

SECTION 00 7000

GENERAL CONDITIONS

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GENERAL CONDITIONS

ARTICLE 1 - DEFINITIONS

The terms used in these General Conditions and within the Contract Documents have the following meanings assigned to them applicable in both the singular and plural tense. Certain terms are fully capitalized for no other reason than ease of reading.

- 1.1** Addenda - Additional written or graphical instructions issued prior to the opening of bids, which clarify, modify, correct, amend, add, delete and/or otherwise change the Division 00 – Bidding Requirements or other Contract Documents.
- 1.2** Administrative Closeout –All Work required for completion of all Contract requirements after Substantial Completion such as Punch List items, submittal of final warranties and guarantees, and record documents.
- 1.3** Adverse Impact - A perceived and/or actual delay, disruption, interference, hindrance, labor or wage escalation, material cost escalation, labor inefficiency, loss of productivity and/or acceleration related to the Work, or any portion thereof.
- 1.4** Applicable Laws – All federal, state, and local statutes, law, ordinance, provision, rule, regulation pertaining to the furnishing of or performance of the Work.
- 1.5** Application for Payment - The OWNER approved invoice form along with other supportive documentation as specified in the Contract Documents to be certified and submitted by CONTRACTOR in requesting progress and/or final payment.
- 1.6** ARCHITECT - The person, firm, corporation or entity licensed to practice architecture or engineering in the State of California and identified in the Bidding Documents as the entity recognized by the Division of the State Architect as the Design Professional in General Responsible Charge for the Project.
- 1.7** Asbestos Containing Construction Material – Means any manufactured construction material, which contains more than 0.1% asbestos by weight.
- 1.8** “As-Built” – A set of the Drawings marked by the CONTRACTOR during the performance of the Work to indicate completely and accurately the actual as-built condition of the Work. The As-Built Drawings shall be sufficient for a capable and qualified draftsman to modify the Drawings to reflect and indicate the Work actually in place at Contract Completion.
- 1.9** Bidding Documents – All documents made available to bidders.
- 1.10** CCR - California Code of Regulations.
- 1.11** Change Order - A written instrument confirming a change or adjustment to the Contract Amount, Milestones and/or Contract Time and/or an addition, deletion or revision in the Work. A Change Order is only effective upon approval by the OWNER’s Board of Education or the Deputy Chief Procurement Officer (Facilities) by delegated authority by the OWNER’s Board of Education.

- 1.12** Change Order Proposal (COP) – A written instrument prepared and issued by CONTRACTOR, setting forth proposed adjustments to the Contract Amount, Milestones or Contract Time, if any, in response to a Construction Directive and/or proposed addition, deletion or revision of the Work.
- 1.13** Construction Directive (CD) - A written directive issued by OAR, on or after the Effective Date of the Contract, directing CONTRACTOR to proceed regarding an issue of dispute, or requiring CONTRACTOR to take a specified action regarding the Work, Project and/or Contract. A Construction Directive may, but not always will, result in an addition, deletion, and/or revision in the Work, and may contain a proposed basis for adjustments to, if any, the Contract Amount, Milestones and/or Contract Time.
- 1.14** Contract Completion – When all CONTRACT requirements have been satisfied, including Administrative Closeout.
- 1.15** Contract Amount – The dollar amount stated in the Contract payable by OWNER to CONTRACTOR. The Contract Amount may be increased or decreased only by Change Order.
- 1.16** Contract Documents - The Bid and Acceptance Form, Addenda, bid (including documentation accompanying the bid and any post bid documentation submitted after the Notice of Intent to Award) when attached as an exhibit to the Bid and Acceptance Form, the Notice to Proceed, the bonds, these General Conditions, the Supplementary Conditions, the Insurance Manual as further described in Article 5.1, the Safety Standards Manual, the Specifications and the Drawings, together with all Change Orders, Construction Directives, and ARCHITECT written interpretations and clarifications issued pursuant to General Condition Article 9.4. All of the foregoing Contract Documents constitute the “Contract.”
- Reports, drawings and/or other documents referenced in Section 00 3000, Product Data and Sample submittals reviewed relative to Articles 6.45 and 6.46 are not Contract Documents. In addition, Shop Drawings are not Contract Documents unless they bear the signature and seal of the Project Architect of Record on file with DSA.
- 1.17** Contract Time - The duration in calendar days, including Change Order adjustments, established by the Contract Documents for achieving completion of the Work.
- 1.18** CONTRACTOR - The person, firm, corporation or entity with whom the OWNER has entered into the Contract.
- 1.19** Cost of the Work – All costs incurred by CONTRACTOR in connection with the proper furnishing and/or performance of the Work as defined in Article 1.60 and amended by Change Order as defined in Article 1.11.
- 1.20** Day - Means calendar day in every case, including all Federal, State and District holidays.
- 1.21** Defective - When preceding the term Work, it references Work deemed to be unacceptable, faulty, unsuitable, unsightly or otherwise not in compliance with the Contract Documents including any inspection, standard, test, submittal, and/or approvals required by the Contract Documents.
- 1.22** Deferred Approval Item - Those portions of the design requiring submittals by CONTRACTOR, within the time specified, to ARCHITECT, DSA, and/or others.

- 1.23** Drawings - Pictorial or graphical portions of the Contract Documents, prepared by or on behalf of the ARCHITECT, generally denoting the scope, design, extent, location, character, and dimensions of the Work to be performed and may include plans, elevations, sections, details, schedules and diagrams, etc., however, Shop Drawings are not Drawings as so defined herein.
- 1.24** DSA - Division of State Architect.
- 1.25** Effective Date of the Contract – The date on which OWNER’s Board of Education approves and/or ratifies the Contract or if OWNER’s Board of Education has delegated such authority in writing to an OWNER employee, then the date on which the designated OWNER employee signs the Contract.
- 1.26** General Requirements - Division 01 Sections of the Specifications.
- 1.27** Insurance Manual – The document describing the District’s Owner Controlled Insurance Program (OCIP), including its coverages, limits and exclusions.
- 1.28** Lead Based Paint – Paint or other surface coatings containing an amount of lead equal to or greater than .06% lead dry weight (600 parts per million).
- 1.29** Liquidated Damages - A set daily amount to compensate OWNER for delay caused by CONTRACTOR. Liquidated Damages do not preclude recovery of direct consequential damages incurred by OWNER during any delay.
- 1.30** Milestones – Designated events as set forth in the Construction Schedule in which Work or portions thereof are required to be started and/or completed. Supplementary Conditions may provide for the assessment of Liquidated Damages if CONTRACTOR fails to achieve one or more Milestones.
- 1.31** NCIL – Non-Conformance Items List. A working list of corrective items issued by the Project Inspector to CONTRACTOR prior to Substantial Completion. Once the Certificate of Substantial Completion is executed by the OAR, the Project Inspector issues the Substantial Completion Punch List to the CONTRACTOR and the NCIL is discarded.
- 1.32** Notice of Award – Notice by OWNER advising the successful bidder that the OWNER has signed the Contract.
- 1.33** Notice of Intent to Award - Notice by OWNER advising the successful bidder that it is the apparent responsive and responsible low (or most qualified) bidder, contingent on timely compliance with terms and conditions specified in said Notice.
- 1.34** Notice to Proceed – The written notice issued by OWNER to CONTRACTOR establishing the date of commencement of the Contract Time and authorizing CONTRACTOR to proceed with the Work.
- 1.35** OCIP - OWNER Controlled Insurance Program.
- 1.36** Off-Site Work – Any construction Work performed as part of the Project Scope of Work as defined in the Contract Documents, that is outside of the Site, including construction Work in public thoroughfares, rights of way or utility easements.
- 1.37** OWNER - The Los Angeles Unified School District.

- 1.38** OWNER Authorized Representative (OAR) - The designated authorized representative of OWNER who shall administer the Contract.
- 1.39** OWNER forces - Is defined as work for the Project undertaken by OWNER and/or Contract executed in accordance with Sections 20113 & 20114 of the Public Contract Code.
- 1.40** Partial Use or Occupancy - Use or occupancy by OWNER of a partially completed portion, part, space or area of the Work, prior to Substantial Completion of the Work.
- 1.41** Product Data - CONTRACTOR furnished literature, illustrations, standard schedules, performance charts, instructions, brochures, diagrams, catalog cuts, color charts, templates, installation and maintenance instructions, test data, agency or regulatory approvals, or other required product information furnished by CONTRACTOR relative to the Work.
- 1.42** Project - The Project is the public works approved by OWNER's governing board, and for which the Work is being performed.
- 1.43** Project Inspector – The person approved by the DSA and employed by the OWNER in accordance with the requirements of Title 24 of the California Code of Regulations.
- 1.44** PSA - Project Stabilization Agreement.
- 1.45** Punch List – A list of minor, corrective items, which does not include uncompleted Work.
- 1.46** Request for Clarification (RFC) - A written instrument prepared by CONTRACTOR and issued to ARCHITECT and OAR requesting clarification of the Contract Documents.
- 1.47** Request for Proposal (RFP) - A written instrument issued by OAR directing CONTRACTOR submission of a written estimate detailing the proposed changes to the Contract Amount, Milestones and/or Contract Time in response to the proposed Work contained therein.
- 1.48** Samples - CONTRACTOR furnished physical specimens such as swatches, natural materials, materials, fabricated items, equipment, devices, appliances, cuts, containers, color boards, textures, fabrications, finishes, or other required samples furnished by CONTRACTOR relative to the Work.
- 1.49** Schedule of Values – The line item breakdown of the Contract Amount prepared by the CONTRACTOR and approved by OAR in accordance with Article 2.5.2 and Specification 01 2973 of the General Requirements.
- 1.50** Separate Work Contract - OWNER contract separate from but in conjunction with the Project and/or Work of this Contract.
- 1.51** Shop Drawings - CONTRACTOR furnished original drawings such as illustrations, diagrams, schedules, fabrications, erection, coordination, layout, setting, details, standards, performance charts or curves, installation, routing, iso-metric, wiring, control, piping, or other required shop drawings furnished by CONTRACTOR relative to the Work.
- 1.52** Site - The physical area designated in the Contract Documents for CONTRACTOR's performance, construction and installation of the Work.

- 1.53 Specifications - Those portions of the Contract Documents consisting of the written technical and/or administrative descriptions of materials, equipment, systems, codes, regulations, procedures, standards, workmanship, services, facilities, supplies, instructions, transportation, quality, etc., as applied to the Work.
- 1.54 Subcontractor – The person, firm, corporation or entity executing a direct contract with CONTRACTOR or any subcontractor of any tier performing any portion of the Work.
- 1.55 Substantial Completion - The stage in the progress of the Work when all scope and requirements of the Contract are completed, except minor Punch List items, final warranties and guaranties, and record documents submittals.
- 1.56 Subsurface Facility - All underground or below grade facilities and/or improvements, including but not limited to, any and/or all encasements such as pipelines, wells, conduits, raceways, duct banks, ducts, cables, conductors, sensors, manholes, valve boxes, metering devices, storage tanks, cisterns, leach fields or other such facilities which collect, furnish, supply, distribute, and/or transport to this or any other Site or property electricity, telephone, data, steam, gases, petroleum, cable or satellite signals, sewage, signal systems, water, storm drainage, traffic signals, or other control systems.
- 1.57 Supplementary Conditions - The Contract Document amending and/or supplementing these General Conditions.
- 1.58 Unit Price Work - Work which is measured and paid for by OWNER to CONTRACTOR on a unit price basis.
- 1.59 Work - All of the terms and conditions set forth in the Contract Documents, including the various separately identifiable parts thereof to be furnished thereunder. The Work shall include, without limitation, all labor, materials, apparatus, supplies, services, facilities, utilities, transportation, manuals, warranties, training, and the like, necessary for CONTRACTOR to faithfully perform and complete all of its obligations under the Contract.

ARTICLE 2 - PRIOR TO CONSTRUCTION

2.1 *Furnishing of Contract Documents:*

After the Effective Date of the Contract, CONTRACTOR will be furnished copies of the Contract Documents as set forth in the Instructions to Bidders.

2.2 *Notice to Proceed and Contract Time Commencement:*

The Contract Time will commence on the date specified in the Notice to Proceed. OWNER will issue the Notice to Proceed within sixty (60) days after the Notice of Award. If, for any reason, OWNER does not issue the Notice to Proceed within this sixty (60) day period, OWNER shall have an additional sixty (60) day period to issue the Notice to Proceed. However, OWNER shall pay to CONTRACTOR, as reverse Liquidated Damages, not as a penalty, but rather as a reasonable approximation of all damages to CONTRACTOR, the following sum based on the Contract Amount beginning on the sixty first (61st) day of the date of the Notice of Award until the date that the Notice to Proceed is issued: \$100 per day for Contracts less than \$1,000,000; \$250 per day for Contracts between \$1,000,000 and \$10,000,000; \$500 per day for Contracts between \$10,000,001 and \$40,000,000; and \$1,000 per day for Contracts in excess of \$40,000,000. The amount of reverse

Liquidated Damage is CONTRACTOR's exclusive remedy for delay of issuance of the Notice to Proceed. If the Notice to Proceed is not issued within one hundred and twenty (120) days after the Notice of Award, the Contract will be terminated for convenience by OWNER, unless OWNER and CONTRACTOR mutually agree in writing to extend the period within which the Notice to Proceed may be issued.

2.3 *No Commencement of Work without Insurance and Bonds:*

CONTRACTOR shall not commence Work on the Project Site or elsewhere before the effective date of the insurance and bonds CONTRACTOR is required to obtain by the Contract Documents. The established date of commencement of the Contract Time will not be changed by the effective date of such insurance and/or bonds.

2.4 *Before Starting Construction of the Work:*

In addition to all pre-bid obligations of CONTRACTOR, and prior to commencing any and each portion of the Work, CONTRACTOR shall carefully examine all of the Contract Documents and any other information available to CONTRACTOR relative to materials and methods of construction of the Work and/or Project requirements. CONTRACTOR shall file any needed Request for Clarification a minimum of nine (9) days prior to the commencement of any Work for any perceived or alleged error, inconsistency, ambiguity, or lack of details or explanation of the intent of the Contract Documents. If CONTRACTOR performs any portion of the Work for which the CONTRACTOR contends the Contract Documents are ambiguous, inconsistent, lack details or are otherwise in error, and CONTRACTOR knew or should have known of such alleged defects in the Contract Documents before commencing the Work in question, then CONTRACTOR shall bear any and all resulting costs including, without limitation, the cost of correction, without a corresponding adjustment to the Contract Amount, Milestones, and/or the Contract Time. If CONTRACTOR performs, permits, or causes the performance of any portion of the Work under those portions of the Contract Documents prepared by or on behalf of CONTRACTOR which is in error, inconsistent or ambiguous, or not sufficiently detailed or explained, CONTRACTOR shall bear any and all resulting costs, including, without limitation, the cost of correction, without a corresponding adjustment to the Contract Amount, Milestones, and/or the Contract Time.

2.5 *Preliminary Matters:*

2.5.1 Within ten (10) days from Notice to Proceed CONTRACTOR shall submit to OAR for review:

- 2.5.1.1** the name, address, telephone number, fax number, license number, and classification of all Subcontractors and of all other parties furnishing labor, material, or equipment to CONTRACTOR, along with the amount of each such subcontract or the total price of such labor, material, and equipment needed for each Subcontractor's total portion of the Work;
- 2.5.1.2** in accordance with applicable Division 01 Requirements, a Preliminary Construction Schedule with Milestones based upon Specification 01 1219 Appendix A, indicating the duration in days of starting and completing the Work, including but not limited to, any and all Milestone dates specified in the Contract Documents;

2.5.1.3 in accordance with applicable Division 01 Requirements and in conjunction with the Preliminary Construction Schedule as specified in Article 2.5.1.2, a preliminary schedule of Shop Drawing, material list, Product Data and Sample submittals setting forth the scheduled durations for submission, review and processing.

2.5.2 At least fourteen (14) days before the Initial Application for Payment, the CONTRACTOR shall submit to the OAR, for review and approval:

2.5.2.1 A Schedule of Values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the OWNER may require. This Schedule of Values, as approved by the OAR, shall be used as the basis for the CONTRACTOR's Applications for Payment. The CONTRACTOR agrees that for the purpose of Applications for Payment, the Schedule of Value items shall correspond to the appropriate construction specification sections and in accordance with applicable Division 01 requirements.

2.5.2.2 If the Schedule of Values is not submitted by the CONTRACTOR and/or approved by the OAR:

2.5.2.2.1 During the first ninety (90) days from Notice to Proceed, the OAR shall use the default percentages (%) as set forth in Schedule of Values form under Specification 01 3239 Project Forms to determine the monthly amounts for the Initial Application for Payments.

2.5.2.2.2 After the expiration of the first ninety (90) days, OWNER reserves the right to refuse to make payments in whole or in part, and/or engage independent estimating and/or scheduling consultants to fulfill these requirements.

Upon notice to CONTRACTOR, OWNER will assess all incurred costs for these additional services against CONTRACTOR.

2.6 *Job Start Meeting:*

Before issuance of the Notice to Proceed, CONTRACTOR and all Subcontractors listed in bid documents of CONTRACTOR are required to (1) attend a mandatory job start meeting conducted by OAR and further attended by, but not limited to, ARCHITECT and the Project Inspector; and (2) complete the online Pre-Job Conference available at <http://www.laschools.org/new-site/labor-compliance/pre-job-conference-video>.

2.6.1 OWNER shall, in accordance with Labor Code Section 1771.5, discuss federal and state labor law in addition to OWNER requirements applicable to the Contract. A checklist of the prevailing wage requirements formalizing record keeping responsibilities, requirements for submission of certified payroll records to OWNER, and the prohibition against discrimination in employment is available online at <http://www.laschools.org/new-site/labor-compliance/pre-job-conference-video>. CONTRACTOR and Subcontractors of all tiers will be required to sign the checklist thereby acknowledging their understanding of an agreement to continuously comply with said requirements. A Pre-Job Conference Checklist will be collected from CONTRACTOR and Subcontractors of all tiers.

