

PART 1 – GENERAL PROVISIONS**1.01 DEFINITIONS**

- A. “Application for Payment” means a written request submitted by Contractor to the Owner (or A/E, if applicable) for payment of Work completed in accordance with the Contract Documents and approved Schedule of Values, supported by such substantiating data as Owner or A/E may require.
- B. “Architect,” “Engineer,” or “A/E” means a person or entity lawfully entitled to practice architecture or engineering, representing Owner within the limits of its delegated authority, if applicable to the Project. Owner may choose not to contract with an A/E for certain projects, in which event all references to the A/E shall be construed to reference the Owner.
- C. “Change Order” means a written instrument signed by Owner and Contractor stating their agreement upon all of the following: (1) a change in the Work; (2) the amount of the adjustment in the Contract Sum, if any, and (3) the extent of the adjustment in the Contract Time, if any.
- D. “Claim” means Contractor’s exclusive remedy for resolving disputes with Owner regarding the terms of a Change Order or a request for equitable adjustment, as more fully set forth in Part 8.
- E. “Contract Award Amount” is the sum of the Base Bid and any accepted Alternates.
- F. “Contract Documents” means the Advertisement for Bids, Instructions for Bidders, completed Bid Form, General Conditions, Supplemental Conditions, Public Works Contract, other Special Forms, Drawings, and Specifications, and all addenda and modifications thereof.
- G. “Contract Sum” is the total amount payable by Owner to Contractor, for performance of the Work in accordance with the Contract Documents, including all taxes imposed by law and properly chargeable to the Work, except Washington State sales tax.
- H. “Contract Time” is the number of calendar days allotted in the Contract Documents for achieving Substantial Completion of the Work.
- I. “Contractor” means the person or entity who has agreed with Owner to perform the Work in accordance with the Contract Documents.
- J. “Day” means a calendar day, unless otherwise specified.
- K. “Drawings” are the graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the Work, and may include plans, elevations, sections, details, schedules, and diagrams.
- L. “Final Acceptance” means the written acceptance issued to Contractor by Owner after Contractor has completed the requirements of the Contract Documents, as more fully set forth in Section 6.09 B.
- M. “Final Completion” means that the Work is fully and finally complete in accordance with the Contract Documents, as more fully set forth in Section 6.09A.
- N. “Force Majeure” means those acts entitling Contractor to request an equitable adjustment in the Contract Time, as more fully set forth in Section 3.05A.

- O. "Notice" means a written notice which has been delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended or, if delivered or sent by registered or certified mail, to the last business address known to the party giving notice.
- P. "Notice to Proceed" means a notice from Owner to Contractor that defines the date on which the Contract Time begins to run.
- Q. "Owner" means the Longview School District or its authorized representative with the authority to enter into, administer, and/or terminate the Work in accordance with the Contract Documents and make related determinations and findings.
- R. "Person" means a corporation, partnership, business association of any kind, trust, company, or individual.
- S. "Prior Occupancy" means Owner's use of all or parts of the Project before Substantial Completion, as more fully set forth in Section 6.08A.
- T. "Progress Schedule" means a schedule of the Work, in a form satisfactory to Owner, as further set forth in Section 3.02.
- U. "Project" means the total construction of which the Work performed in accordance with the Contract Documents, which may be the whole or a part and which may include construction by Owner or by separate contractors.
- V. "Project Record" means the separate set of Drawings and Specifications as further set forth in Section 4.02A.
- W. "Schedule of Values" means a written breakdown allocating the total Contract Sum to each principal category of Work, in such detail as requested by Owner.
- X. "Specifications" are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards, and workmanship for the Work, and performance of related services.
- Y. "Subcontract" means a contract entered into by Subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind for or in connection with the Work.
- Z. "Subcontractor" means any person, other than Contractor, who agrees to furnish or furnishes any supplies, materials, equipment, or services of any kind in connection with the Work.
- AA. "Substantial Completion" means that stage in the progress of the Work when the construction is sufficiently complete, as more fully set forth in Section 6.07.
- AB. "Work" means the construction and services required by the Contract Documents, and includes, but is not limited to, labor, materials, supplies, equipment, services, permits, and the manufacture and fabrication of components, performed, furnished, or provided in accordance with the Contract Documents.

1.02 ORDER OF PRECEDENCE

Any conflict or inconsistency in the Contract Documents shall be resolved by giving the documents precedence in the following order:

- A. Signed Public Works Contract, including any Change Orders.

- B. Supplemental Conditions.
- C. General Conditions.
- D. Specifications.
- E. Drawings. In case of conflict within the Drawings, large-scale drawings shall take precedence over small-scale drawings.
- F. Signed and Completed Bid Form.
- G. Instructions to Bidders.
- H. Advertisement for Bids.

1.03 EXECUTION AND INTENT

Contractor makes the following representations to Owner:

- A. Contract Sum reasonable: The Contract Sum is reasonable compensation for the Work and the Contract Time is adequate for the performance of the Work, as represented by the Contract Documents;
- B. Contractor familiar with Project: Contractor has carefully reviewed the Contract Documents, visited and examined the Project site, become familiar with the local conditions in which the Work is to be performed, and satisfied itself as to the nature, location, character, quality, and quantity of the Work, the labor, materials, equipment, goods, supplies, work, services, and other items to be furnished and all other requirements of the Contract Documents, as well as the surface and subsurface conditions and other matters that may be encountered at the Project site or affect performance of the Work or the cost or difficulty thereof;
- C. Contractor financially capable: Contractor is financially solvent, able to pay its debts as they mature, and possesses sufficient working capital to complete the Work and perform Contractor's obligations required by the Contract Documents; and
- D. Contractor can complete Work: Contractor is able to furnish the plant, tools, materials, supplies, equipment, and labor required to complete the Work and perform the obligations required by the Contract Documents and has sufficient experience and competence to do so.

PART 2 – INSURANCE AND BONDS

2.01 CONTRACTOR'S LIABILITY INSURANCE

- A. Prior to commencement of the Work, the Contractor shall obtain all the insurance required by the Contract Documents and provide evidence satisfactory to Owner that such insurance has been procured. Review of the Contractor's insurance by Owner or the specification or approval of the insurance in this Contract or of its coverage or amount shall not relieve or decrease the liability of the Contractor under the Contract Documents or otherwise. The Contractor shall include in its bid the cost of all insurance and bonds required to complete the Base Bid Work and accepted alternates.

- B. The Contractor shall purchase and maintain in full force and effect the following insurance coverage without interruption from the date of commencement of the Work through the date of Final Acceptance and termination of any coverage required to be maintained after final payment, including, but not limited to, during the performance of any corrective Work required by Section 5.16. Completed Operations coverage shall remain in force for three (3) years after Final Acceptance. All coverages shall be written on an occurrence basis, reasonably acceptable to the Owner, and written for at least the minimum limits specified in this Section 2.01 or required by law, whichever coverage is greater.

1. Commercial General Liability (CGL):

- a. The Contractor shall procure an occurrence-based Commercial General Liability (CGL) insurance policy, written on an ISO-based occurrence form or its equivalent. Such insurance shall provide coverage for personal injury, bodily injury, and property damage liability arising from the Contractor's operations in connection with the Work, whether such operations are by the Contractor or Subcontractors and suppliers of any tier; owned, non-owned, and hired vehicles; work the Contractor may subcontract or sublet to others; and the indemnity provisions of this Contract. Without limiting the foregoing, such insurance shall protect the Contractor and additional insureds required by this Section 2.01 from claims set forth below that may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor or the additional insureds may be legally liable, whether such operations are by the Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:
- (1) Claims under workers' compensation (industrial insurance), disability benefit, and other similar employee benefit acts that are applicable to the Work to be performed in the form of Stop Gap Liability Insurance (Employer's Contingent Liability Insurance);
 - (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
 - (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
 - (4) Claims for damages insured by usual personal injury liability coverage;
 - (5) Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
 - (6) Claims for bodily injury or property damage arising out of completed operations;
 - (7) Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 5.22 ("Indemnification"); and
 - (8) Claims for bodily injury and property damage resulting from mold and fungus.

- b. Without limiting the foregoing, this CGL insurance shall be on a comprehensive basis and include all major divisions of coverage, including, but not limited to:
 - (1) Premises and Operations;
 - (2) Products and Completed Operations;
 - (3) Explosion, Collapse, and Underground (XCU);
 - (4) The Owners and Contractors Protective;
 - (5) Personal and Advertising Injury, with employment exclusion deleted;
 - (6) Blanket contractual, including specific provision for Contractor's obligation under the indemnity provisions of this Contract; and
 - (7) Broad Form Property Damage.
 2. Automobile Liability: Such insurance shall provide coverage for all owned, non-owned, and hired automobiles. It shall cover 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 (including loss of use thereof arising out of operation of automobiles), including Comprehensive Automobile Liability, Bodily Injury, and Property Damage Combined Single Limit.
 3. Umbrella Policy: For projects with a Contract Sum of \$1 million or more, the Contractor shall procure a true umbrella policy that provides excess limits over the primary layer.
 4. Employer's Liability: The Contractor shall provide an employer's liability policy providing coverage for liability to employees for work-related bodily injury or disease, other than liability imposed by workers' compensation law.
 5. Workers' Compensation: The Contractor shall provide, and require Subcontractors of any tier to provide, workers' compensation insurance as required by the industrial insurance laws of the State of Washington.
- C. The Contractor's insurance obtained under this Section 2.01 will:
1. Name the Owner, the Owner's consultants, as well as their directors, officers, employees, and agents, as additional insureds under CG 2010 and CG 2037 or their equivalent.
 2. Include a severability of interest (cross-liability clause) in favor of the Owner for Work performed under this Contract.
 3. Be designated and endorsed as primary coverage for both defense and indemnity, and any Owner's policies shall be excess and non-contributory.
 4. Provide a waiver of any rights of subrogation against the Owner.

5. Have per-project general aggregate provisions in accordance with the limits set forth in Section 2.01J, which provisions may be modified in the Special Conditions. The insurance shall be endorsed to have the general aggregate apply to this Project only.
 6. Without limiting the foregoing, the insurance described above shall include coverage for underground collapse and explosion exposures.
- D. Any company writing the insurance to be obtained pursuant to this Section 2.01 shall be authorized to do business in the State of Washington. Insurance carriers providing insurance in accordance with the Contract Documents must be acceptable to Owner and shall possess an A.B. Best's policyholder's rating of "A" or better and a financial rating of no less than "VIII."
- E. Losses up to the deductible amount of any insurance under this part shall be the responsibility of the Contractor.
- F. The Contract Sum includes an amount to pay the premium for insurance required under the Contract Documents and to name the Owner and others listed in the Contract Documents as additional insureds on all insurance policies required by Section 2.01.
- G. There shall be no self-insured retention without the prior written approval of the Owner.
- H. If the Owner is damaged by the failure of the Contractor to maintain any of the insurance in this Section 2.01 or to so notify the Owner, the Contractor shall bear all costs attributable thereto. The Owner may withhold payment pending receipt of all certificates of insurance. Failure to withhold payment shall not constitute a waiver.
- I. The Contractor shall comply with the Washington State Industrial Insurance Act and, if applicable, the Federal Longshoremen's and Harbor Workers' Act and the Jones Act.
- J. Coverage Limits: The minimum coverage limits for Contractor's liability insurance shall be as follows:
1. Commercial General Liability (CGL):
 - a. At least \$1,000,000 General Aggregate Limit (Other than Products-Completed Operations).
 - b. At least \$1,000,000 Each Occurrence Limit.
 - c. At least \$1,000,000 Products-Completed Operations Aggregate Limit.
 - d. At least \$1,000,000 Personal Injury and Advertising Liability Limit, each occurrence.
 2. Automobile Liability: At least \$1,000,000 Combined Single Limit for Automobile Bodily Injury and Property Damage Liability, each accident or loss.
 3. Umbrella Policy: Where applicable, the umbrella policy will have excess limits over the primary layer in an amount not less than \$2,000,000.
 4. Employer's Liability: At least \$1,000,000 each occurrence limit.

5. Workers' Compensation: The Contractor shall provide workers' compensation insurance in the amounts required by the industrial insurance laws of the State of Washington. For any employees not subject to the Washington State workers' compensation statute, the Contractor shall provide, and cause each Subcontractor to provide workers' compensation insurance with a private company in an amount equivalent to that provided by the workers' compensation statute, but no less than a \$1,000,000 limit of liability for the protection of its employees not otherwise protected. Stop Gap Liability Insurance (Employer's Contingent Liability Insurance) shall be at least \$1,000,000 Each Occurrence.

K. Proof of Insurance:

1. Prior to commencement of the Work, any presence on the site, or exposure to loss can occur, and in any event within seven (7) Days after the Owner has issued its Notice to Proceed, the Contractor shall furnish the Owner with the following:
 - a. Two (2) copies of Certificates of Insurance evidencing all insurance required by the Contract Documents;
 - b. A written statement of the actual costs (expressed as a percentage) of the Contractors' liability insurance under 2.01;
 - c. Endorsements for additional insureds as listed in Section 2.01C.1;
 - d. Two (2) copies of Department of Labor & Industries statements for state workers' compensation coverage.
2. All insurance policies and certificates must be signed copies. Edition dates of endorsements on policies obtained under this Section 2.01 shall be consistent.
3. All policies shall include the premium percentage to be paid by the Contractor for increases in the Contract Sum.
4. The Contractor shall furnish to the Owner copies of any subsequently issued endorsements amending, modifying, altering, or restricting coverage or limits.
5. Policies or certificates obtained under this part shall verify that the policy contains coverage for blanket contractual liability, including both oral and written contracts, and acknowledge the indemnification provisions and liability coverages called for by this Contract.
6. Upon written request, the Contractor shall provide a copy of its policies obtained under this part to the Owner within five (5) business days.
7. All insurance certificates obtained pursuant to this part will:
 - a. Name Owner's Project number and Project title.
 - b. State the insurance carrier's A.B. Best rating.
 - c. Evidence full compliance with the requirements of Section 2.01.

- d. Specifically require written notice by certified mail must be provided to the Owner at least forty-five (45) Days before the policies expire, are cancelled, or are reduced; the limits are decreased; or the additional insureds removed, except that thirty (30) Days' notice shall be required for surplus line insurance.
8. Notwithstanding anything herein to the contrary, the Contractor shall provide all bonding, insurance, and permit documentation as required by governmental entities for all portions of the Project.
9. The Contractor shall ensure and require that Subcontractors of any tier have insurance coverage to cover bodily injury and property damage on all operations and all vehicles owned or operated by Subcontractors of all tiers in the minimum amount of \$1,000,000 per occurrence with a \$2,000,000 general aggregate limit. Also, the Subcontractors shall name the Contractor and the Owner and cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, as an additional insured for claims caused in whole or in part by the Subcontractor's negligent acts or omissions during the Subcontractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Subcontractor's negligent acts or omissions during the Subcontractor's completed operations.
10. The Owner may withhold payment pending receipt of all certificates of insurance meeting the requirements of Section 2.01K. Failure to withhold payment shall not constitute a waiver of any provision of the Contract.

2.02 PAYMENT AND PERFORMANCE BONDS

- A. In accordance with Chapter 39.08 RCW ("Contractor's Bond"), the Contractor will furnish to the Owner bonds, with a surety company admitted and licensed in the State of Washington and acceptable to the Owner, conditioned that the Contractor will: (1) faithfully perform all provisions of this Contract (the "Performance Bond"); and (2) pay all laborers, mechanics, Subcontractors, and materialmen, and all persons who supply such person, persons, or Subcontractors, with provisions and supplies for carrying out the Project and pay the taxes, increases, and penalties incurred on the Project under state law (the "Payment Bond"). Each of the Performance Bond and Payment Bond will be in the full amount of the Contract Sum. Such surety company will possess an A.M. Best rating of "A" or better and a financial rating of no less than "IX."
- B. Bond forms must be deemed acceptable and approved by Owner. Owner shall deem acceptable and approve payment and performance bonds that use the Payment Bond and Performance Bond form published by and available from the American Institute of Architects (AIA) – form A312. Separate bonds for payment and performance must be provided to Owner. Provision of payment and performance bonds by Contractor to Owner is a condition precedent to performance by Owner.
- C. Prior to execution of a Change Order that, cumulatively with previous Change Orders, increases the Contract Award Amount by ten (10) percent or more, the Contractor shall provide either new payment and performance bonds for the revised Contract Sum, or riders to the existing payment and performance bonds increasing the amount of the bonds. The Contractor shall likewise provide additional bonds or riders when subsequent Change Orders increase the Contract Sum by ten (10) percent or more.

