furnish Standby Generator	10%		$ 583,024	58,302.40
Furnish VFD's for Pumps	15%		$ 473,860	71,079.00
Furnish Electrical Switchgear	15%		$ 253,460	38,019.00
Furnish Electrical Enclosure	15%		$ 137,750	20,662.50
Furnish RTU/PLC	15%		$ 33,060	4,959.00
				-
SUBTOTAL #1- CONSTRUCTION CONTINGENCY DIRECT COSTS				$ 288,522.60
Contractor's Fee for Overhead (7.5%) and Profit (2.5%) OR Total Fee of 10%	%			28,852.26
Subtotal #2 - Fee				$ 28,852.26
Running Total #2 - Total w/o Bond, Insurance, & Tax				$ 317,374.86
Builder's Risk, General Liability, Auto Insurance, etc. (1.5% of Running Total #2)	%			4,760.62
General Contractor's Bond (1% of Running Total #2)(Allowance)	%			3,173.75
Subtotal #3 - Markups				$ 7,934.37
Running Total #3 - Total w/o Tax				$ 325,309.23
Sales Tax (COC 8.8% of 65% or 5.72% of Running Total #4) (Allowance)	%			18,607.69
Tax Credits (Allowance) (Current Estimated Costs - Storm Drain, Irrigation Pipe, Potable, and Reclaimed Water Pipe)	Allow	TBD		$ -
Subtotal #4 - Taxes				$ 18,607.69
Running Total #4 - TOTAL CONSTRUCTION CONTINGENCY COST ESTIMATE				$ 343,916.92
				$ 344,000.00

EXHIBIT C
Clarifications, Assumption, Inclusions/Exclusions

- **EXHIBIT C.1 – General Clarifications, Assumption, Inclusions/Exclusions**
- **EXHIBIT C.2 – Phase 2 General Clarifications, Assumption, Inclusions/Exclusions**
- **EXHIBIT C.3 – Phase 3 General Clarifications, Assumption, Inclusions/Exclusions**

EXHIBIT C.1
General Clarifications, Assumptions, Inclusions/Exclusions

This GMP Proposal is based on the following general clarifications and assumptions:

1) Re: "Contract Article" - Refers to City's standard CMAR Construction Contract.

2) Re: Contract Article 7.1.2, Liquidated Damages – Damages will be assessed in accordance with applicable MAG Standard.

3) Re: Contract Article 8.2.3, Insurance Reimbursement – Insurance will be compensated for at a fixed percentage of 1.5% of Running Total #2 (see SOV Item No. 1003).

4) Re: Contract Articles 8.2.1 and 9.1, "actual cost" – It is understood that for all Work Items not denoted "Allowance", the CM@Risk has developed Unit Prices (UP) (see Exhibit B) that it feels reflect the actual cost of the work described. Any quantity over or under runs will be made based upon final measured quantities and these GMP UP's.

5) Re: GMP Schedule - Proposed Project Schedule, excludes logic associated with acquiring temporary construction easements or permanent right-of-way of any kind. This GMP Proposal assumes ALL right-of-way and easements required to construct the Project have been or will be acquired by City staff in time to maintain the Project Schedule as presented herein.

6) Re: Contract Article 13.3, policy form CG00011093 or equivalent – This proposal is based on forms:
   - CG 0001 1207 being "equivalent" as it relates to this Article and Commercial General Liability Coverage.
   - CA 0001 0306 being "equivalent" as it relates to this Article and Commercial Auto Liability Coverage.

7) Re: Contract Article 13.3.I, Professional Liability Coverage – CM@Risk excludes Professional Liability Coverage as it relates to this Construction Contract.

8) Re: Contract Article 13.3.1, Additional Insured, Form B, CG 20101001 or equivalent – This proposal is based on form CG 2010 0704 being "equivalent" as it relates to this Article.

9) Re: Exhibit B Item No. 1001.1, 1001.2, and 1001.3, General Conditions – The following quantities will be used to calculate partial payouts through final completion.
   - Phase 1 – 6 Months (Note: Starts mid Nov. 2011 and completes by June 2012)
   - Phase 2 – 10 Months (Note: Starts mid Dec. 2011 and completes by Nov. 2012)
   - Phase 1 & 2 will be concurrent approximately 4 months

   This item's total price is subject to adjustment based on final review of Phase 2 Plans, approved changes, and/or extensions of time.

10) Re: Exhibit B Item No. 1005 and 1006 - Sales Tax (5.72%) has been calculated on the total costs associated with Running Total #4. Equipment Tax Credit Allowance (re: Item No. 1006) will be applied as they are administered.

EXHIBIT C.1 - Cont'd (Pg 2/2)

11) GMP excludes all costs associated with COC permit & plan review fees, QA (i.e. inspection) costs, impact fees, utility company fees and/or any other permit or fee not detailed in Exhibit B and related Exhibits.

12) Re: Hazardous Materials – GMP proposal excludes any and all costs associated with handling and/or disposing of hazardous wastes.

13) Re: Hard Dig – GMP proposal excludes any rock excavation requiring blasting and/or hydraulic breakers of any kind.

EXHIBIT C.2
Phase 1 Clarifications, Assumptions, Inclusions/Exclusions

Phase 1 Clarifications, Assumptions, Inclusions/Exclusions

This GMP 1 / Phase 1 Proposal is based on the following clarifications and assumptions:

1) Technical Specification Section 02531, 2.1, D. - Joints between manhole sections shall be standard manhole tongue & groove joints and shall be sealed with ram-nek. O-ring type gaskets and steel bell and spigots will not be utilized.

2) Technical Specification Section 09910, 2.1, A., 1. - Sauerisen Sewergard 210X is not acceptable. Revise to read "Sauerisen Sewergard 210T with a top coat of 210G or Raven 405FS ..."

3) Re: By-pass Suction Pit Details – Windows in existing 66-inch SS to be cut out for suction pump stingers and discharge hoses will be marked for location and orientation so as to be replaced into the same hole. A Sauerisen epoxy will be used to seal the windows in place. No other interior coating will be applied inside the existing 66" pipeline.

3a) Re: Assumed By-pass design flows – CM@RISK has used following City provided information in developing Price for GMP Item #s 10150 and 10160:

1) Best Estimate of OWRF / Lone Butte / AWRF Pumpback Capacities Diagram (8-23-11), received from COC 9-1-11
2) Intel Related Wastewater Projects Schedule (Rev 8-29-11, 2:30pm)

4) Water for dust control shall be non-potable provided by the City at no cost. Trucks, Temporary pipe/pumps, etc... for distribution is included.

Allowance Item Clarifications -

5) Re: GMP Item #10050 and #20140, QC Testing – Scope shall be compensated for at established unit rates (See ATC proposal referenced in Exhibit E.1, QC Testing (Pg 12)).

6) Re: GMP Item #10080, Landscape & Irrigation Re-Establishment - Allowance assumes planting of 20 trees (36" box) and $7,000 for irrigation repairs.

7) Re: GMP Item #10101, 42-inch SS Slide Rail Additional Cost – Should additional shoring be required (re: Item # 10100), this Item's Unit Price shall be used to compensate the CM@Risk for the lost production and additional costs associated with use of a slide rail shoring system.

8) Re: GMP Item #10160, SS Flow By-Pass Fuel – This item will be used to compensate the CM@Risk for the cost of fuel required to operate the wastewater by-pass (re: #10150). Fuel usage (i.e. deliveries) will be documented by the CM@Risk on a daily basis and summarized monthly. The CM@Risk will be compensated monthly based on ADOT's Diesel Fuel Prices posted at http://www.azdot.gov/highways/cns/bitmat.asp. The Current Price (CP), as described by ADOT, will be escalated 10% to accommodate for Federal and State Sales Tax and then multiplied by the fuel delivered to establish the monthly allowance cost compensation. (e.g. 2011 9-month Avg. CP = $2.90/Ga. $2.90 x 1.10 = 3.19/Ga. Assume 18,000 Ga used in a month, total allowance compensation = $57,420.00).

9) Re: GMP Item #10170, SS Flow By-Pass Odor Control – Scope shall be compensated for at established unit rate for Bioxide purchased, delivered, and dosed by Severn Trent Services (STS) at the L-101/L-202 Diversion Structure (See STS's proposal referenced in Exhibit E.1, Odor Control (Pg 8)). Considering this type of approach is in-exact at best, Achen-Gardner reserves the right to adjust this Allowance item should additional scope and/or cost be required.

EXHIBIT C.3
Phase 2 Clarifications, Assumptions, Inclusions/Exclusions

Phase 2 Clarifications, Assumptions, Inclusions/Exclusions

This GMP 1 / Phase 2 Proposal is based on the following clarifications and assumptions:

1) Concrete for all slabs shall be 4000 PSI concrete
2) Concrete for all walls shall be 6000 PSI concrete
3) Slurry shall be 1 sack per cubic yard
4) Water for dust control shall be non-potable provided by the City at no cost. Temporary pipe/pumps for distribution is included.
5) Potable water, if needed, will be provided at the location designated by the City but metered for purchase by contractor. Temporary pipe/pumps for distribution is included.
6) The Lift Station concrete work is complete in place including all pipe sleeves, hatches, slide gate thimbles and other miscellaneous items embedded in the concrete.
7) No piping for the pump discharge or manifolds is included.
8) No concrete slabs or structures for the pump manifolds, odor control, chemical feed, electrical enclosure, and electrical equipment is included.
9) No yard piping is included unless specifically shown on the referenced drawings.
10) The bridge crane/monorail system is excluded.
11) No shade canopy is included.
12) No fees for utility company charges (e.g. SRP Power) , connections and design is included in this proposal.
13) No electrical installation such as conduit, wire, etc. is included.
14) All Slide Gates are fabricated from 316 SS and include a Bernard motor operator except the two at the Diversion structure are manually operated for $200,700.
15) The stop logs for the diversion structure are fabricated from 316 SS and include 12 vertical feet of logs per side in 12" increments for $60,200.

Allowance Item Clarifications -

16) Lift station pumps and pump access hatches are included based on a quote from James Cooke and Hobson for Flygt pumps dated 9/23/11 for $552,761.
17) Lift Station Odor control system is included from Coombs Hopkins for Parkson OHxyPHogg that includes 2 units and an air conditioned fiberglass enclosure for $265,000.
18) The standby emergency generator is a 1750 KW diesel generator with a sound attenuated enclosure and a 4000 amp automatic transfer switch with bypass isolation included from Cummins Rocky Mountain for $529,060.
19) Variable Frequency Drives are included from Allen -Bradley VFDs per Specification 16485,4 400HP VFD with Breaker N1, 2 150HP VFD with Breaker N1, Harmonic Study and Testing, for $430,000.
20) Electrical switch gear is included as follows; SES 480V SRP 3600A NEMA-3R Switchboard Specification 16420, Switchboard 480V 4000A MCB NEMA-1, Customer Metering, 5-600A Breakers, 2-250A Breakers, TVSS, Harmonic Filter/Power Power Factor Correction Unit NEMA-1, MCC 480V 3W 600A MLO with 6 100AF Breakers and 4 SZ-1 Starters Specification 16481,Dry

Transformer 75KVA 480:280-120, Panelboard 200A 120-208 4W NEMA-1, Coordination, Short Circuit and Arc Flash Studies for $230,000.

21) Electrical enclosure building only, no slab, with air conditioning, and house lighting for $170,000.

22) Control cabinet with a RTU with a Modicon M340 PLC NEMA 12 for $30,000.

23) Re: Assumed Lift Station Dimensions – CM@RISK has used following City provided information in developing Price for Lift Station related concrete and reinforcing steel Allowance items:

1) • Gannet Flemming's Airport Lift Station darft lift station detals and dimensions (7 pages) dated 9-19-11 and complimentary conceptual reinforcing detail sheets (2 pages) dated 9-29-11

EXHIBIT D
Construction Schedule

City of Chandler Lift Station and Sewer Line CMAR (WW1104-251) / Deliverable Schedule (Rev 9-14-11 Prepared By: DJS/AGC)

Line No.	Task Description (Responsibility)	Aug-11		Sep-11				Oct-11					Nov-11				Dec-11				Jan-12				Feb-12				Mar-12				Apr-12				May-12				Jun-12				Jul-12			
		21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	5	12	19	26	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15	22	29
	Pre-Const Contract																																																	
1	Council Studdy Session and Award (18th)	X																																																
2	Pre-Const NTP			X	NTP Received 8-25-11																																													
	42-inch SS - GMP 1 / Phase 1																																																	
3	100% Plan Review and Comments	X																																																
4	COC & Wilson Comment Review		X																																															
5	Comment Review Meeting (8-26-11, 2pm, MUD Admin Conf Rm)		X	Also Bi-Wkly COC/Wilson/AGC/MGC Coord Meeting																																														
6	Develop and Submit Subcontractor/ Major Supplier Selection Plan for Approval	X	X																																															
7	COC Review and approve Subcontractor/Major Supplier Selection Plan		X																																															
8	Develop and Submit Geotechnical Pothole Location List	X																																																
9	Coordinate Blue-Staking and Severn Trent Coordination		X																																															
10	Wilson & Company Survey 42-inch SS Alignment (OWRF)		X	Need completed by 8-25-11																																														
11	Geotechnical Potholing (OWRF)			X	Note: Need 2-days for investigation (29/30th).																																														
12	COC Review and Approve GMP 1 Draft SOV		X																																															
13	Develop/Refine Project Phasing and Shoring Plan (incl evaluation of pipe alternatives)			X	X																																														
14	Bi-Wkly Coordination Meeting (9-8-11, Time?, Location?)				X																																														
15	Major Supplier Bid and Selection			X	X																																														
16	Develop GMP 1 / Phase 1 (42" SS) Draft Proposal			X	X	X	Submit Proposal Sept 21st																																											
17	Develop GMP 1 / Phase 2 (Lift Station Long Lead) Draft Proposal			X	X	X	X	Submit Proposal Sept 28th																																										
18	Weekly Coordination Meetings (Thursdays, 2pm, MUD)					X	X	X	X		X		X		X	Bi-Wkly after Oct 6th????????																																		
19	Special GMP Review/Negotiation Meeting (TBD)							X																																										
20	Special GMP Review/Negotiation Meeting (TBD)								X																																									
21	Council Agenda Collection (10-12-11) and Award (10-24-11)		Oct 12th Agenda Collection									Oct 24th Council Session																																						
22	GMP 1 NTP											X																																						
23	42" SS Material Procurement (Assume 4-Weeks)											X	X	X	X																																			
24	GMP 1 Const Start (Note: Based on lead time for Pipe and Shoring, Assume Week after Thanksgiving)																X																																	
25	42-Inch SS Installation Incl MHs and Misc																X	X	X	X	X	X	X	X	X	X	X	X																						

EXHIBIT D (cont.)
Construction Schedule

City of Chandler Lift Station and Sewer Line CMAR (WW1104-251) / Deliverable Schedule (Rev 9-14-11 Prepared By: DJS/AGC)

Line No.	Task Description (Responsibility)	Aug-11	Sep-11				Oct-11					Nov-11					Dec-11					Jan-12					Feb-12					Mar-12					Apr-12					May-12					Jun-12					Jul-12			
		21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	5	12	19	26	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15	22	29
	Diversion Structure Design - GMP 1 / Phase 2 Allowance																																																						
26	Wilson 90% Design				X	X	X																																																
27	MCESD Review - Permit							X																																															
28	City Review							X	X																																														
29	AGC/MGC Review							X																																															
30	Wilson 100% Design									X	X																																												
	Lift Station Design - GMP 1 / Phase 2 Allowance (Long Lead, Ex, Shoring, Concrete, and BF) & GMP 2 (Balance of Phase 2 Scope and Resolution of GMP 1 / Phase 1 Allowances)																																																						
31	Electrical Subcontractor Recommendation (i.e. Qualifications)			X																																																			
32	Electrical Subcontractor Recommendation Review and Final Selection				X	Ludvik approval Sept 15th																																																	
33	Lift Station Design Report (For City and County Review)			X	X	X																																																	
34	MCESD Review Lift Station Design Report						X	X																																															
35	City Review of Lift Station Design Report						X	X													Develop GMP 2 (60%+)									GMP 2 Council Award - March 2012																										
36	Wilson - Preliminary Pumps, Gates, Generator, & Lift Station Structural Concrete Design			X	X	X	X																																																
37	Wilson and NSB 60% Plans and Specifications (Including Pumps, Gates, Generator, Conc)								X	X	X	X																																											
38	City & AGC/MGC Review of 60%												X	X	Note: Excavation/Shoring Design can begin (See Line 43)																																							
39	Wilson 90% Plans and Specifications (Including Pumps, Gates, Generator, Conc)														X	X	X	X	X																																				
40	MCESD Review of 90% - Permit																			X	X																																			
41	City & AGC/MGC Review of 60%																			X	X	X																																		
42	Wilson 100% Plans and Specifications (Including Pumps, Gates, Generator, Conc)																						X	X										Note: 100% Lift Station Piping / Elect / Piping / Sitework / Misc Design complete																							
																										Note: 100% Lift Station Concrete Design complete																																
	Lift Station and Diversion Structure Ex / Shoring / Str Conc - GMP 1 / Phase 2 Allowance																																																						
43	Shoring Design (AMEC)			Base Design on 60% + Comments											X	X										Note: 100% Lift Station Concrete Design complete																																
44	City Review of Shoring ????????																	X	X																																					
45	Prepare Final Price Proposal for Lift Sta/Div Str Ex and Shore (re: GMP 1 Allow)			Base Design on 60% + Comments											X	X	X	X																																						
46	Ex/Shoring Contracts and Procurement																		X	X	X	X																																		
47	Diversion/Lift Station Ex/Shoring (5-weeks)																						X	X	X	X	X																														

EXHIBIT D (cont.)
Construction Schedule

City of Chandler Lift Station and Sewer Line CMAR (WW1104-251) / Deliverable Schedule (Rev 9-14-11 Prepared By: DJS/AGC)

Line No.	Task Description (Responsibility)	Aug-11	Sep-11				Oct-11					Nov-11				Dec-11					Jan-12				Feb-12				Mar-12					Apr-12					May-12					Jun-12					Jul-12				
		21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	6	12	19	26	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15	22	29
48	Diversion Structure Construction (Conc 6-Wks / Cure 4-Wks / Coatings 2-Wks / Cure+Misc 2-Wks)																											X	X	X	X	X	X	X	X	X	X	X	X	X	X	X											
	42" SS and Jct Str - GMP 1 / Phase 1																																																				
49	42-inch SS Installation (See Previous)																X	X	X	X	X	X	X	X	X	X	X	X																									
50	**Shoring Design (United Rentals)**														X	X																																					
51	**City Review of Shoring ????????**				Base Design on 60% + Comments												X	X																																				
52	**By-Pass Design (AGC)**														X	X																																					
53	**City/Wilson Review of By-Pass Design ????????**																X	X																																				
54	**Shoring/By-Pass Contracts and Procurement**																		X	X	X	X																															
55	Jct Str Slide Rail Shoring and Ex (2-weeks)																									X	X																												
56	Set Up By-Pass / Run / Remove (20-Wks or 5-Months) (Set Up/Dwn and By-Pass)																								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X									
57	Jct Structure Construction (Conc 6-Wks / Cure 4-Wks / Coatings 2-Wks / Cure+Misc 3-Wks)																											X	X	X	X	X	X	X	X	X	X	X	X	X	X												

EXHIBIT E
PERFORMANCE BOND

ARIZONA STATUTORY PERFORMANCE BOND
PURSUANT TO TITLES 28, 34, AND 41, ARIZONA REVISED STATUTES
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS THAT:_____

(hereinafter "Principal"), and _____ (hereinafter "Surety"), a corporation organized and existing under the laws of the State of _____ with its principal office in the City of _____, holding a certificate of authority to transact surety business in Arizona issued by the Director of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto _____(hereinafter "Obligee") in the amount of _____ (Dollars) ($_____), for the payment whereof, Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated

the _____ day of _____, 2011 for construction of **OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE CITY PROJECT NO. WW1104-401** which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all the undertakings, covenants, terms, conditions and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice of the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 2011.