- 2.6.2** OAR, ARCHITECT, and CONTRACTOR shall discuss procedures to develop the Preliminary Construction Schedule as referenced in Articles 2.5.1.2, 2.5.1.3 and the Schedule of Values as referenced in Article 2.5.2.1. OAR, ARCHITECT, CONTRACTOR, and the Project Inspector shall review required procedures for handling submittals, processing of Applications for Payment, and the roles, duties and limitations of OAR, ARCHITECT, CONTRACTOR, and the Project Inspector.
- 2.6.3** Other related items such as safety requirements as specified in, but not limited to, the Division 01 General Requirements, Contract Documents and/or other topics as determined by OAR may be discussed.

2.7 *Survey of Existing Conditions:*

In addition to all pre-bid obligations of the CONTRACTOR, and prior to the commencement of any Work, CONTRACTOR shall, in presence of the Project Inspector, perform a thorough existing conditions survey of the Project Site, adjacent sites and public right of way approaches, in order to document, photograph, video record and/or otherwise memorialize existing conditions and/or defects of existing improvements. Once completed and acknowledged in writing by CONTRACTOR and the Project Inspector, it shall be filed with OAR with copies transmitted to ARCHITECT and the Project Inspector.

2.8 *Baseline Schedule:*

The CONTRACTOR shall submit a complete, detailed Baseline Schedule that includes all the identifiable Work outlined in the Contract Drawings and Specifications. It shall be in full compliance with all related Sections of the Division 01 General Requirements. If CONTRACTOR fails to comply with Article 2.8, OWNER reserves the right to engage independent estimating and scheduling consultants to fulfill these requirements. Upon notice to CONTRACTOR, OWNER will assess all incurred costs for these additional services against CONTRACTOR.

ARTICLE 3 - THE CONTRACT DOCUMENTS

3.1 *Contract Documents Complementary and Inclusive:*

Contract Documents are complementary, and what is called for by one shall be as binding as if called for by all. The Contract Documents are intended to include all items required for the proper execution and completion of the Work. Any item of Work mentioned in the Specifications and not shown on the Drawings, or shown on the Drawings and not mentioned in the Specifications, shall be provided by CONTRACTOR as if shown or mentioned in both.

3.2 *Intent of the Drawings and Specifications:*

The intent of the Drawings and Specifications is to describe the Work to be performed by CONTRACTOR. The Specifications describe Work, which cannot be readily indicated on the Drawings such as quality of materials, workmanship, and execution whereas the Drawings generally describe dimensions, elevations and general layout of the Work. It is not the intent to specify every item of the Work in the Specifications, which is shown on the Drawings, or to show on the Drawings all items of the Work described or specified in the Specifications even if such items could have been shown and/or specified. All aspects of the Work, on the Drawings or in the Specifications, or which are reasonably inferable therefrom as being necessary to complete the Work, shall be provided by

CONTRACTOR whether or not such aspects of the Work are expressly described or depicted in the Drawings or the Specifications. It is intended the Work be of sound, quality construction, and CONTRACTOR is responsible for the inclusion of all direct and indirect costs and expenses to cover all items indicated, described, or implied in the Work to be performed.

3.3 *Conformance with Laws:*

In addition to all pre-bid obligations of the CONTRACTOR, and before commencing any portion of the Work, CONTRACTOR shall check and review the Contract Documents from a construction standpoint for conformance and compliance with all laws, ordinances, codes, rules and regulations of all governmental authorities and public utilities affecting the construction and operation of the physical portion of the Project, all quasi-governmental and other regulations affecting the construction and operation of the physical portion of the Project, and other special requirements, if any, designated in the Contract Documents. In the event CONTRACTOR observes any violation of any law, ordinance, code, rule or regulation, or inconsistency with any such restrictions or special requirements of the Contract Documents, CONTRACTOR shall provide notice to ARCHITECT and OAR and shall ensure such violation or inconsistency is corrected in the prescribed manner prior to the commencement of said portion of the Work. Unless specifically stated otherwise in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any violation and/or inconsistency between the provisions of the Contract Documents and the provisions of any laws, ordinances, codes, rules and regulations applicable to the Work, unless such application of the provisions of the Contract Documents would directly result in a violation of such laws, ordinances, codes, rules, and/or regulations. In the event the requirements of Article 3.3 or the written interpretation or clarifications of ARCHITECT do not resolve the violation or inconsistency the decisions and directives of OAR shall be final for the purpose of proceeding with the Work.

3.4 *Priority of Addenda:*

Addenda shall govern over all other Contract Documents at the time of bid. Addenda subsequently issued shall govern over prior Addenda only to the extent specified. Where applicable, and in accordance with Title 24, California Code of Regulations, Addenda shall be approved by the DSA.

3.5 *Division of Contract Documents:*

The Contract Documents, including, without limitation, the Specifications, are divided into titled sections for convenience only and not to dictate or determine the trade or craft involved.

3.6 *Similar Words of Import:*

Where "as shown," "as indicated," "as detailed," or words of similar import are used, reference is made to the Drawings accompanying the Specifications unless otherwise stated. Where "provide," "furnish," "install," "complete," or words of similar import are used, it shall mean to put in place for the intended use or operation. Where "as directed," "as required," "as permitted," "as authorized," "as accepted," "as selected," or words of similar import are used, the direction, requirement, permission, authorization, approval, acceptance, or selection by ARCHITECT and/or OAR is intended unless otherwise stated.

3.7 *General Conditions, Supplementary Conditions and General Requirements:*

The General Conditions, Supplementary Conditions and Division 01 General Requirements are a part of each and every section of the Contract Documents.

3.8 *Brevity in Abbreviations:*

The Contract Documents are written in an abbreviated form and may not include complete sentences. Omission of words or phrases such as "CONTRACTOR shall," "shall be," etc., are intentional. Nevertheless, the requirements of the Contract Documents are mandatory. Omitted words or phrases shall be supplied by inference.

3.9 *Singular and Plural Tense:*

Words in the singular shall include the plural whenever applicable or the context so indicates or requires.

3.10 *Metric Units of Measurement:*

The Contract Documents may indicate metric units of measurement as a supplement to U.S. customary units. When indicated thus: 1 " (25 mm), the U. S. customary unit is specific, and the metric unit is nonspecific. When not shown with parentheses, the unit is specific. The metric units correspond to the "International System of Units" (SI) and generally follow ASTM E 380, "Standard for Metric Practice."

3.11 *Standard Technical Specifications of Societies, Institutes, Associations, Etc.:*

Any reference to standard technical specifications of any society, institute, association, or governmental authority is a reference to the respective organization's standard technical specifications, which are in effect on the date of bid submission for the Work. If applicable standard technical specifications are revised before completion of any part of the Work, CONTRACTOR may, if acceptable to OAR, perform such Work in accordance with the revised standard technical specifications. The standard technical specifications, except as modified in the Contract Documents, shall have full force and effect as though printed in the Contract Documents. Before commencing any portion of the Work, CONTRACTOR shall check and review the Contract Documents from a construction standpoint for conformance and compliance with the provisions of all standard technical specifications, listed or otherwise. In the event CONTRACTOR observes a conflict, ambiguity or discrepancy between the provisions of the Contract Documents and standard technical specifications, CONTRACTOR shall provide notice to ARCHITECT and OAR and shall ensure such conflict, ambiguity or discrepancy is corrected in the prescribed manner prior to the commencement of said portion of the Work. Unless stated otherwise in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, ambiguity or discrepancy between the provisions of the Contract Documents and standard technical specifications. In the event the requirements of Article 3.11 or the written interpretation or clarifications of ARCHITECT do not resolve the conflict, ambiguity or discrepancy the decisions and directives of OAR shall be final for the purpose of proceeding with the Work. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

3.12 *Absence of Modifiers:*

In the interest of brevity, the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

3.13 *Rules of Contract Document Interpretation:*

3.13.1 In case of conflict between the various components of the Contract Documents including the Drawings and Specifications, it is the intent of the Contract Documents that the more stringent, higher quality of material and/or workmanship, and/or greater quantities shall be provided by the CONTRACTOR into the Work.

3.13.2 Where applicable, the requirements approved by the DSA on any item submitted as a Deferred Approval in accordance with Title 24, California Code of Regulations, shall take precedence over any previously issued Addenda, Drawing or Specification.

3.13.3 Except as provided in Article 3.13.1, in the event of conflict between the Drawings, the following shall govern:

3.13.3.1 specific notes shall govern over all other notes;

3.13.3.2 general notes, when identified as such, shall be incorporated into other portions of Drawings;

3.13.3.3 schedules, when identified as such, are complementary with other notes and other portions of Drawings including those identified as general notes;

3.13.3.4 larger scale Drawings shall govern over smaller scale Drawings;

3.13.3.5 calculated, derived, or numerical dimensions shall govern over dimensions obtained by scaling and at no time shall CONTRACTOR perform and/or allow Work to be performed based on dimensions obtained by scaling of the Drawings.

3.14 *Ownership and Use of Contract Documents:*

Neither CONTRACTOR, Subcontractor, or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications, and other Contract Documents. They are not to be used by CONTRACTOR, Subcontractor, or material or equipment supplier on other jobs.

3.15 *Contract Document Amendment and Supplements:*

3.15.1 After the Effective Date of the Contract, OWNER may, without breaching this Contract, direct changes in the Contract Documents or Work, including additions, deletions, modifications thereto. However, such changes may be made only by way of Construction Directive and/or Change Order.

3.15.2 In addition, supplements to the requirements of the Contract Documents and/or minor deviations and/or variations in the Work may be authorized and accomplished in one of the following ways:

3.15.2.1 ARCHITECT review of a Shop Drawing, Product Data or Sample subject to the provisions of Articles 6.44 and 6.45;

3.15.2.2 ARCHITECT written interpretation or clarification;

3.15.2.3 OAR written interpretation or directive.

3.15.3 However, a direction or authorization under Articles 3.15.1 or 3.15.2 shall not consequentially entitle CONTRACTOR to any adjustment to the Contract Amount and/or Contract Time.

3.16 ***Document Retention Policy:***

CONTRACTOR shall, at its sole expense, maintain a full set of Project records including plans, Specifications, correspondences, submittals, record documents and all other Project documentation for a period of ten (10) years after the date of Substantial Completion. Such documents may be maintained in hard copy or electronic form and will be produced or made available for review and photocopying or electronic reproduction upon ten (10) days written request by the OWNER or designated agent or representative.

ARTICLE 4 - LAND AVAILABILITY, PHYSICAL AND SUBSURFACE CONDITIONS AND REFERENCES

4.1 ***Availability and Access to Lands:***

OWNER shall, as indicated in the Contract Documents, secure and pay for easements and right of ways to the lands and/or to the Project Site where the Work is to be performed. OWNER shall identify any encumbrances or restrictions not of general application but specifically related to use of lands so furnished with which CONTRACTOR will have to comply in performing the Work. Easements for permanent structures or permanent changes in existing facilities, if any, shall be secured by and paid for by OWNER. CONTRACTOR is responsible for providing any additional lands and access to such lands required by CONTRACTOR for temporary storage of equipment and materials, temporary construction facilities, staging of equipment or materials or parking of vehicles.

4.2 ***Physical and Subsurface Conditions:***

4.2.1 ***Reports, drawings, data and assessments:*** Reference is made to Section 00 3000 – Available Information for identification of:

4.2.1.1 ***Subsurface Conditions:*** Those reports, drawings, data and/or assessments of tests and/or exploration of subsurface conditions at or contiguous to the Project Site that were utilized in preparing the Bidding Documents.

4.2.1.2 ***Physical Conditions:*** Those drawings, descriptions, photographs, reports, assessments and/or mapping of physical conditions, other than Subsurface Facility, relating to existing surface and/or subsurface structures at or contiguous to the Project Site that were utilized in preparing the Bidding Documents.

4.2.2 ***Differing Subsurface or Physical Conditions:*** If CONTRACTOR believes any subsurface or physical condition uncovered, revealed or otherwise exposed at the Project Site is:

- 4.2.2.1 of such a character and/or nature as to require a change in the Contract Documents;
- 4.2.2.2 materially different from that shown, indicated or described in the Bidding Documents;
- 4.2.2.3 of an unusual nature materially different from conditions normally encountered and generally recognized as inherent in Work of the character provided for in the Bidding Documents, then;
- 4.2.2.4 CONTRACTOR shall, upon discovery, and before further disturbance of conditions or performing Work in connection with, provide notice to OAR and ARCHITECT setting forth a description of such conditions. CONTRACTOR shall not further disturb such conditions until directed to do so by OAR and;
- 4.2.2.5 OAR and ARCHITECT shall review the described conditions and shall determine the necessity to secure additional explorations and/or tests and shall provide notice to CONTRACTOR of the findings and conclusions.

4.2.3 Possible Change in Contract Documents: If OAR determines a change in the Contract Documents is warranted as a result of a differing subsurface or physical condition as noted in Articles 4.2.2.1 through 4.2.2.3 a Construction Directive may be issued to reflect and document the change. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

4.2.4 Contract Amount, Milestones and Contract Time Adjustments: Adjustment of the Contract Amount, Milestones and/or Contract Time will be allowed to the extent the existence of such revealed conditions directly causes an increase in CONTRACTOR cost and/or time of performance of the Work subject to the following:

- 4.2.4.1 the condition must meet one or more of the limitations as set forth in Articles 4.2.2.1 through 4.2.2.3, inclusive;
- 4.2.4.2 a change in the Contract Documents as set forth in Article 4.2.3 shall not necessarily serve as an entitlement to any adjustments to the Contract Amount, Milestones and/or Contract Time;
- 4.2.4.3 in respect to Work which is paid on a Unit Price basis, any adjustment to the Contract Amount shall be as set forth in Article 11.5;
- 4.2.4.4 CONTRACTOR shall not be entitled to an adjustment in the Contract Amount, Milestones and/or Contract Time if:
 - 4.2.4.4.1 CONTRACTOR was aware of the condition at the time of bid;
 - 4.2.4.4.2 the existence or discovery of the condition could have been discovered as a result of any examination, investigation, exploration, test and/or examination of the Project Site and areas adjoining the

Project Site as required by the Bidding Documents prior to CONTRACTOR submission of bid;

4.2.4.4.3 CONTRACTOR failed to provide notice in accordance with Article 4.2.2.4.

4.2.4.5 Any adjustment to the Contract Time shall be subject to the requirements of Article 12.

4.3 *Physical Conditions - Subsurface Facility:*

4.3.1 *Shown or Indicated in Bidding Documents:* The information shown or indicated in the Bidding Documents in respect to existing Subsurface Facility at or adjacent to the Project Site is based on information provided to OWNER, OWNER Consultant or ARCHITECT by the owners of such facility or by others. Unless it is specifically expressed otherwise in the Contract Documents:

4.3.1.1 OWNER, OAR, OWNER Consultant, and ARCHITECT shall not be responsible for the accuracy and completeness of any information or data by others;

4.3.1.2 the costs to perform all of the following shall be included in the Contract Amount and CONTRACTOR shall be responsible for: reviewing, checking and verifying all such information and data; locating all Subsurface Facility shown, indicated and/or described in the Bidding Documents; coordination and construction of the Work in conjunction with the owners of all such Subsurface Facility; the continuous operation of all existing Subsurface Facility; the furnishing and maintenance of all temporary in kind and place Subsurface Facility; the safety and protection of all such Subsurface Facility and the repair and/or replacement of any damaged Subsurface Facility resulting from the Work.

4.3.2 *Not Indicated or Shown:* If CONTRACTOR reveals and/or uncovers any Subsurface Facility not shown or indicated in the Bidding Documents, CONTRACTOR shall, upon discovery and before further disturbance of such Subsurface Facility, identify the owner of such Subsurface Facility and provide notice to the owner of such Subsurface Facility, OAR and ARCHITECT. OAR and ARCHITECT shall review the Subsurface Facility and determine the extent of any change to the Contract Documents. If OAR determines a change in the Contract Documents is required, a Construction Directive may be issued and CONTRACTOR shall be responsible for the safety and protection of such Subsurface Facility. CONTRACTOR shall only be entitled to an adjustment in the Contract Amount, Milestones and/or Contract Time to the extent they are directly related to the existence of any Subsurface Facility which was not shown and/or indicated in the Bidding Documents and which CONTRACTOR could not have known or could have been reasonably expected to be aware of or could have reasonably expected. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

4.4 *Reference Points and Elevations:*

When required by the scope of the Work, OWNER will furnish at its expense, an engineering survey of the Project Site, giving as applicable, benchmark elevation points, property lines and corners. CONTRACTOR shall layout the Work and shall be responsible for the preservation of all established benchmark elevation points, property lines and corners and shall not demolish, relocate and/or change the location of any benchmark elevation point, property line or corner without the prior written approval of OAR. CONTRACTOR shall, upon the loss, destruction and/or relocation of any benchmark elevation points, property line or corner promptly notify ARCHITECT and OAR prior to such replacement and/or relocation of benchmark elevation point, property line or corner. CONTRACTOR shall, at expense of CONTRACTOR, engage the services of State of California licensed surveyor to replace and/or relocate benchmark elevation points, property line or corners lost, destroyed and/or relocated.

4.5 *Asbestos, PCB's & Mercury Waste, Lead Based Paint, Petroleum or other Hazardous Material:*

4.5.1 If, during construction of the Work in areas where CONTRACTOR is required to perform Work, CONTRACTOR, OAR or ARCHITECT discovers, uncovers and/or otherwise reveals a material reasonably believed to be:

4.5.1.1 Asbestos

4.5.1.2 polychlorinated biphenyl's (PCB's)

4.5.1.3 mercury waste

4.5.1.4 Lead Based Paint

4.5.1.5 petroleum

4.5.1.6 hazardous material

4.5.1.7 hazardous substance

4.5.1.8 hazardous waste

4.5.1.9 radioactive materials, or

4.5.1.10 ground water

which was not identified, described, shown or indicated in the Bidding Documents to be within the scope of the Work, CONTRACTOR shall immediately stop Work in the affected area and provide notice to OAR and ARCHITECT, advising of the circumstances of such discovery, Work stoppage and whether or not such material was generated by CONTRACTOR, OWNER or others.