- D. No payment or performance bonds are required if the Contract Sum is \$150,000 or less and Owner and Contractor agree that Owner may, in lieu of the bond, retain 10 percent of the Contract Sum for the period allowed by RCW 39.08.010.
- E. All reinsurers that may be called upon to support or share in a surety's obligations specified in connection with the performance and payment bond obligations required of the Contractor by this Contract must also have an A.M. Best rating of "A" or better and financial rating of not less than "IX."
- F. Within seven (7) days of the issuance of Owner's Notice of Intent to Award the Contract, the Contractor will deliver evidence of its bondability to the Owner. Within seven (7) days after its execution of the Contract, the Contractor will deliver copies of the bonds to the Owner.
- G. THE OWNER MAY DECLINE TO ENTER INTO THE CONTRACT IF THE REQUESTED EVIDENCE OF BONDABILITY IS NOT RECEIVED. THE CONTRACTOR WILL NOT PROCEED WITH THE WORK UNTIL SUCH SURETY BOND IS RECEIVED. Evidence of bondability shall include the percentage to be paid by the Contractor for increases in the Contract Sum.
- H. Upon request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor will promptly furnish a copy of the bond(s) or will authorize a copy to be furnished.
- I. Additional Bond Security: The Contractor will promptly furnish additional security required to protect Owner and persons supplying labor or materials required by this Contract if: (1) Owner has a reasonable objection to the surety; or (2) any surety fails to furnish reports on its financial condition if required by Owner.
- J. Potential Subcontractors' Payment and Performance Bonds: Within ten (10) days after the issuance of the Notice to Proceed, any Subcontractors so required in the Bidding or Contract Documents or Special Conditions shall deliver evidence of their payment and performance bondability to the Owner through the Contractor. The evidence shall include a letter from the bonding company that includes the price of payment and performance bonds to be issued during the thirty (30) day period after the Notice to Proceed. The surety company must be acceptable to the Owner and admitted and licensed in the State of Washington, with an A.M. Best rating of "A" or better and a financial rating of no less than "VIII." The bonds shall be in an amount equal to the full contract sum of the Subcontract between the Subcontractor and the Contractor but shall not include sales tax. The bonds shall be conditioned that the Subcontractor shall faithfully perform all the provisions of its subcontract, payment of all obligations arising thereunder, and for one year's maintenance for correction of defective work. If the Owner elects to require payment and performance bonds from one or more of the Subcontractors, it will so notify the Contractor in writing within fourteen (14) days of receipt of the evidence of bondability from the respective Subcontractor, in which case the Contract Sum shall be increased by a Change Order in the amount specified in the letter, unless otherwise agreed by the parties. The Owner shall not be responsible for the costs of any Subcontractor bonds it requires until the Owner receives a copy of the bond. THE OWNER MAY DECLINE TO ENTER INTO THE CONTRACT OR MAY REQUIRE A CHANGE OF SUBCONTRACTOR AT NO INCREASE IN THE CONTRACT SUM OR CONTRACT TIME IF THIS EVIDENCE OF BONDABILITY IS NOT RECEIVED. THE OWNER MAY WITHHOLD PAYMENT TO THE CONTRACTOR UNTIL SUCH SURETY BONDS ARE RECEIVED. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a

copy of the bonds or shall permit a copy to be made. The Subcontractors responsible to the Contractor for the work listed in the Instructions to Bidders must comply with this paragraph to the extent directed by the Owner.

- K. If the Owner is damaged by the failure of the Contractor to maintain any of the bonds or insurance in this Section 2.02 or elsewhere in the Contract Documents or to so notify the Owner, then the Contractor will bear all costs attributable thereto. The Owner may withhold payment pending receipt of all certificates of insurance and bonds. Failure to withhold payment will not constitute a waiver.

2.03 ALTERNATIVE SURETY

- A. When alternative surety required: Contractor shall promptly furnish payment and performance bonds from an alternative surety as required to protect Owner and persons supplying labor or materials required by the Contract Documents if:
1. Owner has a reasonable objection to the surety; or
 2. Any surety fails to furnish reports on its financial condition if required by Owner.

2.04 BUILDER'S RISK

- A. Contractor to buy Property Insurance: Contractor shall purchase and maintain property insurance in the amount of the Contract Sum, including all Change Orders for the Work, on a replacement-cost basis until Substantial Completion. For projects not involving New Building Construction, "Installation Floater" is an acceptable substitute for the Builder's Risk Insurance. The insurance shall cover the interest of Owner, Contractor, and any Subcontractors, as their interests may appear.
- B. Losses covered: Contractor property insurance shall be placed on an "all risk" basis and insure against the perils of fire and physical loss or damage including theft, vandalism, malicious mischief, collapse, false work, temporary buildings, and debris removal (including demolition occasioned by enforcement of any applicable legal requirements), and shall cover reasonable compensation for A/E's services and expenses required as a result of an insured loss.
- C. Waiver of subrogation rights: Owner and Contractor waive all subrogation rights against each other, any Subcontractors, A/E, A/E's subconsultants, separate contractors described herein, if any, and any of their subcontractors, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by Owner as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

PART 3 – TIME AND SCHEDULE

3.01 PROGRESS AND COMPLETION

Contractor to meet schedule: Contractor shall diligently prosecute the Work, with adequate forces, achieve Substantial Completion within the Contract Time, and achieve Final Completion within a reasonable period thereafter.

3.02 CONSTRUCTION SCHEDULE

- A. Preliminary Progress Schedule: Contractor shall, within 14 Days after issuance of the Notice to Proceed, submit a preliminary Progress Schedule. The Progress Schedule shall show the sequence in which Contractor proposes to perform the Work and the dates on which Contractor plans to start and finish major portions of the Work, including dates for Shop Drawings and other submittals, and for acquiring materials and equipment.
- B. Form of Progress Schedule: The Progress Schedule shall be in the form of a bar chart, or a critical path method analysis, as specified by Owner. The preliminary Progress Schedule may be general, showing the major portions of the Work, with a more detailed Progress Schedule submitted as directed by Owner.
- C. Owner comments on Progress Schedule: Owner shall return comments on the preliminary Progress Schedule to Contractor within 14 Days of receipt. Review by Owner of Contractor's schedule does not constitute an approval or acceptance of Contractor's construction means, methods, or sequencing, or its ability to complete the Work within the Contract Time. Contractor shall revise and resubmit its schedule, as necessary. Owner may withhold a portion of progress payments until a Progress Schedule has been submitted which meets the requirements of this section.
- D. Monthly updates and compliance with Progress Schedule: Contractor shall utilize and comply with the Progress Schedule. On a monthly basis, or as otherwise directed by Owner, Contractor shall submit an updated Progress Schedule at its own expense to Owner indicating actual progress. If, in the opinion of Owner, Contractor is not in conformance with the Progress Schedule for reasons other than acts of Force Majeure as identified in Section 3.05, Contractor shall take such steps as are necessary to bring the actual completion dates of its work activities into conformance with the Progress Schedule, and if directed by Owner, Contractor shall submit a corrective action plan or revise the Progress Schedule to reconcile with the actual progress of the Work.
- E. Contractor to notify Owner of delays: Contractor shall promptly notify Owner in writing of any actual or anticipated event which is delaying or could delay achievement of any milestone or performance of any critical path activity of the Work. Contractor shall indicate the expected duration of the delay, the anticipated effect of the delay on the Progress Schedule, and the action being or to be taken to correct the problem. Provision of such notice does not relieve Contractor of its obligation to complete the Work within the Contract Time.

3.03 OWNER'S RIGHT TO SUSPEND THE WORK FOR CONVENIENCE

- A. Owner may suspend Work: Owner may, at its sole discretion, order Contractor, in writing, to suspend all or any part of the Work for up to 90 Days, or for such longer period as mutually agreed.
- B. Compliance with suspension; Owner's options: Upon receipt of a written notice suspending the Work, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of cost of performance directly attributable to such suspension. Within a period up to 90 Days after the notice is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, Owner shall either:
 - 1. Cancel the written notice suspending the Work; or
 - 2. Terminate the Work covered by the notice as provided in the termination

provisions of Part 9.

- C. Resumption of Work: If a written notice suspending the Work is cancelled or the period of the notice or any extension thereof expires, Contractor shall resume Work.
- D. Equitable adjustment for suspensions: Contractor shall be entitled to an equitable adjustment in the Contract Time, or Contract Sum, or both, for increases in the time or cost of performance directly attributable to such suspension, provided Contractor complies with all requirements set forth in Part 7.

3.04 OWNER'S RIGHT TO STOP THE WORK FOR CAUSE

- A. Owner may stop Work for Contractor's failure to perform: If Contractor fails or refuses to perform its obligations in accordance with the Contract Documents, Owner may order Contractor, in writing, to stop the Work, or any portion thereof, until satisfactory corrective action has been taken.
- B. No equitable adjustment for Contractor's failure to perform: Contractor shall not be entitled to an equitable adjustment in the Contract Time or Contract Sum for any increased cost or time of performance attributable to Contractor's failure or refusal to perform or from any reasonable remedial action taken by Owner based upon such failure.

3.05 DELAY

- A. Force Majeure actions not a default; Force Majeure defined: Any delay in or failure of performance by Owner or Contractor, other than the payment of money, shall not constitute a default hereunder if and to the extent the cause for such delay or failure of performance was unforeseeable and beyond the control of the party ("Force Majeure"). Acts of Force Majeure include, but are not limited to:
 - 1. Acts of God or the public enemy;
 - 2. Acts or omissions of any government entity;
 - 3. Fire or other casualty for which Contractor is not responsible;
 - 4. Quarantine or epidemic;
 - 5. Strike or defensive lockout;
 - 6. Unusually severe weather conditions which could not have been reasonably anticipated; and
 - 7. Unusual delay in receipt of supplies or products which were ordered and expedited and for which no substitute reasonably acceptable to Owner was available. The pandemic of the disease COVID-19 and the consequences thereof do not constitute a Force Majeure Event.
- B. Contract Time adjustment for Force Majeure: Contractor shall be entitled to an equitable adjustment in the Contract Time for changes in the time of performance directly attributable to an act of Force Majeure, provided it makes a request for equitable adjustment according to Section 7.03. Contractor shall not be entitled to an adjustment in the Contract Sum resulting from an act of Force Majeure.
- C. Contract Time or Contract Sum adjustment if Owner at fault: Contractor shall be entitled to an equitable adjustment in Contract Time, and may be entitled to an equitable adjustment

in Contract Sum, if the cost or time of Contractor's performance is changed due to the fault or negligence of Owner, provided the Contractor makes a request according to Sections 7.02 and 7.03.

- D. No Contract Time or Contract Sum adjustment if Contractor at fault: Contractor shall not be entitled to an adjustment in Contract Time or in the Contract Sum for any delay or failure of performance to the extent such delay or failure was caused by Contractor or anyone for whose acts Contractor is responsible.
- E. Contract Time adjustment only for concurrent fault: To the extent any delay or failure of performance was concurrently caused by the Owner and Contractor, Contractor shall be entitled to an adjustment in the Contract Time for that portion of the delay or failure of performance that was concurrently caused, provided it makes a request for equitable adjustment according to Section 7.03, but shall not be entitled to an adjustment in Contract Sum.
- F. Contractor to mitigate delay impacts: Contractor shall make all reasonable efforts to prevent and mitigate the effects of any delay, whether occasioned by an act of Force Majeure or otherwise.

3.06 NOTICE TO OWNER OF LABOR DISPUTES

- A. Contractor to notify Owner of labor disputes: If Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay timely performance in accordance with the Contract Documents, Contractor shall immediately give notice, including all relevant information, to Owner.
- B. Pass through notification provisions to Subcontractors: Contractor agrees to insert a provision in its Subcontracts and to require insertion in all sub-subcontracts, that in the event timely performance of any such contract is delayed or threatened by delay by any actual or potential labor dispute, the Subcontractor or Sub-subcontractor shall immediately notify the next higher tier Subcontractor or Contractor, as the case may be, of all relevant information concerning the dispute.

3.07 DAMAGES FOR FAILURE TO ACHIEVE TIMELY COMPLETION

- A. Liquidated Damages
 - 1. Reason for Liquidated Damages: Timely performance and completion of the Work is essential to Owner and time limits stated in the Contract Documents are of the essence. Owner will incur serious and substantial damages if Substantial Completion of the Work does not occur within the Contract Time. However, it would be difficult if not impossible to determine the exact amount of such damages. Consequently, provisions for liquidated damages are included in the Contract Documents.
 - 2. Calculation of Liquidated Damages amount: The liquidated damage amounts set forth in the Contract Documents will be assessed not as a penalty, but as liquidated damages for breach of the Contract Documents. This amount is fixed and agreed upon by and between the Contractor and Owner because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner would in such event sustain. This amount shall be construed as the actual amount of damages sustained by the Owner, and may be retained by the Owner and deducted from periodic payments to the Contractor.

3. Contractor responsible even if Liquidated Damages assessed: Assessment of liquidated damages shall not release Contractor from any further obligations or liabilities pursuant to the Contract Documents.

B. Actual Damages

Calculation of Actual Damages: Actual damages will be assessed for failure to achieve Final Completion within the time provided. Actual damages will be calculated on the basis of direct architectural, administrative, and other related costs attributable to the Project from the date when Final Completion should have been achieved, based on the date Substantial Completion is actually achieved, to the date Final Completion is actually achieved. Owner may offset these costs against any payment due Contractor.

C. Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes, without limitation:

1. Damages incurred by Owner for rental expenses, for income, profit, financing, business, and reputation, and for loss of management or employee productivity or of the services of such persons; and
2. Damages incurred by the Contractor for principal and home office overhead and expenses including, without limitation, the compensation of personnel stationed there, for losses of financing, business and reputation, for losses on other projects, for interest or financing costs, and for loss of profit, except as explicitly allowed under the Contract Documents.

PART 4 – SPECIFICATIONS, DRAWINGS, AND OTHER DOCUMENTS

4.01 DISCREPANCIES AND CONTRACT DOCUMENT REVIEW

- A. Specifications and Drawings are basis of the Work: The intent of the Specifications and Drawings is to describe a complete Project to be constructed in accordance with the Contract Documents. Contractor shall furnish all labor, materials, equipment, tools, transportation, permits, and supplies, and perform the Work required in accordance with the Drawings, Specifications, and other provisions of the Contract Documents.
- B. Parts of the Contract Documents are complementary: The Contract Documents are complementary. What is required by one part of the Contract Documents shall be binding as if required by all. Anything mentioned in the Specifications and not shown on the Drawings, or shown on the Drawings and not mentioned in the Specifications, shall be of like effect as if shown or mentioned in both.
- C. Contractor to report discrepancies in Contract Documents: Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by Owner. If, during the performance of the Work, Contractor finds a conflict, error, inconsistency, or omission in the Contract Documents, it shall promptly and before proceeding with the Work affected thereby, report such conflict, error, inconsistency, or omission to the Owner (and A/E, if applicable) in writing.
- D. Contractor knowledge of discrepancy in documents – responsibility: Contractor shall do no Work without applicable Drawings, Specifications, or written modifications, or Shop Drawings where required, unless instructed to do so in writing by Owner. If Contractor performs any construction activity, and it knows or reasonably should have known that any

of the Contract Documents contain a conflict, error, inconsistency, or omission, Contractor shall be responsible for the performance and shall bear the cost for its correction.

- E. Contractor to perform Work implied by Contract Documents: Contractor shall provide any work or materials the provision of which is clearly implied and is within the scope of the Contract Documents even if the Contract Documents do not mention them specifically.
- F. Interpretation questions: Questions regarding interpretation of the requirements of the Contract Documents shall be referred to the Owner (and A/E, if applicable).