_____
PRINCIPAL SEAL

_____
AGENT OF RECORD

By _____

_____
SURETY SEAL

_____
AGENT ADDRESS

EXHIBIT F
PAYMENT BOND

ARIZONA STATUTORY PAYMENT BOND
PURSUANT TO TITLES 28, 34, AND 41, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS THAT:_____

(hereinafter "Principal"), as Principal, and _____(hereinafter "Surety"), a corporation organized and existing under the laws of the State of _____ with its principal office in the City of _____, holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto _____ (hereinafter "Obligee") in the amount of _____ (Dollars) ($_____), for the payment whereof, the Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 2011 for construction of OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE **CITY PROJECT NO.: WW1104-401** which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all moneys due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in said contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2 Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 2011.

_____
PRINCIPAL SEAL

_____
AGENT OF RECORD

By _____

_____
SURETY SEAL

_____
AGENT ADDRESS

CITY OF CHANDLER, ARIZONA

CERTIFICATE OF INSURABILITY

CITY OF CHANDLER PRIVILEGE TAX LICENSE

(Refer to Article 6.9, General Conditions; CONTRACTOR'S RESPONSIBILITIES)

PROJECT NAME: OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE

PROJECT NUMBER: WW1104-401

Please attach current certificate per Article 6.9 General Conditions.

CITY OF CHANDLER, ARIZONA
DEPARTMENT OF PUBLIC WORKS

CONTRACTOR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

_____, Arizona

Date _____

Project Name: OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE
Project No.: WW1104-401

To the City of Chandler, Arizona

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless the City of Chandler against any and all liens, claims or liens, suits, actions, damages, charges and expenses whatsoever, which said City may suffer arising out of the failure of the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____ 20_____.

_____
CONTRACTOR

By _____

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____ 20 _____.

_____
Notary Public

_____
My Commission Expires

CITY OF CHANDLER, ARIZONA
PUBLIC WORKS DEPARTMENT

CERTIFICATE OF COMPLETION

Project Name: **OCOTILLO WATER RECLAMATION FACILITY/AIRPORT WATER RECLAMATION FACILITY LIFT STATION AND SEWER LINE**
Project No.: **WW1104-401**

(TO BE COMPLETED BY CONTRACTOR)

I HEREBY CERTIFY THAT ALL GOODS AND/OR SERVICES REQUIRED BY CITY OF CHANDLER PROJECT NO. WW1104-401 HAVE BEEN DELIVERED IN ACCORDANCE WITH THE CONTRACT DOCUMENTS AND BID SPECIFICATIONS AND ALL ACTIVITIES REQUIRED BY THE CONTRACTOR UNDER THE CONTRACT HAVE BEEN COMPLETED AS OF _____.
(Date)

FIRM NAME: _____

PRINCIPAL: _____
(Name)

_____
(Signature)

_____ DATE: _____
(Title)

CERTIFIED BY ENGINEER/CONSULTANT:

_____ DATE: _____
(Signature)

_____
(Firm Name)

PROJECT ACCEPTED BY USER DEPARTMENT

_____ DATE: _____
(Signature)

_____
(Dept./Div.)

_____ Date of Final Walk-Through
_____ Date As-Built Received

_____ City As-Built Number

City of Chandler
GENERAL CONDITIONS

GENERAL CONDITIONS

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ARTICLE 1 - DEFINITIONS

Wherever used in these General Conditions or in the other Contract Documents, the following terms have the meanings indicated which are applicable to both the singular and plural thereof:

1.1 Addenda: Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change, the bidding Documents or the Contract Documents.

1.2 Agreement: same as Contract.

1.3 Application for Payment: The form prepared by and acceptable to CITY which must be used by CONTRACTOR to request progress or final payments and which must include supporting documentation such as updated Construction Progress Schedule as required by the Contract Documents.

1.4 Architect: The person, firm or corporation, including their representatives, retained by CITY to design and engineer the project, to draft specifications, plans and perform other project design functions. The Architect will generally be referred to as the Project Designer in these General Conditions.

1.5 Change Order: A written order to CONTRACTOR signed by CITY and agreed to in writing by CONTRACTOR, authorizing an addition, deletion or revision in the Work and/or a change in the Contract Price or the Contract Times, issued on or after the Effective Date of the Contract. A Change Order is the only mechanism for adjusting the Contract Price or the Contract Time of the Contract.

1.6 CITY: The City of Chandler, OWNER of the project.

1.7 City Engineer: The person named as such by the City of Chandler.

1.8 CITY REPRESENTATIVE: The person or firm authorized by the CITY to represent it during the performance of the Work by the CONTRACTOR; who is CONTRACTOR'S point of contact for the CITY. The CITY REPRESENTATIVE is also known as and may sometimes be referred to as CITY REP, the Engineer, Resident Engineer, or the Onsite Resident Project Representative.

1.9 Construction Progress Schedule: Sometimes referred to as the Work Schedule, is the schedule prepared and submitted by CONTRACTOR which tracks the progress of the Work as more fully explained and defined herein.

1.10 Contract: The entire and integrated written agreement, including all the Contract Documents, between the CITY and CONTRACTOR concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.

1.11 Contract Documents: The Contract Documents are those documents listed in paragraph 3.1 herein.

1.12 Contract Price: The moneys payable by CITY to CONTRACTOR for completion of the Work in accordance with the Contract Documents as stated in the Contract (subject to the provisions of Paragraph 1.41 in the case of Unit Price Work).

1.13 Contract Time: The number of days or the date stated in the Contract to: (i) achieve Substantial Completion; (ii) to complete the Work through any designated milestones; and (iii) to complete the Work so that it is ready for final payment as evidenced by the written recommendation of the CITY REP for final payment.

1.14 CONTRACTOR: The person, firm or corporation with whom CITY has entered into the Contract. Whenever the Project is to be constructed under multiple direct contracts, the term "CONTRACTOR" shall mean the appropriate prime CONTRACTOR. Whenever a specific prime CONTRACTOR is referred to, terms such as "General CONTRACTOR", "Electrical CONTRACTOR", etc., will be used.

1.15 Day: A calendar day of twenty-four hours measured from midnight to the next midnight.

1.16 Drawings: That part of the Contract Documents prepared by the Project Designer which graphically shows the character, intent and scope of the Work to be performed by CONTRACTOR. Shop Drawings and other CONTRACTOR submittals are not Drawings as so defined.

1.17 Effective Date of the Contract: The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the two parties to sign and deliver.

1.18 Engineer: The person, firm or corporation, including their representatives, retained by CITY to design and engineer the project, to draft specifications, plans and perform other project design functions. The engineer will generally be referred to as the Project Designer in these General Conditions.

1.19 Field Order: A written order issued by CITY REP which requires CONTRACTOR to perform minor changes in the Work, but which does not involve a change in the Contract Price or the Contract Times.

1.20 General Requirements: Sections of Division 1 of the Specifications. The General Requirements pertain to all sections of the Specifications.

1.21 MAG Standard Specifications: The Uniform Standard Specifications for Public Works Construction sponsored and distributed by the Maricopa Association of Governments (MAG), latest edition in effect at the time of Bid Opening.

1.22 MAG Standard Details: The Uniform Standard Details for Public Works Construction sponsored and distributed by the Maricopa Association of Governments (MAG), latest edition in effect at the time of the Bid Opening.

1.23 Milestone: A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

1.24 Modifications:

a) A written amendment of the Contract Documents signed by both parties.
b) A Change Order.
c) A Field Order.

A Modification may only be issued after the Effective Date of the Contract.

1.25 Notice of Award: The written notice by CITY to the apparent successful Bidder stating that upon compliance by the apparent successful Bidder with the conditions precedent enumerated therein, within the time specified, CITY will sign the Contract.

1.26 Notice to Proceed: A written notice given by CITY to CONTRACTOR fixing the date on which the Contract Time will commence to run and on which CONTRACTOR shall start to perform their obligations under the Contract Documents.

1.27 Plans: Same as Drawings.

1.28 Project: The total construction of which the Work to be provided under the Contract Documents may be the whole or a part as indicated elsewhere in the Contract Documents.

1.29 Project Designer: The person, firm or corporation retained by CITY to design and engineer the project, to draft specifications, plans and perform other project design functions. References in the Contract Documents to the Project Designer, Architect, Design Engineer or Engineer, all generally mean the Project Designer.

1.30 RFI: Request for Information. Document submitted by the general contractor to the CITY REP requesting additional information regarding project plans and specifications..

1.31 Samples: Physical examples furnished by the CONTRACTOR to illustrate materials, equipment or workmanship, and to establish standards by which some portions of the Work will be judged.

1.32 Schedule of Values: A list prepared by CONTRACTOR showing the Work divided into component parts including quantities and unit prices aggregating the Contract Price and showing the anticipated monthly progress payment amounts that will become due.

1.33 Shop Drawings: All drawings, diagrams, illustrations, schedules and other data which are specifically prepared by or for CONTRACTOR to illustrate some portion of the Work and all illustrations, brochures, standard schedules, performance charts, instructions, diagrams and other information prepared by a manufacturer, fabricator, supplier or distributor and submitted by CONTRACTOR to illustrate material or equipment for some portion of the Work.

1.34 Special Provisions: Same as Supplementary (Special) Conditions.

1.35 Specifications: That part of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative details applicable thereto.

1.36 Subcontractor: An individual, firm or corporation having a direct contract with CONTRACTOR or with any other Subcontractor for the performance of a part of the Work at the site.

1.37 Substantial Completion: The time at which the Work (or specified part thereof) has progressed to the point where, in the opinion of the CITY REP, the Work (or specified part thereof) is sufficiently complete, in accordance with Contract Documents, so that the Work (or specified part thereof) can be utilized for the purposes for which it was intended. The terms "beneficial occupancy"/ "beneficial use" are sometimes used for Substantial Completion.

1.38 Supplementary Conditions: That part of the Contract Documents which amends or supplements these General Conditions sometimes referred to as Special Conditions.

1.39 Supplier: A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with CONTRACTOR or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by CONTRACTOR or any Subcontractor.

1.40 Underground Facilities: All underground pipelines, conduits, ducts, cables, fiber optic facilities, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including but not limited to those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

1.41 Unit Price Work: Work to be paid for on the basis of unit prices.

1.42 Warranty Period: One year from date of Final Acceptance (not Substantial Completion).

1.43 Work: The entire completed construction or the various separately identifiable parts thereof required to be furnished under the Contract Documents including any and all obligations, duties and responsibilities necessary to complete the construction assigned to, or undertaken by, the CONTRACTOR pursuant to the Contract Documents. Work is the result of performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, all as required by the Contract Documents.

1.44 Work Change Directive: Sometimes referred to as a Construction Change Directive. A written order to CONTRACTOR issued on or after the Effective date of the Contract and signed by CITY, ordering an addition, deletion, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed or to emergencies. A Work Change Directive may not change the Contract Price or the Contract Times, but is evidence that if appropriate, the change ordered or documented by a Work Change Directive may be converted to a Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times.

1.45 Utility: Same as underground facility.

ARTICLE 2 - PRELIMINARY MATTERS

2.1 Delivery of Bonds, Insurance Certificates and Preliminary Schedule

A. Within ten days of Notice of Award, CONTRACTOR shall execute the Contract and deliver it together with those items listed below to CITY.

B. When CONTRACTOR delivers the executed Contract to CITY, CONTRACTOR shall also deliver to CITY such Bonds and certificates of insurance with endorsements (and other evidence of insurance requested by CITY) as CONTRACTOR may be required to furnish.

C. As evidence of Workmen's Compensation Insurance, CONTRACTOR shall provide a letter of certification from the Industrial Commission of Arizona that the CONTRACTOR is insured by the State Compensation Fund or is an authorized self-insurer or a certificate of insurance issued by an insurance company authorized by the Insurance Department of Arizona to write Workmen's Compensation and Occupational Disease Insurance in the State of Arizona.

2.2 Copies of Documents

CITY shall furnish to CONTRACTOR up to five copies (unless otherwise provided in the Contract Documents) of the Contract Documents as are reasonably necessary for the execution of the Work. Additional copies will be furnished, upon request, at the cost of reproduction.

2.3 Commencement of Contract Time/Notice to Proceed

Notice to Proceed may be given at any time within sixty days after the Notice of Award. The Contract Times will commence to run on the date indicated in the Notice to Proceed.

2.4 Contractor Review of Contract Documents.

Before commencing any work, CONTRACTOR shall carefully study and compare all the Contract Documents, Plans and Specifications and shall check and verify pertinent figures therein and all applicable quantities to determine if there are any conflicts, errors, discrepancies or any other reasons why the project can or should not be constructed as shown therein. If CONTRACTOR finds a conflict, error or discrepancy in the Contract Documents, or between the Contract Documents and the physical conditions at the site of the Work or in any survey, or any other

reason why the project can or should not be constructed as shown, CONTRACTOR shall report it to CITY REP in writing at once and before proceeding with the Work. The CITY REP on receipt of any such notice, will promptly investigate the circumstances and give appropriate instructions to the CONTRACTOR or make appropriate modifications to the Contract Documents. In the event such conflicts, errors, discrepancies or other reasons why the project can or should not be constructed as shown on such Contract Document, are later found to exist which the CONTRACTOR should reasonably have learned from such study and CONTRACTOR failed to inform CITY REP, then CONTRACTOR shall bear all cost arising therefrom.

2.5 Starting the Project

Work shall start on the date set forth in the "Notice to Proceed" as the date upon which Contract Times commence to run and shall be pursued diligently in accordance with the Construction Progress Schedule found acceptable by CITY REP or an acceptable revision/update. The work shall be completed within the time set forth in the Contract and as modified by subsequent Change Orders. No Work shall be done at the site prior to the date on which the Contract Times commence to run.

2.6 Construction Progress Schedule

A. Within ten (10) days of the date of execution of this Contract (unless otherwise specified in the Supplementary Conditions) CONTRACTOR shall submit to CITY REP for review for acceptability, a comprehensive Construction Progress Schedule in Critical Path Method (CPM) format, indicating the starting and completion dates of the various activities of the Work including any Milestones specified in the Contract Documents.

1) This Schedule shall contain a detailed representation of all activities for the project, both on-site construction and major procurement. All significant activities together with the resource loading requirements for each and all items appearing on the schedule of values or bid schedule for progress payments shall be shown on the Construction Progress Schedule or in attached reports to the Construction Progress Schedule.

2) Dependencies between activities shall be indicated so that it may establish as to the effect the progress of any one activity would have on other activities and on the schedule.

3) This schedule shall contain activities for submission, review and approval of all required submittals.

4) An amount of time shall be established prior to the final completion date for "punch list and cleanup." No other activities shall be scheduled during this period. Punch list and cleanup must be shown on the Construction Progress Schedule and must be entirely completed prior to the expiration of ;the Contract Time.

5) CITY has estimated an amount of time reasonably required to complete the Project and based the Contract Time on this estimation. In the event CONTRACTOR believes the Contract Time is too short, CONTRACTOR shall so advise CITY prior to submitting a bid on the project to allow CITY to reevaluate the Contract Time. CONTRACTOR'S Construction Progress Schedule shall not show a "CONTRACTOR contingency" or CONTRACTOR float" at the end of the construction contract time. Damage claims are prohibited and will not be paid to CONTRACTOR by CITY based on CONTRACTOR'S failure to meet an early completion date shown on CONTRACTOR'S submitted Construction Progress Schedule. (i.e., float within the Contract Time is owned by CITY and while it may be used by CONTRACTOR it may not be claimed to CITY'S detriment.)

6) For all items of materials and equipment that are critical or which may require long lead times to acquire, the Construction Progress Schedule shall show dates for submission, review and approval of submittals, ordering and delivery.

7) Computer generated reports detailing the early/late start dates, early/late finish dates and dependencies shall be submitted by CONTRACTOR together with the CPM schedule.

B. Within ten (10) days of receipt of CITY REP comments, CONTRACTOR shall make all required corrections, adjustments and additions to complete the Construction Progress Schedule and resubmit it to CITY REP for review.