4.5.2 OWNER shall retain an independent testing laboratory to determine the nature of the material encountered and whether corrective measures or remedial action is required.

- 4.5.3** If test results indicate and/or otherwise confirm the material to be any of the materials listed in Articles 4.5.1.1 through 4.5.1.10 and requiring treatment and/or removal, OAR may issue a Construction Directive for the legal treatment and/or removal and disposal thereof.
- 4.5.3.1** CONTRACTOR shall be responsible for treatment and/or removal of any discovered, uncovered and/or otherwise revealed materials listed in Articles 4.5.1.1 through 4.5.1.10 at the Project Site brought to or otherwise introduced to the Project Site by CONTRACTOR, Subcontractor, material supplier or anyone else for whom CONTRACTOR is directly or indirectly responsible.
- 4.5.3.2** OWNER shall be responsible for treatment and/or removal of any discovered, uncovered and/or otherwise revealed materials listed in Articles 4.5.1.1 through 4.5.1.10 at the Project Site which were not identified, described, shown or indicated in the Bidding Documents to be within the scope of the Work and not introduced to the Project Site by CONTRACTOR, Subcontractor, material supplier or anyone else for whom CONTRACTOR is directly or indirectly responsible.
- 4.5.3.3** If CONTRACTOR believes the Construction Directive establishes a basis for a Change Order for treatment and/or removal of any discovered, uncovered and/or otherwise revealed materials at the Project Site listed in Articles 4.5.1.1 through 4.5.1.10 and not introduced to the Project Site by CONTRACTOR, Subcontractor, material supplier or anyone else for whom CONTRACTOR is directly or indirectly responsible, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.
- 4.5.4** For the legal treatment and/or removal and disposal of asbestos material, CONTRACTOR, or Subcontractor that performs the Work, shall be on the list of OWNER approved asbestos abatement Contractors available from OWNER's Facilities Environmental Technical Unit.
- 4.5.5** After treatment and/or removal of the material by CONTRACTOR or others, the independent testing laboratory shall test and certify the material has been removed and/or controlled to within legal limits and requirements. Upon receipt of such test results, OAR will provide notice to CONTRACTOR to proceed with construction in affected Work areas.
- 4.5.6** The provisions as set forth in Articles 4.2 and 4.3 are not intended to apply to any materials listed in Articles 4.5.1.1 through 4.5.1.10 that are uncovered, revealed and/or otherwise exposed at the Project Site.

4.6 *Indemnification by OWNER for Presence of Materials Not Caused by CONTRACTOR:*

In the event the presence of the materials as set forth in Article 4.5.1 is not caused solely by CONTRACTOR or some person or entity directly or indirectly performing under CONTRACTOR or its Subcontractors, OWNER shall pay for all costs of testing and remediation, if any. In addition, OWNER shall defend, indemnify and hold harmless CONTRACTOR and its agents, officers, directors and employees from and against any and all claims, damages, losses, costs and expenses incurred in connection with or arising out of, or relating to, the performance of the Work in the area affected by such materials.

4.7 *Indemnification by CONTRACTOR for Presence of Materials Caused by CONTRACTOR:*

In the event the presence of the materials as set forth in Articles 4.5.1.1 through 4.5.1.10 are caused by CONTRACTOR, Subcontractors, suppliers, or anyone else who would otherwise be a “claimant” under Civil Code § 9100, CONTRACTOR shall pay for all costs of testing and remediation, if any, and shall satisfy its defense, indemnity and hold harmless obligations pursuant to the provisions of Article 6.53 arising out of or relating to the presence of such materials even if CONTRACTOR itself is without fault. OWNER shall have the right to assess any and all costs against Contract funds and the CONTRACTOR.

4.8 *Survival of Provisions:*

The terms of these material provisions as set forth in Articles 4.6 and 4.7 shall survive Administrative Closeout, Contract Completion and/or any termination of this Contract.

ARTICLE 5 - INSURANCE AND BONDS

5.1 *General:*

OWNER has arranged with its insurance company administrator (the “OCIP Administrator”) for insurance under an OWNER Controlled Insurance Program (“OCIP”). The OCIP, including its coverages, limits and exclusions, is described in the Insurance Manual that is set forth in Section 00 7316. All entities performing labor or services at the Project Site, including CONTRACTOR and Subcontractors of all tiers, must enroll in the OCIP unless they are an “Excluded Party” as defined below. The OCIP will provide to Enrolled Parties, as defined below, the coverages described in the Insurance Manual (“OCIP Coverages”). CONTRACTOR and all parties enrolling in the OCIP are exclusively responsible for carefully reviewing the Insurance Manual. OWNER assumes no obligation to provide insurance other than that specified in the Insurance Manual. The OCIP shall not be construed to limit OWNER’s rights under the Contract Documents or at law including OWNER’s indemnity rights. OWNER reserves the right, at its discretion, to discontinue the OCIP coverage or furnish other insurance coverage of various types and limits provided that such coverage is not less than that specified in the Contract Documents.

5.1.1 OCIP Coverages shall apply only to those operations of each Enrolled Party performed at the Project Site in connection with the Work and only to Enrolled Parties that are eligible for the OCIP, even if erroneously enrolled in the OCIP. An enrolled Party’s “off-site” operations, including product manufacturing, assembling, or otherwise, shall only be covered if such “offsite” operations are identified and approved by the OCIP Administrator and are dedicated solely to the Work. OCIP Coverage shall not cover such “off-site” operations until receipt by CONTRACTOR and/or its Subcontractor(s) of written acknowledgement of such coverage from the OCIP Administrator.

5.1.2 The OCIP shall provide the following insurance:

5.1.2.1 Workers’ Compensation insurance and Employer’s Liability.

5.1.2.2 Commercial General Liability.

5.1.2.3 Excess Liability.

5.1.2.4 Builder’s Risk.

5.1.2.5 Pollution Liability.

The OCIP Coverages and exclusions are set forth in full in their respective insurance policy forms. Summary descriptions of OCIP Coverages in these General Conditions or the Insurance Manual are not intended to be complete or to alter or amend any provision of the actual OCIP policies. In the event any provision of these General Conditions, the Insurance Manual or the Contract Documents conflict with the OCIP insurance policies, the provisions of the actual OCIP insurance policies shall govern.

- 5.1.3** OWNER will purchase and maintain Builder's Risk insurance in the amount of the initial Contract Amount (and thereafter adjusted pursuant to any Change Orders issued to CONTRACTOR) for the full replacement value of the Work. The Builder's Risk insurance will cover the interests of OWNER, CONTRACTOR and Subcontractors of every tier covering for all risk of direct physical loss, excluding earthquake and flood, and insuring against fire, extended coverage, theft, vandalism, and malicious mischief at limits and sublimits determined by OWNER. CONTRACTOR will be provided a detailed Certificate of Insurance for the Work. CONTRACTOR shall be responsible for payment of a \$10,000 deductible for each occurrence. CONTRACTOR is exclusively responsible, at its sole expense, for obtaining any additional insurance to protect its interests including coverages for CONTRACTOR'S \$10,000 deductible per occurrence required by the OCIP Insurance Policies.
- 5.1.4** OWNER will purchase and maintain Pollution Liability insurance coverage of up to \$50,000,000 per occurrence. CONTRACTOR shall be responsible for payment of a \$250,000 deductible for each occurrence up to a maximum aggregate deductible of \$1,000,000.
- 5.1.5** CONTRACTOR and each of its Subcontractors, shall be solely responsible for any loss or damage to its, or their, personal property including, without limitation:

 - 5.1.5.1** property created or provided under the Contract Documents for use or execution of the Work but which will not become or remain as part of the completed Work,
 - 5.1.5.2** its, or their, tools and equipment, mobile construction equipment, scaffolding, and temporary structures, whether owned, used leased or rented by CONTRACTOR or any of its Subcontractors.
- CONTRACTOR or any of its Subcontractors may, at its or their option, purchase, maintain and pay for insurance or self-insure such equipment and property, and any deductible in relation thereto shall be its, or their, sole responsibility. Any insurance, including self-insurance, shall be CONTRACTOR's or any of its Subcontractor's sole source of recovery in the event of a loss.
- 5.1.6** OCIP coverage ceases upon completion of Work at the Project Site as documented by a Certificate of Substantial Completion from OWNER. However, a grace period of sixty (60) days of additional coverage will be extended should CONTRACTOR be required to return to perform Work on Site directly and solely related to the completion of the Contract. CONTRACTOR should direct any questions or concerns relating to insurance beyond Substantial Completion to the OCIP Administrator to consult on insurance specifics for the Contract.

5.2 *Excluded Parties and Their Insurance Obligations:*

OCIP insurance does not cover the following “Excluded Parties”:

- 5.2.1** hazardous materials remediation, removal and/or transport companies and their consultants.
- 5.2.2** architects, surveyors, engineers, soil testing engineers, and their consultants.
- 5.2.3** vendors, suppliers, fabricators, material dealers, truckers, haulers, drivers and others who merely transport, pickup, deliver, or carry materials, personnel, parts or equipment or any other items or persons to or from the Project Site.
- 5.2.4** CONTRACTOR and each of their respective Subcontractors who do not perform any actual labor on the Project Site.
- 5.2.5** crane operators and crane operations
- 5.2.6** any parties or entities not specifically identified in these General Conditions or excluded by OWNER in its sole discretion, even if otherwise eligible.

Excluded Parties and parties no longer enrolled or covered by the OCIP shall obtain and maintain, and shall require each of its Subcontractors to obtain and maintain, the insurance coverage specified in Article 5.5 below and in the Insurance Manual.

5.3 *OWNER Insurance Obligations:*

OWNER will pay OCIP premiums. OWNER will receive or pay, as the case may be, all adjustments to such premiums, whether by way of dividends, retrospective adjustments, additional or return premiums, other moneys due, audits or otherwise. CONTRACTOR and each of its Subcontractors hereby assign to OWNER the right to receive all such adjustments.

5.4 *CONTRACTOR OCIP Obligations:*

CONTRACTOR shall:

- 5.4.1** incorporate the terms of Article 5 of these General Conditions in all Subcontractor agreements.
- 5.4.2** enroll in the OCIP within ten (10) days of receipt of the Notice of Intent to Award and maintain enrollment in the OCIP and ensure that eligible Subcontractors of CONTRACTOR enroll in the OCIP within five (5) days of subcontracting and maintain enrollment in the OCIP. OWNER may prohibit access to the Project Site by any CONTRACTOR and/or Subcontractor not enrolled in the OCIP.
- 5.4.3** comply with all of the administrative, safety, insurance, and other requirements outlined in these General Conditions, the Insurance Manual, the “LAUSD Facilities School Maintenance and Operations Repair & Construction Safety Standards” (the Safety Standards Manual), the OCIP insurance policies, or elsewhere in the Contract Documents.

- 5.4.4** provide each of its Subcontractors with a copy of the Insurance Manual and ensure Subcontractor compliance with the provisions of the OCIP insurance policies, the Insurance Manual, the Safety Standards Manual, these General Conditions, and the Contract Documents. Failure of OWNER to include the Insurance Manual in the Bidding Documents or failure of CONTRACTOR to provide each of its eligible Subcontractors with a copy of the Insurance Manual shall not relieve CONTRACTOR or any of its Subcontractors from any of the obligations contained therein.
- 5.4.5** acknowledge, and require all of its Subcontractors to acknowledge, in writing that OWNER and the OCIP Administrator are not agents, partners or guarantors of the insurance companies providing coverage under the OCIP (each such insurer, an “OCIP Insurer”) and OWNER is not responsible for any claims or disputes between or among CONTRACTOR, its Subcontractors, and any OCIP Insurer(s). CONTRACTOR and its Subcontractors of all tiers are responsible for obtaining, at their sole cost and expense, all insurance they require for their own protection or that is required by Applicable Laws or regulations.
- 5.4.6** cooperate fully with the OCIP Administrator and the OCIP Insurers, as applicable, in its administration of the OCIP.
- 5.4.7** provide, within ten (10) days of request by OWNER, or the OCIP Administrator, all documents or information necessary to enroll, or continue as enrolled, CONTRACTOR or its Subcontractors of all tiers in the OCIP. Such information may include, but not be limited to, payroll records, certified copies of insurance coverages, declaration pages of coverages, certificates of insurance, underwriting/rating data, prior loss history information, safety records or history, OSHA citations, or such other data or information as OWNER, the OCIP Administrator, or the OCIP Insurers may request in the administration of the OCIP, or as required by the Insurance Manual.
- 5.4.8** use only mechanical, electrical and plumbing (“MEP”) Subcontractors that are licensed pursuant to Section 7058 of the Business and Professions Code, specifically holding C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and C-46 licenses, and identified on the OWNER’s List of Prequalified Subcontractors at least five (5) business days prior to the date of bid for the Project, if the Project includes MEP components that will be performed by first-tier MEP Subcontractors.

For all other trades, CONTRACTOR shall use only Subcontractors that it has safety pre-qualified in accordance with the procedures outlined in the Safety Standards Manual and verified by CONTRACTOR to have an Experience Modification Rate (EMR) that complies with OWNER’s requirement upon the date of bid. CONTRACTOR shall be responsible to provide documentation verifying all Subcontractors of CONTRACTOR have an EMR that complies with OWNER’s requirement upon the date of bid. OWNER may prohibit access to the Project Site by CONTRACTOR or any Subcontractor for which CONTRACTOR has not provided documentation of an EMR that complies with OWNER’s requirement upon the date of bid or waiver by OWNER of this requirement or has not met the safety pre-qualification requirements outlined in the Safety Standards Manual.

- 5.4.9** be responsible for paying all deductibles set forth in the OCIP Insurance Policies for losses attributable to the Work of CONTRACTOR, acts or omissions of CONTRACTOR, or the acts or omissions of any Subcontractor of CONTRACTOR, or any other entity or party for whom CONTRACTOR may be responsible.

5.4.10 submit an online payroll report (Alliant Payroll Form) for each completed payroll period and Application for Payment. Instructions for online access are provided in Section 8 of the OCIP Manual. This obligation includes compliance with all existing requirements and all new requirements implemented during the term of the Project. OWNER may decline to process or may apply a Withhold against, until receipt of the Alliant Payroll Form, any Application for Payment submitted without completion of the Alliant Payroll Form that is consistent with CONTRACTOR and Subcontractor (all tier) information submitted for the corresponding Certified Payroll Report periods.

5.5 *Additional Insurance Required From Enrolled Parties and Excluded Parties:*

In addition to enrolling in OCIP, CONTRACTOR shall at its sole cost and expense obtain and maintain, and shall require each of its Subcontractors to obtain and maintain, the insurance coverages specified below in a form acceptable to OWNER. The insurance limits may be provided through a combination of primary and excess policies, including the umbrella form of policy provided that coverages under such excess or umbrella policies are at least as broad as the coverages under the underlying policies. Each policy required under this Article shall name OWNER, the Board, the OAR, the OCIP Administrator, their respective officers, agents and employees, and any additional entities as OWNER may request as additional insureds. The additional insured endorsement shall state that the coverages provided to the additional insureds are primary and non-contributing with respect to any other insurance available to the additional insured. Each policy shall provide for no less than thirty (30) days prior written notice to OWNER prior to cancellation. The insurance required below shall conform to OWNER requirements outlined in the Insurance Manual.

As to Enrolled Parties, the workers' compensation, employer's liability, and commercial general liability insurance required by this Article shall only be for off-site activities or operations, and automobile liability for both "on-site" and "off-site" operations not insured under the OCIP.

5.5.1 Standard Commercial Automobile Liability Insurance covering all owned, leased/non-owned and hired automobiles, trucks, and trailers with a combined single limit of not less than \$1,000,000 per occurrence.

5.5.2 Statutory Workers' Compensation Insurance and Employer's Liability insurance with statutory limits as required by law and Employer's Liability limits of not less than \$1,000,000 each accident/\$1,000,000 each employee/\$1,000,000 policy limit.

5.5.3 Commercial General Liability Insurance, including both bodily injury and property damage, in a form providing coverage not less than the standard ISO Commercial General Liability insurance policy ("Occurrence Form") with limits no less than the following:

	Enrolled Parties / Excluded Parties
Each Occurrence	\$1,000,000 / \$1,000,000
General Aggregate	\$2,000,000 / \$2,000,000
Products/ Completed Operations Aggregate	\$2,000,000 / \$2,000,000
Personal/ Advertising Injury Aggregate	\$1,000,000 / \$1,000,000

- 5.5.4 CONTRACTOR shall provide Pollution Liability insurance with limits not less than \$5,000,000, in a form and with an insurer acceptable to OWNER, for Work of CONTRACTOR and/or Subcontractors involved in demolition and/or hazardous materials remediation excluded from OCIP coverage. All hazardous materials remediation Work must be performed by a CONTRACTOR or Subcontractor(s) approved by OWNER.
- 5.5.5 CONTRACTOR shall be reimbursed for all direct costs to provide any additional insurance required by OWNER, but not listed or otherwise specified in Articles 5.5.1 through 5.5.4 but shall not be reimbursed for those incurred to provide Subcontractors of the CONTRACTOR insurance coverages otherwise provided by the OCIP and required by OWNER to Subcontractors of CONTRACTOR enrolled in the OCIP as specified in Article 5.4.2 and Article 5.4.8.
- 5.5.6 Any failure by CONTRACTOR or its Subcontractors of any tier to procure or maintain the policies of insurance described above shall constitute a material breach of this Contract. In the event of such a breach, OWNER may exercise all remedies provided in the Contract Documents. In addition, OWNER may, at its discretion, procure or renew such insurance to protect OWNER's interests and pay any and all premiums in connection therewith; in that event, CONTRACTOR shall be responsible to OWNER for all such premiums and related costs and expenses and OWNER may withhold said amounts from payments otherwise owed to CONTRACTOR.