4.02 PROJECT RECORD

- A. Contractor to maintain Project Record Drawings and Specifications: Contractor shall legibly mark in ink on a separate set of the Drawings and Specifications all actual construction, including depths of foundations, horizontal and vertical locations of internal and underground utilities, and appurtenances referenced to permanent visible and accessible surface improvements, field changes of dimensions and details, actual suppliers, manufacturers and trade names, models of installed equipment, and Change Order Proposals (COP). This separate set of Drawings and Specifications shall be the "Project Record."
- B. Update Project Record weekly and keep on site: The Project Record shall be maintained on the project site throughout the construction and shall be clearly labeled "PROJECT RECORD." The Project Record shall be updated at least weekly noting all changes and shall be available to Owner at all times.
- C. Final Project Record before Final Acceptance: Contractor shall submit the completed and finalized Project Record to the Owner (and A/E, if applicable) prior to Final Acceptance.

4.03 SHOP DRAWINGS

- A. Definition of Shop Drawings: "Shop Drawings" means documents and other information required to be submitted to the Owner (or A/E, if applicable) by Contractor pursuant to the Contract Documents, showing in detail: the proposed fabrication and assembly of structural elements; and the installation (i.e., form, fit, and attachment details) of materials and equipment. Shop Drawings include, but are not limited to, drawings, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, samples, and similar materials furnished by Contractor to explain in detail specific portions of the Work required by the Contract Documents. For materials and equipment to be incorporated into the Work, Contractor submittal shall include the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the item. When directed, Contractor shall submit all samples at its own expense. Owner may duplicate, use, and disclose Shop Drawings provided in accordance with the Contract Documents.
- B. Approval of Shop Drawings: Contractor shall coordinate all Shop Drawings, and review them for accuracy, completeness, and compliance with the Contract Documents and shall indicate its approval thereon as evidence of such coordination and review. Where required by law, Shop Drawings shall be stamped by an appropriate professional licensed by the state of Washington. Shop Drawings submitted to the Owner (or A/E, if applicable) without evidence of Contractor's approval shall be returned for resubmission. Contractor shall review, approve, and submit Shop Drawings with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of Owner or separate contractors. Contractor's submittal schedule shall allow a reasonable time for the Owner

(or A/E, if applicable) to review. The Owner (or A/E, if applicable) will review, approve, or take other appropriate action on the Shop Drawings. Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings until the respective submittal has been reviewed and the A/E, if applicable, or Owner has approved or taken other appropriate action. The A/E and/or Owner, as applicable, shall respond to Shop Drawing submittals with reasonable promptness. Any Work by Contractor shall be in accordance with reviewed Shop Drawings. Submittals made by Contractor which are not required by the Contract Documents may be returned without action.

- C. Contractor not relieved of responsibility when Shop Drawings approved: Approval, or other appropriate action with regard to Shop Drawings, by Owner or A/E shall not relieve Contractor of responsibility for any errors or omissions in such Shop Drawings, nor from responsibility for compliance with the requirements of the Contract Documents. Unless specified in the Contract Documents, review by Owner or A/E shall not constitute an approval of the safety precautions employed by Contractor during construction, or constitute an approval of Contractor's means or methods of construction. If Contractor fails to obtain approval before installation and the item or work is subsequently rejected, Contractor shall be responsible for all costs of correction.
- D. Variations between Shop Drawings and Contract Documents: If Shop Drawings show variations from the requirements of the Contract Documents, Contractor shall describe such variations in writing, separate from the Shop Drawings, at the time it submits the Shop Drawings containing such variations. If the Owner (or A/E, if applicable) approves any such variation, an appropriate Change Order will be issued. If the variation is minor and does not involve an adjustment in the Contract Sum or Contract Time, a Change Order need not be issued; however, the modification shall be recorded upon the Project Record.
- E. Contractor to submit copies of Shop Drawings: Contractor shall submit to A/E and Owner for approval five (5) copies of all Shop Drawings. Unless otherwise indicated, three (3) sets of all Shop Drawings shall be retained by A/E, if applicable, or the Owner and two (2) sets shall be returned to Contractor.

4.04 ORGANIZATION OF SPECIFICATIONS

Specification organization by trade: Specifications may be prepared in sections which conform generally with trade practices. These sections are for Owner and Contractor convenience and shall not control Contractor in dividing the Work among the Subcontractors or in establishing the extent of the Work to be performed by any trade.

4.05 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS, AND OTHER DOCUMENTS

- A. A/E, not Contractor, owns Copyright of Drawings and Specifications: The Drawings, Specifications, and other documents prepared by A/E, if any, are instruments of A/E's service through which the Work to be executed by Contractor is described. Neither Contractor nor any Subcontractor shall own or claim a copyright in the Drawings, Specifications, and other documents prepared by A/E, if any, and A/E shall be deemed the author of them and will, along with any rights of Owner, retain all common law, statutory, and other reserved rights, in addition to the copyright. All copies of these documents, except Contractor's set, shall be returned or suitably accounted for to A/E, on request, upon completion of the Work.
- B. Drawings and Specifications to be used only for this Project: The Drawings, Specifications, and other documents prepared by the A/E, if any, and copies thereof furnished to

Contractor, are for use solely with respect to this Project. They are not to be used by Contractor or any Subcontractor on other projects or for additions to this Project outside the scope of the Work without the specific written consent of Owner (and A/E, if applicable). Contractor and Subcontractors are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications, and other documents prepared by A/E, if any, appropriate to and for use in the execution of their Work.

- C. Shop Drawing license granted to Owner: Contractor and all Subcontractors grant a non-exclusive license to Owner, without additional cost or royalty, to use for its own purposes (including reproduction) all Shop Drawings, together with the information and diagrams contained therein, prepared by Contractor or any Subcontractor. In providing Shop Drawings, Contractor and all Subcontractors warrant that they have authority to grant to Owner a license to use the Shop Drawings, and that such license is not in violation of any copyright or other intellectual property right. Contractor agrees to defend and indemnify Owner pursuant to the indemnity provisions in Section 5.03 and 5.22 from any violations of copyright or other intellectual property rights arising out of Owner's use of the Shop Drawings hereunder, or to secure for Owner, at Contractor's own cost, licenses in conformity with this section.
- D. Shop Drawings to be used only for this Project: The Shop Drawings and other submittals prepared by Contractor, Subcontractors of any tier, or its or their equipment or material suppliers, and copies thereof furnished to Contractor, are for use solely with respect to this Project. They are not to be used by Contractor or any Subcontractor of any tier, or material or equipment supplier, on other projects or for additions to this Project outside the scope of the Work without the specific written consent of Owner. The Contractor, Subcontractors of any tier, and material or equipment suppliers are granted a limited license to use and reproduce applicable portions of the Shop Drawings and other submittals appropriate to and for use in the execution of their Work under the Contract Documents.

PART 5 – PERFORMANCE

5.01 CONTRACTOR CONTROL AND SUPERVISION

- A. Contractor responsible for means and methods of construction: Contractor shall supervise and direct the Work, using its best skill and attention, and shall perform the Work in a skillful manner. Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work, unless the Contract Documents give other specific instructions concerning these matters. Contractor shall disclose its means and methods of construction when requested by Owner.
- B. Compliance with laws: The Contractor shall abide by the provisions of all applicable Washington statutes and regulations and all those provisions of the county and city municipal codes that apply in the jurisdiction where the Project is located. Although a number of statutes are referenced in the Contract Documents, these references are not meant to be a complete list and should not be relied upon as such.
- C. WSSP compliance: The Parties acknowledge and agree that to the extent this Project receives Washington State funds for school construction, design and construction of the Project must meet at least the Washington Sustainable Schools Protocol (WSSP) requirements in accordance with Chapter 39.35D RCW. The Contractor will provide all services, including, but not limited to, labor and materials, required to construct the Project such that it fully meets all WSSP requirements in effect at the time the Project, or any portion thereof, is completed. The Contractor will fully participate in any and all activities

required by state law or regulations or the WSSP to achieve WSSP compliance and approval, including, but not limited to, providing all applications, documentation, and reports (annual or otherwise) requested by Owner or mandated by the WSSP. The Contractor will manage environmental issues and implement and document the Project's WSSP requirements, including but not limited to: monitoring the submittal process to ensure WSSP compliance, training Subcontractors in WSSP requirements, reviewing design changes during construction for WSSP impacts and informing the Owner of said impacts, ensuring installed products are WSSP compliant, and assembling, maintaining, and submitting all records to document WSSP compliance, including but not limited to annual reports.

- D. Competent superintendent required: Performance of the Work shall be directly supervised by a competent superintendent who has authority to act for Contractor. The superintendent must be satisfactory to the Owner and shall not be changed without the prior written consent of Owner. Owner may require Contractor to remove the superintendent from the Work or Project site, if Owner reasonably deems the superintendent incompetent, careless, or otherwise objectionable, provided Owner has first notified Contractor in writing and allowed a reasonable period for transition.
- E. Contractor responsible for acts and omissions of self and agents: Contractor shall be responsible to Owner for acts and omissions of Contractor, Subcontractors, and their employees and agents.
- F. Unemployment Compensation: Pursuant to Chapter 50.24 RCW ("Contributions by Employers") in general and RCW 50.24.130 in particular, the Contractor shall pay contributions for wages for personal services performed under this Contract or arrange for a bond acceptable to the Commissioner of the ESD.
- G. Contractor to employ competent and disciplined workforce: Contractor shall enforce strict discipline and good order among Contractor's employees and other persons carrying out the Work, including observance of badging, drug testing, and all smoking, tobacco, drug, alcohol, parking, safety, weapons, background checks, sexual harassment, and other rules governing the conduct of personnel at Owner's property and at the Project site.
 - 1. Copies of the Owner's policies and procedures applicable to the Project are available at <https://www.longviewschools.com/about/policies-procedures>
 - 2. Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.
 - 3. No employees of either Contractor or any of its Subcontractors of any tier shall harass, intimidate, have physical contact with, or engage in other verbal or physical conduct or communication of a sexual, intimidating, or harassing nature with students, parents, volunteers, or Owner's directors, officers, or employees, nor create an intimidating, hostile, or offensive environment.
 - 4. Without limiting the foregoing, Contractor shall remove from the Work and Project site any employee, agent, or other person who has violated Owner's policies and/or procedures or otherwise engaged in actions that Owner reasonably considers objectionable without change in the Contract Sum or Contract Time.
 - 5. Contractor shall also ensure by appropriate provisions in each subcontract agreement that Contractor may remove from the Work and Work site any Subcontractor or Subcontractor's employee who has violated District

policies/procedures or engaged in such action without change in the Contract Sum or Contract Time.

- G. Drug-Free Workplace: The Contractor and all Subcontractors of any tier shall fully comply with all applicable federal, state, and local laws and regulations regarding maintaining a drug-free workplace, including the Drug-Free Workplace Act of 1988. Any person not fit for duty for any reason, including the use of alcohol, controlled substances, or drugs, shall immediately be removed from the Work.
- H. Tobacco-Free Environment: Pursuant to RCW 28A.210.310, smoking or use of any kind of lighted pipe, cigar, cigarette, vaping device, or any other lighted smoking equipment, tobacco material, or smokeless tobacco product is prohibited on all District property.
- I. Weapons-Free Environment: The Contractor and its employees, agents, and Subcontractors of any tier shall not bring onto the Project site or onto any Owner property any firearm or any other type of weapon described in either RCW 9.41.280(1) or RCW 9.41.250. Any person violating this Section shall immediately be removed from the Work, and such a violation shall be grounds for termination of this Contract for cause at the Owner's discretion.
- J. Background checks: All employees of Contractor and Subcontractors of any tier who may have unsupervised access to students shall undergo a record check through the Washington State Patrol criminal investigation system under RCW 43.43.830-.834, RCW 10.97.030, and RCW 10.97.050, and through the Federal Bureau of Investigation, before working at the Project site. The record check will include a fingerprint check using a complete Washington State criminal identification fingerprint card. Contractor will provide the results of the record check to the subject of the records and to Owner. Contractor will pay all costs of the requirements set forth in this provision. When necessary, applicants may be employed on a conditional basis pending completion of the background check. In addition, any agreements between the Contractor and Subcontractors of any tier who will perform services for Owner will include this provision requiring the Subcontractor to comply with RCW 28A.400.303.
- K. Crimes Against Children: The Contractor will prohibit any employee of the Contractor from working at the Project site who has pleaded guilty to or been convicted of any crime enumerated in RCW 28A.400.322, as now or hereafter amended. Any failure to comply with this Section 5.01K will be grounds for the Owner to immediately terminate the Contract. In addition, any agreements between the Contractor and Subcontractors of any tier who will perform services for the Owner will include this provision requiring the Subcontractor to prohibit any employee of said Subcontractor from working at a public school or the Project site who has pleaded guilty to or been convicted of any crime enumerated in RCW 28A.400.322.
- L. Contractor to keep Project documents on site: Contractor shall keep on the Project site a copy of the Drawings, Specifications, addenda, reviewed Shop Drawings, and permits and permit drawings.
- M. Work during off hours: When work is to be performed during other than normal working hours or on Longview School District holidays, Contractor shall give Owner prior notice. Any construction activity between the hours of 10:00 p.m. to 6:00 a.m. is subject to approval of Owner.
- N. Without limiting Section 9.01, failure to comply with these requirements in Section 5.01 is grounds for immediate termination of the Contract for cause.

5.02 PERMITS, FEES, AND NOTICES

- A. Contractor to obtain and pay for permits: Unless otherwise provided in the Contract Documents, Contractor shall pay for and obtain all permits, licenses, and inspections necessary for proper execution and completion of the Work. Prior to Final Acceptance, the approved, signed permits shall be delivered to Owner.
- B. Allowances for permit fees: If allowances for permits or utility fees are called for in the Contract Documents and set forth in Contractor's bid, and the actual costs of those permits or fees differ from the allowances in the Contract Documents, the difference shall be adjusted by Change Order.
- C. Contractor to comply with all applicable laws: Contractor shall comply with and give notices required by all federal, state, and local laws, ordinances, rules, regulations, and lawful orders of public authorities applicable to performance of the Work.

5.03 PATENTS AND ROYALTIES

Payment, indemnification, and notice: Contractor is responsible for, and shall pay, all royalties and license fees. Contractor shall defend, indemnify, and hold Owner harmless from any costs, expenses, and liabilities arising out of the infringement by Contractor of any patent, copyright, or other intellectual property right used in the Work; however, provided that Contractor gives prompt notice, Contractor shall not be responsible for such defense or indemnity when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents. If Contractor has reason to believe that use of the required design, process, or product constitutes an infringement of a patent or copyright, it shall promptly notify Owner of such potential infringement.

5.04 PREVAILING WAGES

- A. Contractor to Pay Prevailing Wages: Contractor shall pay the prevailing rate of wages to all workers, laborers, or mechanics employed in the performance of any part of the Work in accordance with Chapter 39.12 RCW and the rules and regulations of the Department of Labor and Industries. The schedule of prevailing wage rates for the locality or localities of the Work, is determined by the Industrial Statistician of the Department of Labor and Industries. It is the Contractor's responsibility to verify the applicable prevailing wage rate.
- B. Statement of Intent to Pay Prevailing Wages: Before payment is made by the Owner to the Contractor for any work performed by the Contractor and Subcontractors whose work is included in the application for payment, the Contractor shall submit, or shall have previously submitted to the Owner for the Project, a Statement of Intent to Pay Prevailing Wages, approved by the Department of Labor and Industries, certifying the rate of hourly wage paid and to be paid each classification of laborers, workers, or mechanics employed upon the Work by Contractor and Subcontractors. Such rates of hourly wage shall not be less than the prevailing wage rate.
- C. Affidavit of Wages Paid: Prior to release of retainage, the Contractor shall submit to the Owner an Affidavit of Wages Paid, approved by the Department of Labor and Industries, for the Contractor and every Subcontractor, of any tier, that performed work on the Project.
- D. Disputes: Disputes regarding prevailing wage rates shall be referred for arbitration to the Director of the Department of Labor and Industries. The arbitration decision shall be final and conclusive and binding on all parties involved in the dispute as provided for by RCW

39.12.060.

- E. Statement with Pay Application; Post Statements of Intent at Jobsite: Each Application for Payment submitted by Contractor shall state that prevailing wages have been paid in accordance with the pre-filed statement(s) of intent, as approved. Copies of the approved intent statement(s) shall be posted on the job site with the address and telephone number of the Industrial Statistician of the Department of Labor and Industries where a complaint or inquiry concerning prevailing wages may be made.
- F. Contractor to Pay for Statements of Intent and Affidavits: In compliance with Chapter 296-127 WAC, Contractor shall pay to the Department of Labor and Industries the currently established fee(s) for each statement of intent and/or affidavit of wages paid submitted to the Department of Labor and Industries for certification.
- G. Certified Payrolls: Consistent with WAC 296-127-320, the Contractor and any Subcontractor shall submit a certified copy of payroll records if requested.