C. The Comprehensive Construction Progress Schedule will be acceptable to CITY REP if it is in CPM format and if it complies with the requirements set forth herein and provides a realistic and orderly progression of the Work to completion within any specified Milestones and Contract Times. Such Acceptance by CITY REP or any revision or correction made at the request of CITY REP, does not impose on CITY responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve CONTRACTOR from CONTRACTOR'S full responsibility therefor. Acceptance of CONTRACTOR'S Work Progress Schedule by CITY, does not constitute approval of the times listed thereon nor constitute any extension of the Contract Time.

D. The Construction Progress Schedule shall be prepared by CONTRACTOR and the scheduling of Construction shall be the responsibility of the CONTRACTOR. The requirement for the Schedule is included to assure adequate planning and execution of the Work and to assist CITY REP in evaluating progress of the Work.

E. The Construction Progress Schedule submitted and signed by CONTRACTOR, when found acceptable by CITY REP, becomes a part of the Contract Documents and CONTRACTOR may not change, modify or deviate from such schedule without the consent of CITY REP.

F. If, at any time after CONTRACTOR'S Construction Progress Schedule has been found acceptable, CONTRACTOR desires to or it becomes necessary to make any changes to such schedule, CONTRACTOR shall submit such changes to CITY REP for review. CONTRACTOR shall revise and submit for review an updated schedule whenever it is demonstrated that the time for completion of the Project or for any of the Milestones shown on the Contract Documents, has changed by ten (10) or more days.

G. An updated Construction Progress Schedule must also be submitted by CONTRACTOR with each pay application. The updates shall include all past performance history and actual dates activities started and finished from the beginning of the project; and (2) the City reserves the right to accept or reject each update and, if rejected, the Contractor must revise and/or correct the update and resubmit within 7 days of Contractor's receipt of City comments. Failure to comply with this requirement may be cause for rejection of Contractor's next monthly progress payment application, as provided for in 15.2.

H. CONTRACTOR shall complete the Project in accordance with the Construction Progress Schedule as it may be adjusted from time to time as provided herein.

2.7 Other Submittals

A. Within ten (10) days of the date of execution of this Contract (unless otherwise specified in the General Requirements), CONTRACTOR shall submit to CITY REP for review and acceptance, a preliminary schedule of Shop Drawings submissions. Within ten (10) days after receipt of CITY REP'S comments, CONTRACTOR shall submit the corrected and completed schedule of Shop Drawings Submissions for approval. CONTRACTOR'S schedule of Shop Drawings and Sample submittals will be acceptable to CITY REP if it provides a workable arrangement for reviewing and processing the required submittals.

B. Within ten (10) days of the date of execution of this Contract (unless otherwise specified in the Supplementary Conditions), CONTRACTOR shall submit to CITY REP for review and

acceptance, a preliminary schedule of values of the Work, and the anticipated amount of each monthly progress payment that will become due CONTRACTOR in accordance therewith. The Schedule of Values shall include quantities and unit prices aggregating the Contract Price, and for lump sum items shall subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Within ten days after receipt of CITY REP's comments, CONTRACTOR shall submit the corrected and completed Schedule of Values of the Work. CONTRACTOR'S schedule of values will be acceptable to CITY REP if it complies with the requirements herein and if it provides a reasonable allocation of the Contract Price to component parts of the Work.

C. No application for payment on the Project will be accepted and no payment will be made until CONTRACTOR has submitted an acceptable and complete Construction Progress Schedule, Schedule of Shop Drawing Submissions and Schedule of Values of the Work.

2.8 Pre-Construction Conference

Within sixty days after the Notice of Contract Award, and before CONTRACTOR starts the Work at the site, CITY will hold a Pre-Construction conference for discussion of the schedules referred to above, to establish lines of communication, procedures for handling Shop Drawings and other submittals and for processing Applications for Payment, to establish a working understanding and communication system among the parties as to the Work, and coordination of work among the various utilities. CONTRACTOR, CONTRACTOR'S Resident Superintendent and CONTRACTOR'S designated safety officer shall attend this Pre-Construction conference which will also be attended by the Project Designer, CITY REP and representatives from any company whose facilities may be affected by the Project.

ARTICLE 3 - CONTRACT DOCUMENTS: INTENT AND REUSE

3.1 Contract Documents

A. The Contract Documents establish the rights and obligations of the parties and include the Contract, Addenda (which pertain to the Contract Documents), CONTRACTOR'S Bid or Proposal (including documentation accompanying the Bid and any post-Bid documentation submitted prior to the Notice of Award) when attached as an exhibit to the Contract, the accepted Construction Progress Schedule, the Notice to Proceed, the Performance Bond, the Payment Bond, Project Design, Engineering and Specifications, these General Conditions, the Supplementary Conditions, Special Provisions, Specifications, Contract Drawings, as the same may be more specifically identified in the Contract, Change Orders, Work Change Directives, Field Orders and the written interpretations and clarifications of the Project Designer or CITY REP and Modifications issued after execution of the Contract. Approved Shop Drawings and the reports and drawings of subsurface and physical conditions are not Contract Documents. Only printed or hard copies of the items listed in this paragraph are Contract Documents. Files in electronic media format of text data, graphics, and the like that may be furnished by CITY to CONTRACTOR are not Contract Documents.

B. The Contract Documents also include those parts of the Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Construction (MAG Standard Specifications and Details), which address matters not otherwise covered by or addressed in these General Conditions, the City Standard Specifications and Details, the Project Specifications or the Construction Contract and said MAG Standard Specifications and Details are incorporated herein only to the extent they do not conflict with or modify any of those documents named herein above in paragraph 3.1A.

3.2 Intent

A. The Contract Documents comprise the entire Contract between CITY and CONTRACTOR concerning the Work. They may be altered only by a written Modification.

B. The Contract Documents are complementary and intended to be interpreted as a whole; what is called for by one plan note, drawing detail, contract provision, etc., is as binding as if called for by all.

C. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result shall be provided by CONTRACTOR whether or not specifically called for at no additional cost to CITY.

D. Clarifications and interpretations of the Contract Documents shall be issued by the Project Designer through the CITY REP.

E. The Specifications may describe or the Drawings may show the general arrangement of an item of material or equipment when the actual details of said arrangement will vary with the source of the material or equipment. In such cases, CONTRACTOR shall bear all direct and indirect costs to accommodate the item of material or equipment furnished, whether the item of material or equipment is furnished by a manufacturer named in the Specifications or is furnished as an approved substitute "or equal" item of material or equipment.

F. When words in the Specifications or on the Drawings, which have a well-known technical or trade meaning, are used to describe Work, materials or equipment, such words shall be interpreted in accordance with such meaning.

3.3 Reference Standards

A. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.

B. The provisions of any such standard, specification, manual or code, or any instruction of a Supplier shall not change the duties or responsibilities of CITY, CONTRACTOR, Project Designer or CITY REP, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents, nor shall any such provision or instruction assign to CITY, CONTRACTOR, Project Designer, or any of their agents, or employees any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.4 Reporting and Resolving Discrepancies

A. If during the performance of the Work, CONTRACTOR finds a conflict, error or discrepancy in the Contract Documents, or between the Contract Documents and any provision of any law or regulation applicable to the performance of the Work or of any standard, specification, manual or code, any survey, or of any instruction of any Supplier, CONTRACTOR shall report it to CITY REP in writing at once and before proceeding with the Work affected thereby (except in an emergency as required by paragraph 6.13). However, CONTRACTOR shall not be liable to CITY for failure to report any such conflict, error or discrepancy unless CONTRACTOR knew or should reasonably have known thereof. On receipt of any such notice, CITY REP will promptly investigate the circumstances and give appropriate instructions to the CONTRACTOR. Until such instructions are given, any Work done by the CONTRACTOR after discovery of such conflict, error or discrepancy which is directly or indirectly affected by such conflict, error or discrepancy will be at CONTRACTOR'S own risk and CONTRACTOR shall bear all cost arising therefrom.

B. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:

1) the provisions of any standard, specification, manual, code or instruction (whether or not specially incorporated by reference in the Contract Documents); or

2) the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation);

3) provided, however, when any of the Contracts Documents incorporate by reference standards, specifications or other documents, the printed provisions contained in the Contract Documents take precedence over any provisions incorporated by reference.

C. In a case of a discrepancy or conflict, the order in which the various contract documents shall govern is as follows from highest to lowest: Technical Specifications; Plans; Supplementary Conditions (sometimes referred to as Special Conditions); General Conditions; City of Chandler standard specifications and standard details.

D. Figured dimensions on Drawings shall govern, but work not dimensioned shall be as directed. Work not particularly shown or specified shall be the same as similar parts that are shown or specified. Large scale details shall take precedence over smaller scale drawings as to shape and details of construction. Specifications shall govern as to materials and workmanship. The specification calling for higher quality material or workmanship shall prevail.

3.5 Re-Use of Documents

Neither CONTRACTOR nor any Subcontractor, manufacturer, fabricator, supplier or distributor shall have or acquire any title to or ownership rights in any of the Drawings, Specifications or other documents (or copies of any thereof) prepared by or bearing the seal of the Project Designer; and they shall not re-use any of them on extensions of the Project or any other project without written consent of CITY and the Project Designer and specific written verification or adaptation by the Project Designer.

ARTICLE 4 - AVAILABILITY OF LANDS; PHYSICAL CONDITIONS; REFERENCE POINTS

4.1 Availability of Lands

CITY shall furnish, as indicated in the Contract Documents the lands upon which the Work is to be performed, rights-of-way for access thereto, and such other lands which are designated for the use of CONTRACTOR. Easements for permanent structures or permanent changes in existing facilities will be obtained and paid for by CITY, unless otherwise provided in the Contract Documents. If CONTRACTOR believes that any delay in CITY'S furnishing these lands or easements entitles CONTRACTOR to an extension of the Contract Time, CONTRACTOR may make a claim therefore as provided in Article 13. CONTRACTOR shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment (marshalling yard).

4.2 Physical Conditions, Investigations and Reports

A. CONTRACTOR is to protect all existing facilities during construction. Utility poles that may be affected by the construction activities shall be protected by the CONTRACTOR. CONTRACTOR shall notify the appropriate Utility Company or agency of any construction that may affect their facilities.

B. The Supplementary Conditions identify any reports of investigations and tests of subsurface and latent physical conditions at the site, and any reports of conditions that otherwise may affect cost, progress or performance of the Work which have been utilized by Project Designer in preparation of the Drawings and Specifications. These reports are not intended to constitute any explicit or implicit representation as to the nature of the subsurface and latent physical conditions which may be encountered at the site or to constitute explicit or implicit representations as to any other matter contained in any report. Such reports are not guaranteed as to accuracy or completeness and are not part of the Contract Documents.

4.3 Differing Subsurface or Physical Conditions; Underground Facilities

4.3.1. Underground Facilities

A. The existence and number of facilities as shown on the plans are estimated from information furnished by the particular utility. CONTRACTOR is responsible for field verification and location of all utilities prior to the start of construction. No field work shall be allowed to start until CONTRACTOR has arranged for and Blue Stake has located all affected utilities. In addition CONTRACTOR shall expose and physically locate all potentially conflicting utilities prior to construction. The actual locations of the utilities shall be compared to locations shown on the plans and any required changes in alignment and grade shall be made at the time of construction in consultation with CITY REP. It is generally recognized and CONTRACTOR should anticipate that information from Blue Stake or information from utility companies during project design, frequently fails to disclose all underground facilities. The fact that more utility lines or other underground facilities are located in the Project Site than shown on the Project Plans does not constitute an "unforeseen Condition" and such undisclosed underground facilities do not differ materially from the conditions which CONTRACTOR should expect. The provisions of Sections 105.4, 105.6, 107.11 and 109.8.1 of the MAG Uniform Standard Specifications for Public Works Construction apply and are incorporated herein by reference.

. B. The project requires considerable coordination with utility companies such as Arizona Public Service, Quest, Cox, SW Gas and Salt River Project. The provisions of Sections 105.4, 105.6, 107.11 and 109.8.1 of the MAG Uniform Standard Specifications for Public Works Construction strictly apply and no claims for delays due to utility work on the project will be allowed.

C. Utilities damaged shall be repaired at the CONTRACTOR'S expense.

4.3.2 Unforeseen Conditions

The provisions of Section 104.2.2 of the MAG Uniform Standard Specifications for Public Works Construction strictly apply.

4.4 Reference Points

CITY shall provide engineering surveys to establish reference points for construction which in CITY'S judgment are necessary to enable CONTRACTOR to proceed with the Work. CONTRACTOR shall be responsible for laying out the Work, shall protect and preserve the established reference points and shall make no changes or relocations without the prior written approval of CITY. CONTRACTOR shall report to CITY REP whenever any reference point is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for replacement or relocation of such reference points by a licensed surveyor.

4.5 Hazardous Environmental Conditions

A. CONTRACTOR shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Document to be within the scope of the Work. CONTRACTOR shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by CONTRACTOR, Subcontractors, Suppliers, or anyone else for whom CONTRACTOR is responsible.

B. If CONTRACTOR encounters a Hazardous Environmental Condition or if CONTRACTOR or anyone for whom CONTRACTOR is responsible creates a Hazardous Environmental Condition. CONTRACTOR shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by paragraph 6.13); and (iii) notify CITY and CITY REP (and promptly thereafter confirm such notice in writing.) CITY shall promptly consult with CITY REP concerning the necessity for CITY to retain a qualified expert to evaluate such condition or take corrective action, if any.

C. CONTRACTOR shall be responsible for any and all civil or criminal penalties, fines, damages, or other charges imposed by any regulatory agency or court for sewage discharges that are in violation of applicable statutes and laws and that are a result, direct or indirect, of work performed under this Contract. CONTRACTOR shall also be responsible for reimbursement to CITY for administration, reporting, and tracking expenses required as a result of any spill event. In the event the regulatory agency or court imposes a probationary period, CONTRACTOR shall post bond for the probationary period to ensure that all such costs are reimbursed to CITY. This responsibility shall apply whether penalties are imposed directly on CONTRACTOR or any of its subcontractors, or the City of Chandler. CONTRACTOR shall defend and indemnify CITY against such penalties. Regulatory agencies may include, but are not limited to, the Arizona Department of Environmental Quality (ADEQ) and the United States Environmental Protection Agency (USEPA).

ARTICLE 5 – PERFORMANCE AND PAYMENT BONDS

A. CONTRACTOR shall furnish Performance and Payment Bonds, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of all CONTRACTOR'S obligations under the Contract Documents. With the performance and payment bonds CONTRACTOR shall provide a copy of the surety company's Certificate of Authority certified by the Arizona Department of Insurance. These Bonds shall remain in effect at least until one year after the date of final payment, except as otherwise provided by law. CONTRACTOR shall also furnish such other Bonds as are required by the Supplementary Conditions. All Bonds shall be in the forms prescribed by the Bidding Documents or Supplementary Conditions and be executed by such sureties as:

1) Are licensed to conduct business in the State of Arizona and have an agent for service of process in Arizona, and

2) Are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, U.S. Treasury Department, and

3) Are acceptable to the City of Chandler.

All Bonds signed by an agent must be accompanied by a certified copy of the authority to act.

B. If the surety on any Bond furnished by CONTRACTOR is declared a bankrupt or becomes insolvent, or CONTRACTOR'S right to do business is terminated in any state where any part of the Project is located, or it ceases to meet the requirements of paragraph A above, CONTRACTOR shall within five (5) days thereafter substitute another Bond and surety, both of which shall be acceptable to CITY.

ARTICLE 6 - CONTRACTOR'S RESPONSIBILITIES

6.1 Supervision and Superintendence

A. CONTRACTOR shall supervise, inspect and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. CONTRACTOR shall be solely responsible for the means, methods, techniques, sequences and procedures of construction, but CONTRACTOR shall not be solely responsible for the negligence of others in the design or specification of a specific means, method, technique, sequence of procedure of construction which is shown or indicated in and expressly required by the Contract Documents. CONTRACTOR shall be responsible to see that the completed Work complies accurately with the Contract Documents.

B. At all times during the progress of the Work, CONTRACTOR shall assign a competent resident superintendent thereto, who shall not be replaced without written notice to CITY REP and the Project Designer except under extraordinary circumstances. The superintendent will be CONTRACTOR'S representative at the site and shall have authority to act on behalf of CONTRACTOR. All communications given to the superintendent shall be as binding as if given to CONTRACTOR. At the Pre-construction Conference CONTRACTOR shall provide to CITY REP the name of the person assigned as CONTRACTOR'S resident superintendent and said resident superintendent shall attend the Pre-Construction Conference with CONTRACTOR.

C. Whenever the resident superintendent is not present at a particular part of the Work where the CITY REP or Project Designer may desire to inform the CONTRACTOR relative to interpretation of the Drawings and Specifications or to disapproval or rejection of materials or Work performed, the CITY REP or Project Designer may provide such information in writing to the foreman or other worker in charge of the particular part of the Work in reference to which the information is given. Information so given shall be as binding as if given to the superintendent.

D. CONTRACTOR shall be solely responsible for coordination of all of the Work. CONTRACTOR shall supervise, direct and cooperate fully with all Subcontractors, manufacturers, fabricators, suppliers, distributors, installers, testing agencies and all others whose services, materials or equipment are required to ensure completion of the Work within the Contract Time.

E. CONTRACTOR shall also coordinate their Work with the work of others to assure compliance with schedules.

F. CONTRACTOR shall attend and participate in all project coordination or progress meetings and report on the progress of all Work and compliance with schedules.

6.2 Labor, Materials and Equipment

A. CONTRACTOR shall provide competent, suitably qualified personnel to survey, lay out and construct the Work as required by the Contract Documents. CONTRACTOR shall at all times maintain good discipline and order at the site.