5.6 *Insurer Qualification:*

All required policies shall be issued by insurance companies that are duly licensed and authorized by the State of California to issue insurance policies for the required coverages and limits. Such insurance companies shall have a current A.M. Best's financial strength rating of at least "A-" and a financial size category of VII or higher.

5.7 *CONTRACTOR Representations and Warranties to OWNER:*

CONTRACTOR represents and warrants to OWNER that:

- 5.7.1 all information it submits to OWNER, OAR, or the OCIP Administrator shall be accurate and complete;
- 5.7.2 CONTRACTOR, on behalf of itself and its Subcontractors has had the opportunity to review and analyze copies of the OCIP binders and specimen policies that are on file in office of OWNER's OCIP Administrator. Any reference or summary in the Contract, these General Conditions, the Insurance Manual, or elsewhere in any other Contract Document as to amount, nature, type or extent of OCIP Coverages and/or potential applicability to any potential claim or loss is for reference only. CONTRACTOR and its Subcontractors have not relied upon said reference but solely upon their own independent review of the OCIP Coverages in formulating any understanding and/or belief as to amount, nature, type or extent of any OCIP Coverages and/or its potential applicability to any potential claim or loss;
- 5.7.3 CONTRACTOR represents on its own behalf, and on behalf of its Subcontractors, that the Costs of OCIP Coverages were deducted in CONTRACTOR bid or proposal for the Work, the Contract Amount, and will not be included in any Change Order Proposals or any Application for Payment relative to the Work. The "Costs of OCIP Coverages" is defined as

the amount of CONTRACTOR and its Subcontractors' reduction in insurance costs due to eligibility for OCIP Coverages as determined by using Alliant Form-B located in the Insurance Manual and information available to OWNER and/or the OCIP Administrator regarding the costs of similar coverages taking into account limits of liability, coverages, and rating of the insurer;

- 5.7.4 CONTRACTOR acknowledges OWNER shall not pay or compensate CONTRACTOR or any Subcontractor, in any manner, for "Costs of OCIP Coverages" or any other insurance costs of the CONTRACTOR or Subcontractors.

5.8 Audits:

In addition to OWNER rights under Article 6.51, CONTRACTOR agrees OWNER, OAR, OCIP Administrator, and/or any OCIP Insurer may audit CONTRACTOR or any of its Subcontractors payroll records, books and records, insurance coverages, insurance cost information, or any other information CONTRACTOR provides to OWNER, OAR, OCIP Administrator, or the OCIP Insurers to confirm the accuracy and to assure Costs of OCIP Coverages are not included in any payment for the Work.

5.9 OWNER Election to Modify or Discontinue OCIP:

OWNER may, in its sole discretion, modify the OCIP Coverages, discontinue the OCIP, or request that CONTRACTOR or any of its Subcontractors withdraw from the OCIP upon thirty (30) days written notice. Upon such notice, CONTRACTOR and/or one or more of its Subcontractors, as specified by OAR in such notice, shall obtain and thereafter maintain at OWNER expense during the performance of the Work all, or a portion thereof as specified by OWNER, of the OCIP Coverages. The form, content, limits of liability, cost, and the insurer issuing such replacement insurance shall be subject to OWNER approval.

5.10 Withhold of Payments:

OWNER may withhold from any payment otherwise owed to CONTRACTOR the Costs of OCIP Coverages if included in an Application for Payment. In the event an OWNER audit of CONTRACTOR records and information as permitted in the Contract, these General Conditions, or other Contract Documents reveals a discrepancy in the insurance, payroll, safety, or any other information required by the Contract Documents to be provided by CONTRACTOR to OWNER, or to the OCIP Administrator, or reveals the inclusion of Costs of OCIP Coverages in any payment for the Work, OWNER shall have the right to full deduction from the Contract Amount of all such Costs of OCIP Coverages and all audit costs. Audit costs shall include, but not be limited to, the fees of the OCIP Administrator and the fees of attorneys and accountants conducting the audit and review. If the CONTRACTOR or its Subcontractors fail to timely comply with the provisions of these General Conditions, OWNER may withhold any payments due CONTRACTOR and its Subcontractors until such time as they have performed the requirements of these General Conditions. OWNER shall also have the right to initiate procedures to declare CONTRACTOR a non-responsible bidder for a period from two (2) to five (5) years.

5.11 Waiver of Subrogation:

CONTRACTOR hereby waives all rights of recovery under subrogation because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any

other reason against OWNER, the Board, OAR, the OCIP Administrator, its or their officers, agents, or employees, and any other contractor or Subcontractor performing Work or rendering services on behalf of OWNER in connection with the planning, development and construction of the Work. CONTRACTOR shall also require that all CONTRACTOR maintained insurance coverage related to the Work include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against CONTRACTOR together with the same parties referenced immediately above in this Article. CONTRACTOR shall require similar written express waivers and insurance clauses from each of its Subcontractors.

A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity:

5.11.1 would otherwise have a duty of indemnification, contractual or otherwise;

5.11.2 did not pay the insurance premium directly or indirectly;

5.11.3 whether or not such individual or entity has an insurable interest in the property damaged.

5.12 *Duty of Care:*

Nothing contained in these General Conditions or the Insurance Manual shall relieve CONTRACTOR or any of its Subcontractors of their respective obligations to exercise due care in the performance of their duties in connection with the Work and to complete the Work in strict compliance with the Contract Documents.

5.13 *Records Disclosure, Maintenance and Access:*

Prior to the commencement of the Work, CONTRACTOR shall furnish and shall cause each of its Subcontractors to furnish to OWNER in a form satisfactory to OWNER, an estimate of total direct labor cost (listed by Standard Workers' Compensation Insurance classification) to be incurred in connection with the Work at the Project Site, and the total amount due each Subcontractor under its subcontract with CONTRACTOR. CONTRACTOR shall, and shall cause each of its Subcontractors, to keep and maintain an accurate and classified record of its or their payroll data and information in accordance with the requirements of the OCIP Insurer(s) or any other Contract Document and shall keep and maintain evidence of safety pre-qualification and of insurance as required by this Article for each of its Subcontractors. CONTRACTOR shall provide OWNER with payrolls for all Project Site labor performed by CONTRACTOR and its Subcontractors. CONTRACTOR and its Subcontractors shall permit its books and records to be examined and audited periodically by the OCIP Administrator, OCIP Insurer(s), OWNER or their respective representatives.

5.14 *Conflicts:*

In the event of a conflict between the provisions of these General Conditions and the provisions of the Insurance Manual, the provisions of these General Conditions shall govern.

5.15 *Safety:*

CONTRACTOR shall be solely responsible for safety of the Work of this Contract. CONTRACTOR shall establish a safety program that, at a minimum, complies with all local, state and federal safety standards, and any safety standards established by OWNER for the Project, including, but not limited

to, the Cal/OSHA Construction Safety Standards, and the LAUSD Facilities School Maintenance and Operations Repair & Construction Safety Standards.

5.15.1 Electrical Worker Qualification

- 5.15.1.1** CONTRACTOR shall implement and enforce an “Enhanced Electrical Safety Policy” on all projects defined in Division 26 of the Contract Documents (Electrical Work) or defined as:

“Placement, installation, erection, or connection, of any electrical wires, fixtures, appliances, apparatus, raceways, conduits, solar photovoltaic cells, or any part thereof, which generates, transmits, transforms, or utilizes electrical energy in any form for any purpose”.

The elements of the “Enhanced Electrical Safety Policy” shall require that:

- 5.15.1.2** All electrical Work to be performed by qualified and certified personnel in accordance with Title 8 of the California Code of Regulations, Section 291.1; Note: Labor Code 108.2 (b), certification is not required for persons performing work for contractors licensed as class C-7 low voltage or Class C-45 electric sign contractors as long as the work performed is within the scope of the class C-7 or class C-45 license, including incidental and supplemental work as defined in Section 7059 of the Business and Professions Code, and regardless of whether the same contractor is also licensed as a class C-10 contractor; and seventy percent (70%) of all “journeyman” wireman will be graduates of a State of California approved electrical apprenticeship program. These provisions are subject to the provisions of Article 6.48.
- 5.15.1.3** A minimum of 20% of the jobsite electrical workers to be OSHA 10-hour General or Construction Industry Safety and Health Certified.
- 5.15.1.4** At least one jobsite electrical worker to be OSHA 30-hour General or Construction Industry Safety and Health Certified.
- 5.15.1.5** Only qualified personnel trained in accordance with NFPA 70E, “Standard for Electrical Safety in the Workplace” may work on electrical equipment containing mixed low and high voltages sharing the same vaults or panels.

5.16 Bond Requirements:

CONTRACTOR shall apply for and furnish to OWNER separate payment and performance bonds for the Work on forms provided by OWNER. The original penal sum of the performance bond shall be in a monetary amount equal to 100% of the original Contract Amount, inclusive of all additive alternates, guaranteeing the prompt, competent and faithful performance of all terms and conditions of the Contract. The payment bond shall be for 100% of the Contract Amount and guarantee, without limitation, the payment in full of all claims for labor, services, materials, supplies, and the like, for the Work as required by Civil Code §§ 9550 and 9554. A corporate surety authorized and admitted to transact business in California shall provide the bonds. CONTRACTOR shall supply OWNER with documentation establishing the necessary requirements of the surety consistent with California law. To the extent, if any, the Contract Amount is increased in accordance with the Contract Documents,

CONTRACTOR shall cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to OWNER. In the case of an increase of the Contract Amount, the penal sum of the performance bond shall automatically increase with the Contract Amount up to fifteen percent (15%) of the original Contract Amount; provided, however, that OWNER may, in its discretion, require CONTRACTOR to secure an increase in the penal sum from the performance bond surety beyond fifteen percent (15%) of the original Contract Amount. Subject to the preceding sentence, the bonds shall further provide no change or alteration of the Contract Documents (including, without limitation, an increase in the Contract Amount, as referred to above), adjustment to the Milestones and/or Contract Time, or modifications of the time, terms, or conditions of payment to the CONTRACTOR will release the sureties. If CONTRACTOR fails to furnish the required bonds, secure required increases in the penal sum of the performance bond, or fails to keep such bonds in full force and effect up through such times that such bonds are otherwise obligated to be in force and effect under the law, OWNER may terminate CONTRACTOR right to proceed with the Work and/or terminate the Contract for cause. The performance bond shall be in the form and contain the content shown in Document 00 6114. The payment bond shall be in the form and contain the content shown in Document 00 6113. The bonds shall also contain all other requirements prescribed by law.

5.17 Surety Qualification:

Only bonds executed by admitted surety insurers as defined in Code of Civil Procedure § 995.120 shall be accepted. Surety must be a California-admitted surety and listed by the U.S. Treasury with a bonding capacity in excess of the Contract Amount.

ARTICLE 6 - CONTRACTOR DUTIES AND RESPONSIBILITIES

Management and Superintendence of the Work:

- 6.1** CONTRACTOR shall supervise and direct all aspects of the Work using the best skill, attention, and efforts of CONTRACTOR. CONTRACTOR shall be solely responsible for and exercise full control over construction means, methods, techniques, sequences, procedures, quality control and coordinating all portions of the Work, unless the Contract Documents provide other specific instructions concerning these matters. CONTRACTOR shall perform in accordance with Title 24 of the California Code of Regulations, the DSA Procedures for the Construction Oversight Process and the Project Certification Process, and applicable sections of the Education Code.
- 6.2** CONTRACTOR shall provide a competent full time superintendent fluent in English and assistants as necessary who shall supervise and superintend the Work and be physically present at the Project Site while any aspect of the Work is being performed.
- 6.3** CONTRACTOR shall provide a competent project manager fluent in English and assistants as necessary who shall administer and manage the Work. The project manager shall represent CONTRACTOR, and communications given to the project manager shall be as binding as if given to CONTRACTOR. In the event the Contract Amount is equal to or exceeds ten million dollars (\$10,000,000) the project manager shall be assigned to the Work on a full time basis and shall be present at the Project Site while any aspect of the Work is being performed.
- 6.4** CONTRACTOR shall furnish and ensure competent adequate staff necessary to properly administer, coordinate, purchase, expedite, and/or organize the procurement of all materials and equipment so the materials and equipment will be procured and delivered at the time they are required to be

incorporated into the Work and to furnish and maintain an adequate force of skilled workers on the Project Site to complete the Work in accordance with all requirements of the Contract Documents.

- 6.5** CONTRACTOR shall enforce strict discipline and good order among employees and other persons carrying out the Work including, but not limited to, Subcontractors, and/or material and/or equipment suppliers retained for the Work. CONTRACTOR shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. CONTRACTOR shall ensure all employees and other persons carrying out the Work abide by all statutes and all regulations pertaining to, but not limited to, smoking, consumption of alcohol, illegal substances, profanity or inappropriate attire and prohibited verbal and physical contact with students and faculty (see also Section 01 5000 of the General Requirements).
- 6.6** CONTRACTOR shall be responsible to OWNER for acts and omissions of CONTRACTOR employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the Work under direct or indirect contract with CONTRACTOR or any of its Subcontractors.

Labor, Materials, and Equipment of the Work:

- 6.7** Unless otherwise specified in the Contract Documents, CONTRACTOR shall provide and furnish qualified personnel to survey, layout, and construct the Work. CONTRACTOR shall furnish, supply, install and maintain all items necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work, including without limitation, all labor, material, equipment, apparatus, tools, construction equipment and machinery, appliances, fuel, power, light, heat, ventilation, telephone, sanitary facilities, water, gas, utilities, temporary generators, transportation, and all other incidental facilities and services for the furnishing, performance, testing, start up, and completion of the Work.
- 6.8** Unless otherwise specified in the Contract Documents, all materials and equipment to be permanently installed in the Work shall be new and shall be of such quality as required by the Contract Documents. All warranties and guarantees required by the Contract Documents shall be expressly issued to the benefit of OWNER. CONTRACTOR shall, if requested by ARCHITECT and/or OAR, furnish satisfactory evidence in the form of reports of required tests as to kind and quality of all materials and equipment. All equipment, appliances, and fixtures shall be installed, erected, connected, tested, started and conditioned in accordance with applicable manufacturer's instructions and the Contract Documents.
- 6.8.1** The furnishing, use or installation of Lead Containing Paint or Asbestos Containing Construction Materials into the Work, Project or onto OWNER property is not permitted.
- 6.9** CONTRACTOR shall, upon approval of applicable submittals, promptly place orders for materials and equipment so delivery of materials and equipment can be incorporated into the Work without delay. CONTRACTOR, upon receipt of notice from OAR, shall furnish documentary evidence from CONTRACTOR, Subcontractor, distributor and/or manufacturer verifying placement of orders and/or scheduled delivery dates.

Delivery and Storage of Products, Equipment, Fabrications and Materials:

- 6.10** Products, equipment, fabrications, and applicable materials shall be delivered with an identification tag or label specifying name of manufacturer, model number, type and other pertinent data described

on such tag or label as required for complete identification. If products, equipment, fabrications, and applicable materials are not so identified then CONTRACTOR, upon notice by OAR or the Project Inspector, shall provide an invoice and/or other supporting identification of products, equipment, fabrications or applicable materials.

- 6.11** Materials specified to be tested, which are delivered to and are to be tested on the Project Site, shall be stored in separate areas in order to segregate untested materials or materials undergoing testing from materials previously tested and approved. CONTRACTOR shall have on the Project Site at all times a sufficient quantity of tested and approved materials for timely integration into and completion of the Work in accordance with the approved Construction Schedule.

Construction Schedule:

- 6.12** CONTRACTOR shall expeditiously proceed in accordance with the Construction Schedules established pursuant to Article 2.8, and the related Division 01 General Requirements, and shall furnish and maintain adequate forces in order to achieve all Milestones as set forth in Section 01 1216 (Phasing of the Work). If requested by OAR, CONTRACTOR shall submit for approval, in accordance with applicable Division 01 Requirements, proposed adjustments to the Construction Schedule, which does not change or amend either the Milestones and/or Contract Time. Proposed adjustments to the Construction Schedule which change and/or amend the Contract Amount, Milestones and/or Contract Time shall be submitted for approval by CONTRACTOR in accordance with Section 01 3213 or 01 3216 as applicable to the specific contract, and be in conformance with the applicable requirements of Articles 10 through 12 and 16.

6.13 ***Sufficient Forces:***

Upon the date specified in the Notice to Proceed, CONTRACTOR shall furnish and maintain sufficient forces, facilities and materials, work such hours, including extra shifts and overtime operations to ensure completion of all Base Scope Work in accordance with Section 01 1216 (Phasing of the Work), and every approved Construction Schedule.

“Or Equal” and “Substitutions”:

- 6.14** When an item of material or equipment is specified by the use of a proprietary name, make, trade name, or catalog number the intent of the Specification is to establish the type, function, and quality required. Unless the provision of the Contract Documents indicate that no substitutions are permitted, for purposes as described in Public Contract Code Section 3400, the provision will be deemed followed by the words “or equal,” and other items or material may be accepted by the OAR in accordance with the following provisions and applicable General Requirements.

“Or Equal”

- 6.14.1** Within thirty-five (35) days after the date established in the Notice of Award, CONTRACTOR may, in accordance with Public Contract Code Section 3400, submit to OAR proposed “or equal” material or equipment CONTRACTOR believes to be functionally equal to and sufficiently similar to those specified in the Contract Documents. CONTRACTOR must provide to OAR substantiating data.