5.05 HOURS OF LABOR

- A. Overtime: Contractor shall comply with all applicable provisions of Chapter 49.28 RCW, which are incorporated herein by reference. Pursuant to that statute, no laborer, worker, or mechanic employed by Contractor, any Subcontractor, or any other person performing or contracting to do the whole or any part of the Work, shall be permitted or required to work more than eight (8) hours in any one calendar day, provided, that in cases of extraordinary emergency, such as danger to life or property, the hours of work may be extended, but in such cases the rate of pay for time employed in excess of eight (8) hours of each calendar day shall be not less than one and one-half (1.5) times the rate allowed for this same amount of time during eight (8) hours of service.
- B. 4-10 Agreements: Notwithstanding the preceding paragraph, Chapter 49.28 RCW permits the Contractor or a Subcontractor subject to those provisions to enter into an agreement with its employees in which the employees work up to ten (10) hours in a calendar day. No such agreement may provide that the employees work ten (10) hour days for more than four (4) calendar days a week. Any such agreement is subject to approval by the employees. The overtime provisions of Chapter 49.28 RCW shall not apply to the hours, up to forty (40) hours per week, worked pursuant to any such agreement.

5.06 NONDISCRIMINATION

- A. Discrimination prohibited by applicable laws: Discrimination in all phases of employment is prohibited by, among other laws and regulations, Title VII of the Civil Rights Act of 1964, the Vietnam Era Veterans Readjustment Act of 1974, Sections 503 and 504 of the Vocational Rehabilitation Act of 1973, the Equal Employment Act of 1972, the Age Discrimination Act of 1967, the Americans with Disabilities Act of 1990, the Civil Rights Act of 1991, Presidential Executive Order 11246, Executive Order 11375, the Washington State Law Against Discrimination, RCW 49.60, and Gubernatorial Executive Order 85-09. These laws and regulations establish minimum requirements for affirmative action and fair employment practices which Contractor must meet.
- B. During performance of the Work:
 - 1. Protected Classes: Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, marital status, or the presence of any physical, sensory, or mental disability, Vietnam

era veteran status, ordisabled veteran status, nor commit any other unfair practices as defined in Chapter 49.60 RCW.

2. Advertisements to state nondiscrimination: Contractor shall, in all solicitations or advertisements for employees placed by or for it, state that all qualified applicants will be considered for employment, without regard to race, creed, color, national origin, sex, age, marital status, or the presence of any physical, sensory, or mental disability.
3. Contractor to notify unions and others of nondiscrimination: Contractor shall send to each labor union, employment agency, or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the labor union, employment agency, or workers' representative of Contractor's obligations according to the Contract Documents and Chapter 49.60 RCW.
4. Owner and State access to Contractor records: Contractor shall permit access to its books, records, and accounts, and to its premises by Owner, and by the Washington State Human Rights Commission, for the purpose of investigation to ascertain compliance with this section of the Contract Documents.
5. Passthrough provisions to Subcontractors: Contractor shall include the provisions of this section in every Subcontract.

- C. Provisions for Aged and Handicapped Persons: The Contractor shall comply with applicable statutory provisions relating to public works of Chapter 70.92 RCW ("Provisions in Buildings for Aged and Handicapped Persons") and the federal Americans with Disabilities Act (ADA) and federal implementing regulations.

5.07 SAFETY PRECAUTIONS

- A. Contractor responsible for safety: Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work. The Contractor shall comply with pertinent provisions of Chapter 49.17 RCW ("Washington Industrial Safety and Health Act") and Chapter 296-155 WAC ("Safety Standards for Construction Work").
- B. Contractor safety responsibilities: In carrying out its responsibilities according to the Contract Documents, Contractor shall protect the lives and health of employees performing the Work and other persons who may be affected by the Work; prevent damage to materials, supplies, and equipment whether on site or stored off-site; and prevent damage to other property at the site or adjacent thereto. 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; shall erect and maintain all necessary safeguards for such safety and protection; and shall notify owners of adjacent property and utilities when prosecution of the Work may affect them.
- C. Contractor to maintain safety records: Contractor shall maintain an accurate record of exposure data on all incidents relating to the Work resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment. Contractor shall immediately report any such incident to Owner. Owner shall, at all times, have a right of access to all records of exposure.
- D. Contractor to provide HazMat training: Contractor shall provide all persons working on the

Project site with information and training on hazardous chemicals in their work at the time of their initial assignment, and whenever a new hazard is introduced into their work area.

1. Information. At a minimum, Contractor shall inform persons working on the Project site of:
 - a. WAC: The requirements of Chapter 296-62 WAC, General Occupational Health Standards;
 - b. Presence of hazardous chemicals: Any operations in their work area where hazardous chemicals are present; and
 - c. Hazard communications program: The location and availability of written hazard communication programs, including the required list(s) of hazardous chemicals and material safety data sheets required by Chapter 296-62 WAC.
 2. Training. At a minimum, Contractor shall provide training for persons working on the Project site which includes:
 - a. Detecting hazardous chemicals: Methods and observations that may be used to detect the presence or release of a hazardous chemical in the work area (such as monitoring conducted by the employer, continuous monitoring devices, visual appearance or odor of hazardous chemicals when being released, etc.);
 - b. Hazards of chemicals: The physical and health hazards of the chemicals in the work area;
 - c. Protection from hazards: The measures such persons can take to protect themselves from these hazards, including specific procedures Contractor, or its Subcontractors, or others have implemented to protect those on the Project site from exposure to hazardous chemicals, such as appropriate work practices, emergency procedures, and personal protective equipment to be used; and
 - d. Hazard communications program: The details of the hazard communications program developed by Contractor, or its Subcontractors, including an explanation of the labeling system and the material safety data sheet, and how employees can obtain and use the appropriate hazard information.
- E. Hazardous, toxic, or harmful substances: Contractor's responsibility for hazardous, toxic, or harmful substances shall include the following duties:
1. Illegal use of dangerous substances: Contractor shall not keep, use, dispose, transport, generate, or sell on or about the Project site, any substances now or hereafter designated as, or which are subject to regulation as, hazardous, toxic, dangerous, or harmful by any federal, state, or local law, regulation, statute or ordinance (hereinafter collectively referred to as "hazardous substances"), in violation of any such law, regulation, statute, or ordinance, but in no case shall any such hazardous substance be stored more than 90 Days on the Project site.
 2. Contractor notifications of spills, failures, inspections, and fines: Contractor shall promptly notify Owner of all spills or releases of any hazardous substances which are otherwise required to be reported to any regulatory agency and pay the cost of cleanup. Contractor shall promptly notify Owner of all failures to comply with any

federal, state, or local law, regulation, or ordinance; all inspections of the Project site by any regulatory entity concerning the same; all regulatory orders or fines; and all responses or interim cleanup actions taken by or proposed to be taken by any government entity or private party on the Project site.

- F. Public safety and traffic: All Work shall be performed with due regard for the safety of the public. Contractor shall perform the Work so as to cause a minimum of interruption of vehicular traffic or inconvenience to pedestrians. All arrangements to care for such traffic shall be Contractor's responsibilities. All expenses involved in the maintenance of traffic by way of detours shall be borne by Contractor.
- G. Contractor to act in an emergency: In an emergency affecting the safety of life, the Work, or adjoining property, Contractor is permitted to act, at its discretion, to prevent such threatened loss or injury, and Contractor shall so act if so authorized or instructed.
- H. No duty of safety by Owner or A/E: Nothing provided in this section shall be construed as imposing any duty upon Owner (or A/E if applicable) with regard to, or as constituting any express or implied assumption of control or responsibility over, Project site safety, or over any other safety conditions relating to employees or agents of Contractor or any of its Subcontractors, or the public.
- I. In order to receive a Notice to Proceed, the Contractor must submit the following to Owner:
 - 1. A copy of its company Safety Program. The Safety Program shall contain, at a minimum, the following:
 - a. Organization, including names of individuals who will perform safety duties, titles, work assignments, authority and reporting relationships.
 - b. Training Program. Who, how and when training is provided; method of employee training concerning safety rules and procedures; training in use of protective equipment.
 - c. Protective Equipment. List of personal protective equipment to be provided to employees.
 - d. Accident Prevention and Loss Control Plan. Work site inspection and hazard correction procedures; disciplinary procedures for safety infractions; accident response, investigation and reporting procedures.
 - e. Regular Safety Meetings. On-site weekly or other frequency as appropriate, safety meetings mandatory for all employees.
- J. Prior to commencing any Work onsite, Contractor shall submit an appropriate site specific safety plan for Owner's acceptance. The plan must be tailored to the needs of the particular project and to the types of hazards involved, and be in compliance with WISHA requirements. Contractor shall not begin any on-site Work until the site-specific safety plan has been accepted by Owner.
- K. COVID-19 Safety Compliance: Contractor shall comply with Owner's COVID-19 safety and mitigation protocols, as they may be revised from time to time and ensure that its owner(s) and employees, and those of its Subcontractors, comply with such mitigation protocols. Contractor shall also comply with and ensure its owner(s) and employees, and those of its Subcontractors, comply with Proclamation 21-14.1 *et seq.*

5.08 OPERATIONS, MATERIAL HANDLING, AND STORAGE AREAS

- A. Limited storage areas: Contractor shall confine all operations, including storage of materials, to Owner-approved areas.
- B. Temporary buildings and utilities at Contractor expense: Temporary buildings (e.g., storage sheds, shops, offices) and utilities may be provided by Contractor only with the consent of Owner and without expense to Owner. The temporary buildings and utilities shall be removed by Contractor at its expense upon completion of the Work.
- C. Roads and vehicle loads: Contractor shall use only established roadways or temporary roadways authorized by Owner. When materials are transported in prosecuting the Work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by federal, state, or local law or regulation.
- D. Ownership and reporting by Contractor of demolished materials: Ownership and control of all materials or facility components to be demolished or removed from the Project site by Contractor shall immediately vest in Contractor upon severance of the component from the facility or severance of the material from the Project site. Contractor shall be responsible for compliance with all laws governing the storage and ultimate disposal. Contractor shall provide Owner with a copy of all manifests and receipts evidencing proper disposal when required by Owner or applicable law.
- E. Contractor responsible for care of materials and equipment on-site: Contractor shall be responsible for the proper care and protection of its materials and equipment delivered to the Project site. Materials and equipment may be stored on the premises subject to approval of Owner. When Contractor uses any portion of the Project site as a shop, Contractor shall be responsible for any repairs, patching, or cleaning arising from such use.
- F. Contractor responsible for loss of materials and equipment: Contractor shall protect and be responsible for any damage or loss to the Work, or to the materials or equipment until the date of Substantial Completion, and shall repair or replace without cost to Owner any damage or loss that may occur, except damages or loss caused by the acts or omissions of Owner. Contractor shall also protect and be responsible for any damage or loss to the Work, or to the materials or equipment, after the date of Substantial Completion, and shall repair or replace without cost to Owner any such damage or loss that might occur, to the extent such damages or loss are caused by the acts or omissions of Contractor, or any Subcontractor.

5.09 PRIOR NOTICE OF EXCAVATION

- A. Excavation defined; Use of locator services: "Excavation" means an operation in which earth, rock, or other material on or below the ground is moved or otherwise displaced by any means, except the tilling of soil less than 12 inches in depth for agricultural purposes, or road ditch maintenance that does not change the original road grade or ditch flow line. Before commencing any excavation, Contractor shall provide notice of the scheduled commencement of excavation to all owners of underground facilities or utilities, through locator services.

5.10 UNFORESEEN PHYSICAL CONDITIONS

- A. Notice requirement for concealed or unknown conditions: If Contractor encounters conditions at the site which are subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents, or unknown physical

conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then Contractor shall give written notice to Owner promptly and in no event later than seven (7) Days after the first observance of the conditions. Conditions shall not be disturbed prior to such notice.

- B. Adjustment in Contract Time and Contract Sum: If such conditions differ materially and cause a change in Contractor's cost of, or time required for, performance of any part of the Work, the Contractor may be entitled to an equitable adjustment in the Contract Time or Contract Sum, or both, provided it makes a request therefore as provided in Part 7.
- C. Mold: If Contractor encounters mold in the course of its work, it shall notify Owner to evaluate what action might be necessary. Contractor shall ensure that all building materials used during the work are dry prior to incorporation into the Work. If Contractor encounters water intrusion from any source it shall take immediate steps to ensure that any effected material is dry according to generally accepted industry standards

5.11 **PROTECTION OF EXISTING STRUCTURES, EQUIPMENT, VEGETATION, UTILITIES AND IMPROVEMENTS**

- A. Contractor to protect and repair property: Contractor shall protect from damage all existing structures, equipment, improvements, utilities, and vegetation: at or near the Project site; and on adjacent property of a third party, the locations of which are made known to or should be known by Contractor. Contractor shall repair any damage, including that to the property of a third party, resulting from failure to comply with the requirements of the Contract Documents or failure to exercise reasonable care in performing the Work. If Contractor fails or refuses to repair the damage promptly, Owner may have the necessary work performed and charge the cost to Contractor.
- B. Tree and vegetation protection: Contractor shall only remove trees when specifically authorized to do so, and shall protect vegetation that will remain in place.

5.12 **LAYOUT OF WORK**

- A. Advanced planning of the Work: Contractor shall plan and lay out the Work in advance of operations so as to coordinate all work without delay or revision.
- B. Layout responsibilities: Contractor shall lay out the Work from any Owner-established baselines and benchmarks indicated on the Drawings, and shall be responsible for all field measurements in connection with the layout. Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to lay out any part of the Work. Contractor shall be responsible for executing the Work to the lines and grades that may be established. Contractor shall be responsible for maintaining or restoring all stakes and other marks established.

5.13 **MATERIAL AND EQUIPMENT**

- A. Contractor to provide new and equivalent equipment and materials: All equipment, material, and articles incorporated into the Work shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Contract Documents. References in the Specifications to equipment, material, articles, or patented processes by tradename, make, or catalog number, shall be regarded as establishing a standard quality and shall not be construed as limiting competition. Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of the Owner (or A/E if

applicable), is equal to that named in the specifications, unless otherwise specifically provided in the Contract Documents. Contractor shall ensure that all equipment, materials, and articles incorporated into the Work shall be free of asbestos.

- B. Contractor responsible for fitting parts together: Contractor shall do all cutting, fitting, or patching that may be required to make its several parts fit together properly, or receive or be received by work of others set forth in, or reasonably implied by, the Contract Documents. Contractor shall not endanger any work by cutting, excavating, or otherwise altering the Work and shall not cut or alter the work of any other contractor unless approved in advance by Owner.
- C. Owner may reject defective Work: Should any of the Work be found defective, or in any way not in accordance with the Contract Documents, this work, in whatever stage of completion, may be rejected by Owner.

5.14 AVAILABILITY AND USE OF UTILITY SERVICES

- A. Owner to provide and charge for utilities: Owner shall make all reasonable utilities available to Contractor from existing outlets and supplies, as specified in the Contract Documents. Unless otherwise provided in the Contract Documents, the utility service consumed shall be charged to or paid for by Contractor at prevailing rates charged to Owner or, where the utility is produced by Owner, at reasonable rates determined by Owner. Contractor will carefully conserve any utilities furnished.
- B. Contractor to install temporary connections and meters: Contractor shall, at its expense and in a skillful manner satisfactory to Owner, install and maintain all necessary temporary connections and distribution lines, together with appropriate protective devices, and all meters required to measure the amount of each utility used for the purpose of determining charges. Prior to the date of Final Acceptance, Contractor shall remove all temporary connections, distribution lines, meters, and associated equipment and materials.