B. Except in connection with the safety or protection of persons or the Work or property at the site or adjacent thereto, and except as otherwise indicated in the Supplementary Conditions, all Work at the site shall be performed during regular working hours, and CONTRACTOR will not permit overtime work or the performance of Work on Saturday, Sunday or any legal holiday without CITY'S written consent given after prior written notice to CITY REP. If it shall become absolutely necessary to perform Work at night or on Saturdays, Sundays or legal holidays, the CITY REP shall be informed at least 24 hours in advance of the beginning of performance of such Work. Only such Work shall be done at night as can be done satisfactorily as determined by the CITY REP and in a first-class manner. Good lighting and all other necessary facilities for carrying out and inspecting the Work shall be provided and maintained at all points where such Work is being done. Further, unless such non-normal work hours are performed at CITY'S request or required by the Contract Documents, CONTRACTOR shall pay to CITY all additional costs incurred by CITY by reason of such non normal working hours. Expenses incurred by CITY for overtime compensation for City Staff, CITY REP and/or Project Designer and staff will be charged to CONTRACTOR at the rate of $40.00 per hour for CITY on site inspection staff and at actual cost plus ten percent administrative overhead for all others. Such costs may be deducted by CITY from any payments due to CONTRACTOR. Provided, however, if overtime work or work during other than normal hours is at the request of CITY and not due to CONTRACTOR delay, CITY will pay the cost of CITY overtime expenses.

C. CONTRACTOR shall provide and assume full responsibility for services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the execution, testing, start-up, and completion of the Work.

D. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All warranties and guarantees specifically called for by the Specifications shall expressly run to the benefit of CITY. If required by CITY REP, CONTRACTOR shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment. When the quality of material or equipment is not specifically set forth in the Contract Documents, the best available quality of material or equipment available within a reasonable distance of the project shall be provided.

E. All materials and equipment shall be stored, applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable manufacturer, fabricator, supplier or distributor, except as otherwise provided in the Contract Documents; but no provisions of any such instructions will be effective to impose on CITY or PROJECT DESIGNER responsibility for the means, methods, techniques, sequences or procedures of construction or for safety precautions incident thereto.

F. CONTRACTOR shall maintain sufficient competent personnel, drafting equipment and supplies at their disposal for the purpose of preparing layout and coordination drawings. These drawings shall supplement the Contract Documents, and the work and Shop Drawings as necessary to correlate the work of various trades. Where such drawings are to be prepared by the mechanical, electrical, plumbing, or heating and ventilating Subcontractors, CONTRACTOR will ensure that each Subcontractor has the required personnel and facilities.

6.3 Substitutes and "Or-Equals"

Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular manufacturer, fabricator, supplier, distributor or specific professional/building certifications or standards, the specification or description is intended to establish the type, function, appearance and quality required. Unless

the specification contains or is followed by words reading that no like, equivalent, or "or-equal" item or indicating that no substitution is permitted, other items of material or equipment or material or equipment of other manufacturers, fabricators, suppliers, distributors or certifications may be submitted to CITY REP for review as specified below.

A. Requests for review of substitute items of material and equipment will not be accepted by CITY REP from anyone other than CONTRACTOR.

B. If CONTRACTOR wishes to furnish or use a substitute item of material or equipment, CONTRACTOR shall make written application to CITY REP for acceptance thereof, certifying that the proposed substitute will perform adequately the functions and achieve the results called for by the general design, be similar and of equal substance to that specified and be suited to the same use as that specified. The application will state that the evaluation and acceptance of the proposed substitute will not prejudice CONTRACTOR'S timely achievement of final completion, whether or not acceptance of the substitute for use in the Work will require a change in the Drawings or Specifications to adapt the design to the substitute and whether or not incorporation or use of the substitute in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute from that specified shall be identified in the application and available maintenance, repair and replacement service will be indicated. The application will also contain a statement that CONTRACTOR agrees to pay all costs that will result directly or indirectly from acceptance of such substitute, including costs of redesign and claims of other contractors affected by the resulting change.

C. CITY REP may require CONTRACTOR to furnish at CONTRACTOR'S expense additional data about the proposed substitute. CITY REP will be allowed a reasonable time within which to evaluate the proposed substitute and to obtain a recommendation from the Project Designer. CITY REP will be the sole judge of acceptability and no substitute will be ordered or installed without CITY REP'S prior written acceptance.

D. CITY REP may require CONTRACTOR to furnish at CONTRACTOR'S expense a special performance guarantee or other surety with respect to any substitute.

E. CITY REP will record time required by CITY REP, the Project Designer and CITY'S consultants in evaluating substitutions proposed by CONTRACTOR and in making changes in the Drawings or Specifications occasioned thereby. Whether or not CITY REP accepts a proposed substitute, CONTRACTOR shall reimburse CITY for the charges of CITY REP, the Project Designer and CITY'S consultants for evaluating any proposed substitute that does not meet the requirements of the Drawings and Specifications occasioned thereby. CITY may deduct any such charges from any payments due to CONTRACTOR.

6.4 Conformity with Contract Documents and Allowable Deviations

The Work shall conform to the lines, grades, dimensions, tolerances, and material and equipment requirements shown on the Drawings or set forth in the Specifications. Although measurement, sampling, and testing may be considered evidence as to such conformity, the CITY REP shall be the sole judge as to whether the Work or materials deviate from the Drawings and Specifications, and CITY REP's decision as to any allowable deviations therefrom shall be final.

6.5 Concerning Subcontractors

A. CONTRACTOR shall not employ any Subcontractor or other person or organization (including those who are to furnish the principal items of materials or equipment), whether initially or as a substitute, against whom CITY or the Project Designer may have reasonable objection. A Subcontractor or other person or organization identified in writing to CITY and the Project Designer by CONTRACTOR prior to the Notice of Award and not objected to in writing by CITY or the Project Designer prior to the Notice of Award will be deemed

acceptable to CITY and the Project Designer. If CITY or the Project Designer after due investigation has reasonable objection to any Subcontractor, other person or organization proposed by CONTRACTOR after the Notice of Award, CONTRACTOR shall submit an acceptable substitute and the Contract Price shall be increased or decreased by the difference in cost occasioned by such substitution, and an appropriate Change Order shall be issued. CONTRACTOR shall not be required to employ any SUBCONTRACTOR, other person or organization against whom CONTRACTOR has reasonable objection. Acceptance of any Subcontractor, other person or organization by CITY or the Project Designer shall not constitute a waiver of any right of CITY or the Project Designer to reject defective work.

B. CONTRACTOR shall be fully responsible for all acts and omissions of their Subcontractors and of persons and organizations directly or indirectly employed by them and of persons and organizations for whose acts any of them may be liable to the same extent that CONTRACTOR is responsible for the acts and omissions of persons directly employed by CONTRACTOR. Nothing in the Contract Documents shall create any contractual relationship between CITY or the Project Designer and any Subcontractor or other person or organization having a direct contract with CONTRACTOR, nor shall it create any obligation on the part of CITY to pay or to see to the payment of any moneys due any Subcontractor or other person or organization, except as may otherwise be required by law. CITY may furnish to any Subcontractor or other person or organization, to the extent practicable, evidence of amounts paid to CONTRACTOR or amount of specific Work done.

C. The Divisions and Sections of the Specifications and the identifications of any Drawings shall not control CONTRACTOR in dividing the Work among Subcontractors or delineating the Work to be performed by any specific trade.

D. All Work performed for CONTRACTOR by a Subcontractor will be pursuant to an appropriate Contract between CONTRACTOR and the Subcontractor which specifically binds the Subcontractor to the applicable terms and conditions of the Contract Documents for the benefit of CITY.

6.6 Patent Fees And Royalties

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of CITY or the Project Designer its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the Contract Documents. CONTRACTOR shall indemnify and hold harmless CITY and the Project Designer and anyone directly or indirectly employed by either of them from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product or device not specified in the Contract Documents, and shall defend all such claims in connection with any alleged infringement of such rights.

6.7 Permits

A. Unless otherwise specified in the Contract Documents, CITY will, upon appropriate cooperation from CONTRACTOR, obtain and provide to CONTRACTOR those permits issued by the City of Chandler. CONTRACTOR shall obtain all other construction permits and licenses. CONTRACTOR shall pay all other governmental charges and inspection fees necessary for the prosecution of the Work, which are applicable at the time of bid opening. CONTRACTOR shall also pay all charges of utility service companies for connections to the Work, and CITY shall pay all charges of such companies for capital costs related thereto, such as plant investment fees and system development fees.

B. Work in any public easement or right-of-way shall be done in accordance with the requirements of a permit issued by the public agency in whose easement or right-of-way the Work is located in addition to conforming to the Drawings and Specifications. If a permit is not required, the Work shall conform to the standards of the public agency involved in addition to conforming to the Drawings and Specifications.

C. City of Chandler permits and permits from all applicable governing jurisdictions (i.e. Maricopa County and Arizona Department of Transportation) are required while performing work on City contracts. CONTRACTOR shall pay all permit fees as required by the other governing jurisdictions.

D. Construction water and landfill fees will not be waived and must be paid for by the CONTRACTOR. The system development fees for water and sewer shall be paid for by the CITY unless shown in the itemized Bid Schedule.

6.8 Laws and Regulations, and Government Policies

A. CONTRACTOR shall give all notices and comply with all laws, ordinances, standard details and specifications, rules and regulations applicable to the Work whether adopted by a City, State or Federal governmental agency.

B. If CONTRACTOR observes that the Specifications or Drawings are at variance with applicable laws or regulations, CONTRACTOR shall give CITY REP prompt written notice thereof, and any necessary changes shall be adjusted by an appropriate Modification. If CONTRACTOR performs any Work knowing or having reason to know that it is contrary to such laws, ordinances, rules and regulations, and without such notice to CITY REP, CONTRACTOR shall bear all costs arising therefrom; however, it shall not be CONTRACTOR'S primary responsibility to make certain that the Specifications and Drawings are in accordance with such laws, ordinances, rules and regulations.

C. The CONTRACTOR shall comply with the Immigration Reform and Control Act of 1986 (IRCA). The CONTRACTOR understands and acknowledges the applicability of the IRCA activities. The CONTRACTOR agrees to comply with the IRCA while performing their work and to permit City inspection of CONTRACTOR personnel records to verify such compliance.

D. The CONTRACTOR shall report immediately any discovery of archeological ruins or artifacts. Excavation must stop immediately so that the CITY can decide on the pertinent steps to follow such discovery.

E. If the project is Federally or State funded, additional requirements are generally associated with the project implementation. CONTRACTOR'S attention is directed to the fact that the Contract may include those additional requirements.

F. Spills of oil, gas, chemicals or any hazardous materials must be reported by the CONTRACTOR immediately. Approved mitigation measures shall be taken by the CONTRACTOR as expediently as possible. Hazardous wastes shall not be discharged into the City's sanitary or storm sewer systems. See also § 4.5.

6.9 Taxes

A. CONTRACTOR shall pay all sales, consumer, use, and other similar taxes in effect at the time of bid submittal and required to be paid by CONTRACTOR, in accordance with the law of the state of Arizona. When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the Project, CONTRACTOR shall assist CITY in applying for and obtaining such tax credits and exemptions which shall be paid or credited to CITY.

B. CONTRACTOR shall obtain a current City of Chandler privilege tax license before Notice to Proceed is issued.

6.10 Use of Premises

A. CONTRACTOR shall confine construction equipment, the storage of materials and equipment and the operations of workmen to areas permitted by law, ordinances, permits, or the requirements of the Contract Documents, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment.

B. CONTRACTOR shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall CONTRACTOR subject any part of the work or adjacent property to stresses or pressures that will endanger it.

6.11 Record Documents

A. CONTRACTOR shall maintain one record copy of all Specifications, Drawings, Addenda, Written Amendments, Change Orders, Work Change Directives, Field Orders, written interpretations, and clarifications, in good order, in a safe place at the construction site and shall annotate them to show all changes made during the construction process. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings shall be available to CITY REP and the Project Designer for examination and/or reference. Upon completion of the Work, these record documents, Samples and Shop Drawings will be delivered to CITY REP for CITY.

B. CONTRACTOR shall also maintain, revise and provide accurate field data on a red-lined set of contract drawings, which are to be kept current and submitted as complete at the conclusion of the construction. These record drawings will be reviewed and used as documentation for periodic progress payments, and upon project completion, for the preparation of "as built" file drawings by the Project Designer. All record "as built" information shall be submitted on 4 mil photo mylar and shall be 24" x 36" in size. Final payment will not be issued until all record drawings and as built information are submitted by CONTRACTOR, and certified to be complete by the Project Designer and/or CITY REP.

6.12 Safety and Protection

A. CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

1) All employees on the Work and other persons who may be affected thereby;

2) All the Work and all materials or equipment to be incorporated therein, whether in storage on or off the site; and

3) Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

B. CONTRACTOR shall comply with all applicable laws, ordinances, rules, regulations and orders of any public body having jurisdiction for the safety of persons or property or to protect them from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. CONTRACTOR shall notify owners of adjacent property, utilities and other underground facilities when prosecution of the Work may affect them. CONTRACTOR shall cooperate with the owner in the protection, removal, relocation or

replacement of such property. All damage, injury or loss to any property referred to in Paragraph A above, caused, directly or indirectly, in whole or in part, by CONTRACTOR, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, shall be remedied by CONTRACTOR (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of CITY or anyone employed by CITY or anyone for whose acts it may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CONTRACTOR). CONTRACTOR'S duties and responsibilities for the safety and protection of the Work shall continue until such time as all the Work is completed and CITY REP has issued a notice to CITY and CONTRACTOR in accordance with Paragraph 14.9 that the Work is acceptable.

C. CONTRACTOR shall designate in writing and submit at the Pre-construction Conference the name of a responsible member of their organization, the designated Safety at the site whose duty shall be the prevention of accidents. This person shall be CONTRACTOR'S superintendent unless otherwise designated in writing by CONTRACTOR to CITY.

D. The right of CITY REP to conduct construction review or observation of the CONTRACTOR'S performance will not include review or observation of the adequacy of the CONTRACTOR'S safety measures in, on, or near the construction site.

6.13 Emergencies

In emergencies affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, CONTRACTOR, without special instruction or authorization from CITY REP, is obligated to act to prevent threatened damage, injury or loss. CONTRACTOR shall give CITY REP prompt written notice of any significant changes in the Work or deviations from the Contract documents caused thereby.

6.14 Shop Drawings and Samples

A. CONTRACTOR shall submit Shop Drawings to CITY REP for review and approval in accordance with the acceptable schedule of Shop Drawing and Sample submittals (see Paragraphs 2.6 & 2.7) and the procedures specified in the Contract Documents. All Shop Drawings shall have been checked by and stamped with the approval of CONTRACTOR, after checking and verifying all field measurements, and marked with identification as CITY REP may require. The data shown on the Shop Drawings will be complete with respect to dimensions, design criteria, materials of construction and the like to enable Project Designer to review the information as required.

B. CONTRACTOR shall also submit Samples to CITY REP for review and approval in accordance with the acceptable schedule of Shop Drawings and Sample submittals. All Samples shall have been checked by and stamped with the approval of CONTRACTOR, identified clearly as to material, manufacturer, any pertinent catalog numbers and the use for which intended.

C. At the time of each submission, CONTRACTOR shall in writing call to the attention of CITY REP and Project Designer, all deviations that the Shop Drawings or Samples may have from the requirements of the Contract Documents.

D. CITY REP will review and approve or when applicable cause the Project Designer to review and approve, with reasonable promptness, but in no case more than twenty one (21) days, Shop Drawings and Samples. Provided, however, such review and approval shall be only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents, and shall not extend to means, methods, sequences, techniques or procedures of construction or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. CONTRACTOR shall make all corrections required by

CITY REP and Project Designer and shall return the required number of corrected copies of Shop Drawings and resubmit new Samples for review and approval. CONTRACTOR shall direct specific attention in writing to revisions other than the corrections called for by Project Designer or CITY REP on previous submittals. CONTRACTOR'S stamp of approval on any Shop Drawing or Sample shall constitute a representation to CITY and the Project Designer that CONTRACTOR has either determined and verified all quantities, dimensions, field construction criteria, materials, catalog numbers, and similar data or assumes full responsibility for doing so, and that CONTRACTOR has reviewed or coordinated each Shop Drawing or Sample with the requirements of the Work and the Contract Documents.

E. Where a Shop Drawing or Sample is required by the Specifications, no related Work shall be commenced until the submittal has been reviewed and approved by CITY REP and/or Project Designer.

F. Review and approval of Shop Drawings or Samples by CITY REP and/or the Project Designer shall not relieve CONTRACTOR from responsibility for any deviations from the Contract Documents unless CONTRACTOR has in writing called attention to such deviation at the time of submission and CITY REP or PROJECT DESIGNER has given written concurrence and approval to the specific deviation, nor shall any concurrence and approval by CITY REP or Project Designer relieve CONTRACTOR from responsibility for errors or omissions in the Shop Drawings or Samples.

6.15 Continuing the Work

CONTRACTOR shall carry on the Work and maintain the progress schedule during all disputes or disagreements with CITY. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as CONTRACTOR and CITY may otherwise agree in writing.

6.16 Progress Schedule

A. CONTRACTOR shall adhere to the Construction Progress Schedule established in accordance with Paragraph 2.6, as it may be adjusted from time to time as provided below.

B. CONTRACTOR shall submit to CITY REP for acceptance (to the extent indicated in Paragraph 2.6) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times (or Milestones). Such adjustments will conform generally to the Progress Schedule then in effect and additionally will comply with any applicable provisions of the Contract Documents.

C. Proposed adjustments to the Progress Schedule that will change the Contract Times (or Milestones) shall be submitted in accordance with the requirements of Article 12. Such adjustments may only be made by a Change Order or Written Amendment.

6.17 Errors or Discrepancies Noted by Contractor

It is the duty of CONTRACTOR to promptly notify CITY REP in writing of any design, materials, or specified method that CONTRACTOR believes may prove defective or insufficient. If CONTRACTOR knows or should have known that a defect or insufficiency exists in design, materials, or specified method and fails to promptly notify CITY REP in writing of this belief, the CONTRACTOR waives any right to assert that defect or insufficiency in design, materials, or specified method at any later date in any legal or equitable proceeding against the CITY or in any subsequent arbitration or settlement conference between the CITY and the CONTRACTOR. CITY REP, on receipt of any such notice, will promptly investigate the circumstances and give appropriate instructions to the CONTRACTOR.