- 6.14.2** The substantiating data shall include a CONTRACTOR certification stating that the proposed "or equal" will be readily available, perform the functions and achieve the results called for

by the general design, be similar in substance to that specified and be suited to the same use as that specified. All variations of the proposed "or equal" from that specified shall be identified in the proposal and all available maintenance, repair and replacement services shall be submitted. In addition, the following items shall be addressed in the substantiating data as to whether or not:

- 6.14.2.1** acceptance of the "or equal" for use in the Work will require a change in any of the Contract Documents or in the provisions of any other Separate Work Contract on the Project or to adapt the design to the proposed "or equal";
- 6.14.2.2** the proposed "or equal" is subject to payment of any license fee or royalty;
- 6.14.2.3** the proposed "or equal" is equal to in quality and serviceability to the specified item;
- 6.14.2.4** is acceptable in consideration of the required design and artistic effect;
- 6.14.2.5** will require no excessive or more expensive maintenance, including adequacy and availability of replacement parts.

6.14.3 **CONTRACTOR Expense:** All data to be provided by CONTRACTOR in support of any proposed "or equal" will be at expense of CONTRACTOR.

6.14.4 **Evaluation:** ARCHITECT and OAR shall be allowed a reasonable time as supported by the Construction Schedule to evaluate each submittal made pursuant to Articles 6.14.1 and 6.14.2 with OAR as the final judge of acceptability. No proposed "or equal" will be ordered, installed, or utilized without OAR prior written acceptance as evidenced by a Construction Directive and/or Change Order. ARCHITECT may condition its approval of the "or equal" upon delivery to OWNER of an extended warranty or other assurances of adequate performance of the "or equal." All risks of damage, loss or expense, of any kind, including, without limitation, all costs associated with any Adverse Impact due to CONTRACTOR's "or equal" submission shall be the sole responsibility of CONTRACTOR.

"Substitutions"

6.14.5 A specified item of material or equipment, which is no longer manufactured and/or cannot be acquired from existing inventories, will be considered a basis for a proposed substitution item. Substitution requests arising due to a new Subcontractor entering into a contractual relationship with CONTRACTOR during the Contract Time may be considered as long as there is sufficient time to review and approve the substitution without altering the previously accepted construction and material submission schedule. Proposed substitutions of materials or equipment must be made by CONTRACTOR and on the substitution request form available from OWNER within thirty (30) days of identifying that the product is no longer available. CONTRACTOR shall certify the proposed substitution will be readily available, perform adequately the functions and achieve the results called for by the design concept, be similar in substance to that specified, and be suited to the same use as that specified. The substitution request shall include all variations of the proposed substitute and an itemized estimate of all costs or credits directly or indirectly resulting from acceptance of such substitute, including costs of redesign and of Subcontractors affected by the resulting change. CONTRACTOR shall bear all the costs associated with the proposed substitution, unless the

substitution is made necessary by OWNER's specification of material or equipment that is not available because it is no longer manufactured or produced, in which case OWNER shall bear such costs. In addition, the following items shall also be considered:

- 6.14.5.1** the extent, if any, to which the time required to evaluate and consider accepting a proposed substitution will jeopardize timely compliance with any Milestones;
- 6.14.5.2** whether acceptance of the proposed substitution for use in the Work will require a change in any of the Contract Documents or in the provisions of any other Work by Separate Work Contract on the Project to adapt the design to the proposed substitute;
- 6.14.5.3** whether the proposed substitute is subject to payment of any license fee or royalty;
- 6.14.5.4** the proposed substitution is equal in quality, warranties, and serviceability to the specified item;
- 6.14.5.5** is acceptable in consideration of the required design and artistic effect;
- 6.14.5.6** will require no excessive or more expensive maintenance, including adequacy and availability of replacement parts.

6.14.6 ***CONTRACTOR Expense:*** All data to be provided by CONTRACTOR in support of any proposed substitute item will be at expense of CONTRACTOR.

6.14.7 ***Evaluation:*** ARCHITECT and OAR shall be allowed a reasonable time as supported by the Construction Schedule within which to evaluate each proposal for or submittal made pursuant to Article 6.14.5. ARCHITECT shall make a written recommendation to OAR regarding the acceptability of the proposed substitution. No substitution will be ordered, installed or utilized without OAR prior written acceptance as evidenced by a Construction Directive and/or Change Order. ARCHITECT may condition its approval of the substitution upon delivery to OWNER of an extended warranty or other assurances of adequate performance of the substitution. All risks of damage, of any kind, including, without limitation, all costs associated with any Adverse Impact due to obtaining approval from the Division of the State Architect, or any other governmental agency having jurisdiction, of a requested substitution shall be the responsibility of CONTRACTOR. ARCHITECT shall record the time of ARCHITECT in evaluating substitutions proposed or submitted by CONTRACTOR pursuant to Article 6.14.5, seeking any approvals required by governing agencies, and in making any changes in the Contract Documents or in the provisions of any other Separate Work Contract on the Project. Whether or not OAR accepts a substitution so proposed or submitted by CONTRACTOR, CONTRACTOR shall reimburse OWNER for ARCHITECT fees in evaluating each such proposed substitution. The OWNER shall have the right to assess any and all costs against Contract funds, the CONTRACTOR, and/or the performance bond.

6.14.8 All submittals made pursuant to 6.14 or 6.14.5 must meet OWNER's requirements for environmental safety and standards.

Additional Professional Services:

- 6.15** At any time during the Project, if OAR is required to provide or secure additional professional services for any reason by any acts of CONTRACTOR or its Subcontractors, CONTRACTOR may be responsible for the cost and expense thereof. Upon notice to CONTRACTOR, OWNER shall retain and provide additional professional services and may by assessment, recover all incurred costs for any additional professional services. Additional services shall include, but not be limited to:
- 6.15.1** all services made necessary by termination of CONTRACTOR for cause;
 - 6.15.2** all services made necessary due to defective Work of CONTRACTOR;
 - 6.15.3** all services required by failure of CONTRACTOR to perform Work according to any provision of the Contract Documents;
 - 6.15.4** all services in connection with evaluating CONTRACTOR substitutions of materials or equipment and making subsequent revisions to Drawings, Specifications, and providing other documentation required;
 - 6.15.5** all services required by failure of CONTRACTOR to prosecute the Work in compliance with the Construction Schedule;
 - 6.15.6** all services required by failure of CONTRACTOR to pass or receive approval of any required test, inspection, observation or approval;
 - 6.15.7** all services required in performing excessive reviews of CONTRACTOR Punch List Work;
 - 6.15.8** all services in performing excessive reviews of CONTRACTOR Shop Drawings, material lists, Product Data, and Samples;
 - 6.15.9** all services made necessary by OWNER exercising its options under Article 15.3;
 - 6.15.10** all services required by failure of CONTRACTOR to provide for the safety of the Project.

Relative to Subcontractors, Suppliers and others:

- 6.16** Pursuant to Public Contract Code §§ 4107 and 4107.5, no CONTRACTOR whose bid is accepted shall, without the written consent of OWNER: substitute any person or entity as a Subcontractor in place of the Subcontractor designated in the original bid; permit any such Subcontractor to be assigned or transferred; or allow it to be performed by any person or entity, including the CONTRACTOR, other than the original Subcontractor listed in the original bid; sublet or subcontract any portion of the Work in excess of one-half of one percent (0.5%) of CONTRACTOR total bid as to which its original bid did not designate a Subcontractor. Any assignment or substitution made without the prior written consent of OWNER shall be void, and the assignees shall acquire no rights in the purported subcontract and/or Contract. Any consent, if given, shall not relieve CONTRACTOR or its Subcontractors from their obligations under the terms of the Contract Documents.
- 6.17** CONTRACTOR shall be responsible for all unreasonable and unforeseeable delays in the Milestones and/or Contract Time arising from substitutions. Any substitution shall not result in an adjustment to

the Contract Amount. Any substitution of a Subcontractor due to clerical error shall comply with Public Contract Code § 4107.5.

- 6.18** CONTRACTOR shall be responsible to OWNER for all acts and omissions of Subcontractors, suppliers and all others in furnishing and/or performance of the Work either by direct or indirect contract to CONTRACTOR. No provisions of the Contract Document shall serve to create and/or establish any contractual relationship between OWNER and/or ARCHITECT with any Subcontractor, supplier, or others in the furnishing and performance of the Work.
- 6.19** CONTRACTOR shall be responsible for the scheduling and coordination of all Work of Subcontractors, suppliers and all others in furnishing and/or performance of the Work by direct and/or indirect contract to CONTRACTOR. CONTRACTOR shall require all Subcontractors, suppliers and all others furnishing and/or performing any of the Work to communicate with ARCHITECT, OAR or OWNER through CONTRACTOR.
- 6.20** CONTRACTOR shall not be limited by the divisions of the Specifications or the identification of Drawings in apportioning the Work amongst Subcontractors or suppliers unless otherwise required by applicable law, regulation or statute.
- 6.21** By appropriate subcontract agreement CONTRACTOR shall require each Subcontractor, to the extent of 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 obligations and responsibilities, which CONTRACTOR, by the Contract Documents, assumes toward OWNER. Each subcontract agreement shall preserve and protect the rights of OWNER under the Contract Documents with respect to the Work to be performed by the Subcontractor so the subcontracting thereof will not prejudice such rights. All subcontracts regarding the Work under the Contract shall contain an assignment clause running in favor of OWNER and/or an entity designated by OWNER. That clause is subject to the option of OWNER to exercise it. CONTRACTOR shall also require each Subcontractor to enter into similar subcontracts with sub-Subcontractors. CONTRACTOR shall make available to each proposed Subcontractor, before the execution of the subcontract agreement, the Contract Documents to which the Subcontractor will be bound. Subcontractors shall similarly make the Contract Documents available to their respective sub-Subcontractors. OWNER shall have the right to copies of all executed subcontracts for the Project.
- 6.22** Each subcontract agreement for a portion of the Work is assigned by CONTRACTOR to OWNER provided that: (1) the assignment is effective only after termination of the Contract or after CONTRACTOR right to proceed with the Work has been terminated under Article 15.3; (2) and only for those subcontract agreements which OWNER accepts by specifically notifying the Subcontractor in writing; (3) and the assignment is subject to the prior rights of the surety, if any, obligated under any bond relating to the Contract.
- 6.23** CONTRACTOR shall ensure by subcontract agreement each Subcontractor shall prepare and submit to CONTRACTOR within ten (10) days of execution of each subcontract agreement, comprehensive material lists, as set forth in Article 6.44.3, of the manufacturers and products proposed for the Work including information on materials, equipment, and fixtures required by the Contract Documents, as may be required for CONTRACTOR or ARCHITECT preliminary approval. Approval of such material lists of products shall not be construed as a substitute for the Shop Drawings, Product Data, manufacturer's descriptive data, Samples, or a substitution request, which are required by the Contract Documents, but rather as a base from which more detailed submittals shall be developed for the final review of CONTRACTOR, OAR and ARCHITECT.

- 6.24** No later than seven (7) days after receipt, pursuant to Business and Professions Code § 7108.5, CONTRACTOR shall pay to each Subcontractor, out of the amount paid to CONTRACTOR on account of such Subcontractors portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to CONTRACTOR on account of such Subcontractors portion of the Work. CONTRACTOR shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-Subcontractors in a similar manner.
- 6.25** OWNER shall, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by CONTRACTOR, and action taken thereon by OWNER, on account of portions of the Work completed by such Subcontractor.
- 6.26** OWNER shall have no obligation to pay, or to see to the payment of monies to a Subcontractor except as may otherwise be required by law.
- 6.27** Payment to material or equipment suppliers shall be treated in a manner similar to that provided for in Articles 6.24, 6.25 and 6.26.
- 6.28** CONTRACTOR shall not use in any way as part of its bid, and shall not use to perform any portion of the Work, a Subcontractor, contractor or subcontractor who is ineligible to bid and/or work on a work of public improvements as mandated by Public Contract Code Section 6109.

Patent Fees and Royalties:

- 6.29** CONTRACTOR shall be financially responsible for payment of all royalties and license fees and shall assume all incidental costs in the performance of and/or incorporation into the Work of any invention, process, design, product or device subject to the patent and/or copyrights held by others. CONTRACTOR shall defend all suits or claims of infringement of patent and/or copyrights rights and shall hold OWNER and ARCHITECT harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process, or product of a particular manufacturer is required by the terms and conditions of the Contract Documents. If CONTRACTOR has reason to believe the required invention, process, design, product or device is an infringement of a patent and/or copyright, CONTRACTOR shall be responsible for such loss unless such information is furnished to ARCHITECT prior to the use and/or incorporation into the Work. ARCHITECT and/or OAR review of any method of construction, invention, appliance, process, article, device, or material of any kind shall be for its adequacy for the Work and shall not be an approval for the use by CONTRACTOR in violation of any patent or other rights of any person or entity. CONTRACTOR shall defend all suits or claims of infringement of patent and/or copyrights and shall hold OWNER and ARCHITECT harmless from loss when the terms and conditions of the Contract Documents do not require any particular invention, process, design, or product.

Permits and Fees:

- 6.30** CONTRACTOR and OWNER shall obtain and be financially responsible for the following governmental fees, permits and licenses necessary for proper execution and completion of the Work which are customarily secured after the Effective Date of the Contract and are required by any authority having legal jurisdiction over the Work and/or Project, except those required by the Division of the State Architect. Unless noted otherwise in the Contract Documents, OWNER shall be responsible for all Project Site testing and inspection as required by DSA and/or within sixty (60) miles of the Project Site, unless a different distance limitation is specified in the Contract Documents.

6.30.1 OWNER will obtain and be financially responsible for the following:

1. DSA application and plan check fees
2. Sewer facility assessment fees
3. Health Department Plan Check and Operating Permit Fees
4. Permanent Water Meter and Street Connection fee
5. Permanent Gas Meter and Street Connection Fee
6. Fire Sprinkler Detector Check Valve Assembly and Street Connection Fee
7. Operating permits for permanent material handling or elevator systems
8. Fire Department or related agency plan check and permits for permanent material handling, storage and or dispensing facilities of gasoline, diesel fuel, waste storage, oil, liquids and or gases.
9. Plan check and permit fees for DSA Deferred Approval Items or systems
10. Utility purveyor plan check and permit fees for electrical service
11. Plan check and meter fees for permanent gas systems
12. Industrial waste plan check and permits for permanent facilities
13. County and or City storm drain plan check and drainage fees
14. Plan Check for off-Site improvements

6.30.2 CONTRACTOR shall obtain and be financially responsible for the following:

1. Fire Department or related agency plan check and permits for temporary material handling, storage and or dispensing facilities of gasoline, diesel fuel, waste storage, oil, liquids and or gases
2. Grading or Site related development permits as required
3. Industrial waste plan check and permits for temporary facilities
4. AQMD permits as required
5. City business license
6. Permits for off-Site improvements
7. Traffic control plan check and permits as required
8. OSHA permits
9. Temporary utility plan check and permits as required
10. Sewer, storm and water connection permits
11. General building, electrical, plumbing and HVAC permits
12. Patent fees, licenses and royalties
13. Signage plan check fees and permits
14. Plan check and permit fees for temporary gas systems
15. Operating permits for temporary material handling or elevator systems

16. Storm Water Pollution Prevention Plan (SWPPP)
17. Other plan check, permits and fees as required.

Laws and Regulations:

- 6.31 CONTRACTOR at no additional cost to OWNER shall comply with all Applicable Laws and regulations and shall give all notices required by any law, ordinance, rule, regulation, and lawful order of public authorities having jurisdiction relative to the furnishing of or performance of the Work. Where the Contract Documents state that materials, processes, or procedures must be approved by the Division of State Architect or other Governmental Authority, CONTRACTOR shall be responsible for satisfying requirements of such Governmental Authority.
- 6.32 If CONTRACTOR performs Work contrary to any law, statute, ordinance, building code, rule or regulation, CONTRACTOR shall be responsible for all the direct and indirect costs, fees, expenses, losses and damages in connection with replacement thereof.
- 6.33 Each and every provision of law required by law to be inserted in the Contract Documents shall be deemed to be inserted. The Contract Documents shall be read and enforced as though such laws were included.
- 6.34 CONTRACTOR shall provide and maintain at the Project Site one copy of Title 19 and 24 for use and reference by the parties mentioned in the Contract Documents.

Sales, Consumer, Use and Similar Taxes:

- 6.35 CONTRACTOR is financially responsible for applicable federal, state, and local taxes on all items, including, without limitation, materials, labor, equipment, supplies and services furnished by CONTRACTOR, and all taxes arising from operations of CONTRACTOR pursuant to the Contract Documents. OWNER is exempt from federal excise tax, and a certificate of exemption shall be provided upon request of CONTRACTOR. CONTRACTOR is financially responsible for applicable charges and fees for all insurance and bonds required by the Contract except for OCIP premiums.

Use of Project Site and Premises:

- 6.36 During progress of the Work, CONTRACTOR shall maintain the Work, Project Site and surrounding areas free from accumulation of debris, waste material or rubbish caused by CONTRACTOR operations. All crates, cartons, paper, and other flammable waste materials shall be removed from all areas of the Work and/or Project Site and shall be properly disposed of at the end of each day. CONTRACTOR shall remove from all areas of the Work and/or Project Site all excess materials, tools, construction equipment, machinery, and temporary facilities no longer required for the Work. Forty-eight (48) hours after a request to remove from the OWNER, if CONTRACTOR fails to remove, OWNER reserves the right to take possession of any materials, tools, construction equipment, and machinery on the Project Site that OAR deems CONTRACTOR has abandoned. OWNER may withhold from payment due to CONTRACTOR any costs incurred by OWNER for the disposal thereof.
- 6.37 CONTRACTOR shall restrict all construction equipment, material storage and worker operations to the Project Site, lands, and/or areas identified in the Contract Documents and to other lands and areas allowed by permits, right of ways, easements and/or laws and regulations. CONTRACTOR is strictly

liable and assumes full responsibility for any damage to any such land, area, occupant and/or property of OWNER and any adjacent land, area, right of way, property, occupant and/or pedestrian thereof.

6.38 CONTRACTOR shall not cause, permit or allow structural loading in excess of safe limits or where such loading may induce stresses and/or pressures endangering:

6.38.1 any part of the Work under construction, completed Work or existing improvements on the Project Site;

6.38.2 any part of the Work under construction, completed Work or existing improvements adjacent to the Project Site.