5.15 TESTS AND INSPECTIONS

- A. Contractor to provide for all testing and inspection of Work: Contractor shall maintain an adequate testing and inspection program and perform such tests and inspections as are necessary or required to ensure that the Work conforms to the requirements of the Contract Documents. Contractor shall be responsible for inspection and quality surveillance of all its Work and all Work performed by any Subcontractor. Unless otherwise provided, Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. Contractor shall give Owner timely notice of when and where tests and inspections are to be made. Contractor shall maintain complete inspection records and make them available to Owner.
- B. Owner may conduct tests and inspections: Owner may, at any reasonable time, conduct such inspections and tests as it deems necessary to ensure that the Work is in accordance with the Contract Documents. Owner shall promptly notify Contractor if an inspection or test reveals that the Work is not in accordance with the Contract Documents. Unless the subject items are expressly accepted by Owner, such Owner inspection and tests are for the sole benefit of Owner and do not:
 - 1. Constitute or imply acceptance;
 - 2. Relieve Contractor of responsibility for providing adequate quality control measures;

3. Relieve Contractor of responsibility for risk of loss or damage to the Work, materials, or equipment;
 4. Relieve Contractor of its responsibility to comply with the requirements of the Contract Documents; or
 5. Impair Owner's right to reject defective or nonconforming items, or to avail itself of any other remedy to which it may be entitled.
- C. Inspections or inspectors do not modify Contract Documents: Neither observations by an inspector retained by Owner, the presence or absence of such inspector on the site, nor inspections, tests, or approvals by others, shall relieve Contractor from any requirement of the Contract Documents, nor is any such inspector authorized to change any term or condition of the Contract Documents.
- D. Contractor responsibilities on inspections: Contractor shall promptly furnish, without additional charge, all facilities, labor, material, and equipment reasonably needed for performing such safe and convenient inspections and tests as may be required by Owner. Owner may charge Contractor any additional cost of inspection or testing when Work is not ready at the time specified by Contractor for inspection or testing, or when prior rejection makes reinspection or retest necessary. Owner shall perform its inspections and tests in a manner that will cause no undue delay in the Work.

5.16 CORRECTION OF NONCONFORMING WORK

- A. Work covered by Contractor without inspection: If a portion of the Work is covered contrary to the requirements in the Contract Documents, it must, if required in writing by Owner, be uncovered for Owner's observation and be replaced at the Contractor's expense and without change in the Contract Time.
- B. Payment provisions for uncovering covered Work: If, at any time prior to Final Completion, Owner desires to examine the Work, or any portion of it, which has been covered, Owner may request to see such Work and it shall be uncovered by Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an adjustment in the Contract Sum for the costs of uncovering and replacement, and, if completion of the Work is thereby delayed, an adjustment in the Contract Time, provided it makes such a request as provided in Part 7. If such Work is not in accordance with the Contract Documents, the Contractor shall pay the costs of examination and reconstruction.
- C. Contractor to correct and pay for non-conforming Work: Contractor shall promptly correct Work found by Owner not to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed, or completed. Contractor shall bear all costs of correcting such nonconforming Work, including additional testing and inspections.
- D. Contractor's compliance with warranty provisions: If, within one (1) year after the date of Substantial Completion of the Work or designated portion thereof, or within one year after the date for commencement of any system warranties established under Section 6.08, or within the terms of any applicable special warranty required by the Contract Documents, any of the Work is found by the Owner to be not in accordance with the requirements of the Contract Documents, Contractor shall correct it promptly after receipt of written notice from Owner to do so. Owner shall give such notice promptly after discovery of the condition. This period of one year shall be extended, with respect to portions of Work first performed after Substantial Completion, by the period of time between Substantial Completion and the

actual performance of the Work. Contractor's duty to correct with respect to Work repaired or replaced shall run for one year from the date of repair or replacement. Obligations under this paragraph shall survive Final Acceptance.

- E. Contractor to remove non-conforming Work: Contractor shall remove from the Project site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by Contractor nor accepted by Owner.
- F. Owner may charge Contractor for non-conforming Work: If Contractor fails to correct nonconforming Work within a reasonable time after written notice to do so, Owner may replace, correct, or remove the nonconforming Work and charge the cost thereof to the Contractor.
- G. Contractor to pay for damaged Work during correction: Contractor shall bear the cost of correcting destroyed or damaged Work, whether completed or partially completed, caused by Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.
- H. No Period of limitation on other requirements: Nothing contained in this section shall be construed to establish a period of limitation with respect to other obligations which Contractor might have according to the Contract Documents. Establishment of the time period of one year as described in Section 5.16D relates only to the specific obligation of Contractor to correct the Work, and has no relationship to the time within which the Contractor's obligation to comply with the Contract Documents may be sought to be enforced, including the time within which such proceedings may be commenced.
- I. Owner may accept non-conforming Work and charge Contractor: If Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, Owner may do so instead of requiring its removal and correction, in which case the Contract Sum may be reduced as appropriate and equitable.

5.17 CLEAN UP

Contractor to keep site clean and leave it clean: Contractor shall at all times keep the Project site, including hauling routes, infrastructures, utilities, and storage areas, free from accumulations of waste materials. Before completing the Work, Contractor shall remove from the premises its rubbish, tools, scaffolding, equipment, and materials. Upon completing the Work, Contractor shall leave the Project site in a clean, neat, and orderly condition satisfactory to Owner. If Contractor fails to clean up as provided herein, and after reasonable notice from Owner, Owner may do so and the cost thereof shall be charged to Contractor.

5.18 ACCESS TO WORK

Owner and A/E access to Work site: Contractor shall provide Owner (and A/E if applicable) access to the Work in progress wherever located.

5.19 OTHER CONTRACTS

Owner may award other contracts; Contractor to cooperate: Owner may undertake or award other contracts for additional work at or near the Project site. Contractor shall reasonably cooperate with the other contractors and with Owner's employees and shall carefully adapt scheduling and perform the Work in accordance with these Contract Documents to reasonably accommodate the other work.

5.20 SUBCONTRACTORS AND SUPPLIERS

- A. Subcontractor Responsibility: The Contractor shall include the language of this paragraph in each of its first-tier subcontracts and shall require each of its Subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. Upon request of the Owner, the Contractor shall promptly provide documentation to the Owner demonstrating that the Subcontractor meets the subcontractor responsibility criteria below. The requirements of this paragraph apply to all Subcontractors regardless of tier. At the time of subcontract execution, the Contractor shall verify that each of its first-tier Subcontractors meets the following bidder responsibility criteria:
1. Have a current certificate of registration as a contractor in compliance with Chapter 18.27 RCW, which must have been in effect at the time of Subcontract bid submittal;
 2. Have a current Washington Unified Business Identifier (UBI) number;
 3. If applicable, have:
 - a. Industrial Insurance (workers' compensation) coverage for the Subcontractor's employees working in Washington, as required in Title 51 RCW;
 - b. A Washington Employment Security Department number, as required in Title 50 RCW;
 - c. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - d. An electrical contractor license, if required by Chapter 19.28 RCW;
 - e. An elevator contractor license, if required by Chapter 70.87 RCW.
 4. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or RCW 39.12.065(3).
 5. On a project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under Chapter 49.04 RCW for the one-year period immediately preceding the date of the Owner's first advertisement of the project.
- B. Provide names of Subcontractors and use qualified firms: Before submitting the first Application for Payment, Contractor shall furnish in writing to Owner the names, addresses, and telephone numbers of all Subcontractors, as well as suppliers providing materials in excess of \$2,500. Contractor shall utilize Subcontractors and suppliers which are experienced and qualified and meet the requirements of the Contract Documents, if any. Contractor shall not utilize any Subcontractor or supplier to whom the Owner has a reasonable objection, and shall obtain Owner's written consent before making any substitutions or additions.
- C. Subcontracts in writing and passthrough provision: All Subcontracts must be in writing. By appropriate written agreement, Contractor shall require each Subcontractor, so far as applicable to the Work to be performed by the Subcontractor, to be bound to Contractor by terms of the Contract Documents, and to assume toward Contractor all the obligations and responsibilities which Contractor assumes toward Owner in accordance with the Contract

Documents. Each Subcontract shall preserve and protect the rights of Owner in accordance with the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights. Where appropriate, Contractor shall require each Subcontractor to enter into similar agreements with Sub-Subcontractors. However, nothing in this paragraph shall be construed to alter the contractual relations between Contractor and its Subcontractors with respect to insurance or bonds.

- D. Coordination of Subcontractors; Contractor responsible for Work: Contractor shall schedule, supervise, and coordinate the operations of all Subcontractors. No Subcontracting of any of the Work shall relieve Contractor from its responsibility for the performance of the Work in accordance with the Contract Documents or any other obligations of the Contract Documents.
- E. Automatic assignment of subcontracts: Each subcontract agreement for a portion of the Work is hereby assigned by Contractor to Owner provided that:
1. Effective only after termination and Owner approval: The assignment is effective only after termination by Owner for cause pursuant to Section 9.01 and only for those Subcontracts which Owner accepts by notifying the Subcontractor in writing; and
 2. Owner assumes Contractor's responsibilities: After the assignment is effective, Owner will assume all future duties and obligations toward the Subcontractor which Contractor assumed in the Subcontract.
 3. Impact of bond: The assignment is subject to the prior rights of the surety, if any, obligated under any bond provided in accordance with the Contract Documents.

5.21 WARRANTY OF CONSTRUCTION

- A. Contractor warranty of Work: In addition to any special warranties provided elsewhere in the Contract Documents, Contractor warrants that all Work conforms to the requirements of the Contract Documents and is free of any defect in equipment, material, or design furnished, or workmanship performed by Contractor.
- B. Contractor responsibilities: With respect to all warranties, express or implied, for Work performed or materials furnished according to the Contract Documents, Contractor shall:
1. Obtain warranties: Obtain all warranties that would be given in normal commercial practice;
 2. Warranties for benefit of Owner: Require all warranties to be executed, in writing, for the benefit of Owner;
 3. Enforcement of warranties: Enforce all warranties for the benefit of Owner, if directed by Owner; and
 4. Contractor responsibility for subcontractor warranties: Be responsible to enforce any subcontractor's, manufacturer's, or supplier's warranties should they extend beyond the period specified in the Contract Documents.
- C. Warranties beyond Final Acceptance: The obligations under this section shall survive Final Acceptance.

5.22 INDEMNIFICATION

- A. To the fullest extent permitted by law and subject to the conditions of this Section 5.22, the Contractor shall defend, indemnify, and hold harmless the Owner, its directors, officers, employees, consultants, project manager, students, and volunteers, the A/E, the A/E's consultants, agents and employees of any of them, and the successors and assigns of any of them ("Indemnified Parties") from and against all claims, damages, losses, and expenses, direct and indirect, or consequential, including but not limited to costs, design professional and consultant fees, and attorneys' fees incurred on such claims and in proving the right to indemnification ("Claims"), arising out of or resulting from performance of the Work, provided that such Claim is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor of any tier, their agents, or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable ("Indemnitor"), regardless of whether or not such Claim is caused in part by a party indemnified hereunder.
1. The Contractor shall fully defend, indemnify, and hold harmless the Indemnified Parties for the sole negligence of the Indemnitor.
 2. If such claims are caused by or are resulting from the sole negligence of the Indemnified Parties or their agents or employees, then the Contractor shall have no duty to defend, indemnify, and hold harmless the Indemnified Parties.
 3. If such claims are caused by or are resulting from the concurrent negligence of (a) the Indemnified Parties or the Indemnified Parties' agents or employees, and (b) the Contractor or the Contractor's agents or employees, then the Contractor shall be obligated to defend, indemnify, and hold harmless the Indemnified Parties only to the extent of the Indemnitor's negligence.
- B. The Contractor agrees to being added by the Owner as a party to any arbitration or litigation with third parties in which the Owner alleges indemnification or contribution from the Contractor, any of its Subcontractors of any tier, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable. The Contractor agrees that all of its Subcontractors of any tier shall, in their subcontracts, similarly stipulate; in the event any does not, the Contractor shall be liable in place of such Subcontractor(s) of any tier.
- C. To the extent any portion of this 5.22 is stricken by a court of competent jurisdiction for any reason, all remaining provisions shall retain their vitality and effect.
- D. The obligations of the Contractor under this Section 5.22 shall not be construed to negate, abridge, or otherwise reduce any other right or obligations of indemnity which would otherwise exist as to any party or person described in this Section 5.22. To the extent the wording of this Section 5.22 would reduce or eliminate an available insurance coverage of the Contractor or the Owner, this Section 5.22 shall be considered modified to the extent that such insurance coverage is not affected.
- E. In claims against any person or entity indemnified under this Section 5.22 by an employee of the Contractor, a Subcontractor of any tier, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 5.22 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor of any tier under workers' compensation acts, disability benefit acts, or other employee benefit acts. After mutual negotiation of the parties, the Contractor waives immunity as to the Owner and its consultants only under Title 51 RCW ("Industrial Insurance)." IF THE CONTRACTOR DOES NOT AGREE WITH THIS WAIVER, IT MUST PROVIDE A WRITTEN NOTICE TO THE OWNER

PRIOR TO THE DATE FOR THE RECEIPT OF BIDS, OR THE CONTRACTOR WILL BE DEEMED TO HAVE NEGOTIATED AND WAIVED THIS IMMUNITY.

- F. Contractor will immediately report to the Owner any failure by the Contractor, a Subcontractor of any tier, or any third party observed by the Contractor to comply with applicable laws, regulations, or ordinances while performing the Work or upon the Project, including, but not limited to, those related to environmental compliance, spills, unauthorized fill in waters of the State (including wetlands), water quality standards, noise, and air quality.

PART 6 – PAYMENTS AND COMPLETION

6.01 CONTRACT SUM

Owner shall pay Contract Sum: Owner shall pay Contractor the Contract Sum plus state sales tax for performance of the Work, in accordance with the Contract Documents.

6.02 SCHEDULE OF VALUES

Contractor to submit Schedule of Values: Before submitting its first Application for Payment, Contractor shall submit to Owner for approval a breakdown allocating the total Contract Sum to each principal category of work, in such detail as requested by Owner ("Schedule of Values"). The approved Schedule of Values shall include appropriate amounts for demobilization, record drawings, O&M manuals, and any other requirements for Project closeout, and shall be used by Owner as the basis for progress payments. Payment for Work shall be made only for and in accordance with those items included in the Schedule of Values.

6.03 APPLICATION FOR PAYMENT

- A. Monthly Application for Payment with substantiation: At monthly intervals, unless determined otherwise by Owner, Contractor shall submit to Owner an itemized Application for Payment for Work completed in accordance with the Contract Documents and the approved Schedule of Values. Each application shall be supported by such substantiating data as Owner may require.
- B. Contractor certifies Subcontractors paid: By submitting an Application for Payment, Contractor is certifying that all Subcontractors have been paid, less earned retainage in accordance with RCW 60.28.011, as their interests appeared in the last preceding certificate of payment. By submitting an Application for Payment, Contractor is recertifying that the representations set forth in Section 1.03, are true and correct, to the best of Contractor's knowledge, as of the date of the Application for Payment.
- C. Reconciliation of Work with Progress Schedule: At the time it submits an Application for Payment, Contractor shall analyze and reconcile, to the satisfaction of Owner, the actual progress of the Work with the Progress Schedule.
- D. Payment for material delivered to site or stored off-site: If authorized by Owner, the Application for Payment may include request for payment for material delivered to the Project site and suitably stored, or for completed preparatory work. Payment may similarly be requested for material stored off the Project site, provided Contractor complies with or furnishes satisfactory evidence of the following:
1. Suitable facility or location: The material will be placed in a facility or location that is structurally sound, dry, lighted and suitable for the materials to be stored;
 2. Facility or location within 10 miles of Project: The facility or location is located within

a 10-mile radius of the Project. Other locations may be utilized, if approved in writing, by Owner;

3. Facility or location exclusive to Project's materials: Only materials for the Project are stored within the facility or location (or a secure portion of a facility or location set aside for the Project);
4. Insurance provided on materials in facility or location: Contractor furnishes Owner a certificate of insurance extending Contractor's insurance coverage for damage, fire, and theft to cover the full value of all materials stored, or in transit;
5. Facility or location locked and secure: The facility or location (or secure portion thereof) is continuously under lock and key, and only Contractor's authorized personnel shall have access;
6. Owner right of access to facility or location: Owner shall at all times have the right of access in company of Contractor;
7. Contractor assumes total responsibility for stored materials: Contractor and its surety assume total responsibility for the stored materials; and
8. Contractor provides documentation and Notice when materials moved to site: Contractor furnishes to Owner certified lists of materials stored, bills of lading, invoices, and other information as may be required, and shall also furnish Notice to Owner when materials are moved from storage to the Project site.