H. CONTRACTOR shall furnish adjustable, hard-back photo album covers for each set of 9"x9" prints for storage. Photo albums shall be labeled as to Project title, CITY'S index number, and of CONTRACTOR.

10.4 Procedures

A. Photographic exposures shall be taken during the construction period. CITY REP may vary the specified frequency so that significant progress or changes can be recorded on the photographs.

B. The ground level construction photographs shall be of aesthetic composition and shall depict the progress of the work from the beginning of construction through and including the finished product.

C. All buried piping of greater than four (4) inches in diameter shall be photographed prior to backfill. CITY REP will establish when increased photograph frequency is required, but in no case shall photographs represent sections of new piping installations greater in length than 200 linear feet.

ARTICLE 11 - CHANGES IN THE WORK

11.1 Field Orders

CITY REP may authorize minor changes in the Work not involving an adjustment in the Contract Price or the Contract Times, which are consistent with the overall intent of the Contract Documents. These may be accomplished by a written Field Order on the standard form approved by CITY and executed by CITY REP. Such Field Orders shall be binding on CITY, and also on CONTRACTOR who shall perform the change promptly. If CONTRACTOR believes that a Field Order justifies an increase in the Contract Price or Contract Time, CONTRACTOR may make a claim therefor as provided in Article 12 or Article 13.

11.2 Change Order at City's Request

Without invalidating the Contract, CITY may, at any time or from time to time, order additions, deletions or revisions in the Work. If such addition, deletion or revision will cause a change in the Contract Price or Contract Times, (including to any Milestones), CITY REP using a standard form approved by CITY, will submit a Request for Proposal to CONTRACTOR requesting CONTRACTOR to respond within five (5) days by providing, in writing on the standard form approved by CITY to CITY REP, CONTRACTOR'S proposed time and price changes. Such Proposal shall contain a detailed cost breakdown substantiating all proposed charges and an explanation for any requested extension to the Contract Times and will also contain the number of days for which the proposal will remain valid.

A. If CITY agrees to the proposal submitted by CONTRACTOR, CITY REP shall, within the time specified in the proposal, obtain the authorized signature of CITY on a Change Order using the standard form approved by CITY and return the executed Change Order to CONTRACTOR for signature by CONTRACTOR.

B. If CITY and CONTRACTOR cannot agree on the changes to the Contract Price and/or Contract Times warranted by the proposed Change Order, CITY may perform any additional work itself, may contract with others to perform any additional work, may order CONTRACTOR to comply with the change to the work and determine the Change in Contract Price in accordance with Article 12 herein, or may determine not to proceed with the proposed Change Order. In such case, where the parties are unable to agree, and CITY desires CONTRACTOR to perform the Change, CITY will issue a Work Change Directive (Change Order executed only by CITY), but noting the appropriate method to determine Contract Price changes, i.e., unit prices, and cost of work based on time and materials as set forth in Article 12, or through alternate dispute resolution pursuant to Article 17 herein. If

CONTRACTOR disputes or disagrees with the method noted by CITY and/or if the method selected is through dispute resolution, CONTRACTOR should submit written notice of such dispute to CITY REP within two (2) days of receipt of the Change Order executed by CITY.

C. Upon receipt of the executed Change Order or Work Change Directive, CONTRACTOR shall proceed with the change to the Work involved. All such Work shall be performed under the applicable conditions of the Contract Documents.

11.3 No Payment Without Written Authorization

Additional Work performed without authorization of a written executed Change Order or a written executed Field Order will not entitle CONTRACTOR to an increase in the Contract Price or an extension of the Contract Time, except as otherwise specifically provided herein.

11.4 No Change Order for Adjusted Quantities

CONTRACTOR is responsible for performing its own independent quantity takeoffs during the bid process. Actual field measured quantities and/or quantities verified by registered land surveyor stamped calculations upon request from the City will be paid to the contractor at the unit rates established in the bid schedule. No adjustment in unit prices will be made for quantities actually used that differs from that shown in the bid proposal. Sections 109.4.1, 109.4.2, and 109.4.3 of "MAG Uniform Standard specifications for Public Works Construction," as revised in the version adopted in the Chandler City Code, do not apply to this contract.

11.5 Notice on Bond

If notice of any changes affecting the general scope of the Work or change in the Contract Price is required by the provisions of any Bond to be given to the surety, it will be CONTRACTOR'S responsibility to notify the surety, and the amount of each applicable Bond shall be adjusted accordingly. CONTRACTOR shall furnish proof of such adjustment to CITY.

ARTICLE 12 - CHANGE OF CONTRACT PRICE

The Contract Price constitutes the total compensation (subject to authorized adjustments) payable to CONTRACTOR for performing the Work.

12.1 Written Document Required to Change

The Contract Price may only be changed by a written Change Order. Any claim for an increase in the Contract Price shall be based on written notice delivered to CITY REP within two (2) days of the occurrence of the event giving rise to the claim. Notice of the amount of the claim with supporting data shall be delivered as soon as CONTRACTOR can determine the cost but no later than within fifteen (15) days of completion of any additional work required due to such occurrence unless CITY REP allows an additional period of time to ascertain accurate cost data. However, MAG Standard Specifications Section 104.2.2 C) shall be strictly applied.

12.2 Value of Work

The value of any Work covered by a Change Order or of any claim for an increase or decrease in the Contract Price shall be determined in one of the ways listed herein:

A. Where the Work involved is covered by unit prices contained in the Contract Documents, by application of unit prices to the quantities of the units involved.

B. By mutual written agreement to a lump sum amount, CONTRACTOR shall furnish an itemized cost breakdown together with supporting data including the quantities used in computing the lump sum.

C. On the basis of the Cost of the Work (determined as provided in Paragraph 12.4) plus a Contractor's Fee for overhead and profit (determined as provided in Paragraph 12.5).

D. Through the use of the alternate dispute resolution process set forth in Article 17 herein.

12.3 Work Verification

A. Whenever the cost of any Work is to be determined pursuant to Paragraph 12.4.A and 12.4.B, CONTRACTOR will submit in a form acceptable to CITY REP, daily work sheets showing an itemized labor, material and equipment cost breakdown together with supporting data. No payment will be made for Work not verified by CITY REP.

B. Whenever it is necessary to determine the Cost of the Work because CITY and CONTRACTOR do not agree on an appropriate price for a change in the Work, CITY will incur additional costs to document the time, materials and equipment performed or used at the Site for such Work. CONTRACTOR shall reimburse CITY for all such additional costs to CITY in the event such documenting of time, materials and equipment charges result in a price equal to or less than the amount offered by CITY to CONTRACTOR for such work. CITY'S additional costs will include but not be limited to the cost to CITY for additional time of CITY REP and/or assistants to document CONTRACTOR'S time and materials.

12.4 Cost of the Work

A. The term Cost of the Work means the sum of all costs necessarily incurred and paid by CONTRACTOR in the proper performance of the Work. Except as otherwise may be agreed to in writing by CITY, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall include only the following items and shall not include any of the costs itemized in Paragraph 12.4.B.

1) Payroll costs for employees in the direct employ of CONTRACTOR in the performance of the Work under schedules of job classifications agreed upon by CITY and CONTRACTOR. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work after regular working hours, on Saturday, Sunday or legal holidays shall be included in the above only to the extent authorized in writing by CITY.

2) Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and manufacturers' field services required in connection therewith. All cash discounts shall accrue to CONTRACTOR unless CITY deposits funds with CONTRACTOR with which to make payments, in which case the cash discounts shall accrue to CITY. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment shall accrue to CITY, and CONTRACTOR shall make provisions so that they may be obtained.

3) Payment made by CONTRACTOR to the Subcontractors for Work performed by Subcontractors. If required by CITY, CONTRACTOR shall obtain competitive bids from Subcontractors acceptable to CONTRACTOR and shall deliver such bids to CITY who will then determine which bids will be accepted. If a Subcontractor provides that the Subcontractor is to be paid on the basis of Cost of the Work Plus a Fee, the Subcontractor's Cost of the Work shall be determined in the same manner as CONTRACTOR'S Cost of the Work except as modified herein. All subcontracts shall be subject to the other provisions of the Contract Documents insofar as applicable.

4) Costs of special consultants (including, but not limited to, engineers, architects, testing laboratories, surveyors, lawyers and accountants) employed for services specifically related to the Work.

5) Supplemental costs including the following:

a. The proportion of necessary transportation, travel and subsistence expenses of CONTRACTOR'S employees incurred in discharge of duties connected with the Work.

b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office and temporary facilities at the site and hand tools not owned by the workmen, and which are consumed in the performance of the Work, and cost less market value of each item used, but not consumed, which remain the property of CONTRACTOR.

c. Rentals of all construction equipment and machinery and the parts thereof whether rented from CONTRACTOR or others in accordance with rental agreements approved by CITY, and the costs of transportation, loading, unloading, installation, dismantling and removal thereof -- all in accordance with terms of said rental agreements. The rental of any such equipment, machinery or parts shall cease when the use thereof is no longer necessary for the Work. The "Rental Rate Blue Book for Construction Equipment" published by Primedia Information, Inc., (Dataquest Blue Book) shall be used to determine hourly equipment rates (without operators) for Actual Cost Work (MAG 109.5.1 modification) in accordance with the following formula:

HERR = f X [(Monthly Rate)/ 176] + HOC,
Where:
Monthly rate = Blue Book Monthly Rate, Adjusted with Factor for Blue Book Equipment Year of Manufacture
HERR = The Hourly Equipment Rental Rate
F = Regional Climate Adjustment Factor = 0.9 (for all Equipment)
HOC = Blue Book Hourly Operating Cost

Overhead and profit are included in the above established equipment hourly rate that CITY will be compensating CONTRACTOR for actual cost work. Equipment hours will be recorded to the nearest one-half hour.

Standby equipment time for equipment not operating to perform change order work and when equipment cannot be used elsewhere for other contract work shall be calculated as follows:

SBR = F x (MERR/176) x ½,
Where
SBR = Standby Equipment Rate
F = Regional Climate Adjustment Factor = 0.9 (For All Equipment)
MERR = Blue Book Monthly Equipment Rental Rate, Adjusted With Factor for Blue Book Equipment Year of Manufacture

Overhead and profit are included in the above established equipment hourly rate that the City will be compensating the contractor for actual cost work. Equipment hours will be recorded to the nearest one-half hour.

When double or triple shifting is required, the following equipment rates shall apply:

Double Shift (16 Hours/Day): The first 8-Hour shift shall be at the rates established above. The second 8-Hour shift shall be at 50% of the hourly rate established for one 8-Hour shift.

Triple Shift (24 Hours/Day): The first two 8-Hour shifts shall be at the rates established above. The third 8-Hour shift shall be at 50% of the hourly rate established for the second 8-Hour shift.

For all actual cost work, payment for "stand-by" will be limited to not more than eight hours in a 24-hour day or 40 hours in a normal week. No compensation shall be allowed for equipment that is inoperable due to breakdown or with equipment utilization on work other than the actual cost work for which compensation is being tracked. In addition, no payment shall be allowed for equipment that is not operating because work has been suspended by the contractor for the contractor's reasons. Leased equipment expenses will be compensated as specified in ADOT Specifications, Section 109.04(D)(3)(c). Transportation, freight time and/or other costs including overhead and profit on leased equipment will not be included as part of the actual cost change order work compensation.

d. Sales, user or similar taxes related to the Work, and for which CONTRACTOR is liable, imposed by any governmental authority.

e. Deposits lost for causes other than CONTRACTOR'S negligence, royalty payments and fees for permits and licenses.

f. Losses and damages (and related expenses), not compensated by insurance or otherwise, to the Work or otherwise sustained by CONTRACTOR in connection with the execution of the Work, provided they have resulted from causes other than the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of CITY. No such losses, damages and expenses shall be included in the Cost of the Work for the purpose of determining CONTRACTOR'S Fee. If, however, any such loss or damage requires reconstruction and CONTRACTOR is placed in charge thereof, CONTRACTOR shall be paid for services a fee proportionate to that stated in Paragraph 12.5.

g. The cost of utilities, fuel and sanitary facilities at the site associated with the additional work.

h. Cost of premiums for additional Bonds and insurance required because of changes in the Work.

B. The term **Cost of the Work** shall not include any of the following:

1) Payroll costs and other compensation of CONTRACTOR'S officers, executives, principals (of partnership and sole proprietorships), general managers, engineers, architects, estimators, lawyers, auditors, accountants, purchasing and contracting agents, expediters, timekeepers, clerks and other personnel employed by CONTRACTOR, whether at the site or in CONTRACTOR'S principal or a branch office for general administration of the Work, and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 12.4.A.1 -- all of which are to be considered administrative costs covered by the CONTRACTOR'S Fee.

2) Expenses of CONTRACTOR'S principal and branch offices other than CONTRACTOR'S office at the site.

3) Any part of CONTRACTOR'S capital expenses, including interest on CONTRACTOR'S capital employed for the Work and charges against CONTRACTOR for delinquent payments.

4) Cost of premiums for all Bonds and for all insurance whether or not CONTRACTOR is required by the Contract Documents to purchase and maintain the same (except for additional Bonds and insurance required because of changes in the Work).

5) Costs due to the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied and making good any damage to property.

6) Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 12.4.A.

12.5 Contractor's Fee

The CONTRACTOR'S Fee allowed to CONTRACTOR for overhead and profit shall be determined in accordance with MAG Specifications Section 109.5 except as modified herein for "actual cost work" and as follows:

A. A mutually acceptable fixed fee.

B. If a mutually acceptable fixed fee cannot be agreed upon, the fee will be based on the following portions of the cost of work:

1) For costs incurred under Paragraphs 12.4.A.1 and 12.4.A.2, the CONTRACTOR'S Fee shall not exceed a total of fifteen percent (ten percent for overhead and five percent for profit). CITY reserves the right to furnish materials and equipment as CITY deems advisable, and the CONTRACTOR will not be paid the CONTRACTOR'S Fee for such materials and equipment.

2) For costs incurred under Paragraph 12.4.A.3, the CONTRACTOR'S Fee shall not exceed a total of five percent; and if a subcontract is on the basis of Cost of the Work Plus a Fee, the maximum allowable to the Subcontractor as a fee for overhead and profit shall not exceed a total of fifteen percent.

3) No fee shall be payable on the basis of costs itemized under Paragraph 12.4.A.4, 12.4.A.5 and 12.4.B.

4) The amount of credit to be allowed by CONTRACTOR to CITY for any such change which results in a net decrease in cost, will be the amount of the net decrease plus a deduction in CONTRACTOR'S Fee by an amount equal to ten percent of the net decrease.

5) When both additions and credits are involved in any one change, the adjustment in CONTRACTOR'S Fee shall be computed on the basis of the net change in the Contract Price.

12.6 Cash Allowances

It is understood that CONTRACTOR has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be done by such

Subcontractors, manufacturers, fabricators, suppliers or distributors and for such sums within the limit of the allowances as may be acceptable to CITY. Upon final payment, the Contract Price shall be adjusted as required and an appropriate Change Order issued. CONTRACTOR agrees that the original Contract Price includes such sums as CONTRACTOR deems proper for costs and profit on account of cash allowances. No demand for additional cost or profit in connection therewith will be allowed.

12.7 Hindrances and delays

A. Except as provided in Paragraph B, below, no increase in the contract price nor additional payment shall be paid nor due to CONTRACTOR for hindrances or delays from any cause during the progress of any portion of the work included in this Contract; but such delays may entitle CONTRACTOR to an extension of the Contract Time in accordance with the provisions of Article 13 hereof.

B. The parties agree to negotiate for the recovery of damages related to expenses actually incurred by the Contractor for a delay under the following circumstances:
   1) If the CITY is solely responsible for the delay which is unreasonable under the circumstances, and
   2) Which delay was not within the contemplation of the parties and was not foreseeable at the time the Contract was entered into, and
   3) The CONTRACTOR can show the impact of the delay on the critical path as indicated on the approved Construction Progress Schedule.

   The maximum compensation for any delay meeting the above requirements shall not exceed the daily amount specified for liquidated damages by the then current version of "MAG Uniform Standard specifications for Public Works Construction."

ARTICLE 13 - CHANGE OF THE CONTRACT TIMES

13.1 Written Document Required

The Contract Times, including any Milestones, may only be changed by a written Change Order. Any claim for any extension in the Contract Time shall be based on written notice delivered to CITY within two (2) days of the occurrence or the event giving rise to the claim. Notice of the extent of the claim with supporting data shall be delivered within fifteen (15) days of the conclusion of such occurrence unless CITY REP allows, in writing, an additional period of time to ascertain more accurate data.

A. Notice of the extent of the claim must state the amount of additional time requested, the cause of the delay and its impact on critical path work items, the date of the occurrence causing the delay, and must include all other evidence reasonably available or known to the CONTRACTOR which would support the extension of time requested. Minimum required supporting data/criteria will include CPM computer software print outs at acceptable time periods as required by City staff to show the true schedule impact during the delay period.

B. Requests for extensions of time failing to include the information specified in this Article and requests for extensions of time which are not received within the time specified above, shall result in the forfeiture of the CONTRACTOR'S right to receive any extension of time requested.

C. Acceptance of the daily reports by CITY REP shall not be deemed an admission of the CONTRACTOR'S right to receive an extension of time or a waiver of the CITY'S right to strictly enforce the time provisions contained in the Contract Documents.

D. If CONTRACTOR and CITY REP are unable to agree on CONTRACTOR'S request for an extension of time, the dispute shall be resolved through the alternate dispute resolution process provided herein.

13.2 Delays Beyond Contractor's Control

Where CONTRACTOR is prevented from completing any critical path work items within the Contract Times (or Milestones) due to delay beyond the control of CONTRACTOR, the Contract Times (or Milestones) will be extended if a claim is made therefor, as provided herein. Delays beyond the control of CONTRACTOR shall include, but not be limited to, acts or neglect by CITY, fires, floods, labor strikes, epidemics, abnormal weather conditions, or acts of God.

13.3 Delays Within Contractor's Control

The Contract Times (or Milestones) will not be extended due to delays within the control of CONTRACTOR. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of CONTRACTOR.