Project Record Documents:

6.39 CONTRACTOR shall prepare and maintain on the Project Site, a current, accurate and complete set of all Drawings, Specifications, Addenda, Change Orders, Construction Directives, ARCHITECT written interpretations and clarification, Shop Drawings, Product Data and Samples, Construction Schedules, denoted and annotated to reflect all changes, revisions, and substitutions during construction of the Work, including, without limitation, field changes and the final location of all mechanical equipment, utility lines, ducts, outlets, structural members, walls, partitions, and other significant features. CONTRACTOR will update the record documents on a weekly basis. Project record documents shall be made available for inspection and use by, but not limited to, OAR, ARCHITECT, and the Project Inspector. Upon Substantial Completion of the Work, CONTRACTOR shall submit, in accordance with related provisions of the Contract Documents, one complete set of Project record documents, including the "As-Built" Drawings, to ARCHITECT, certifying them to be a complete and accurate reflection of the actual construction conditions of the Work. OWNER may delay any portion of CONTRACTOR's Application for Payments if the Project record documents are not kept current, accurate and complete.

Safety and Protection:

6.40 CONTRACTOR shall have responsibility for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. CONTRACTOR shall ensure, by subcontract agreement, each Subcontractor has the responsibility for participating in and enforcing the safety and loss prevention programs established by CONTRACTOR for the Work and/or Project.

CONTRACTOR shall designate a competent person whose duties shall include loss and accident prevention and who shall have the responsibility and full authority to enforce the program. This competent person shall attend meetings with the representatives of the various Subcontractors employed to ensure that all employees understand and comply with the programs.

Each Subcontractor shall designate a competent person whose duties shall include loss and accident prevention and who shall have the responsibility and full authority to enforce the program. This person shall conduct safety meetings with the Subcontractor's employees and attend meetings with the representatives of the various sub-Subcontractors they have employed to ensure that all employees understand and comply with the programs. All Subcontractors and material or equipment suppliers shall cooperate fully with CONTRACTOR, OAR, OWNER, and all insurance carriers and loss prevention engineers.

- 6.40.1** If CONTRACTOR anticipates at any time that CONTRACTOR and its Subcontractors will have fifty (50) or more combined total employees on-Site throughout the duration of the Contract or the original Contract Amount exceeds \$10,000,000, CONTRACTOR shall have a certified safety representative, with minimum qualifications as defined in the Safety Standards Manual, dedicated solely to safety and located on-Site on a full time basis.
- 6.40.2** If CONTRACTOR and its Subcontractors have fewer than fifty (50) combined total employees on-Site, CONTRACTOR may delegate the safety representative duties to an on-Site safety qualified supervisor with minimum qualifications as defined in the Safety Standards Manual.
- 6.40.3** CONTRACTOR shall provide and maintain at the Project Site adequate first aid supplies for minor injuries.
- 6.40.4** CONTRACTOR shall take all reasonable safety precautions related to the Work of this Contract, and shall provide reasonable protection to prevent damage, injury, or loss to:
- 6.40.4.1** employees or personnel involved in the Work on the Project Site and other persons who may be affected thereby.
 - 6.40.4.2** the Work, material, and equipment to be incorporated therein and whether in storage on or off the Project Site and/or under the care, custody, or control of CONTRACTOR or Subcontractors.
 - 6.40.4.3** other property at the Project Site, or adjacent thereto, such as trees, shrubs, lawns, walkways, pavement, roadways, structures, and utilities not designated for removal, relocation or replacement in the course of the Work. CONTRACTOR shall give notices and comply with Applicable Laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the safety of persons or property or their protection from damage, injury, or loss.
 - 6.40.4.4** CONTRACTOR shall erect and maintain, as required by existing Project Site conditions and performance of the Work, reasonable safeguards for safety and protection including posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent sites and utilities.
 - 6.40.4.5** CONTRACTOR and Subcontractors shall continuously protect the Work and every portion thereof, OWNER property, and the property of others from damage, injury, or loss arising from weather conditions, vandals, and/or in connection with the Project and/or in connection with any Work.
 - 6.40.4.6** CONTRACTOR and Subcontractors shall make good any such damage, injury, or loss except such as may be solely caused by, or due to, agents or employees of OWNER.
 - 6.40.4.7** CONTRACTOR will remove all mud, water, or other elements required for the proper protection and safe prosecution of the Work.

6.40.4.8 CONTRACTOR shall at all times maintain adequate protection against weather so as to preserve the Work, materials, equipment, apparatus, and fixtures.

6.40.4.9 CONTRACTOR shall promptly provide notice to OAR, and other designated OWNER representatives, of all accidents arising out of or in connection with the Work, causing death, personal injury, or property damage including full details and statements of any witnesses. In addition, if death, serious personal injuries, or serious property damages are caused, the accident shall be reported immediately by telephone or messenger to OAR and other designated OWNER representatives.

6.40.4.10 CONTRACTOR shall ensure by subcontract agreement that each Subcontractor shall promptly report in writing to CONTRACTOR all incidents and/or accidents whatsoever arising out of, or in connection with, the performance of the Work, whether on or off the Project Site and whether or not they caused death, personal injury, or property damage, giving full details and statements of witnesses. In addition, if death or serious injuries or serious damages are caused, the accident shall be reported immediately to CONTRACTOR by telephone or messenger. CONTRACTOR shall immediately report the accident to OAR by telephone and thereafter promptly report the facts in writing to OAR giving full details of the accident.

6.40.5 CONTRACTOR shall perform its Work in a manner so as not to create excessive noise. For purposes of this Article 6.40.5, excessive noise is defined as causing or creating a disruption to an on-going educational or administrative function of OWNER during business hours or noise that violates any applicable federal, state, or local laws or regulations, including the ordinances of the surrounding community.

6.41 *Hazard Communication Plan / Global Harmonized System:*

CONTRACTOR is responsible for identifying, coordinating, maintaining and any exchange of safety data sheets or other hazard information requiring dissemination or distribution between CONTRACTOR, Subcontractor, and/or others.

6.42 *Emergencies:*

In an emergency affecting the safety or protection of persons or property of OWNER or adjacent to OWNER, CONTRACTOR, without special instructions or authorization from OAR, is obligated to act to prevent threatened damage, injury or loss due to, but not limited to, occurrences such as fire, flood, earthquake, or other soil and/or geological movements. CONTRACTOR shall provide notice to ARCHITECT and OAR if CONTRACTOR believes any significant changes in the Work or variations from the Contract Documents have been caused thereby. If OAR determines a change in the Contract Documents is required because of the action taken by CONTRACTOR in response to such an emergency, a Construction Directive may be issued to document the consequences of such action. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

6.43 *Shop Drawings, Samples, Product Data and Material Lists:*

6.43.1 *Shop Drawings:* CONTRACTOR shall prepare and/or cause to be prepared and shall submit all required Shop Drawings to ARCHITECT, with concurrent copy (if requested) to the OAR, for ARCHITECT review in accordance with the OAR accepted schedule of Shop Drawings and Sample submittals. All Shop Drawing submittals shall be identified and shall be submitted in accordance with the applicable requirements of related Division 01 General Requirements. Shop Drawings will be complete in respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show ARCHITECT the materials and equipment CONTRACTOR proposes to provide and to enable ARCHITECT to review the information for the limited purposes as set forth in Article 6.45.

6.43.2 *Samples:* CONTRACTOR shall prepare and/or cause to be prepared and shall submit all required Samples to ARCHITECT, with concurrent copy (if requested) to the OAR, for review in accordance with the OAR accepted schedule of Shop Drawings and Sample submittals. All Sample submittals shall be identified and shall be submitted in accordance with the applicable requirements of related Division 01 General Requirements. Each Sample will be clearly identified as to material, supplier, pertinent data such as catalog number, and the use for which intended and otherwise as ARCHITECT may require to enable ARCHITECT to review the submittal for the limited purposes required by Article 6.45.

6.43.3 *Product Data and Material Lists:* CONTRACTOR shall prepare and/or cause to be prepared and shall submit all required Product Data and material lists to OWNER for review in accordance with the OAR accepted schedule of Shop Drawings and Sample submittals. All Product Data and material lists shall be identified and shall be submitted in accordance with the applicable requirements of related Division 01 General Requirements. Each Product Data and material list will be complete with respect to manufacture's data, supplier, installation instructions, color charts, compliance with recognized codes and standards, performance characteristics, diagrams and templates, catalog cuts, schedules, illustrations, materials, specified performance and design criteria, and similar data to show ARCHITECT the use for which intended and otherwise as ARCHITECT may require to enable ARCHITECT to review the information for the limited purposes required by Article 6.45.

6.44 *Submittal Procedures:*

6.44.1 Prior to the submission of each Shop Drawing, Sample, Product Data and/or material list CONTRACTOR shall have determined and verified:

6.44.1.1 all field measurements, quantities, dimensions, coordination, specified performance criteria, installation requirements, materials, catalog numbers and similar information with respect thereto;

6.44.1.2 all materials with respect to intended use, fabrication, shipping, handling, storage, assembly and installation pertaining to the performance of the Work;

6.44.1.3 all information relative to the sole responsibility of CONTRACTOR in respect to means, methods, techniques, sequences, and procedure of construction and safety precautions and programs incident thereto.

- 6.44.2** Each submittal shall bear a stamp or specific written indication signifying CONTRACTOR has satisfied CONTRACTOR obligations under the Contract Documents with respect to CONTRACTOR review, coordination and approval of that submittal. Each submittal shall bear written identification of all Specification section numbers and/or Drawing title block references the submittal is intended to address.
- 6.44.3** At the time of each submission, CONTRACTOR shall give ARCHITECT and OAR specific written notice of such variations, if any, that the Shop Drawings, Samples, Product Data and material lists submitted have from the requirements of the Contract Documents. Such notice shall be in a communication separate from, but included with each submittal, and in addition, CONTRACTOR shall cause a specific notation to be made on each Shop Drawing, Sample, Product Data and material list submitted to ARCHITECT and OAR for review and approval of each such variation.
- 6.45** ARCHITECT will review Shop Drawings, Samples, Product Data and material lists to determine if the items covered by the submittals will, after installation or incorporation into the Work, conform to the Contract Documents. CONTRACTOR shall make corrections required by ARCHITECT, and shall return the required number of corrected copies of Shop Drawings, Product Data and material lists and shall submit as required new Samples for review. CONTRACTOR must indicate in writing revisions other than the corrections called for by ARCHITECT (see Section 01 3300 of the General Requirements).
- 6.46** CONTRACTOR is not relieved from any responsibility for any variation from the requirements of the Contract Documents unless CONTRACTOR has complied with Article 6.44.3 and the variation has been approved by the OAR and/or ARCHITECT.
- 6.47** Where a Shop Drawing, Sample, Product Data and material list is required to be submitted by the Contract Documents or the approved schedule of Shop Drawings and Sample submissions accepted by OAR, any related Work performed prior to ARCHITECT review of the pertinent submittal will be at the sole expense, risk, and responsibility of CONTRACTOR.
- 6.48** *Prevailing Wages:*
- 6.48.1** *Labor Compliance Program*
- 6.48.1.1** CONTRACTOR and all Subcontractors must comply with OWNER's Labor Compliance Program ("LCP") requirements, including, but not limited to, all applicable statutes and regulations, OWNER's LCP Manual, and OWNER's Contract requirements. In the event that additional or revised information is required pursuant to enforcement of the LCP, such requirement shall not result in an increase to the Contract Time or the Contract Amount. CONTRACTOR will be responsible for all failures by all Subcontractors to comply with OWNER's LCP requirements. CONTRACTOR, consistent with California Public Contract Code section 6109, is prohibited from performing a portion of Work with a Subcontractor who is debarred pursuant to Sections 1777.1 or 1777.7 of the Labor Code.

6.48.1.2 Notice of LCP Approval:

OWNER's LCP was granted final approval/extended authority by the Department of Industrial Relations on December 27, 1996. For questions and assistance, please contact the OWNER LCP Office at (213) 241-4665, lcp@lausd.net, or at www.laschools.org on the web.

6.48.1.3 CONTRACTOR and all Subcontractors must send an authorized representative responsible for LCP compliance to the first available Labor Compliance Certification Training class following contract award. If a CONTRACTOR or Subcontractor has already attended OWNER's Labor Compliance Certification Training class less than one (1) year before contract award on the Project, it does not have to retake the Labor Compliance Certification Training Class. A representative responsible for LCP compliance for CONTRACTOR and each Subcontractor must take the online Labor Compliance Recertification class within one (1) year after taking the Labor Compliance Certification Training class.

6.48.2 Prevailing Wages

6.48.2.1 This Project is a public work, as defined in Labor Code section 1720, and must be performed in accordance with the requirements of Labor Code sections 1720 to 1815 and Title 8 CCR sections 16000 to 17270, which govern the payment of prevailing wage rates on public works projects.

6.48.2.2 Payment of Prevailing Wages

In accordance with Labor Code sections 1720, 1771, 1771.5, 1774, and 1815 and Title 8 CCR section 16433, OWNER requires the payment of prevailing wages for all projects over twenty-five thousand (\$25,000) dollars when the project is for construction or installation work, and for all projects over fifteen thousand (\$15,000) dollars when the project is for alteration, demolition, repair, warranty or maintenance work.

6.48.2.3 Pursuant to Labor Code sections 1770 et seq., OWNER has obtained from the Department of Industrial Relations determinations of the prevailing wage rates and the prevailing wage rates for holiday and overtime work for Los Angeles County where the Project is to be performed. Copies of these prevailing wage rates are on file and available to any interested party upon request at the OWNER's principal office and the following websites: www.laschools.org/contractor/lc or www.dir.ca.gov/dlsr/pwd.

6.48.2.4 Questions pertaining to prevailing wage rates should be directed to the Labor Compliance Department or to the Division of Labor Statistics and Research at the following respective addresses:

Labor Compliance Department or
333 S. Beaudry Ave, 21st Floor
Los Angeles, CA 90017
(213) 241-4665
lcp@lausd.net

DLSR
P.O. Box 420603
San Francisco, CA 94142
(415) 703-4774
Statistics@dir.ca.gov

- 6.48.2.5** CONTRACTOR shall post at appropriate and conspicuous locations on the Project Site the following:
- 6.48.2.5.1** A schedule showing all applicable prevailing wage rates in accordance with Labor Code section 1773.2; and
- 6.48.2.5.2** Notice of LCP approval and prevailing wage monitoring sufficient to satisfy Title 8 CCR sections 16429 and 16451(d), as appropriate.
- 6.48.2.6** CONTRACTOR and all Subcontractors must provide itemized wage statements to their employees in accordance with Labor Code section 226.
- 6.48.2.7** CONTRACTOR represents and warrants that the Contract Amount includes sufficient funds to allow CONTRACTOR and all Subcontractors to comply with all Applicable Laws and contractual agreements. CONTRACTOR shall satisfy its defense, indemnity and hold harmless obligations pursuant to the provisions of Article 6.53 arising out of or relating to the failure of CONTRACTOR or any Subcontractor to comply with any applicable law in this regard, including, but not limited to Labor Code section 2810. CONTRACTOR agrees to pay any and all assessments, including wages, penalties and liquidated damages, made against OWNER in relation to such failure.
- 6.48.2.8** Failure to comply with the payment of prevailing wages shall result in a penalty to the District pursuant to Labor Code section 1775 and applicable regulations, for each day, or portion thereof, for each worker paid less than the prevailing wage rate for the work or craft in which such worker is employed by the CONTRACTOR or Subcontractor. This includes, but is not limited to, the failure to pay applicable shift differential rates. Such penalty amounts may be deducted from the Contract Amount or sought directly from the CONTRACTOR's surety under the performance bond if there are insufficient funds remaining in the Contract Amount.
- 6.48.2.9** The CONTRACTOR and the bond insurer will be jointly and severally liable for the back wages, penalties, and/or Labor Code Liquidated Damages due as a result of a prevailing wage violation. "Labor Code Liquidated Damages" are equal to the total underpayment of wages remaining unpaid sixty (60) days after service of the Notice of Withholding of Contract Payments pursuant to Labor Code section 1742.1. The underpaid employee will receive both the Labor Code Liquidated Damages and the underpayment amount.
- 6.48.2.10** Pursuant to Labor Code section 1778, every person, who individually or as a representative of an awarding or public body or officer, or as a contractor or subcontractor doing public work, or agent or officer thereof, who takes, receives or conspires with another to take or receive, for his own use or the use of any other person, any portion of the wages of any workman or working subcontractor, in connection with services rendered upon any public work is guilty of a felony.

6.48.3 Apprentices

- 6.48.3.1** CONTRACTOR and all Subcontractors shall comply with all requirements in Labor Code section 1777.5 and Title 8 CCR sections 200 et seq. CONTRACTOR is responsible for compliance with Labor Code section 1777.5 for all apprenticeable crafts or trades. CONTRACTOR and any Subcontractor(s) who fail to comply with Labor Code section 1777.5 shall be subject to the penalties specified in Labor Code section 1777.7.
- 6.48.3.2** CONTRACTOR and all Subcontractors shall submit contract award information using the Division of Apprenticeship Standards (DAS 140) Form to the applicable apprenticeship committee within ten (10) days of the date of execution of contract and no later than the first day of work in accordance with Title 8 CCR section 230. CONTRACTOR shall simultaneously submit a copy of the completed DAS 140 Form to the OWNER's Labor Compliance Department.