6.04 PROGRESS PAYMENTS

- A. Owner to pay within 30 Days: Owner shall make progress payments, in such amounts as Owner determines are properly due, within 30 Days after receipt of a properly executed Application for Payment. Owner shall notify Contractor in accordance with Chapter 39.76 RCW if the Application for Payment does not comply with the requirements of the Contract Documents.
- B. Withholding retainage; Options for retainage: Owner shall retain five (5) percent of the amount of each progress payment until forty-five (45) Days after Final Acceptance and receipt of all documents required by law or the Contract Documents, including, at Owner's request, consent of surety to release of the retainage. In accordance with Chapter 60.28 RCW, Contractor may request that monies reserved be retained in a fund by Owner, deposited by Owner in a bank or savings and loan, or placed in escrow with a bank or trust company to be converted into bonds and securities to be held in escrow with interest to be paid to Contractor. Owner may authorize in writing Contractor to provide an appropriate bond in lieu of the retained funds.
- C. Title passes to Owner upon payment: Title to all Work and materials covered by a progress payment shall pass to Owner at the time of such payment free and clear of all liens, claims, security interests, and encumbrances. Passage of title shall not, however, relieve Contractor from any of its duties and responsibilities for the Work or materials, or waive any rights of Owner to insist on full compliance by Contractor with the Contract Documents.
- D. Interest on unpaid balances: Payments due and unpaid in accordance with the Contract Documents shall bear interest as specified in Chapter 39.76 RCW.

6.05 PAYMENTS WITHHELD

- A. Owner's right to withhold payment: Owner may withhold or, on account of subsequently discovered evidence, nullify the whole or part of any payment to such extent as may be necessary to protect Owner from loss or damage for reasons including but not limited to:
1. Non-compliant Work: Work not in accordance with the Contract Documents;
 2. Remaining Work to cost more than unpaid balance: Reasonable evidence that the Work required by the Contract Documents cannot be completed for the unpaid balance of the Contract Sum;
 3. Owner correction or completion Work: Work by Owner to correct defective Work or complete the Work in accordance with Section 5.16;
 4. Contractor's failure to perform: Contractor's failure to perform in accordance with the Contract Documents; or
 5. Contractor's negligent acts or omissions: Cost or liability that may occur to Owner as the result of Contractor's fault or negligent acts or omissions.
- B. Owner to notify Contractor of withholding for unsatisfactory performance: In any case where part or all of a payment is going to be withheld for unsatisfactory performance, Owner shall notify Contractor in accordance with Chapter 39.76 RCW.

6.06 RETAINAGE AND BOND CLAIM RIGHTS

Chapters 39.08 RCW and 60.28 RCW incorporated by reference: Chapters 39.08 RCW and 60.28 RCW, concerning the rights and responsibilities of Contractor and Owner with regard to the performance and payment bonds and retainage, are made a part of the Contract Documents by reference as though fully set forth herein.

6.07 SUBSTANTIAL COMPLETION

Substantial Completion defined: Substantial Completion is the stage in the progress of the Work (or portion thereof designated and approved by Owner) when the construction is sufficiently complete, in accordance with the Contract Documents, so Owner has full and unrestricted use and benefit of the facilities (or portion thereof designated and approved by Owner) for the use for which it is intended. All Work other than incidental corrective and incidental punch list work shall be completed. Substantial Completion shall not have been achieved if all systems and parts are not functional, if utilities are not connected and operating normally, if all required occupancy permits have not been issued, or if the Work is not accessible by normal vehicular and pedestrian traffic routes. The date Substantial Completion is achieved shall be established in writing by Owner. Contractor may request an early date of Substantial Completion which must be approved by Change Order. Owner's occupancy of the Work or designated portion thereof does not necessarily indicate that Substantial Completion has been achieved.

6.08 PRIOR OCCUPANCY

- A. Prior Occupancy defined; Restrictions: Owner may, upon written notice thereof to Contractor, take possession of or use any completed or partially completed portion of the Work ("Prior Occupancy") at any time prior to Substantial Completion. Unless otherwise agreed in writing, Prior Occupancy shall not: be deemed an acceptance of any portion of the Work; accelerate the time for any payment to Contractor; prejudice any rights of Owner provided by any insurance, bond, guaranty, or the Contract Documents; relieve Contractor of the risk of loss or any of the obligations established by the Contract Documents; establish a date for termination or partial termination of the assessment of liquidated damages; or

constitute a waiver of claims.

- B. Damage; Duty to repair and warranties: Notwithstanding anything in the preceding paragraph, Owner shall be responsible for loss of or damage to the Work resulting from Prior Occupancy. Contractor's one (1) year duty to repair any system warranties shall begin on building systems activated and used by Owner as agreed in writing by Owner and Contractor.

6.09 FINAL COMPLETION, ACCEPTANCE, AND PAYMENT

- A. Final Completion defined: Final Completion shall be achieved when the Work is fully and finally complete in accordance with the Contract Documents. The date Final Completion is achieved shall be established by Owner in writing, but in no case shall Final Completion constitute Final Acceptance, which is a subsequent, separate, and distinct action.
- B. Final Acceptance defined: Final Acceptance shall be achieved when the Contractor has completed the requirements of the Contract Documents. The date Final Acceptance is achieved shall be established by Owner in writing. Prior to Final Acceptance, Contractor shall, in addition to all other requirements in the Contract Documents, submit to Owner a written notice of any outstanding disputes or claims between Contractor and any of its Subcontractors, including the amounts and other details thereof. Neither Final Acceptance, nor final payment, shall release Contractor or its sureties from any obligations of these Contract Documents or the payment and performance bonds, or constitute a waiver of any claims by Owner arising from Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Final payment waives Claim rights: Acceptance of final payment by Contractor, or any Subcontractor, shall constitute a waiver and release to Owner of all claims by Contractor, or any such Subcontractor, for an increase in the Contract Sum or the Contract Time, and for every actor omission of Owner relating to or arising out of the Work, except for those Claims made in accordance with the procedures, including the time limits, set forth in Part 8.

PART 7 – CHANGES

7.01 CHANGE IN THE WORK

- A. Changes in Work, Contract Sum, and Contract Time by Change Order: Owner may, at any time and without notice to Contractor's surety, order additions, deletions, revisions, or other changes in the Work. These changes in the Work shall be incorporated into the Contract Documents through the execution of Change Orders. If any change in the Work ordered by Owner causes an increase or decrease in the Contract Sum or the Contract Time, an equitable adjustment shall be made as provided in Section 7.02 or 7.03, respectively, and such adjustment(s) shall be incorporated into a Change Order.
- B. Owner may request COP from Contractor: If Owner desires to order a change in the Work, it may request a written Change Order Proposal (COP) from Contractor. Contractor shall submit a Change Order Proposal within fourteen (14) Days of the request from Owner, or within such other period as mutually agreed. Contractor's Change Order Proposal shall be full compensation for implementing the proposed change in the Work, including any adjustment in the Contract Sum or Contract Time, and including compensation for all delays in connection with such change in the Work and for any expense or inconvenience, disruption of schedule, or loss of efficiency or productivity occasioned by the change in the Work.

- C. COP negotiations: Upon receipt of the Change Order Proposal, or a request for equitable adjustment in the Contract Sum or Contract Time, or both, as provided in Sections 7.02 and 7.03, Owner may accept or reject the proposal, request further documentation, or negotiate acceptable terms with Contractor. Pending agreement on the terms of the Change Order, Owner may direct Contractor to proceed immediately with the Change Order Work. Contractor shall not proceed with any change in the Work until it has obtained Owner's approval. All Work done pursuant to any Owner-directed change in the Work shall be executed in accordance with the Contract Documents.
- D. Change Order as full payment and final settlement: If Owner and Contractor reach agreement on the terms of any change in the Work, including any adjustment in the Contract Sum or Contract Time, such agreement shall be incorporated in a Change Order. The Change Order shall constitute full payment and final settlement of all claims for time and for direct, indirect, and consequential costs, including costs of delays, inconvenience, disruption of schedule, or loss of efficiency or productivity, related to any Work either covered or affected by the Change Order, or related to the events giving rise to the request for equitable adjustment.
- E. Failure to agree upon terms of Change Order; Final offer and Claims: If Owner and Contractor are unable to reach agreement on the terms of any change in the Work, including any adjustment in the Contract Sum or Contract Time, Contractor may at any time in writing, request a final offer from Owner. Owner shall provide Contractor with its written response within thirty (30) Days of Contractor's request. Owner may also provide Contractor with a final offer at any time. If Contractor rejects Owner's final offer, or the parties are otherwise unable to reach agreement, Contractor's only remedy shall be to file a Claim as provided in Part 8.
- F. Field Authorizations: The Owner may direct the Contractor to proceed with a change in the work through a written Field Authorization (also referred to as a Field Order) when the time required to price and execute a Change Order would impact the Project.

The Field Authorization shall describe and include the following:

1. The scope of work;
2. An agreed upon maximum not-to-exceed amount;
3. Any estimated change to the Contract Time;
4. The method of final cost determination in accordance with the requirements of Part 7 of the General Conditions;
5. The supporting cost data to be submitted in accordance with the requirements of Part 7 of the General Conditions;

Upon satisfactory submittal by the Contractor and approval by the Owner of supporting cost data, a Change Order will be executed. The Owner will not make payment to the Contractor for Field Authorization work until that work has been incorporated into an executed Change Order.

7.02 CHANGE IN THE CONTRACT SUM

A. General Application

1. Contract Sum changes only by Change Order: The Contract Sum shall only be

changed by a Change Order. Contractor shall include any request for a change in the Contract Sum in its Change Order Proposal.

2. Owner fault or negligence as basis for change in Contract Sum: If the cost of Contractor's performance is changed due to the fault or negligence of Owner, or anyone for whose acts Owner is responsible, Contractor shall be entitled to make a request for an equitable adjustment in the Contract Sum in accordance with the following procedure. No change in the Contract Sum shall be allowed to the extent: Contractor's changed cost of performance is due to the fault or negligence of Contractor, or anyone for whose acts Contractor is responsible; the change is concurrently caused by Contractor and Owner; or the change is caused by an act of Force Majeure as defined in Section 3.05.
 - a. Notice and record keeping for equitable adjustment: A request for an equitable adjustment in the Contract Sum shall be based on written notice delivered to Owner within seven (7) Days of the occurrence of the event giving rise to the request. For purposes of this part, "occurrence" means when Contractor knew, or in its diligent prosecution of the Work should have known, of the event giving rise to the request. If Contractor believes it is entitled to an adjustment in the Contract Sum, Contractor shall immediately notify Owner and begin to keep and maintain complete, accurate, and specific daily records. Contractor shall give Owner access to any such records and, if requested shall promptly furnish copies of such records to Owner.
 - b. Content of notice for equitable adjustment; Failure to comply: Contractor shall not be entitled to any adjustment in the Contract Sum for any occurrence of events or costs that occurred more than seven (7) Days before Contractor's written notice to Owner. The written notice shall set forth, at a minimum, a description of: the event giving rise to the request for an equitable adjustment in the Contract Sum; the nature of the impacts to Contractor and its Subcontractors of any tier, if any; and to the extent possible the amount of the adjustment in Contract Sum requested. Failure to properly give such written notice shall, to the extent Owner's interests are prejudiced, constitute a waiver of Contractor's right to an equitable adjustment.
 - c. Contractor to provide supplemental information: Within thirty (30) Days of the occurrence of the event giving rise to the request, unless Owner agrees in writing to allow an additional period of time to ascertain more accurate data, Contractor shall supplement the written notice provided in accordance with Subsection (a), above, with additional supporting data. Such additional data shall include, at a minimum: the amount of compensation requested, itemized in accordance with the procedure set forth herein; specific facts, circumstances, and analysis that confirms not only that Contractor suffered the damages claimed, but that the damages claimed were actually a result of the act, event, or condition complained of and that the Contract Documents provide entitlement to an equitable adjustment to Contractor for such act, event, or condition; and documentation sufficiently detailed to permit an informed analysis of the request by Owner. When the request for compensation relates to a delay, or other change in Contract Time, Contractor shall demonstrate the impact on the critical path, in accordance with Section 7.03C. Failure to provide such additional information and

documentation within the time allowed or within the format required shall, to the extent Owner's interests are prejudiced, constitute a waiver of Contractor's right to an equitable adjustment.

- d. Contractor to proceed with Work as directed: Pending final resolution of any request made in accordance with this paragraph, unless otherwise agreed in writing, Contractor shall proceed diligently with performance of the Work.
 - e. Contractor to combine requests for same event together: Any requests by Contractor for an equitable adjustment in the Contract Sum and in the Contract Time that arise out of the same event(s) shall be submitted together.
3. Methods for calculating Change Order amount: The value of any Work covered by a Change Order, or of any request for an equitable adjustment in the Contract Sum, shall be determined by one of the following methods:
- a. Fixed Price: On the basis of a fixed price as determined in Section 7.02B.
 - b. Unit Prices: By application of unit prices to the quantities of the items involved as determined in Section 7.02C.
 - c. Time and Materials: On the basis of time and material as determined in Section 7.02D.
 - d. Fixed price method is default; Owner may direct otherwise: When Owner has requested Contractor to submit a Change Order Proposal, Owner may direct Contractor as to which method in the paragraph immediately above to use when submitting its proposal. Otherwise, Contractor shall determine the value of the Work, or of a request for an equitable adjustment, on the basis of the fixed price method.

B. Change Order Pricing – Fixed Price

Procedures: When the fixed price method is used to determine the value of any Work covered by a Change Order, or of a request for an equitable adjustment in the Contract Sum, the following procedures shall apply:

1. Breakdown and itemization of details on COP: Contractor's COP, or request for adjustment in the Contract Sum, shall be accompanied by a complete itemization of the costs, including labor, material, Subcontractor costs, and overhead and profit. The costs shall be itemized in the manner set forth below, and shall be submitted on breakdown sheets in a form approved by Owner.
2. Use of industry standards in calculating costs: All costs shall be calculated based upon appropriate industry standard methods of calculating labor, material quantities, and equipment costs.
3. Costs contingent on Owner's actions: If any of Contractor's pricing assumptions are contingent upon anticipated actions of Owner, Contractor shall clearly state them in the proposal or request for an equitable adjustment.
4. Markups on additive and deductive Work: The cost of any additive or deductive changes in the Work shall be calculated as set forth below, except that overhead and profit shall not be included on deductive changes in the Work. Where a change in the Work involves additive and deductive work by the same Contractor or

Subcontractor, small tools, overhead, profit, bond, and insurance markups will apply to the net difference.

5. Breakdown not required if change less than \$1,000: If the total cost of the change in the Work or request for equitable adjustment does not exceed \$1,000, Contractor shall not be required to submit a breakdown if the description of the change in the Work or request for equitable adjustment is sufficiently definitive for Owner to determine fair value.
6. Breakdown required if change between \$1,000 and \$2,500: If the total cost of the change in the Work or request for equitable adjustment is between \$1,000 and \$2,500, Contractor may submit a breakdown in the following level of detail if the description of the change in the Work or if the request for equitable adjustment is sufficiently definitive to permit the Owner to determine fair value:
 - a. Lump sum labor;
 - b. Lump sum material;
 - c. Lump sum equipment usage;
 - d. Overhead and profit as set forth below; and
 - e. Insurance and bond costs as set forth below.
7. Components of increased cost: Any request for adjustment of Contract Sum based upon the fixed price method shall include only the following items:
 - a. Craft labor costs: These are the labor costs determined by multiplying the estimated or actual additional number of craft hours needed to perform the change in the Work by the hourly labor costs. Craft hours should cover direct labor, as well as indirect labor due to trade inefficiencies. When estimating labor hours for electrical work, such hours shall be no greater than the Labor Units for specific items included in the "Normal" project conditions column of the NECA Manual of Labor Units, most recent edition. When estimating labor hours for mechanical work, such hours shall be no greater than 75% of the Labor Units for specific items included in the MCAA Web-Based Estimating Manual (WebLEM), subject to the assumptions and notes in the WebLEM, except that the Labor Units for "Hangers, Sleeves, & Inserts" shall be no greater than 50% of the WebLEM Labor Units. Special exceptions for electrical and mechanical work may be made for work having to be performed under extraordinary conditions. Such exceptions shall be identified and explained in any applicable pricing proposals and shall be subject to approval by Owner. The hourly costs shall be based on the following:
 - (1) Basic wages and benefits: Hourly rates and benefits as stated on the Department of Labor and Industries approved "statement of intent to pay prevailing wages" or a higher amount if approved by the Owner. Direct supervision shall be a reasonable percentage not to exceed fifteen (15) percent of the cost of direct labor. No supervision markup shall be allowed in a Change Order that contains direct labor costs for a working supervisor's hours (including any category of foreman).