13.4 Delays Beyond City's and Contractor's Control

Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of both CITY and CONTRACTOR, an extension of the Contract Times (or Milestones) in an amount equal to the time lost due to such delay shall be CONTRACTOR'S sole and exclusive remedy for such delay. No change to the Contract Price for extended overhead nor any other costs will be granted for delays beyond CITY'S control.

13.5 Rain

Time extensions for rain may be granted only for conditions in excess of normal rainfall, which impacts ongoing activities at the site that have successive following activities that must be accomplished in a required sequence for completion of the project within the specified period. These would be generally labeled as Critical Path Activities. For the purposes of this contract, normal weather conditions, such as average days of rain per month, will be determined by meteorological data obtained from the National Weather Service for station 021514, CHANDLER HEIGHTS, ARIZONA. When it is established that rain in excess of normal rainfall justifies a time extension, a no cost time extension will be granted by the City. The contractor is expected and may be directed to perform other work on the project not effected by heavy rains.

ARTICLE 14 - WARRANTY AND GUARANTEE; TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

14.1 Notice of Defects

Prompt written notice of all defective Work of which CITY, CITY REP or the Project Designer have actual knowledge will be given to CONTRACTOR. All defective Work may be rejected, corrected, or accepted as provided herein.

14.2 Access to Work

CITY, CITY REP and the Project Designer and agents of each of them, testing agencies and governmental agencies with jurisdictional interests shall be provided access to the Work at reasonable times for their observation, inspection and testing. CONTRACTOR shall provide proper and safe conditions for such access.

14.3 Tests and Inspections

A. CONTRACTOR shall give CITY REP timely (at a minimum, twenty-four hours) notice of readiness of the Work for all required inspections, tests or approvals. CONTRACTOR shall give timely notice to CITY REP in advance of backfilling or otherwise covering any part of the

Work so that CITY REP may, if desired, observe such part of the Work before it is concealed. Whenever CONTRACTOR varies the normal period during which Work or any portion of it is carried on each day, CONTRACTOR shall give timely notice to CITY REP so that CITY REP may, if desired, be present to observe the Work in progress. If CONTRACTOR fails to give such timely notice, any Work done in the absence of CITY REP will be subject to rejection. If CONTRACTOR gives such notice to CITY REP, but then is not ready for such inspections, tests, approvals or observations at the time so noticed, CONTRACTOR shall reimburse CITY for all costs incurred by the attendance of CITY REP or other CITY representatives.

B. If any law, ordinance, rule, regulation, code, or orders of any public body having jurisdiction requires any Work (or part thereof) to be inspected, tested or approved, CONTRACTOR (unless another party is specified in the Contract Documents) shall assume full responsibility therefor, pay all costs in connection therewith and furnish CITY REP the required certificates of inspection, testing, or approval. CONTRACTOR shall also be responsible for and shall pay all costs in connection with any inspection or testing required by the Specifications in connection with CITY'S acceptance of a manufacturer, fabricator, supplier or distributor of materials or equipment proposed to be incorporated in the Work, or of materials or equipment submitted for approval prior to CONTRACTOR'S purchase thereof for incorporation in the Work. The cost of all other inspections, tests and approvals required by the Contract Documents shall be paid by CITY (unless otherwise specified).

C. All inspections, tests or approvals other than those required by law, ordinance, rule, regulation, code or order of any public body having jurisdiction shall be performed by organizations acceptable to CITY and by the Project Designer if so specified.

D. Neither observations by CITY REP, the Project Designer nor inspections, tests or approvals by others shall relieve CONTRACTOR from their obligations to perform the Work in accordance with the Contract Documents.

14.4 Uncovering Work

A. If any Work that is to be observed, inspected, tested or approved is covered without written concurrence of CITY REP, it must, if requested by CITY REP be uncovered for observation. Unless CONTRACTOR has given CITY REP timely notice of CONTRACTOR'S intention to cover such Work and CITY REP has not acted with reasonable promptness in response to such notice, CONTRACTOR shall furnish all necessary labor, material and bear all the expenses of such uncovering, exposure, observation, inspection and testing and of satisfactory reconstruction, including compensation for additional professional services, and an appropriate deductive Change Order shall be issued.

B. If CITY REP considers it necessary or advisable that Work covered with the concurrence of CITY REP or Work covered after CITY REP failed to act with reasonable promptness in response to a written notice from CONTRACTOR, be observed, inspected or tested by CITY REP or others, CONTRACTOR, at CITY REP'S request, shall uncover, expose or otherwise make available for observation, inspection or testing as CITY REP may require, that portion of the Work in question and CONTRACTOR shall bear all costs. If, however, such Work is not found to be defective, CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Time, or both, directly attributable to such uncovering, exposure, observation, inspection, testing and reconstruction if CONTRACTOR makes a claim therefor as provided in Articles 11 and 12.

14.5 City May Stop the Work

If the Work is defective, or CONTRACTOR fails to supply sufficient skilled workmen or suitable materials or equipment, CITY may order CONTRACTOR to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of CITY to stop the Work

shall not give rise to any duty on the part of CITY to exercise this right for the benefit of CONTRACTOR or any other party.

14.6 Correction or Removal of Defective Work

A. If required by CITY REP, CONTRACTOR shall promptly, without cost to CITY and as specified by CITY REP, either correct any defective Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by CITY, remove it from the site and replace it with non-defective Work. CONTRACTOR shall correct any Work which may be displaced in correcting, removing or replacing defective Work. No compensation will be allowed CONTRACTOR for such removal, replacement or remedial Work. CONTRACTOR shall reimburse CITY for costs incurred by CITY due to such correction or removal including but not limited to additional expenses for inspection, testing or observation and/or for repeated reviews by the CITY REP or Project Designer.

B. Upon failure on the part of the CONTRACTOR to comply within a reasonably prompt time with any written order of CITY REP to correct or remove defective Work, CITY REP shall have authority to cause nonconforming materials or rejected Work to be remedied, removed, or replaced at the CONTRACTOR'S expense and to deduct the costs from any moneys due or to become due the CONTRACTOR.

14.7 Correction Period - One Year Guarantee

A. If, within one year after the date of the Certificate of Final Acceptance, or such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents, or by any specific provision of the Contract Documents, any Work is found to be defective, CONTRACTOR shall promptly, without cost to CITY and in accordance with CITY'S written instructions, either correct such defective Work, or, if it has been rejected by CITY, remove it from the site and replace it with non-defective Work. If CONTRACTOR does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, CITY may have the defective Work corrected or the rejected Work removed and replaced, and all direct and indirect costs of such removal and replacement, including compensation for additional professional services, shall be paid by CONTRACTOR. Such action by the CITY will not relieve the CONTRACTOR of the guarantees required by this Article or elsewhere in the Contract Documents.

B. If, in the opinion of the CITY, defective Work creates a dangerous condition or requires immediate correction or attention to prevent further loss to the CITY or to prevent interruption of operation of the CITY, the CITY will attempt to give the notice required by this Article. If the CONTRACTOR cannot be contacted or does not comply with the CITY'S request for correction within a reasonable time as determined by the CITY, the CITY may, notwithstanding the provisions of this Article, proceed to make such correction or provide such attention; and the costs of such correction or attention shall be charged against the CONTRACTOR. Such action by the CITY will not relieve the CONTRACTOR of the guarantees required by this Article or elsewhere in the Contract Documents.

C. This Article does not in any way limit the guarantee on any items for which a longer guarantee is specified or on any items for which a manufacturer or supplier gives a guarantee for a longer period. The CONTRACTOR agrees to act as co-guarantor with such manufacturer or supplier and shall furnish the CITY all appropriate guarantee or warranty certificates upon completion of the Project. No guarantee period, whether provided for in this Article or elsewhere, shall in any way limit the liability of CONTRACTOR or their sureties or insurers under the indemnity or insurance provisions of these General Conditions and the Supplementary Conditions.

14.8 Acceptance of Defective Work

A. If, instead of requiring correction or removal and replacement of defective Work, CITY prefers to accept it, CITY may do so. If any such acceptance occurs prior to final payment, a Change Order shall be issued incorporating the necessary revisions in the Contract Documents, including appropriate reduction in the Contract Price; or, if the acceptance occurs after final payment, an appropriate amount shall be paid by CONTRACTOR to CITY.

B. CITY may require CONTRACTOR to furnish at CONTRACTOR'S expense, a special performance guarantee or other surety prior to acceptance of defective work.

14.9 City May Correct Defective Work

If CONTRACTOR fails within a reasonable time after written notice of CITY REP to proceed to correct defective Work or to remove and replace rejected Work as required by CITY in accordance with Paragraph 14.6, or if CONTRACTOR fails to perform the Work in accordance with the Contract Documents (including any requirements of the progress schedule), CITY may, after seven days' written notice to CONTRACTOR, correct and remedy any such deficiency. In exercising CITY'S rights under this Paragraph, CITY shall proceed expeditiously. To the extent necessary to complete corrective and remedial action, CITY may exclude CONTRACTOR from all or part of the Work, and suspend CONTRACTOR'S services related thereto, take possession of CONTRACTOR'S tools, appliances, construction equipment and machinery at the site and incorporate in the Work all materials and equipment stored at the site or for which CITY has paid CONTRACTOR, but which are stored elsewhere. CONTRACTOR shall allow CITY, CITY REP, agents and employees such access to the site as may be necessary to enable CITY to exercise CITY'S rights under this Paragraph. All direct and indirect costs of CITY in exercising such rights shall be charged against CONTRACTOR in an amount verified by CITY REP, and a Change Order shall be issued incorporating the necessary revisions in the Contract Documents and a reduction in the Contract Price. Such direct and indirect costs shall include, in particular but without limitation, compensation for additional professional services required and all costs of repair and replacement of work or others destroyed or damaged by correction, removal or replacement of CONTRACTOR'S defective work. CONTRACTOR shall not be allowed an extension of the Contract Time because of any delay in CONTRACTOR'S performance of the Work attributable to the exercise by CITY or CITY'S rights hereunder.

14.10 Correction or Removal of Unauthorized Work

A. Any Work done beyond the lines and grades shown on the Drawings or established by the Project Designer or any changes in, additions to, or deductions from the Work done without written authority will be considered as unauthorized and will not be paid for. Work so done may be ordered remedied, removed, or replaced at the CONTRACTOR'S expense.

B. Upon failure on the part of the CONTRACTOR to comply promptly with any order of the CITY REP, CITY shall have authority to cause unauthorized Work to be remedied, removed, or replaced at the CONTRACTOR'S expense and to deduct the costs from any moneys due or to become due the CONTRACTOR.

ARTICLE 15 - PAYMENTS TO CONTRACTOR AND COMPLETION

15.1 Schedule of Values

The Schedule of Values established as provided in Paragraph 2.7 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to CITY REP. Progress payments on account of Unit Price Work will be based on the number of units completed.

15.2 Application for Progress Payment

A. On or before the first day of each calendar month after actual construction is started (but not more often than once a month), CONTRACTOR shall submit to CITY REP for review a completed Application for Payment signed by CONTRACTOR, covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents and also as CITY REP may reasonably require. An Application for Payment will not be considered complete unless it is accompanied by an updated Construction Progress Schedule and a certification that the on-site, red lined, as built drawings are up to date. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably, securely stored at the site or at another location (such as a bonded warehouse) agreed to in writing, the Application for Payment shall also be accompanied by such data, satisfactory to CITY, as will establish CITY'S title to the material and equipment and protect CITY'S interest therein, including applicable insurance. Each subsequent Application for Payment shall include an affidavit of CONTRACTOR stating that all previous progress payments received on account of the Work have been applied to discharge in full all of CONTRACTOR'S obligations reflected in prior Applications for Payment.

B. Applications for Payment may only be submitted to that specific person named in the Contract as the CITY REP, and not to any other agent or representative of CITY, nor to the Project Designer.

C. The amount of retainage with respect to progress payments will be as stipulated in the Contract and will be in accordance with state law.

15.3 Contractor's Warranty of Title

A. CONTRACTOR warrants and guarantees that title to all Work, materials and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to CITY at the time of payment, free and clear of all liens, claims, security interests and encumbrances (hereafter in these General Conditions referred to as "Liens"), provided that this shall not preclude the CONTRACTOR from installing metering devices or other equipment of utility companies or municipalities, the title of which is commonly retained by the utility company or municipality.

B. No materials, supplies, or equipment for the Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale contract or other agreement by which an interest therein, or any part thereof, is retained by the seller or supplier.

C. Nothing contained in this Article shall defeat or impair the right of such persons furnishing materials or labor under any bond given by the CONTRACTOR for their protection, or any right under any law permitting such persons to look to funds due the CONTRACTOR in the hands of the CITY. The provisions of this Article shall be inserted in all subcontracts and material contracts, and notices of its provision shall be given to all persons furnishing materials for the Work when no formal contract is entered into for such materials.

15.4 Review of Applications for Progress Payments

A. An Application for Payment will be deemed approved and certified for payment after seven (7) days from the date of submission by CONTRACTOR unless CITY REP, on or before the expiration of such seven days, prepares and issues to CONTRACTOR a specific written finding setting forth those items in detail in the Application for Payment that are not approved for payment under the Contract. CITY may withhold an amount from the progress payment sufficient to pay the expenses CITY reasonably expects to incur in correcting any deficiencies set forth in the written finding.

B. Progress Payments shall be paid on or before fourteen (14) days after the Application for Payment is certified and approved.

C. Within five (5) work days after receipt of each Application for Payment, CITY REP with advice and assistance from the Project Designer, shall either provide to CITY a written recommendation for payment, or return the Application to CONTRACTOR indicating in writing CITY REP'S reasons for refusing to recommend payment. In the latter case, CONTRACTOR may make the necessary corrections and resubmit the Application.

D. The recommendation of Project Designer and CITY REP for payment of any amounts requested in an Application for Payment will constitute a representation by them and each of them to CITY, based on on-site observations of the Work in progress as experienced and qualified design and construction professionals, and based on their review of the Application for Payment and the accompanying data and schedules, that the Work has progressed to the point indicated; that, to the best of their knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and any qualifications stated in the recommendation); and that CONTRACTOR is entitled to payment of the amount recommended. However, by recommending any such payment, neither CITY REP nor the Project Designer will thereby be deemed to have represented that exhaustive or continuous on-site inspections have been made to check the quality or the quantity of the Work, or that the means, methods, techniques, sequences, and procedures of construction have been reviewed, or that any examination has been made to ascertain how or for what purpose CONTRACTOR has used the money's paid or to be paid to CONTRACTOR on account of the Contract Price, or that title to any Work, materials or equipment has passed to CITY free and clear of any Liens.

E. The recommendation by the Project Designer and CITY REP for final payment will constitute an additional representation by them and each of them to CITY that the conditions precedent to CONTRACTOR'S being entitled to final payment as set forth in Paragraph 15.9 have been fulfilled.

F. The Project Designer and CITY REP may refuse to recommend the whole or any part of any payment if, in either of their opinions, it would be incorrect to make such representations to CITY. They may also refuse to recommend any such payment, or because of subsequently discovered evidence or the results of subsequent inspections or tests, nullify any such payment previously recommended, to such extent as may be necessary in their opinion to protect CITY from loss because:

1) The Work is defective, or completed Work has been damaged requiring correction or replacement.

2) Written claims have been made against CITY or Liens have been filed in connection with the Work.

3) The Contract Price has been reduced because of Modifications.

4) CITY has been required to correct defective Work or complete the Work in accordance with Paragraph 14.9.

5) CONTRACTOR'S unsatisfactory prosecution of the Work in accordance with the Contract Documents.

6) CONTRACTOR'S failure to make payment to Subcontractors for labor, materials or equipment.

15.5 Substantial Completion

A. When CONTRACTOR considers the entire Work ready for its intended use, CONTRACTOR shall notify CITY REP, in writing, that the entire Work is substantially complete (except for items specifically listed by CONTRACTOR as incomplete) and request that CITY REP issue a certificate of Substantial Completion. Promptly thereafter, CITY REP and the Project Designer shall make an inspection of the Work to determine the status of completion. If CITY does not consider the Work substantially complete, CITY REP will notify CONTRACTOR in writing giving reasons therefor. If CITY considers the Work substantially complete, CITY REP, with the concurrence of CITY and assistance from the Project Designer, will prepare a list (punch list) of items to be completed or corrected before final acceptance and a certificate of Substantial Completion and shall fix the date of Substantial Completion. The list of items to be completed or corrected shall be attached to the certificate of Substantial Completion when it is issued to CONTRACTOR. At the time of delivery of the certificate and list, CITY REP will also deliver to CONTRACTOR a written recommendation as to a division of responsibilities pending final payment between CITY and CONTRACTOR with respect to security, operation, safety, maintenance, heat, utilities and insurance. Unless and until CONTRACTOR and CITY agree otherwise in writing, this recommendation shall be binding on CITY and CONTRACTOR.

B. CITY shall have the right to exclude CONTRACTOR from the Work after the date of Substantial Completion, but CITY shall allow CONTRACTOR reasonable access to complete or correct items on the punch list.

15.6 Partial Utilization

A. CITY at CITY'S option may use and occupy any substantially completed parts of the Work which has specifically been identified in the Contract Documents, or which CITY, the Project Designer and CONTRACTOR agree constitutes a separately functioning and usable part of the Work that can be used by CITY for its intended purpose, without significant interference with CONTRACTOR'S performance of the remainder of the Work, provided, however, if the portion of the Work to be used or occupied has not been found to be substantially complete, CITY must do so in accordance with Paragraph 15.5 prior to such occupancy.

B. In lieu of the issuance of a Certificate of Substantial Completion as to part of the Work, CITY may take over operation of a facility constituting part of the Work whether or not it is substantially complete if such facility is functionally and separately usable; provided that prior to any such takeover, CITY and CONTRACTOR agree in writing as to the division of responsibilities between CITY and CONTRACTOR for security, operation, safety, maintenance, correction period, heat, utilities and insurance with respect to such facility.

C. Substantial completion of or CITY'S beneficial occupancy of a part of the project will not alter the fact that the one year warranty for the whole project starts at the date of Final Completion of the whole project.