6.48.4 Working Hours

- 6.48.4.1** CONTRACTOR and all Subcontractors shall comply with the following provisions for working hours:
- 6.48.4.1.1** Pursuant to Labor Code section 1810, eight (8) hours labor shall constitute a legal day's work.
- 6.48.4.1.2** Pursuant to Labor Code section 1811, the time of service of any worker employed at any time by CONTRACTOR or any Subcontractor is limited and restricted to eight (8) hours during any one day and forty (40) hours during any one week, except as otherwise provided by law.
- 6.48.4.1.3** Notwithstanding the foregoing provisions, work performed in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours per week at not less than one and one-half (1 ½) times the basic rate of pay, or as otherwise required by law. All work performed on Saturday, Sunday, and/or holidays shall be paid pursuant to the Prevailing Wage Determination.
- 6.48.4.1.4** Unless otherwise provided in the Supplementary Conditions or prescribed by law, where a single shift is worked, eight (8) consecutive hours between 7 AM and 5 PM shall constitute a work day at the applicable prevailing wage rate(s).
- 6.48.4.1.5** Unless otherwise provided in the Supplementary Conditions or prescribed by law, forty (40) hours between Monday 7 AM and Friday 5 PM shall constitute a workweek at the applicable prevailing wage rate(s).

6.48.4.1.6 The OWNER's Labor Compliance Department audit and investigation uses the working hours contained in Articles 6.48.4.1.4 and 6.48.4.1.5 and determines violations and penalties accordingly, unless evidence is found to the contrary, such as in the Supplementary Conditions, or is prescribed by law.

6.48.4.1.7 After the Effective Date of the Contract, the work day and workweek may only be modified as authorized in Article 3.15. Any other Work performed by workers necessary to be performed outside of the work day and workweek shall be performed without adjustment to the Contract Amount or any other additional expense to the District.

6.48.4.2 Failure to comply with the payment of overtime wages shall result in a penalty to the OWNER pursuant to Labor Code section 1813 and applicable regulations, for each day, or portion thereof, during which the worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one week without proper compensation in violation of Labor Code sections 1810 et seq. and/or applicable regulations. Such penalty amounts may be deducted from the Contract Amount or sought directly from the CONTRACTOR's surety under the performance bond if there are insufficient funds remaining in the Contract Amount.

6.48.5 *Certified Payroll Reporting Forms and Payroll Records*

6.48.5.1 CONTRACTOR shall be responsible for the submission of electronic certified payroll records of CONTRACTOR and all Subcontractors within ten (10) days of the week ending date of each week. CONTRACTOR shall submit weekly electronic certified payroll records, including certified Non-Performance payroll records, in the method provided by the OWNER's Web-based Certified Payroll Reporting System, to the OWNER's Labor Compliance Program. When a Contract has various school projects, Certified Payroll Reporting Forms for each individual school shall be maintained and submitted in the method provided by OWNER.

6.48.5.2 CONTRACTOR must comply with all requirements of OWNER's Web-based Certified Payroll Reporting System, including, but not limited to, electronic signature, electronic submittal of documents and forms, and use of other electronic modules. This obligation includes compliance with all existing requirements and all new requirements developed during the term of the Project.

6.48.5.3 CONTRACTOR shall submit to OWNER's Labor Compliance Department, an estimated start date for all Subcontractors, within five (5) days of the Subcontractor work start date and shall submit a revised estimate, if applicable, within five (5) days of knowledge of any changes to any estimated start date. This document must contain the name and address of each Subcontractor, each Subcontractor's contractor license number and the estimated start date.

6.48.5.4 CONTRACTOR shall provide, and shall cause all Subcontractors to provide, "Payroll Records" to OWNER, within ten (10) days of written request, at no cost to OWNER. "Payroll Records" are all un-redacted certified payroll records, time

cards, sign-in sheets, daily construction reports, check stubs, cancelled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check or in whatever form or manner, of funds to a person(s) by job classification and/or skill pursuant to the Project. All received documents will become property of OWNER.

- 6.48.5.5** Failure to submit Payroll Records within ten (10) days of such due date shall result in a penalty to OWNER pursuant to Labor Code section 1776 and applicable regulations, until strict compliance is effectuated. Such penalty amounts may be deducted from the Contract Amount or sought directly from the CONTRACTOR's surety under the performance bond if there are insufficient funds remaining in the Contract Amount.

6.48.6 *Payroll Record Liquidated Damages*

Should CONTRACTOR or any Subcontractor neglect, fail or refuse to submit any Payroll Records pursuant to Article 6.48.5, CONTRACTOR agrees to pay to OWNER the sum of \$100.00 per day in contractual liquidated damages, not as a penalty but as liquidated damages, for every day of noncompliance beyond ten (10) days after such documents are due ("Payroll Record Liquidated Damages"). Payroll Record Liquidated Damages shall continue to accrue until strict compliance is effectuated. Upon issuance of a Payroll Record Liquidated Damages Permanent Assessment, the liquidated damages amount will be disbursed to the OWNER. The Payroll Record Liquidated Damages amounts are agreed upon by and between the CONTRACTOR and OWNER because of the difficulty of fixing OWNER's actual damages in the event of failure to submit such documents. CONTRACTOR and OWNER specifically agree that said amounts are reasonable estimates of OWNER's damages in such event, and that such amounts do not constitute a penalty. CONTRACTOR and OWNER acknowledge and agree that these Payroll Record Liquidated Damages are reasonable under the circumstances existing at the time of the CONTRACTOR's execution of the Contract. These Payroll Record Liquidated Damages are distinct from statutory Labor Code Liquidated Damages. This remedy is not exclusive and is cumulative of all other remedies available to OWNER.

6.48.7 *Withholding of Contract Payments*

- 6.48.7.1** OWNER will withhold payment from CONTRACTOR in accordance with its rights and obligations under Labor Code section 1720 et seq. and applicable regulations, including for back wages, penalties and Labor Code Liquidated Damages.
- 6.48.7.2** Notwithstanding any other provision in these General Conditions, OWNER may withhold payment from any portion of the Contract Amount then or thereafter due the CONTRACTOR for violation by CONTRACTOR or any Subcontractor of the requirements of Article 6.48 or any of its subsections and for Payroll Record Liquidated Damages. Without limitation to the foregoing, payment shall not be made to the CONTRACTOR when certified payroll records by CONTRACTOR or any of its Subcontractors are delinquent or inadequate in accordance with Title 8 CCR 16435.

6.48.8 *Incorporation by Reference*

All statutory Codes and Regulations cited in this contract are understood by the parties to be incorporated in full by the references to those statutes and regulations herein.

6.48.9 *Project Stabilization Agreement (PSA)*

6.48.9.1 The Project Stabilization Agreement (“PSA”) applies to all construction, major rehabilitation work, and capital improvement work, as set forth in Section 00 7349 of this Contract. CONTRACTOR agrees to be bound by the PSA and to require all Subcontractors to do so. For information pertaining to PSA, CONTRACTOR can refer to the following web address:

<http://www.laschools.org/new-site/project-stabilization/>

6.48.9.2 If the PSA applies to this Work, CONTRACTOR must also comply with all of the following provisions:

6.48.9.2.1 CONTRACTOR shall cause a sign to be posted on the job Site stating, in English and Spanish, in large enough print to read from a reasonable distance, no less than 32 point font size, “Employees: Your employee benefits payments are being paid to a trust fund on your behalf. Your employer must provide you information about your benefits and make documentation about your benefits available to you.”

6.48.9.2.2 CONTRACTOR must submit with its final Application for Payment a certification that CONTRACTOR and all Subcontractors have paid all benefit contributions due and owing to the appropriate trust fund(s).

6.48.9.2.3 CONTRACTOR and all Subcontractors must comply with the requirements of OWNER’s Web-based Certified Payroll Reporting System for electronic submittal of PSA-related documents, including, but not limited to, Letters of Assent and certification forms.

6.48.9.3 OWNER’s Labor Compliance Department may monitor the timely payment of employee benefits to the appropriate trust fund in accordance with the PSA and Labor Code section 1771.5.

6.49 *Public Works Contractor Registration*

Pursuant to Labor Code section 1771.1, a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Labor Code section 1725.5.

It is not a violation of this Article 6.49 for an unregistered contractor to submit a bid that is authorized by section 7029.1 of the Business and Professions Code, or by section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Labor Code

section 1725.5 at the time the contract is awarded. CONTRACTOR represents that all Subcontractors are registered pursuant to Labor Code section 1725.5.

6.50 *Continuing the Work; and Measure of Damages:*

The school facilities being built for OWNER under this Contract are critically needed to provide seats, classrooms and other facilities for the children of the Los Angeles Unified School District. If CONTRACTOR stops, delays, postpones and/or otherwise suspends the Work or any portion thereof, except in cases of emergency or encountering those conditions as set forth in Articles 4.2, 4.3, and 4.5, CONTRACTOR will cause irreparable harm; including without limitation the renting and/or leasing of temporary classroom and support facilities, the busing of students to temporary alternative educational facilities, and the providing of temporary nutrition services. Accordingly, at all times, CONTRACTOR shall continue to perform the Work in accordance with the Construction Schedule and/or as otherwise directed in writing by a Construction Directive. CONTRACTOR shall proceed with the Work even if CONTRACTOR contends OWNER, and/or anyone OWNER is legally responsible for, has materially and/or otherwise breached the Contract; and even if there exists a dispute; disagreement, or a proceeding and/or Claim is pending. CONTRACTOR acknowledges that it shall not suffer any irreparable harm by continuing to perform the Work and/or any disputed Work as there is a fair and reasonable method of full compensation provided for under this Contract, as found in, but without limitation, Articles 10, 11, 12, 14, and 16 of these General Conditions. CONTRACTOR and OWNER agree that the measure of damages for breach of Contract shall be the sole measure of damage used in any dispute, proceeding, arbitration, and/or litigation and in every and all disagreements between them, unless expressly stated otherwise in this Contract. The Work, portions thereof, and/or disputed Work shall not be stopped, delayed, postponed and/or otherwise suspended pending the resolution of any dispute, Claim, proceeding and/or disagreement of every kind. This provision constitutes an advance waiver by CONTRACTOR of any right, if any, whenever acquired, to rescind this Contract.

6.51 *Right to Audit:*

- 6.51.1** The State Allocation Board (“SAB”) and/or OWNER shall have the right to review, obtain, inspect, audit and copy all the written and electronically stored records of CONTRACTOR pertaining to the Contract and/or Work and any claim in connection with any of the foregoing, and regarding all Applicable Laws and/or regulations pertaining to the Contract and/or Work, in any way.
- 6.51.2** CONTRACTOR, in executing this Contract, agrees without reservation to OWNER’s right to audit. Should CONTRACTOR refuse to allow OWNER or its agents access to any records or delay or inhibit OWNER or its agents from performing the audit or any portion of the audit, CONTRACTOR may be subject to an adverse evaluation and/or removal from the list of prequalified contractors.
- 6.51.3** CONTRACTOR shall include the right to audit provisions, specifically providing the right of OWNER’s representatives to examine their records, in the contracts of all Subcontractors, insurance agents, material suppliers, or any other business entity providing goods and services.
- 6.51.4** If an audit, inspection and/or examination under this Article 6.51 discloses overpricing and/or overcharges of any nature by CONTRACTOR to OWNER, then, in addition to all other OWNER rights and remedies, and in addition to making adjustments for the overcharges

and/or overpricing, CONTRACTOR shall reimburse OWNER for all reasonable actual cost of OWNER audit, legal services, inspection, and/or examination.

6.51.5 Any OWNER assessments shall be made no later than ninety (90) days from the date that OWNER findings are presented to CONTRACTOR. The fact that a dispute, Claim, arbitration, and/or litigation under Article 16 is pending involving OWNER, CONTRACTOR, and/or others, shall not in any way preclude, postpone, or impair, in any way, OWNER rights to proceed under this Article 6.51.

6.51.6 In addition to the remedies available to OWNER under Article 6.51.2 and as provided elsewhere in the Contract Documents, CONTRACTOR's refusal or the refusal of any of CONTRACTOR's Subcontractors to comply with the DISTRICT's request to audit or provide access to any records or delay or inhibit OWNER or its agents from performing the audit may be considered a material breach of the Contract which may result in delay or disruption of payments to CONTRACTOR pursuant to Article 14.9 or termination for cause under Article 15.3.1.

6.52 *General Warranty and Guarantee:*

6.52.1 CONTRACTOR warrants and guarantees to OWNER all Work shall be in accordance with the Contract Documents and will not be defective. CONTRACTOR warranty and guarantee hereunder excludes defects and/or damages caused by:

6.52.1.1 abuse, modification or improper maintenance or operation by persons other than CONTRACTOR, Subcontractors or suppliers;

6.52.1.2 normal wear and tear under normal usage.

6.52.2 CONTRACTOR obligation to perform and complete the Work in accordance with the Contract Documents and all applicable codes, laws and regulations shall be absolute. None of the following shall constitute acceptance of Work which is not in accordance with the Contract Documents and all applicable codes, laws and regulations or shall serve as a release of CONTRACTOR obligations to perform the Work in accordance with the Contract Documents:

6.52.2.1 observation by ARCHITECT;

6.52.2.2 recommendation of any progress and/or final payment and/or release of retention by OAR;

6.52.2.3 issuance of a certificate of Substantial Completion, Partial Use or Occupancy or any payment by OWNER to CONTRACTOR under the Contract Documents;

6.52.2.4 any direction by OAR or acceptance by OWNER or any failure to do so;

6.52.2.5 any review and approval of a Shop Drawing, Sample, Product Data or material list submittal or the issuance of a notice of acceptability by ARCHITECT and/or OAR pursuant to Article 6.43;

6.52.2.6 any inspection, test and/or approval by others;

6.52.2.7 any correction of defective Work by OWNER.

6.53 ***Indemnification:***

In addition to Article 6.54 and any other part of the Contract Documents, and to the fullest extent permitted by law, CONTRACTOR shall defend, indemnify, and hold harmless OWNER, members of OWNER's Board of Education, OAR, OCIP Administrator, ARCHITECT, OWNER consultants, Project Inspector and State of California, and each of their respective agents, employees, representatives, officers, and directors (collectively, "Indemnified Parties"), from and against claims, actions, damages, losses, penalties, costs and expenses (including, but not limited to attorneys' fees and costs including fees of consultants) arising out of or resulting from, whether in whole or in part, breach of or noncompliance with this Contract, statutory or other violations of law, negligence, gross negligence or willful misconduct, or the acts, omissions, or other conduct of CONTRACTOR, any Subcontractor or any person or entity engaged by them for the Work. CONTRACTOR's obligations under this Article 6.53 include without limitation: (i) injuries to or death of persons; (ii) damage to property; (iii) theft or loss of property; (iv) stop payment notice claims asserted by any person or entity in connection with the Work; and (v) other losses, liabilities, damages or costs resulting from, in whole or in part, any acts, omissions or other conduct of CONTRACTOR or its Subcontractors or their respective agents, employees, material or equipment suppliers, vendors, invitees, or licensees, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, arising out of or related to the Contract, Work and/or Project, including without limitation, performance of the Work; payment of Subcontractors and/or others; use of the Project Site; construction of the Work, or failure to construct the Work, or any portion thereof; and use, misuse, erection, maintenance, operation, or failure of any machinery or equipment including, but not limited to, scaffolds, derricks, ladders, hoists, and rigging supports, whether or not such machinery or equipment was furnished, rented, or loaned by any of the Indemnified Parties. The obligations provided in this Article 6.53 shall be binding on CONTRACTOR regardless of whether the allegations underlying such claims, action, damage, loss, penalty, cost or expense are with or without merit, true or false and whether or not caused in part by any of the Indemnified Parties. The obligations of CONTRACTOR as set forth in (v) above shall include, without limitation, claims, actions, damages, losses, penalties, costs and expenses asserted by any other contractor to the OWNER in connection with the Work or in connection with a work of improvement related to or affected by the Work. If any action or proceeding, whether judicial, administrative, arbitration or otherwise, shall be commenced on account of any claim, demand or liability subject to CONTRACTOR's obligations hereunder, and such action or proceeding names any of the Indemnified Parties as a party thereto, CONTRACTOR shall, at its sole cost and expense, defend the named Indemnified Parties in such action or proceeding with counsel reasonably satisfactory to the named Indemnified Parties. In the event that there shall be any judgment, award, ruling, settlement or other relief arising out of such action or proceeding to which any of the Indemnified Parties are subject to or bound by, CONTRACTOR shall pay, satisfy or otherwise discharge any such judgment, award, ruling, settlement or relief; CONTRACTOR shall indemnify and hold harmless the Indemnified Parties from any and all liability or responsibility arising out of any such judgment, award, ruling, settlement or relief. CONTRACTOR's obligations hereunder are binding upon CONTRACTOR's performance bond surety and these obligations shall survive notwithstanding CONTRACTOR's completion of the Work or the termination of the Contract or CONTRACTOR's performance of the Contract. CONTRACTOR's obligations shall not be construed to negate, abridge or reduce other rights or obligations of defense and/or indemnity which would otherwise exist as to the Indemnified Parties. Nothing set forth in this Article 6.53 is intended to provide indemnification

for those situations precluded by law, including without limitation, the circumstances described in Civil Code §§ 2782(a) and 2782(b).