- (2) Worker's insurance: Direct contributions to the State of Washington for industrial insurance; medical aid; and supplemental pension, by the class and rates established by the Department of Labor and Industries.
 - (3) Federal insurance: Direct contributions required by the Federal Insurance Compensation Act; Federal Unemployment Tax Act; and the State Unemployment Compensation Act.
 - (4) Travel allowance: Travel allowance and/or subsistence, if applicable, not exceeding those allowances established by regional labor union agreements, which are itemized and identified separately.
 - (5) Safety: Cost incurred due to the Washington Industrial Safety and Health Act, which shall be a reasonable percentage not to exceed two (2) of the sum of the amounts calculated in (1), (2), and (3) above.
- b. Material costs: This is an itemization of the quantity and cost of materials needed to perform the change in the Work. Material costs shall be developed first from actual known costs, including, but not limited to, Contractor's supplier(s)' actual cost(s) available from the standard industry pricing guide "Trade Service." If those are not available, material costs shall be developed second from supplier quotations. If those are not available, material costs shall be developed third from other standard industry pricing guides. Material costs shall include all available discounts. Freight costs, express charges, or special delivery charges shall be itemized.
- c. Equipment costs: This is an itemization of the type of equipment and the estimated or actual length of time the construction equipment appropriate for the Work is or will be used on the change in the Work. Costs will be allowed for construction equipment only if used solely for the changed Work, or for additional rental costs actually incurred by the Contractor. The Contractor's cost for utility vehicles and other items such as pickup trucks, vans, flatbed trucks, storage trailers, containers, etc., that are already in use or planned for use on the Project will not be compensated in Change Order work except for the time that, in the opinion of the Owner, such items: (1) are directly and necessarily used for the performance of the change work; and (2) the cost of using such items has not been included within the Contractor's total project overhead costs. Equipment charges shall be computed on the basis of actual invoice costs or if owned, from the current edition of one of the following sources:
- (1) Associated General Contractors Washington State Department of Transportation (AGC-WSDOT) Equipment Rental Agreement current edition, on the Contract execution date.
 - (2) The National Electrical Contractors Association for equipment used on electrical work. Equipment pricing shall be no greater than seventy-five (75) percent of NECA monthly rates.
 - (3) The Mechanical Contractors Association of America for equipment used on mechanical work.

The EquipmentWatch Rental Rate Blue Book shall be used as a basis for

establishing rental rates of equipment not listed in the above sources. The maximum rate for standby equipment shall not exceed that shown in the AGC-WSDOT Equipment Rental Agreement, current edition on the Contract execution date.

- d. Allowance for small tools, expendables & consumable supplies: Small tools consist of tools which cost \$1,000 or less and are normally furnished by the performing Contractor. The maximum rate for small tools shall not exceed the following:

- (1) For Contractor: three (3) percent of direct labor costs.
- (2) For Subcontractors: five (5) percent of direct labor costs.

Expendables and consumables supplies directly associated with the change in Work must be itemized.

- e. Subcontractor costs: This is defined as payments Contractor makes to Subcontractors for change Work performed by Subcontractors of any tier. The Subcontractors' cost of Work shall be calculated and itemized in the same manner as prescribed herein for Contractor.

- f. Allowance for overhead: This is defined as costs of any kind attributable to direct and indirect delay, acceleration, or impact, added to the total cost to Owner of any change in the Contract Sum. If the Contractor is compensated under Section 7.03D, the amount of such compensation shall be reduced by the amount Contractor is otherwise entitled to under this Subsection (f). This allowance shall compensate Contractor for all non-craft labor, temporary construction facilities, field engineering, schedule updating, as-built drawings, home office cost, B&O taxes, office engineering, estimating costs, additional overhead because of extended time, and any other cost incidental to the change in the Work. It shall be strictly limited in all cases to a reasonable amount, mutually acceptable, or if none can be agreed upon to an amount not to exceed the rates below:

- (1) Projects less than \$3 million: For projects where the Contract Award Amount is under \$3 million, the following shall apply:
 - (a) Contractor markup on Contractor Work: For Contractor, for any Work actually performed by Contractor's own forces, sixteen (16) percent of the first \$50,000 of the cost, and four (4) percent of the remaining cost, if any.
 - (b) Subcontractor markup for Subcontractor Work: For each Subcontractor (including lower-tier Subcontractors), for any Work actually performed by its own forces, sixteen (16) percent of the first \$50,000 of the cost, and four (4) percent of the remaining cost, if any.
 - (c) Contractor markup for Subcontractor Work: For Contractor, for any work performed by its Subcontractor(s), six (6) percent of the first \$50,000 of the amount due each Subcontractor, and four (4) percent of the remaining amount, if any.

- (d) Subcontractor markup for lower-tier Subcontractor Work: For each Subcontractor, for any Work performed by its Subcontractor(s) of any lower tier, four (4) percent of the first \$50,000 of the amount due the Sub-Subcontractor, and two (2) percent of the remaining amount, if any.
- (e) Basis of cost applicable for markup: The cost to which overhead is to be applied shall be developed in accordance with Sections 7.02B.7.a-e.
- (2) Projects more than \$3 million: For projects where the Contract Award Amount is equal to or exceeds \$3 million, the following shall apply:
 - (f) Contractor markup on Contractor Work: For Contractor, for any Work actually performed by Contractor's own forces, twelve (12) percent of the first \$50,000 of the cost, and four (4) percent of the remaining cost, if any.
 - (g) Subcontractor markup for Subcontractor Work: For each Subcontractor (including lower-tier Subcontractors), for any Work actually performed by its own forces, twelve (12) percent of the first \$50,000 of the cost, and four (4) percent of the remaining cost, if any.
 - (h) Contractor markup for Subcontractor Work: For Contractor, for any Work performed by its Subcontractor(s), four (4) percent of the first \$50,000 of the amount due each Subcontractor, and two (2) percent of the remaining amount, if any.
 - (i) Subcontractor markup for lower tier Subcontractor Work: For each Subcontractor, for any Work performed by its Subcontractor(s) of any lower tier, four (4) percent of the first \$50,000 of the amount due the Sub-Subcontractor, and two (2) percent of the remaining amount, if any.
 - (j) Basis of cost applicable for markup: The cost to which overhead is to be applied shall be developed in accordance with Section 7.02B.7.a-e.
- g. Allowance for profit: Allowance for profit is an amount to be added to the cost of any change in Contract Sum, but not to the cost of change in Contract Time for which Contractor has been compensated pursuant to the conditions set forth in Section 7.03. It shall be limited to a reasonable amount, mutually acceptable, or if none can be agreed upon, to an amount not to exceed the rates below:
 - (1) Contractor / Subcontractor markup for self-performed Work: For Contractor or Subcontractor of any tier for work performed by their forces, six (6) percent of the cost developed in accordance with Sections 7.02B.7.a-e.
 - (2) Contractor / Subcontractor markup for Work performed at lower tier:

For Contractor or Subcontractor of any tier for work performed by a Subcontractor of a lower tier, four (4) percent of the subcontract cost developed in accordance with Section 7.02B.7.a-h.

- h. Insurance and bond premiums: Cost of change in insurance or bond premium: This is defined as:
 - (1) Contractor's liability insurance: The cost of any changes in Contractor's liability insurance arising directly from execution of the Change Order; and
 - (2) Payment and Performance Bond: The cost of the additional premium for Contractor's bond arising directly from the changed Work.

The cost of any change in insurance or bond premium shall be added after overhead and allowance for profit are calculated in accordance with Subsections f.-g, above.

C. Change Order Pricing – Unit Prices

- 1. Content of Owner authorization: Whenever Owner authorizes Contractor to perform Work on a unit-price basis, Owner's authorization shall clearly state:
 - a. Scope: Scope of work to be performed;
 - b. Reimbursement basis: Type of reimbursement including pre-agreed rates for material quantities; and
 - c. Reimbursement limit: Cost limit of reimbursement.
- 2. Contractor responsibilities: Contractor shall:
 - a. Cooperate with Owner and assist in monitoring the Work being performed. As requested by Owner, Contractor shall identify workers assigned to the Change Order Work and areas in which they are working;
 - b. Leave access as appropriate for quantity measurement; and
 - c. Not exceed any cost limit(s) without Owner's prior written approval.
- 3. Cost breakdown consistent with Fixed Price requirements: Contractor shall submit costs in accordance with Section 7.02B and satisfy the following requirements:
 - a. Unit prices must include overhead, profit, bond, and insurance premiums: Unit prices shall include reimbursement for all direct and indirect costs of the Work, including overhead, profit, bond, and insurance costs; and
 - b. Owner verification of quantities: Quantities must be supported by field measurement statements signed by Owner.

D. Change Order Pricing – Time-and-Material Prices

- 1. Content of Owner authorization: Whenever Owner authorizes Contractor to perform Work on a time-and-material basis, Owner's authorization shall clearly state:
 - a. Scope: Scope of Work to be performed;

- b. Reimbursement basis: Type of reimbursement, including pre-agreed rates, if any, for material quantities or labor; and
 - c. Reimbursement limit: Cost limit of reimbursement.
2. Contractor responsibilities: Contractor shall:
- a. Identify workers assigned: Cooperate with Owner and assist in monitoring the Work being performed. As requested by Owner, identify workers assigned to the Change Order Work and areas in which they are working;
 - b. Provide daily timesheets: Identify on daily time sheets all labor performed in accordance with this authorization. Submit copies of daily time sheets within two (2) working days for Owner's review.
 - c. Allow Owner to measure quantities: Leave access as appropriate for quantity measurement;
 - d. Perform Work efficiently: Perform all Work in accordance with this section as efficiently as possible; and
 - e. Not exceed Owner's cost limit: Not exceed any cost limit(s) without Owner's prior written approval.
3. Cost breakdown consistent with Fixed Price requirements: Contractor shall submit costs in accordance with Section 7.02B and additional verification supported by:
- a. Timesheets: Labor detailed on daily time sheets; and
 - b. Invoices: Invoices for material.

7.03 CHANGE IN THE CONTRACT TIME

- A. COP requests for Contract Time: The Contract Time shall only be changed by a Change Order. Contractor shall include any request for a change in the Contract Time in its Change Order Proposal.
- B. Time extension permitted if not Contractor's fault: If the time of Contractor's performance is changed due to an act of Force Majeure, or due to the fault or negligence of Owner or anyone for whose acts Owner is responsible, Contractor shall be entitled to make a request for an equitable adjustment in the Contract Time in accordance with the following procedure. No adjustment in the Contract Time shall be allowed to the extent Contractor's changed time of performance is due to the fault or negligence of Contractor, or anyone for whose acts Contractor is responsible.
- 1. Notice and record keeping for Contract Time request: A request for an equitable adjustment in the Contract Time shall be based on written notice delivered within seven (7) Days of the occurrence of the event giving rise to the request. If Contractor believes it is entitled to adjustment of Contract Time, Contractor shall immediately notify Owner and begin to keep and maintain complete, accurate, and specific daily records. Contractor shall give Owner access to any such record and if requested, shall promptly furnish copies of such record to Owner.
 - 2. Timing and content of Contractor's Notice: Contractor shall not be entitled to an adjustment in the Contract Time for any events that occurred more than seven (7)

Days before Contractor's written notice to Owner. The written notice shall set forth, at a minimum, a description of: the event giving rise to the request for an equitable adjustment in the Contract Time; the nature of the impacts to Contractor and its Subcontractors of any tier, if any; and to the extent possible the amount of the adjustment in Contract Time requested. Failure to properly give such written notice shall, to the extent Owner's interests are prejudiced, constitute a waiver of Contractor's right to an equitable adjustment.

3. Contractor to provide supplemental information: Within thirty (30) Days of the occurrence of the event giving rise to the request, unless Owner agrees in writing to allow an additional period of time to ascertain more accurate data, Contractor shall supplement the written notice provided in accordance with Section 7.03B.2 with additional supporting data. Such additional data shall include, at a minimum: the amount of delay claimed, itemized in accordance with the procedure set forth herein; specific facts, circumstances, and analysis that confirms not only that Contractor suffered the delay claimed, but that the delay claimed was actually a result of the act, event, or condition complained of, and that the Contract Documents provide entitlement to an equitable adjustment in Contract Time for such act, event, or condition; and supporting documentation sufficiently detailed to permit an informed analysis of the request by Owner. Failure to provide such additional information and documentation within the time allowed or within the format required shall, to the extent Owner's interests are prejudiced, constitute a waiver of Contractor's right to an equitable adjustment.
 4. Contractor to proceed with Work as directed: Pending final resolution of any request in accordance with this Section 7.03C unless otherwise agreed in writing, Contractor shall proceed diligently with performance of the Work.
- C. Contractor to demonstrate impact on critical path of schedule: Any change in the Contract Time covered by a Change Order, or based on a request for an equitable adjustment in the Contract Time, shall be limited to the change in the critical path of Contractor's schedule attributable to the change of Work or event(s) giving rise to the request for equitable adjustment. Any Change Order Proposal or request for an adjustment in the Contract Time shall demonstrate the impact on the critical path of the schedule. Contractor shall be responsible for showing clearly on the Progress Schedule that the change or event: had a specific impact on the critical path, and except in case of concurrent delay, was the sole cause of such impact; and could not have been avoided by resequencing of the Work or other reasonable alternatives.
- D. Cost of change in Contract Time: Contractor may request compensation for the cost of a change in Contract Time in accordance with this Section 7.03D, subject to the following conditions:
1. Must be solely fault of Owner or A/E: The change in Contract Time shall solely be caused by the fault or negligence of Owner (or A/E, if applicable);
 2. Procedures: Contractor shall follow the procedure set forth in Section 7.03B;
 3. Demonstrate impact on critical path: Contractor shall establish the extent of the change in Contract Time in accordance with Section 7.03C; and
 4. Limitations on daily costs: The daily cost of any change in Contract Time shall be limited to the items below, less the amount of any change in the Contract Sum the Contractor may otherwise be entitled to pursuant to Section 7.02B.7.f for any

change in the Work that contributed to this change in Contract Time:

- a. Non-productive supervision or labor: cost of nonproductive field supervision or labor extended because of delay;
- b. Weekly meetings and indirect activities: cost of weekly meetings or similar indirect activities extended because of the delay;
- c. Temporary facilities or equipment rental: cost of temporary facilities or equipment rental extended because of the delay;
- d. Insurance premiums: cost of insurance extended because of the delay;
- e. Overhead: general and administrative overhead in an amount to be agreed upon, but not to exceed three (3) percent of the Contract Award Amount divided by the originally specified Contract Time for each Day of the delay.