15.7 Final Inspection

A. Upon written notice from CONTRACTOR that the Work is complete, CITY REP and the Project Designer will make a final inspection with CONTRACTOR and will provide written notice to CONTRACTOR of all items of Work which are incomplete or defective. CONTRACTOR shall immediately take such measures as are necessary to remedy such deficiencies.

B. The release of the retention monies will be no earlier than the completion of all such deficiencies.

15.8 Final Application for Payment

A. After CONTRACTOR has corrected all such deficiencies and completed all such corrections to the satisfaction of CITY and delivered all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, marked up record documents, and other documents, all as required by the Contract Documents, and after the Project Designer has indicated that the Work is acceptable (subject to the provisions of Paragraph 15.9) CONTRACTOR may make application for final payment following the procedure for progress payments. The final Application for Payment shall be accompanied by all documentation called for in the Contract Documents and such other data and schedules as CITY REP may reasonably require, together with complete and legally effective releases or waivers (satisfactory to CITY) of all Liens arising out of or filed in connection with the Work.

B. The final Application for Payment must be accompanied by a completed Contractor's Affidavit Regarding Settlement of Claims, the form for which is included in the Contract Documents. The affidavit serves to indemnify and save harmless the CITY against any and all liens for labor, services, material and equipment for which a Lien could be filed, and that all payrolls, material and equipment bills, and other indebtedness connected with the Work for which CITY or CITY'S property might in any way be responsible, have been paid or otherwise satisfied. If any Subcontractor, manufacturer, fabricator, supplier or distributor fails to furnish a release or receipt in full, CONTRACTOR may furnish a Bond or other collateral satisfactory to CITY to indemnify CITY against any Lien.

C. The final Application for Payment must also be accompanied by the completed on-site, red line, as-built drawings showing all construction as it was in actual fact constructed and installed.

D. The final Application for Payment must also be accompanied by a completed Certificate of Completion, the form for which is included in the Contract Documents. This document certifies that all goods and/or services required by the Contract have been delivered in accordance with the Contract, and all activities required by the Contractor under the Contract have been completed.

15.9 Final Payment and Acceptance

A. If, on the basis of observation of the Work by CITY REP during construction and final inspection and review of the final Application for Payment and accompanying documentation by CITY REP and the Project Designer, all as required by the Contract Documents, CITY is satisfied that the Work has been completed and CONTRACTOR has fulfilled all of its obligations under the Contract Documents, CITY REP, with the concurrence and assistance of the Project Designer, shall within ten days after receipt of the final Application for Payment, indicate in writing a recommendation for payment and present the Application to CITY for payment. Thereupon, the Project Designer will give written notice to CITY and CONTRACTOR that the Work is acceptable subject to the provisions of Paragraph 15.8. Otherwise, CITY REP will return the Application to CONTRACTOR indicating in writing the reasons for refusing to recommend final payment, in which case CONTRACTOR shall make the necessary corrections and resubmit the Application. If the Application and accompanying documentation are appropriate as to form and substance, and the CITY finds the Work has been completed according to the Contract, the CITY shall accept the Work, shall file a notice of completion, and shall pay the entire sum so found to be due as recommended by the CITY REP, after deducting therefrom all previous payments and all amounts to be retained under the provisions of the Contract. All prior progress estimates and payments shall be subject to correction in the final estimate and payment. The final payment shall be due and payable within sixty (60) days from the date of filing a notice of completion of the Work by the CITY.

B. If, through no fault of CONTRACTOR, final completion is materially delayed and if CITY REP so confirms, CITY shall, upon receipt of CONTRACTOR'S final Application for Payment and

recommendation of the Project Designer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by CITY for Work not fully completed or corrected is less than the retainage stipulated in the Contract, and if bonds have been furnished as required in Paragraph 5 the written consent of the Surety to the payment of the balance due for the portion of the Work fully completed and accepted shall be submitted by CONTRACTOR to CITY REP with CONTRACTOR'S Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

15.10 Contractor's Continuing Obligation

CONTRACTOR'S obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. Neither recommendation of any progress or final payment by the Project Designer, nor the issuance of a letter of Substantial Completion, nor any payment or issuance of a certificate by CITY to CONTRACTOR under the Contract Documents, nor any use or occupancy of the Work or any part thereof by CITY, nor any act of acceptance by CITY nor any failure to do so, nor the issuance of a notice of acceptability by the Project Designer pursuant to Paragraph 15.9, nor any correction of defective Work by CITY shall constitute an acceptance of Work not in accordance with the Contract Documents or a release of CONTRACTOR'S obligation to perform the Work in accordance with the Contract Documents.

15.11 Waiver of Claims

The making and acceptance of final payment shall constitute a waiver of all claims by CONTRACTOR against CITY, CITY REP and the Project Designer, and their consultants, directors, officers, employees and agents other than those previously made in writing and still unsettled.

15.12 City's Right to Withhold Certain Amounts and Make Application Thereof

A. In addition to the amount of retainage as stipulated in the Contract, the CITY may withhold a sufficient amount or amounts from any payment otherwise due to the CONTRACTOR as in CITY'S judgment may be necessary to cover:

1) Payments which may be past due and payable for properly filed claims against the CONTRACTOR or any Subcontractors for labor or materials furnished in or about the performance of the Work on the Project under this Contract.

2) Estimated or actual costs for correcting defective Work not remedied.

3) Amounts claimed by the CITY as liquidated damages, special damages, or other offsets, such as testing costs chargeable to the CONTRACTOR, reimbursement to CITY for costs incurred by reason of defective work and or repeated review of CONTRACTOR'S submittals.

4) Estimated costs for an independent consultant to properly complete as-built drawings when not acceptably completed in accordance with all the requirements herein.

B. CITY may apply such withheld amount or amounts to the payment of such claims at CITY'S discretion. In so doing, CITY shall be deemed the agent of CONTRACTOR and any payments so made by CITY shall be considered as a payment made under the Contract by the CITY to the CONTRACTOR, and CITY shall not be liable to the CONTRACTOR for such payment made in good faith. Such payments may be made without prior judicial determination of the claim or claims. CITY will render to CONTRACTOR a proper account of such funds disbursed on behalf of CONTRACTOR.

ARTICLE 16- SUSPENSION OF WORK AND TERMINATION

16.1 City May Suspend Work

CITY may, at any time and without cause, suspend the Work or any portion thereof for a period of not more than ninety (90) days by notice in writing to CONTRACTOR and the Project Designer which shall fix the date on which Work shall be resumed. CONTRACTOR shall resume the Work on the date so fixed. CONTRACTOR will be allowed an increase in the Contract Price or an extension of the Contract Time, or both for costs, directly attributable to any suspension but not lost profits if CONTRACTOR makes a claim therefore as provided in Articles 12 and 13.

16.2 City May Terminate

A. Upon the occurrence of any one or more of the following events:

1) If CONTRACTOR is adjudged a bankrupt or insolvent;

2) If CONTRACTOR makes a general assignment for the benefit of creditors;

3) If a trustee or receiver is appointed for CONTRACTOR or for any of CONTRACTOR'S property;

4) If CONTRACTOR files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws;

5) If CONTRACTOR repeatedly fails to perform the Work in accordance with the Contact Documents, including but not limited to, failure to supply sufficient skilled workmen or suitable materials or equipment or failure to adhere to the progress schedule established under Paragraph 2.6 as adjusted from time to time pursuant to Paragraph 6.16.

6) If CONTRACTOR repeatedly fails to comply with written directives from CITY REP.

7) If CONTRACTOR repeatedly fails to make prompt payments to Subcontractors or for labor, materials or equipment;

8) If CONTRACTOR disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction;

9) If CONTRACTOR otherwise violates in any substantial way any provisions of the Contract Documents.

CITY may without prejudice to any other right or remedy, serve written notice upon the CONTRACTOR and CONTRACTOR'S surety of CITY'S intention to terminate the Contract. Said notice to contain the reasons for such intention to terminate the Contract, and provide that unless within ten days after the service of such notice all such violations have been corrected and remedied, the Contract shall cease and terminate, and CONTRACTOR shall be excluded from the site. In such case, CONTRACTOR shall not be entitled to receive any further payment until the Work is finished by others.

B. In the event of any such termination, CITY shall immediately serve written notice thereof upon the surety and CONTRACTOR, and the surety shall have the right to take over and perform the Contract, provided however, that if the surety, within fifteen (15) days after the serving upon it of a notice of termination, does not give the CITY written notice of their intention to take over and perform the Contract, or does not commence performance thereof within thirty (30) days from the date of serving said notice, CITY may take possession of the Work and of all CONTRACTOR'S tools, appliances, construction equipment and machinery at the site and use the same to the full extent they could be used by CONTRACTOR (without

liability to CONTRACTOR for trespass or conversion), incorporate in the Work all materials and equipment stored at the site or for which CITY has paid CONTRACTOR but which are stored elsewhere, and finish the Work as CITY may deem expedient for the account and at the expense of the CONTRACTOR. CONTRACTOR'S surety shall be liable to the CITY for any excess costs or other damage occasioned the CITY thereby. If the unpaid Balance of the Contract Price exceeds the direct and indirect costs of completing the Work, including but not limited to, compensation for additional professional services and all costs generated to insure or bond the Work of substituted contractors or subcontractors utilized to complete the Work, such excess shall be paid to CONTRACTOR. If such costs exceed the unpaid balance, CONTRACTOR shall pay the difference to the CITY promptly upon demand; on failure of CONTRACTOR to pay, the surety shall pay on demand by CITY. Any portion of such difference not paid by CONTRACTOR or surety within thirty (30) days following the mailing of a demand for such costs by CITY shall earn interest at the rate of fifteen (15%) percent per annum or the maximum rate authorized by Arizona law, whichever is lower. Such costs incurred by CITY shall be verified by CITY REP and incorporated in a Change Order, but in finishing the Work, CITY shall not be required to obtain the lowest figure for the Work performed.

C. Where CONTRACTOR'S services have been so terminated by CITY, the termination shall not affect any rights of CITY against CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of moneys due CONTRACTOR by CITY will not release CONTRACTOR from liability.

D. If funds are not appropriated to continue this Contract and for the payment of charges hereunder, CITY may terminate this Contract at the end of the fiscal period. CITY agrees to give written notice of termination to the CONTRACTOR at least thirty (30) days prior to the end of CITY'S current fiscal period and will pay to the CONTRACTOR all charges incurred through the end of such period.

E. Upon seven (7) days written notice to CONTRACTOR and the Project Designer, CITY may, without cause and without prejudice to any other right or remedy, elect to abandon the Work and terminate the Contract. In such case, CONTRACTOR shall be paid for all Work executed and any expense sustained plus reasonable termination expenses.

16.3 Contractor May Stop Work or Terminate

If, through no act or fault of CONTRACTOR, the Work is suspended for a period of more than ninety (90) days by CITY or under an order of court or other public authority, or CITY fails to pay within (14) fourteen days to CONTRACTOR, any sum finally determined to be due, then CONTRACTOR may, upon seven (7) days written notice to CITY, terminate the Contract and recover from CITY payment for all Work executed and any expense sustained plus reasonable termination expenses. In addition and in lieu of terminating the Contract, if CITY has failed to make any payment as aforesaid, CONTRACTOR may, upon seven (7) days written notice to CITY, stop the Work until payment of all amounts then due. The provision of this paragraph shall not relieve CONTRACTOR of their obligations under Paragraph 6.15 to carry on the Work in accordance with the progress schedule and without delay during disputes and disagreements with CITY.

ARTICLE 17– ALTERNATE DISPUTE RESOLUTION

17.1 Notice Required

A. Notwithstanding anything to the contrary provided elsewhere in the Contract documents, the alternative dispute resolution (ADR) process provided herein shall be the exclusive means for resolution of claims or disputes arising under, relating to or touching upon this Contract, the interpretation thereof or the performance or breach by any party thereto, including, but not limited to, original claims or disputes asserted as cross claims, counterclaims, third party

claims or claims for indemnity or subrogation, in any threatened or ongoing litigation or arbitration with third parties, if such disputes involve parties to contracts containing this ADR provision.

B. CONTRACTOR shall submit written notice of any claim or dispute to CITY REP within seven (7) days of the occurrence, event or disputed response from CITY for immediate resolution pursuant to these provisions. Each claim or dispute shall be submitted and resolved as they occur and not postponed until the Project is complete nor lumped together with other pending claims.

C. Failure to submit a notice of any claim, dispute, request or other issue within the times set forth in Articles 11, 12, 13 or 17 shall constitute CONTRACTOR'S forfeiture of its right to dispute the issue, raise the claim or make the request and shall also constitute CONTRACTOR'S agreement and acceptance of the CITY'S position.

17.2 Decision of Project Designer on Disagreements

A. CITY REP will provide to CONTRACTOR a written response to any claim, request or proposal for a Change Order on or before fifteen (15) days from receipt of CONTRACTOR'S written claim, request or proposal.

B. The Project Designer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder.

C. Written notice of any request for which an interpretation by the Project Designer is sought, together with written supporting data, shall be delivered by CONTRACTOR to CITY REP for presentation to the Project Designer within seven (7) days of the occurrence or the event giving rise thereto, within seven (7) days of CONTRACTOR becoming aware of the need for clarification or further information, or if the claim or dispute was first submitted for a response from CITY REP and CONTRACTOR disputes or disagrees with the response of CITY REP, within three (3) days of CONTRACTOR'S receipt of such response.

D. CITY REP will immediately transmit any such CONTRACTOR requests, claims or disputes and other matters relating to the acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the Work to the Project Designer in writing with a request for written response within seven (7) days.

E. The Project Designer will render a decision within seven (7) days of receipt of such transmittal.

17.3 Neutral Evaluator, Arbitrators

CITY will select a Neutral Evaluator to serve as set forth in this ADR process. CITY and CONTRACTOR shall each select an arbitrator of their choice within fifteen (15) days of the date of execution of this Contract to serve as set forth in this ADR process. Each arbitrator selected shall be a member of the State Bar of the State of Arizona, and shall be experienced in the field of construction law. Neither the arbitrator nor the arbitrator's firm shall have presently, or in the past, represented any party to the arbitration.

17.4 Neutral Evaluation Process

In the event either party disagrees with the response of the Project Designer or for disputes not appropriate for submittal to the Project Designer, if CONTRACTOR disagrees with the response of the CITY REP, the following neutral evaluation process shall be used to obtain resolution.

A. Notification of Dispute: Within three (3) days of receipt of the disputed response, the disputing party shall notify the City Engineer of the unresolved dispute. The City Engineer shall promptly notify the Neutral Evaluator in writing of the existence of a dispute.

B. Nonbinding Information Hearing: The Neutral Evaluator shall schedule a nonbinding informal hearing of the matter to be held within seven (7) days from receipt of notification of the existence of a dispute. The Neutral Evaluator may conduct the hearing in such manner as deems appropriate and shall notify each party to attend the hearing and present evidence they believe will resolve the dispute. The Neutral Evaluator is not bound by the rules of evidence in admitting evidence in the hearing and may limit the length of the hearing, witnesses or evidence introduced to the extent that he deems same to be relevant and efficient. Each party to the dispute shall be notified by the Neutral Evaluator that they shall submit a written outline of the issues and evidence intended to be introduced at the hearing and proposed resolution of the dispute to the Neutral Evaluator before the hearing commences. Arbitrators shall not participate in such informal hearing or proceeding process.

C. Nonbinding Decision: The Neutral Evaluator shall render a nonbinding written decision as soon as possible, but not later than five (5) days after the hearing.

17.5 Binding Arbitration Procedure

If the neutral evaluation procedure is unsuccessful, the following binding arbitration procedure shall serve as the exclusive method to resolve all unresolved disputes. If any party chooses not to accept the decision of the Neutral Evaluator, such party shall notify the Neutral Evaluator in writing within three (3) business days of receipt of the Neutral Evaluator's decision of a request for arbitration. The party requesting arbitration shall post a cash bond with the Neutral Evaluator in the amount of $5,000, or a greater amount as determined by the Neutral Evaluator, that will defray the cost of the arbitration as set forth in paragraph M, Fees and Costs, and proceeds from said bond shall be allocated in accordance with said paragraph by the Arbitration Panel.

A. Arbitration Panel: The Arbitration Panel shall consist of the arbitrators previously selected by the parties involved in the dispute, (i.e., CITY'S arbitrator, CONTRACTOR'S arbitrator, or any other CONTRACTOR'S arbitrator who has a contract with the CITY which contains this ADR provision and is a party to the dispute), and the foregoing arbitrators shall select a neutral arbitrator as set forth herein. The Neutral Evaluator shall participate in the proceedings and in the deliberations, but shall not be entitled to vote.

B. Selection of Neutral Arbitrator: The selected arbitrators shall choose additional arbitrator(s) (one additional arbitrator or two additional arbitrators as needed to ensure that the arbitration panel will consist of an odd number of arbitrators), within five (5) days of receipt of notification of a dispute from the Neutral Evaluator. The Neutral Arbitrator(s) shall have the same qualifications as those of the arbitrators set forth in the Neutral Evaluator, Arbitrators paragraph. In the event that the selected arbitrators cannot agree on additional Neutral Arbitrators as set forth above, the Neutral Evaluator shall select the additional arbitrator(s).

C. Expedited Hearing: The parties have structured this procedure with the goal of providing for the prompt and efficient resolution of all disputes falling within the purview of this ADR process. To that end, any party can petition the Neutral Evaluator to set an expedited hearing if circumstances justify it. The Neutral Evaluator shall contact the selected Arbitration Panel and arrange for scheduling of the arbitration at the earliest possible date. In any event, the hearing of any dispute not expedited will commence as soon as practical, but in no event later than twenty (20) days after notification of request for arbitration having been submitted. This deadline can be extended only with the consent of all the parties to the dispute, or by decision of the Arbitration Panel upon a showing of emergency circumstances.