PART 8 – CLAIMS AND DISPUTE RESOLUTION

8.01 CLAIMS PROCEDURE

- A. Claim is Contractor's remedy: If the parties fail to reach agreement on the terms of any Change Order for Owner-directed Work as provided in Section 7.01, or on the resolution of any request for an equitable adjustment in the Contract Sum as provided in Section 7.02 or the Contract Time as provided in Section 7.03, Contractor's only remedy shall be to file a Claim with Owner as provided in this section.
- B. Claim filing deadline for Contractor: Contractor shall file its Claim within sixty (60) Days from Owner's final offer made in accordance with Section 7.01E, or by the date of Final Acceptance, whichever occurs first.
- C. Claim must cover all costs and be documented: The Claim shall be deemed to cover all changes in cost and time (including direct, indirect, impact, and consequential) to which Contractor may be entitled. It shall be fully substantiated and documented. At a minimum, the Claim shall contain the following information:
 1. Factual statement of Claim: A detailed factual statement of the Claim for additional compensation and time, if any, providing all necessary dates, locations, and items of Work affected by the Claim;
 2. Dates: The date on which facts arose which gave rise to the Claim;
 3. Owner and A/E employee's knowledgeable about Claim: The name of each employee of Owner (or A/E, if applicable) knowledgeable about the Claim;
 4. Support from Contract Documents: The specific provisions of the Contract Documents which support the Claim;
 5. Identification of other supporting information: The identification of any documents and the substance of any oral communications that support the Claim;
 6. Copies of supporting documentation: Copies of any identified documents, other than the Contract Documents, that support the Claim;
 7. Details on Claim for Contract Time: If an adjustment in the Contract Time is sought:

the specific days and dates for which it is sought; the specific reasons Contractor believes an extension in the Contract Time should be granted; and Contractor's analysis of its Progress Schedule to demonstrate the reason for the extension in Contract Time;

8. Details on Claim for adjustment of Contract Sum: If an adjustment in the Contract Sum is sought, the exact amount sought and a breakdown of that amount into the categories set forth in, and in the detail as required by Section 7.02; and
 9. Statement certifying Claim: A statement certifying, under penalty of perjury, that the Claim is made in good faith, that the supporting cost and pricing data are true and accurate to the best of Contractor's knowledge and belief, that the Claim is fully supported by the accompanying data, and that the amount requested accurately reflects the adjustment in the Contract Sum or Contract Time for which Contractor believes Owner is liable.
- D. Owner's response to Claim filed: After Contractor has submitted a fully documented Claim that complies with all applicable provisions of Parts 7 and 8, Owner shall respond, in writing, to Contractor as follows:
1. Response time for Claim less than \$50,000: If the Claim amount is less than \$50,000, with a decision within sixty (60) Days from the date the Claim is received; or
 2. Response time for Claim of \$50,000 or more: If the Claim amount is \$50,000 or more, with a decision within sixty (60) Days from the date the Claim is received, or with notice to Contractor of the date by which it will render its decision. Owner will then respond with a written decision in such additional time.
- E. Owner's review of Claim and finality of decision: To assist in the review of Contractor's Claim, Owner may visit the Project site, or request additional information, in order to fully evaluate the issues raised by the Claim. Contractor shall proceed with performance of the Work pending final resolution of any Claim. Owner's written decision as set forth above shall be final and conclusive as to all matters set forth in the Claim, unless Contractor follows the procedure set forth in Section 8.02.
- F. Continuing Contract performance: Pending final resolution of a Claim, and except as otherwise agreed in writing, Contractor shall proceed diligently with performance of the Contract and maintain Contractor's Construction Schedule, and the Owner shall continue to make payments in accordance with the Contract Documents.
- G. Waiver of Contractor rights for failure to comply with this Section: Any Claim of the Contractor against the Owner for damages, additional compensation, or additional time, shall be conclusively deemed to have been waived by the Contractor unless made in accordance with the requirements of this Section.

8.02 LITIGATION

- A. If Contractor disagrees with Owner's decision rendered in accordance with Section 8.01D, Contractor shall serve and file a lawsuit in an appropriate court within one-hundred and twenty (120) Days of Owner's decision. This requirement cannot be waived except by an explicit waiver signed by Owner. The failure to file a lawsuit within said one-hundred and twenty (120) Day period shall result in Owner's decision rendered in accordance with Section 8.01D being final and binding on Contractor and all of its Subcontractors.

- B. At any time, either before or after a lawsuit has been commenced by Contractor in accordance with Section 8.02A, Owner may require Contractor to participate in further mediation or arbitration, or both, in any forum or format as determined by Owner.
- C. Claims between Owner and Contractor, Contractor and its Subcontractors, Contractor (and A/E, if applicable), and Owner (and A/E, if applicable) shall, upon demand by Owner, be submitted in a single forum, or Owner may consolidate such Claims or join any of the above-named parties in the same forum.

8.03 **CLAIMS AUDITS**

- A. Owner may audit Claims: All Claims filed against Owner shall be subject to audit at any time following the filing of the Claim. Failure of Contractor, or Subcontractors of any tier, to maintain and retain sufficient records to allow Owner to verify all or a portion of the Claim or to permit Owner access to the books and records of Contractor, or Subcontractors of any tier, shall constitute a waiver of the Claim and shall bar any recovery.
- B. Contractor to make documents available: In support of Owner audit of any Claim, Contractor shall, upon request, promptly make available to Owner the following documents:
 - 1. Daily time sheets and supervisor's daily reports;
 - 2. Collective bargaining agreements;
 - 3. Insurance, welfare, and benefits records;
 - 4. Payroll registers;
 - 5. Earnings records;
 - 6. Payroll tax forms;
 - 7. Material invoices, requisitions, and delivery confirmations;
 - 8. Material cost distribution worksheet;
 - 9. Equipment records (list of company equipment, rates, etc.);
 - 10. Vendors', rental agencies', Subcontractors', and agents' invoices;
 - 11. Contracts between Contractor and each of its Subcontractors, and all lower-tier Subcontractor contracts and supplier contracts;
 - 12. Subcontractors' and agents' payment certificates;
 - 13. Cancelled checks (payroll and vendors);
 - 14. Job cost report, including monthly totals;
 - 15. Job payroll ledger;
 - 16. Planned resource loading schedules and summaries;
 - 17. General ledger;
 - 18. Cash disbursements journal;

19. Financial statements for all years reflecting the operations on the Work. In addition, the Owner may require, if it deems it appropriate, additional financial statements for three (3) years preceding execution of the Work;
 20. Depreciation records on all company equipment, whether these records are maintained by the company involved, its accountant, or others;
 21. If a source other than depreciation records is used to develop costs for Contractor's internal purposes in establishing the actual cost of owning and operating equipment, all such other source documents;
 22. All nonprivileged documents which relate to each and every Claim together with all documents which support the amount of any adjustment in Contract Sum or Contract Time sought by each Claim;
 23. Work sheets or software used to prepare the Claim establishing the cost components for items of the Claim including but not limited to labor, benefits and insurance, materials, equipment, Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals; and
 24. Work sheets, software, and all other documents used by Contractor to prepare its bid.
- C. Contractor to provide facilities for audit and shall cooperate: The audit may be performed by employees of Owner or a representative of Owner. Contractor, and its Subcontractors, shall provide adequate facilities acceptable to Owner, for the audit during normal business hours. Contractor, and all Subcontractors, shall make a good faith effort to cooperate with Owner's auditors.

PART 9 – TERMINATION OF THE WORK

9.01 TERMINATION BY OWNER FOR CAUSE

- A. Notice to Terminate for Cause: Owner may, upon seven (7) Days' written notice to Contractor and to its surety, terminate (without prejudice to any right or remedy of Owner) the Work, or any part of it, for cause upon the occurrence of any one or more of the following events:
1. Contractor fails to prosecute Work: Contractor fails to prosecute the Work or any portion thereof with sufficient diligence to ensure Substantial Completion of the Work within the Contract Time;
 2. Contractor bankrupt: Contractor is adjudged bankrupt, makes a general assignment for the benefit of its creditors, or a receiver is appointed on account of its insolvency;
 3. Contractor fails to correct Work: Contractor fails in a material way to replace or correct Work not in conformance with the Contract Documents;
 4. Contractor fails to supply workers or materials: Contractor repeatedly fails to supply skilled workers or proper materials or equipment;
 5. Contractor failure to pay Subcontractors or labor: Contractor repeatedly fails to make prompt payment due to Subcontractors or for labor;
 6. Contractor violates laws: Contractor materially disregards or fails to comply with laws, ordinances, rules, regulations, or orders of any public authority having

jurisdiction; or

7. Contractor in material breach of Contract: Contractor is otherwise in material breach of any provision of the Contract Documents.
- B. Owner's actions upon termination: Upon termination, Owner may at its option:
1. Take possession of Project site: Take possession of the Project site and take possession of or use all materials, equipment, tools, and construction equipment and machinery thereon owned by Contractor to maintain the orderly progress of, and to finish, the Work;
 2. Accept assignment of Subcontracts: Accept assignment of subcontracts pursuant to Section 5.20; and
 3. Finish the Work: Finish the Work by whatever other reasonable method it deems expedient.
- C. Surety's role: Owner's rights and duties upon termination are subject to the prior rights and duties of the surety, if any, obligated under any bond provided in accordance with the Contract Documents.
- D. Contractor's required actions: When Owner terminates the Work in accordance with this section, Contractor shall take the actions set forth in Section 9.02B and shall not be entitled to receive further payment until the Work is accepted.
- E. Contractor to pay for unfinished Work: If the unpaid balance of the Contract Sum exceeds the cost of finishing the Work (including compensation for A/E's services, if applicable) and expenses made necessary thereby and any other extra costs or damages incurred by Owner in completing the Work, or as a result of Contractor's actions, such excess shall be paid to Contractor. If such costs exceed the unpaid balance, Contractor shall pay the difference to Owner. These obligations for payment shall survive termination.
- F. Contractor and Surety still responsible for Work performed: Termination of the Work in accordance with this section shall not relieve Contractor or its surety of any responsibilities for Work performed.
- G. Conversion of "Termination for Cause" to "Termination for Convenience": If Owner terminates Contractor for cause and it is later determined that none of the circumstances set forth in Section 9.01A exist, then such termination shall be deemed a termination for convenience pursuant to Section 9.02.

9.02 TERMINATION BY OWNER FOR CONVENIENCE

- A. Owner Notice of Termination for Convenience: Owner may, upon written notice, terminate (without prejudice to any right or remedy of Owner) the Work, or any part of it, for the convenience of Owner.
- B. Contractor response to termination Notice: Unless Owner directs otherwise, after receipt of a written notice of termination for either cause or convenience, Contractor shall promptly:
1. Cease Work: Stop performing Work on the date and as specified in the notice of termination;
 2. No further orders or Subcontracts: Place no further orders or Subcontracts for

materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work as is not terminated;

3. Cancel orders and Subcontracts: Cancel all orders and subcontracts, upon terms acceptable to Owner, to the extent that they relate to the performance of Work terminated;
 4. Assign orders and Subcontracts to Owner: Assign to Owner all of the right, title, and interest of Contractor in all orders and subcontracts;
 5. Take action to protect the Work: Take such action as may be necessary or as directed by Owner to preserve and protect the Work, Project site, and any other property related to this Project in the possession of Contractor in which Owner has an interest; and
 6. Continue performance not terminated: Continue performance only to the extent not terminated.
- C. Terms of adjustment in Contract Sum if Contract terminated: If Owner terminates the Work or any portion thereof for convenience, Contractor shall be entitled to make a request for an equitable adjustment for its reasonable direct costs incurred prior to the effective date of the termination, plus reasonable allowance for overhead and profit on Work performed prior to termination, plus the reasonable administrative costs of the termination, but shall not be entitled to any other costs or damages, whatsoever, provided however, the total sum payable upon termination shall not exceed the Contract Sum reduced by prior payments. Contractor shall be required to make its request in accordance with the provisions of Part 7.
- D. Owner to determine whether to adjust Contract Time: If Owner terminates the Work or any portion thereof for convenience, the Contract Time shall be adjusted as determined by Owner.

PART 10 – MISCELLANEOUS PROVISIONS

10.01 GOVERNING LAW

Applicable law and venue: The Contract Documents and the rights of the parties herein shall be governed by the laws of the State of Washington. Venue shall be in the county in which Owner's administrative office is located, unless otherwise specified.

10.02 SUCCESSORS AND ASSIGNS

Bound to successors; Assignment of Contract: Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the other party hereto and to partners, successors, assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party shall assign the Work without written consent of the other, except that Contractor may assign the Work for security purposes, to a bank or lending institution authorized to do business in the State of Washington. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations set forth in the Contract Documents.

10.03 MEANING OF WORDS

Meaning of words used in Specifications: Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract

Documents in accordance with such recognized meanings. Reference to standard specifications, manuals, or codes of any technical society, organization, or association, or to the code of any governmental authority, whether such reference be specific or by implication, shall be to the latest standard specification, manual, or code in effect on the date for submission of bids, except as may be otherwise specifically stated. Wherever in these Drawings and Specifications an article, device, or piece of equipment is referred to in the singular manner, such reference shall apply to as many such articles as are shown on the Drawings or required to complete the installation.

10.04 RIGHTS AND REMEDIES

No waiver of rights: No action or failure to act by Owner (or A/E, if applicable) shall constitute a waiver of a right or duty afforded them under the Contract Documents, nor shall action or failure to act constitute approval or an acquiescence in a breach therein, except as may be specifically agreed in writing.

10.05 CONTRACTOR REGISTRATION

Contractor must be registered or licensed: Pursuant to Chapter 39.06 RCW, Contractor shall be registered or licensed as required by the laws of the State of Washington, including but not limited to Chapter 18.27 RCW.

10.06 TIME COMPUTATIONS

Computing time: When computing any period of time, the day of the event from which the period of time begins shall not be counted. The last day is counted unless it falls on a weekend or legal holiday, in which event the period runs until the end of the next day that is not a weekend or holiday. When the period of time allowed is less than seven (7) days, intermediate Saturdays, Sundays, and legal holidays are excluded from the computation.

10.07 RECORDS RETENTION

Six-year records retention period: The wage, payroll, and cost records of Contractor, and its Subcontractors, and all records subject to audit in accordance with Section 8.03, shall be retained for a period of not less than six (6) years after the date of Final Acceptance.

10.08 THIRD-PARTY AGREEMENTS

No third-party relationships created: The Contract Documents shall not be construed to create a contractual relationship of any kind between any persons other than Owner and Contractor.

10.09 ANTITRUST ASSIGNMENT

Contractor assigns overcharge amounts to Owner: Owner and Contractor recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, Contractor hereby assigns to Owner any and all claims for such overcharges as to goods, materials, and equipment purchased in connection with the Work performed in accordance with the Contract Documents, except as to overcharges which result from antitrust violations commencing after the Contract Sum is established and which are not passed on to Owner under a Change Order. Contractor shall put a similar clause in its Subcontracts, and require a similar clause in its Sub-Subcontracts, such that all claims for such overcharges on the Work are passed to Owner by Contractor.

10.10 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the designated

representative as identified in the Contract Documents, or to an officer of the corporation for which it was intended if the designated representative no longer works for that party; or if delivered at, or sent by facsimile, email, registered or certified mail, or courier service providing proof of delivery to, the last business address known to the party giving notice. The date of written notice shall be the earlier of the date of personal delivery, actual receipt by facsimile or email, or three (3) calendar days after the date of postmark.

10.11 PUBLIC RECORDS ACT COMPLIANCE

The Contractor understands that the Owner is bound by the Washington Public Records Act, Chapter 42.56 RCW. The Contractor agrees to fully cooperate with the Owner in responding to public records requests. The Contractor shall promptly provide such records to the Owner as requested by the Owner or required by law for the Owner to fulfill its obligations in responding to public records requests. Such records shall be provided at no cost to the Owner. The Contractor shall cause any subcontract to contain this provision. This section shall survive expiration or termination of this Contract for any reason.

10.12 SUBSTITUTION OF PERSONNEL

The Contractor and the Owner have no present intention to substitute personnel, and the parties shall endeavor to minimize substitutions and maintain continuity of personnel, but each reserves the right to substitute its personnel for the purpose of carrying out its responsibilities under this Contract. Such substitution by the Contractor shall be subject to the approval of the Owner, which approval shall not be unreasonably withheld. If the Contractor substitutes personnel, it shall not charge the Owner for any extra costs incurred thereby, including, without limitation, costs incurred to familiarize new personnel with the Project. If requested by the Owner, the Contractor shall remove from performing the Work, without cost to the Owner or delay to the Work, any person whose removal the Owner reasonably requests. Nothing in this provision shall be construed to alter the independent contractor status of the Contractor.

10.13 SEVERABILITY

If, for any reason, any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal, void, or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid; provided, however, that if it should appear that any provision of the Contract Documents is in conflict with any statutory provision of the State of Washington, the provision shall be deemed modified to conform to such statutory provision.»

10.14 HEADINGS AND CAPTIONS

Headings for convenience only: All headings and captions used in these General Conditions are only for convenience of reference, and shall not be used in any way in connection with the meaning, effect, interpretation, construction, or enforcement of the General Conditions, and do not define the limit or describe the scope or intent of any provision of these General Conditions.

- END OF GENERAL CONDITIONS -

Last Revised: April 8, 2022.