D. Procedure: The Neutral Evaluator shall act as Chairman of the Arbitration Panel and will conduct the hearing that will resolve disputes in a prompt, cost efficient manner giving due regard to the rights of all parties. Each party shall supply to the Arbitration Panel a written pre-hearing statement, which shall contain a brief statement of the nature of the claim or defense, a list of witnesses and exhibits, a brief description of the subject matter of the testimony of each witness who will be called to testify, and an estimate as to the length of time that will be required for the arbitration hearing. The Arbitration Panel may review and consider the Neutral Evaluator's decision. The Chairman shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence consistent with the deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The Chairman, upon proper application, shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary, or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Maricopa County Superior Court to have a protective order entered as may be appropriate to conform to such orders of the Chairman.

E. Hearing Days: To effectuate the parties' goals, the hearing once commenced, will proceed from business day to business day until concluded, absent a showing of emergency circumstances.

F. Award: The Arbitrator Panel shall within ten (10) days from the conclusion of any hearing issue its award. The award shall include an allocation of fees and costs pursuant to the Binding Arbitration Procedure paragraph herein. Any award providing for deferred payment shall include interest at the rate of ten (10%) percent per annum. The award is to be rendered in accordance with the Contract and the laws of the State of Arizona.

G. Scope of Award: The Arbitration Panel shall be without authority to award punitive damages, and any such punitive damage award shall be void. The Arbitration Panel shall also be without authority to issue an award against any individual party in excess of $500,000, exclusive of interest, arbitration fees, costs, and attorney's fees. If an award is made against any individual party in excess of $50,000, exclusive of interest, arbitration fees, costs. and attorneys' fees, it must be supported by written findings of fact, conclusions of law and statement as to how damages were calculated.

H. Jurisdiction: The Arbitration Panel shall not be bound for jurisdictional purposes by the amount asserted in any party's claim, but shall conduct a preliminary hearing into the question of jurisdiction upon application of any party at the earliest convenient time, but not later than the commencement of the arbitration hearing.

I. Entry of Judgment: Any party can make application to the Maricopa County Superior Court for confirmation of any award and for entry of judgment on it.

J. Severance and Joinder: To reduce the possibility of inconsistent adjudications, the Neutral Evaluator or the Arbitration Panel, may at the request of any party, join and/or sever parties, and/or claims arising under other contracts containing this ADR provision, and the Neutral Evaluator, (Chairman) may, on his own authority, join or sever parties and/or claims subject to this ADR process as they deem necessary for a just resolution of the dispute, consistent with the parties' goal of the prompt and efficient resolution of disputes. Nothing herein shall create the right by any party to assert claims against another party not recognized under the substantive law applicable to the dispute. Neither the Neutral Evaluator nor the Arbitration Panel is authorized to join to the proceeding parties not in privity with the CITY.

K. Appeal: Any party may appeal errors of law by the Arbitration Panel if, but only if, the errors arise in an award in excess of $100,000; the exercise by the Chairman or Arbitration Panel of any powers contrary to or inconsistent with the Contract; or any of the grounds provided in

A.R.S. 12-1512. Appeals shall be to the Maricopa County Superior Court within fifteen (15) days of entry of the award. The standard of review in such cases shall be that applicable to the consideration of a motion for judgment notwithstanding the verdict, and the Maricopa County Superior Court shall have the authority to confirm, vacate, modify or remand an award appealed under this section.

L. Uniform Arbitration Act. Except as otherwise provided herein, binding arbitration pursued under this provision shall be governed by the Uniform Arbitration Act as enacted in Arizona in A.R.S. l2-1501, et. seq.

M. Fees and Costs. Each party shall bear its own fees and costs in connection with any informal hearing before the Neutral Evaluator. All fees and costs associated with any arbitration before the Arbitration Panel, including without limitation, the Arbitration Panelists' fees, the prevailing party's attorneys' fees, expert witness fees and costs, will be paid by the nonprevailing party, except as provided for herein. The determination of prevailing and nonprevailing parties, and the appropriate allocation of fees and costs, will be included in the award by the Arbitration Panel. Fees for the Neutral Evaluator shall be a project cost.

N. Equitable Litigation: Notwithstanding any other provision of ADR to the contrary, any party can petition the Maricopa County Superior Court for interim equitable relief as necessary to preserve the status quo and prevent immediate and irreparable harm to a party or to the Project pending resolution of a dispute pursuant to ADR provided for herein. No court may order any permanent injunctive relief except as may be necessary to enforce an order or award entered by the Arbitration Panel. The fees and costs incurred in connection with any such equitable proceeding shall be determined and assessed in ADR.

O. Change Order: Any award in favor of the CONTRACTOR against the CITY or in favor of the CITY against the CONTRACTOR shall be reduced to a Change Order and executed by the parties in accordance with the award and the provisions of General and Supplementary Conditions to this Construction Contract.

P. Merger and Bar: Any claim asserted pursuant to this ADR process shall be deemed to include all claims, demands, and requests for compensation for costs and losses or other relief, including the extension of Contract Time which reasonably should or could have been brought against any party that was or could have been brought into this ADR process. The Arbitration Panel shall apply legal principles commonly known as merger and bar to deny any claim or claims against any party regarding which claim or claims recovery has been sought or should have been sought in a previously adjudicated claim for an alleged cost, loss, breach. error. or omission.

Q. Disputes of amounts greater than $500,000: Disputes for which the Arbitration Panel has determined to warrant an award in an amount greater than Five Hundred Thousand Dollars ($500,000) to any one party, may be brought in the appropriate Court. A party must obtain such a determination from the Arbitration Panel prior to filing any legal action.

ARTICLE 18 - VALUE ENGINEERING

18.1 General

A. The CONTRACTOR may submit to CITY REP proposals for modifying the Plans, Specifications, or other requirements of the Contract for the sole purpose of reducing the total cost of the project without impairing in any manner the essential functions or characteristics of the project, including, but not limited to, service life, economy of operations, ease of maintenance, desired appearance, or design and safety standards.

B. It shall not be inferred from this subsection that the CITY is required to consider any proposal submitted.

C. Cost reductions contained in the proposal resulting from changes to contingency items, such as traffic control, dust palliative, etc., will not be considered.

18.2 Proposal Requirements

Proposals submitted pursuant to this subsection shall be identified as Value Engineering Proposals. They shall be submitted in writing and, at a minimum, contain the following:

A. A description of both the existing Contract requirements for performing the work and the proposed changes.

B. All engineering drawings and computations necessary for a thorough and expeditious evaluations.

C. An itemization of the existing Contract requirements that must be changed if the proposal is adopted and a recommendation as to the manner in which the change should be made.

D. A detailed estimate of the cost of performing the work under the existing Contract and under the proposed changes, including the cost of developing and implementing the changes.

E. The contract items affected by the proposed changes and any variations in quantities resulting from the changes.

F. An objective estimate of any effects the proposal will have on collateral costs to the CITY, cost of related items, and costs of maintenance and operation.

G. A statement as to the effect that the proposal will have on the time for the completion of the project.

H. A statement as to the time by which a change order adopting the proposal must be executed or when the CITY must have given oral or written approval.

I. A statement as to any time extension of time related to costs which will be required by the CONTRACTOR as a condition for implementing the proposed changes.

18.3 Review and Response

Proposals will not be considered until all of the above requirements have been met. Once all of the required submittals have been received, CITY REP will respond within ten (10) working days in writing as to whether or not the proposal will be considered for detailed evaluation. If no such notice is issued within the time allotted, the proposal shall be deemed rejected.

A. CITY will not be liable for any delay in acting upon any proposal nor for any failure to accept any proposal pursuant to this subsection.

B. CITY will be the sole judge of the acceptability of a proposal and of the estimated net savings in construction costs from the adoption of all or any part of the proposal. CONTRACTOR will be notified in writing by the CITY REP as to whether the CONTRACTOR'S proposal has been accepted. The decision by the CITY is final.

C. When CITY deems such action to be appropriate, it reserves the right to require the CONTRACTOR to share in the cost to the CITY of investigating, evaluating, and processing the proposal as a condition for the consideration of such proposal. Such cost shall be shared whether the proposal is accepted or rejected. When such a condition is imposed, the CONTRACTOR shall indicate their acceptance thereof in writing and such acceptance shall

authorize the CITY to deduct the CONTRACTOR'S share of the CITY'S costs from any monies due or that may become due to the CONTRACTOR under the Contract.

18.4 Acceptance

A. If CONTRACTOR'S proposal is accepted in whole or in part, the necessary Contract modifications and Contract Price adjustments will be effected by the execution of a Change Order which will specifically state that it is executed pursuant to the provisions of this subsection.

B. CONTRACTOR shall continue to perform the work in accordance with the requirements of the Contract until a Change Order incorporating the proposal has been executed or until the CONTRACTOR has been given oral or written approval by the CITY that the CONTRACTOR'S proposal has been accepted. If the Change Order has not been executed, or the CONTRACTOR has not been given oral or written approval on or before the mutually agreed upon date, or on or before such other date as the CONTRACTOR may have subsequently specified in writing, the proposal shall be deemed to be rejected.

C. The executed Change Order shall incorporate the changes in the Plans, Specifications, or other requirements of the Contract Documents which are necessary to permit the proposal, or such part of it which has been accepted, to be put into effect, and shall include any conditions upon which the CITY'S approval thereof is based if such approval is conditional. The executed Change Order Contract shall also extend the time for the completion of the Contract if, and only if, the extension was required by the CONTRACTOR as a condition for implementing the proposal and such an extension has been deemed to be warranted by the CITY as a result of the CITY'S evaluation of the proposal.

D. The executed Change Order shall also establish the estimated net savings in the cost of performing the Work attributable to the proposal effectuated by the Change Order. In determining the net savings, the right is reserved to the CITY to disregard the Contract bid prices if, in the CITY'S judgment, such prices do not represent a fair measure of the value of the Work to be performed or to be deleted. The net savings will be established by determining the CONTRACTOR'S cost of performing the Work, taking into account the CONTRACTOR'S cost of developing the proposal and implementing the change, and reducing this amount by any ascertainable collateral cost to the CITY. The executed Change Order shall provide the Contractor be paid forty (40%) percent of the estimated net savings amount.

E. The executed Change Order shall also provide for the adjustment in Contract Prices. Contract Prices shall be adjusted by subtracting the CITY'S share of the accrued net savings.

F. The amount specified to be paid to the CONTRACTOR in the executed Change Order which effectuates a value engineering proposal shall constitute full compensation to the CONTRACTOR for the value engineering proposal and the performance of the Work thereof pursuant to the said Change Order.

ARTICLE 19 -- GENERAL PROVISIONS

19.1 Partial Invalidity

If any provision of the Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19.2 Attorneys' Fees

Should either party to the Contract bring an action to enforce any provision of the Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs in connection therewith.

19.3 Waiver of Rights

Except as otherwise specifically provided in the Contract Documents, no action or failure to act by the CITY, the Project Designer or CONTRACTOR shall constitute a waiver of any right or duty afforded any of them under the Contract Documents, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder.

19.4 Giving Notice

A. When any provisions of the Contract Documents requires CONTRACTOR or the Project Designer to give written notice to CITY, it shall be deemed to have been validly given if delivered in person to the person designated in the Contract Documents as CITY REP, or if delivered at or sent by registered or certified mail, postage prepaid, to the City Engineer addressed as follows:

City of Chandler
Public Works Department
Attn: City Engineer
P.O. Box 4008, Mail Stop 405
Chandler, AZ 85244-4008

B. When any provisions of the Contract Documents requires CITY, CITY REP, or the Project Designer to give written notice to CONTRACTOR, it shall be deemed to have been validly given if delivered in person to the person designated in the Contract Documents as CONTRACTOR'S Resident Superintendent, or if delivered at or sent by registered or certified mail, postage prepaid, to CONTRACTOR at the last address in the Contract Documents or such substitute address which CONTRACTOR designates in writing, or to the business address known to the giver of notice.

19.5 Computation of Time

When any period of time is referred to in the Contract Documents by days, it shall be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day shall be omitted from the computation. Unless otherwise specified any action required shall be accomplished within a reasonable time.

19.6 Conflict of Interest

Pursuant to A.R.S. Sec. 38-511, a municipality may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the municipality is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

19.7 Assignment

A. The performance of the Contract may not be assigned, except upon the written consent of the CITY. Consent will not be given to any proposed assignment which would relieve the original CONTRACTOR or their surety of their responsibilities under the Contract, nor will the CITY consent to any assignment of a part of the Work under the Contract.

B. Upon obtaining a prior written consent of the CITY, the CONTRACTOR may assign moneys due or to become due them under the Contract, to the extent permitted by law, but any assignment of moneys shall be subject to all proper setoffs in favor of the CITY and to all deductions provided for in the Contract, and particularly all money withheld, whether assigned or not, shall be subject to being used by the CITY for the completion of the Work in the event that the CONTRACTOR should be in default therein.

C. No assignment of the Contract will be approved unless it shall contain a provision that the funds to be paid to the assignee under the assignment are subject to a prior lien for services rendered or materials supplied for performance of the Work called for under the Contract in favor of all persons, firms, or corporations rendering such services or supplying such materials and that the CITY may withhold funds due until all Work required by the Contract Documents is completed to the CITY'S satisfaction.

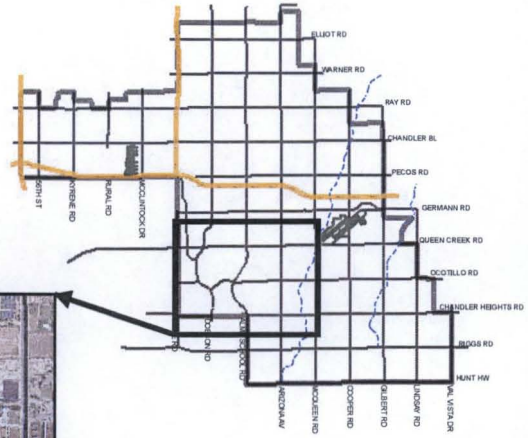
19.8 Notice of Injury

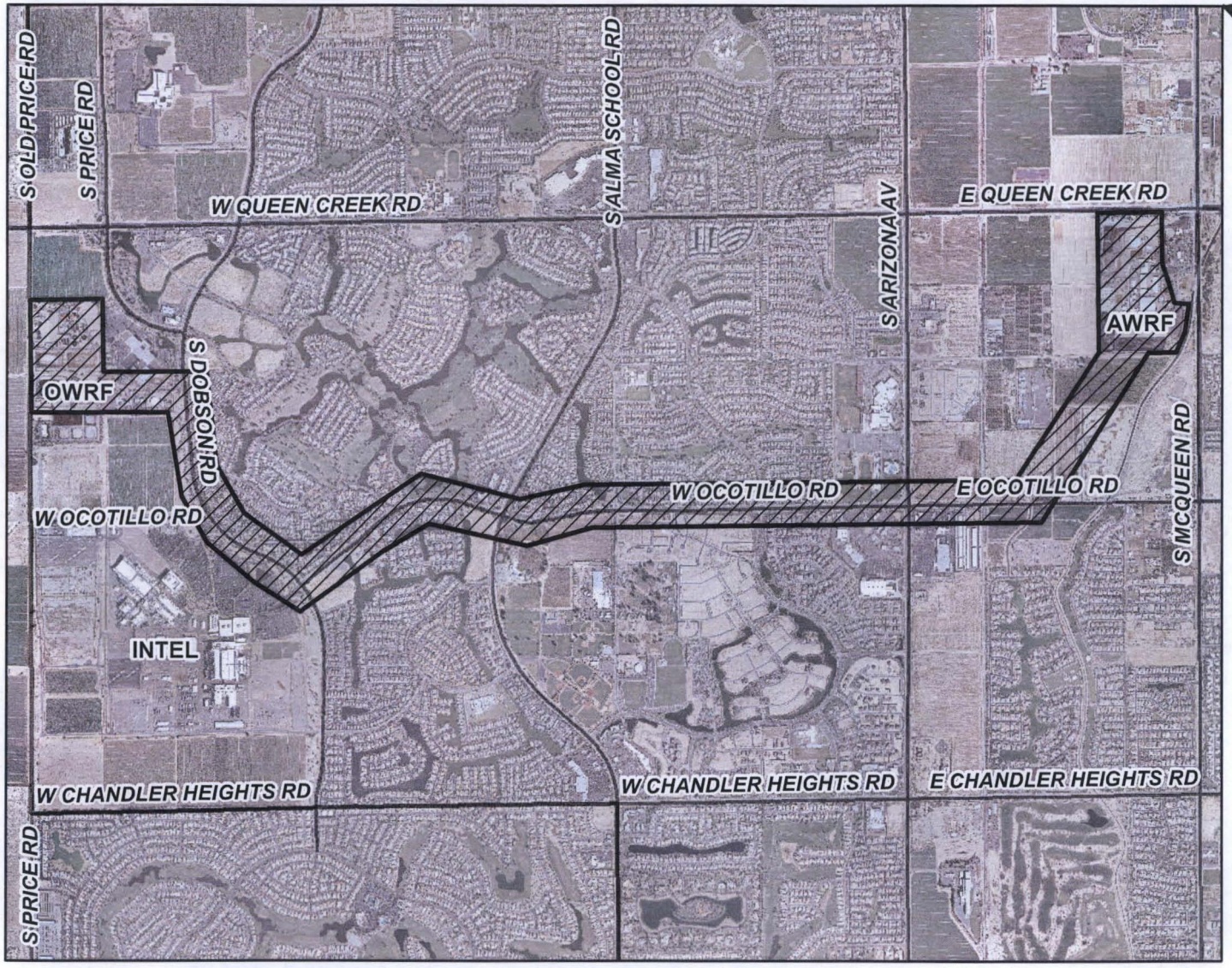
Should CITY or CONTRACTOR suffer injury or damage to their person or property because of any error, omission or act of the other party or of any of the other party's employees or agents or others for whose acts the other party is legally liable, claim shall be made in writing to the other party within seven (7) days of the first observance of such injury or damage.

END OF GENERAL CONDITIONS
ARTICLES 1 THROUGH 19

Chandler + Arizona

OCOTILLO WATER RECLAMATION FACILITY (OWRF), AIRPORT WATER RECLAMATION FACILITY (AWRF), LIFT STATION & DEEP SEWER PHASE 1 PROJECT NO. WA1104-401





MEMO NO. CA12-031

PROJECT SITE

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