6.54 Indemnification by Subcontractors:

In addition to Articles 6.53 and 6.54 and any other part of the Contract Documents, and to the fullest extent permitted by law, CONTRACTOR shall ensure by subcontract agreement that each Subcontractor shall defend, indemnify, and hold harmless the Indemnified Parties from and against claims, actions, damages, losses, penalties, costs and expenses (including, but not limited to attorneys' fees and costs including fees of consultants) arising out of or resulting from, whether in whole or in part, breach of or noncompliance with the subcontract agreement, this Contract, statutory or other violations of law, negligence, gross negligence or willful misconduct, or the acts, omissions, or other conduct of such Subcontractor or any person or entity engaged by them for the Work. Subcontractor's obligations under this Article 6.54 include without limitation: (i) injuries to or death of persons; (ii) damage to property; (iii) theft or loss of property; (iv) stop payment notice claims asserted by any person or entity in connection with the Work; and (v) other losses, liabilities, damages or costs resulting from, in whole or in part, any acts, omissions or other conduct of such Subcontractor or its agents, employees, material or equipment suppliers, invitees, or licensees, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, arising out of or related to such subcontract agreement, this Contract, Work and/or Project, including without limitation, performance of the Work; use of the Project Site; payment of suppliers and/or others; construction of the Work, or failure to construct the Work, or any portion thereof; and use, misuse, erection, maintenance, operation, or failure of any machinery or equipment including, but not limited to, scaffolds, derricks, ladders, hoists, and rigging supports, whether or not such machinery or equipment was furnished, rented, or loaned by any of the Indemnified Parties. The obligations provided in this Article 6.54 shall be binding on each Subcontractor regardless of whether the allegations underlying such claims, action, damage, loss, penalty, cost or expense are with or without merit, true or false and whether or not caused in part by any of the Indemnified Parties. The obligations of each Subcontractor as set forth in (v) above shall include, without limitation, claims, actions, damages, losses, penalties, costs and expenses asserted by any other contractor to the OWNER in connection with the Work or in connection with a work of improvement related to or affected by the Work. If any action or proceeding, whether judicial, administrative, arbitration or otherwise, shall be commenced on account of any claim, demand or liability subject to Subcontractor's obligations hereunder, and such action or proceeding names any of the Indemnified Parties as a party thereto, Subcontractor shall, at its sole cost and expense, defend the named Indemnified Parties in such action or proceeding with counsel reasonably satisfactory to the named Indemnified Parties. In the event that there shall be any judgment, award, ruling, settlement or other relief arising out of such action or proceeding to which any of the Indemnified Parties are subject to or bound by, Subcontractor shall pay, satisfy or otherwise discharge any such judgment, award, ruling, settlement or relief; Subcontractor shall indemnify and hold harmless the Indemnified Parties from any and all liability or responsibility arising out of any such judgment, award, ruling, settlement or relief. Subcontractor's obligations hereunder are binding upon Subcontractor's performance bond surety, if any, and these obligations shall survive notwithstanding Subcontractor's completion of the Work or the termination of the subcontract agreement, the Contract or CONTRACTOR's performance of the Contract. Subcontractor's obligations shall not be construed to negate, abridge or reduce other rights or obligations of defense and/or indemnity which would otherwise exist as to the Indemnified Parties. Nothing set forth in this Article 6.54 is intended to provide indemnification for those situations precluded by law, including without limitation, the circumstances described in Civil Code §§ 2782(a) and 2782(b).

6.55 *Joint and Several Liability:*

In the event that more than one Subcontractor is connected with an event covered by the text of Articles 6.53 and/or 6.54, then all such Subcontractors, together with CONTRACTOR, shall be jointly and severally responsible to each of the Indemnified Parties for the obligations described therein, and the ultimate responsibility among such indemnifying Subcontractors and/or CONTRACTOR for the loss and expense of any such obligations shall be resolved without jeopardy to any of the Indemnified Parties. The text of Articles 6.53 and 6.54 shall not be construed to indemnify any of the Indemnified Parties for its own negligence if not permitted by law or to eliminate or reduce any other right that any of the Indemnified Parties has by law or equity.

6.56 *No Limitation on Obligations to Indemnify:*

CONTRACTOR's and each Subcontractor's obligation to defend, indemnify, and hold harmless the Indemnified Parties under Articles 6.53 and 6.54 shall also include, without limitation, any and all claims, actions, damages, losses, penalties, costs and expenses for: injury to persons and property and death of any person; breach of any warranty and/or guarantees, express or implied; failure of CONTRACTOR or Subcontractors to comply with any Applicable Laws, rule, regulation, or other requirement; and products installed in or used in connection with the Work, except as may be precluded by statute. These obligations shall survive final payment, Contract Completion, acceptance of the Work, any termination of the Contract and/or any termination of CONTRACTOR's right to proceed with the Work in whole and/or in part.

6.57 *Indemnification and Performance Bond:*

The performance bond surety shall not be liable under the performance bond where CONTRACTOR's liability to OWNER is based solely upon Articles 6.53, 6.54, 6.56 and/or the indemnity provision of 4.7 of this Agreement; provided that, should OWNER terminate CONTRACTOR for CONTRACTOR's failure to comply with Articles 6.53, 6.54, 6.56 and/or the indemnity provision of 4.7, SURETY shall nevertheless be liable for completion of the Contract and Work.

ARTICLE 7 - CONSTRUCTION BY OWNER OR BY SEPARATE WORK CONTRACT

7.1 *OWNER Right:*

OWNER reserves the right to perform the Work, portions thereof and other Work related to the Project with OWNER forces and/or to award Separate Work Contract to perform Work relative to utilities, Work and/or the Project.

7.2 *Work Not Identified in Bidding Documents:*

In the event the Work is not identified in the Bidding Documents and upon the election to perform Work with OWNER forces or by Separate Work Contract, OWNER shall provide notice to CONTRACTOR prior to commencing any such Work. If CONTRACTOR believes the performance of any such work by OWNER forces or Separate Work Contract justifies an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall provide notice to OWNER who shall promptly investigate.

7.3 *Work Identified in Contract Documents:*

If the Work or a portion thereof is identified in the Contract Documents and upon OWNER election to perform the Work or a portion thereof with OWNER forces or Separate Work Contract, OWNER may, in addition to the OWNER rights as set forth in Article 10, proceed in accordance with, but not limited to, Articles 15.1 through 15.3.

7.4 *CONTRACTOR Duties and Responsibilities:*

CONTRACTOR duties and responsibilities are to:

- 7.4.1** Coordinate, sequence, and schedule Work activities of the Project in conjunction with the Work of CONTRACTOR, OWNER forces and/or Separate Work Contract. CONTRACTOR shall make any revisions to the Construction Schedule in conjunction with or relative to the Work of CONTRACTOR, OWNER forces and/or Separate Work Contract. CONTRACTOR shall, and in accordance with related Division 01 General Requirements, submit and obtain OAR approval of all Construction Schedules. Upon approval and subsequent distribution of the Construction Schedules, CONTRACTOR, OWNER forces and/or Separate Work Contract shall fully comply with the Construction Schedules.
- 7.4.2** Allow the delivery and storage of materials and/or equipment of OWNER forces and/or Separate Work Contract.
- 7.4.3** Not hinder or otherwise delay the Work of CONTRACTOR, OWNER forces and/or Separate Work Contract.
- 7.4.4** Unless provided otherwise in the Contract Documents and in order to fully integrate the Work of OWNER forces and/or Separate Work Contract, CONTRACTOR shall perform all cutting, fitting, patching and connecting of the Work with and to the Work of OWNER forces and/or Separate Work Contract. CONTRACTOR shall seek, and not be subject to unreasonable withholding of, written consent from ARCHITECT and/or Separate Work Contract prior to cutting, excavating, and/or otherwise altering Work of OWNER forces and/or Separate Work Contract.
- 7.4.5** If the Contract Documents specify cutting, fitting, patching and connecting of the Work performed by OWNER forces and/or Separate Work Contract, CONTRACTOR shall not unreasonably withhold consent to cutting, fitting, patching, or otherwise altering Work of CONTRACTOR.
- 7.4.6** If any part of the Project depends upon Work of OWNER forces and/or Separate Work Contract, CONTRACTOR shall examine and immediately provide notice to OAR of any defective Work in the Work of OWNER forces and/or Separate Work Contract rendering it unsuitable for the proper execution of subsequent CONTRACTOR Work. CONTRACTOR shall take all reasonable measures necessary to minimize and mitigate the impact of the asserted defective Work on CONTRACTOR's Work or on CONTRACTOR's ability to proceed with completion of the Work per the Contract Documents and Project Schedule. Failure of CONTRACTOR to provide notice shall constitute acceptance of preceding Work as fit and proper for execution of subsequent Work. ARCHITECT and OAR shall promptly investigate and the OAR may, in consideration of, but not limited to, the recommendation of ARCHITECT, issue a Construction Directive to CONTRACTOR, OWNER forces and/or

Separate Work Contract. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

- 7.4.7** Assure proper execution of subsequent CONTRACTOR Work. In order to do so, CONTRACTOR shall measure the completed Work of OWNER forces and/or Separate Work Contract and shall immediately provide notice to OAR of any discrepancies between the completed Work of OWNER forces and/or Separate Work Contract rendering it unsuitable for the proper execution of subsequent CONTRACTOR Work. ARCHITECT and OAR shall promptly investigate and the OAR may, in consideration of, but not limited to, the recommendation of ARCHITECT, issue a Construction Directive to CONTRACTOR. Failure of CONTRACTOR to provide notice shall constitute acceptance of preceding Work as fit and proper for execution of subsequent Work. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.
- 7.4.8** CONTRACTOR shall not damage or otherwise endanger the Work and/or property of OWNER forces and/or Separate Work Contract. In the event CONTRACTOR causes damage or is deemed responsible by the OAR for the cause of damage to Work and/or property of OWNER forces and/or Separate Work Contract, OAR may issue a Construction Directive to immediately remedy such damage. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.
- 7.4.9** CONTRACTOR shall be completely responsible for, and shall provide all means, methods and materials to fully protect and/or otherwise prevent damage to the Work until Substantial Completion.
- 7.4.10** If OWNER elects to perform any portion of the Work as per Articles 7.2 and/or 7.3, CONTRACTOR shall perform and/or otherwise continue to perform the remaining portions of the Work and shall fully comply with CONTRACTOR obligations as set forth in Article 6.50.

OWNER Roles:

7.5 OWNER will:

- 7.5.1** participate in, or cause participation in, the coordination, sequencing and scheduling of CONTRACTOR activities relative to the Work, Work of OWNER forces and/or Separate Work Contract;
- 7.5.2** not hinder or otherwise delay the Work of CONTRACTOR, OWNER forces and/or Separate Work Contract.

ARTICLE 8 - OWNER DUTIES, RIGHTS AND RESPONSIBILITIES

- 8.1** OWNER will define the roles and responsibilities of OAR and ARCHITECT. OAR is the OWNER representative during the Work, or any portion thereof, who will be identified at the initial job start meeting as provided in Article 2.6. The duties, responsibilities and authority limits of the OAR are as set forth in the Contract Documents.
- 8.2** Unless noted otherwise, OWNER shall issue all OWNER communications to CONTRACTOR, ARCHITECT, and/or others, through the OAR or as otherwise designated by OWNER.
- 8.3** In case of termination and/or replacement of ARCHITECT, OWNER has the right to engage the professional services of another ARCHITECT or may perform ARCHITECT duties and responsibilities with ARCHITECT of direct OWNER employment. The status of the replacement ARCHITECT shall be as of original ARCHITECT as defined within the Contract Documents.
- 8.4** OWNER shall have the right, but not the obligation, to require the removal from the Work any superintendent, staff member, agent, or employee of CONTRACTOR, Subcontractor, vendor, material, or equipment supplier for cause.
- 8.5** OWNER has no duty, responsibility or obligation for any and/or all safety precautions and/or programs except which is expressly called out in the Contract Documents.
- 8.6** OWNER has no contractual relationship of any kind with any Subcontractor, supplier, or anyone other than CONTRACTOR. The Contract is made solely for the benefit of CONTRACTOR and OWNER and no others.
- 8.7** OWNER has the right to assess and withhold all costs and expenses for CONTRACTOR caused damages against Contract funds or the CONTRACTOR.
- 8.8** OWNER has no duty, responsibility or obligation to supervise, direct, control or have authority over, CONTRACTOR means, methods, techniques, sequences, and/or procedures of construction unless otherwise specified in the Contract Documents.
- 8.9** OWNER has no duty, responsibility, or obligation for CONTRACTOR failure to comply with Applicable Laws and regulations in furnishing of or performance of the Work.
- 8.10** OWNER has no duty, responsibility, or obligation for CONTRACTOR failure in furnishing of or performance of the Work in strict accordance with the Contract Documents.
- 8.11** OWNER has the right to perform and complete a safety evaluation and a CONTRACTOR performance evaluation at the end of the Project and at any time during the course of the Project.
- 8.12** Other OWNER rights, duties and responsibilities not expressly set forth in this Article.

ARTICLE 9 - ARCHITECT ROLE DURING CONSTRUCTION; AND REQUESTS FOR CLARIFICATION (RFCs)

ARCHITECT - General:

- 9.1** ARCHITECT's role during construction of the Work is as set forth in the Contract Documents. ARCHITECT has the responsibilities and authority established by law, including but not limited to, California Code of Regulations, Title 24.
- 9.2** ARCHITECT has no contractual relationship of any kind with CONTRACTOR.

ARCHITECT Project Representative:

- 9.3** There may be an on-Site ARCHITECT representative or other staff representatives to observe the Work, Project or portions thereof.

9.4 Request for Clarification of the Contract Documents:

- 9.4.1** ARCHITECT shall provide the OAR, within a reasonable time, clarifications and/or interpretations of the Contract Documents for the purposes of proceeding with the Work. Clarifications and/or interpretations may be in the form of drawings and/or other written instruments as determined by ARCHITECT, which will be reasonably inferable from and consistent with the intent of the Contract Documents.
- 9.4.2** CONTRACTOR shall submit a Request for Clarification to OAR with a concurrent copy to ARCHITECT and Project Inspector. A Request for Clarification shall be submitted:
 - 9.4.2.1** a minimum of nine (9) days prior to commencement of any Work for which the Request for Clarification was submitted;
 - 9.4.2.2** immediately upon discovery of minor conflicts or discrepancies in the Work during actual performance of the Work.
- 9.4.3** A Request for Clarification shall be prepared on an OWNER supplied form and shall reference all the applicable Contract Documents including division and/or Specification section, detail number, Drawing and/or plan designation. OAR shall provide a response to the CONTRACTOR within nine (9) days after receipt of a Request for Clarification.
- 9.4.4** Responses furnished within the time specified in Article 9.4.3 shall not give rise to or establish the basis for any dispute seeking adjustments to the Contract Amount, Milestones and/or Contract Time, including damages due to any Adverse Impact or similar cause.
- 9.4.5** A Request for Clarification submitted by CONTRACTOR after the time specified in Article 9.4.2.1 shall not give rise to or establish the basis for any dispute seeking adjustments to the Contract Amount, Milestones and/or Contract Time, including damages due to any Adverse Impact or similar cause.
- 9.4.6** In the event CONTRACTOR believes the clarifications and/or interpretations as provided in the response to the Request for Clarification establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, the directives of the OAR shall be final

for the purpose of proceeding with the Work. If CONTRACTOR believes a Construction Directive and/or a response as provided in the Request for Clarification establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of receipt of the response to the Request for Clarification.

- 9.4.7** OWNER and CONTRACTOR agree that Requests for Clarification (RFC) are an anticipated part of the Contract. CONTRACTOR agrees that all costs of CONTRACTOR and that of any persons claiming through CONTRACTOR arising in connection with the preparation of any Request for Clarification, whether or not such Request for Clarification results in a Change Order, are part of CONTRACTOR's overhead and profit on the Project and are included in the Contract Amount. For each response to a Request for Clarification that requires no explanation except reference or references to specific pages, Drawings, sections or articles of the Contract Documents, OAR may withhold from monies otherwise due and payable to CONTRACTOR a reasonable amount to compensate OWNER for the time spent by OAR and/or ARCHITECT to generate the response.

Authorized Minor Variations in the Work:

- 9.5** ARCHITECT may direct and OAR may authorize minor variations in the technical aspects of the Work from the requirements of the Contract Documents. Any variation in the Work that impacts Structural, Fire/Life Safety, or Accessibility components ("DSA Purview") is subject to DSA review as a CCD-A. Variations in the Work that do not relate to DSA Purview, but modify the scope of the Work shown in the DSA-approved documents, are required to be documented by a CCD-B. For purposes of this Article 9.5, a minor variation is defined as one that does not relate to DSA Purview. Authorized minor variations in the Work shall be consistent with the overall intent of the design concept of providing a complete functioning Project. Minor variations in the Work authorized by OAR may be accomplished by issuance of a Construction Directive. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

Disputes, Disagreements and other Matters:

- 9.6** When disputes regarding the Contract Documents arise, OAR shall issue a final, binding Construction Directive to CONTRACTOR for the purpose of proceeding with the Work. If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

Limitations of ARCHITECT Duty and Authority:

- 9.7** ARCHITECT will not supervise, direct, control, have authority over or in any way be responsible for the means, methods, techniques, sequences and/or procedures of CONTRACTOR, or the safety precautions and programs of CONTRACTOR, or for any failure by CONTRACTOR to comply with laws and regulations applicable to the furnishing of or performance of the Work. ARCHITECT shall not be responsible for failure of CONTRACTOR to furnish and/or perform the Work in accordance with the Contract Documents.

- 9.8** ARCHITECT shall not be responsible for acts and/or omissions of CONTRACTOR, Subcontractor, supplier, or any other person and/or organizations furnishing and/or performing any of the Work.
- 9.9** In no event shall any instruction, direction, communication or Request for Clarification response of ARCHITECT to CONTRACTOR result in any change or modification to the Contract Amount or Contract Time unless authorized by an approved Change Order.

ARTICLE 10 - CHANGES IN THE WORK

- 10.1** Without negating the Contract or providing notice to any surety, and at any time and/or times, OAR has the right to direct additions, deletions, and/or revisions in the Work. A Change Order or Construction Directive shall serve to authorize additions, deletions and/or revisions in the Work. CONTRACTOR, upon receipt of any such document shall immediately proceed with the Work to be performed under the applicable conditions of the Contract Documents. If CONTRACTOR believes it is entitled to an adjustment of the Contract Amount or Contract Time, CONTRACTOR shall submit a Change Order Proposal in strict accordance with Articles 10, 11 and 12.
- 10.2** CONTRACTOR shall not be entitled to an increase in the Contract Amount, Milestones and/or Contract Time with respect to any Work performed that is not required by the Contract Documents as amended, modified and supplemented as provided in Articles 3.15.1 and 3.15.2, except in case of emergency as set forth in Article 6.42 or in the case of uncovering Work as set forth in Article 13.19.2.

Request for Proposal:

- 10.3** A Request for Proposal may be issued by OAR to CONTRACTOR. Within ten (10) days of receipt of the Request for Proposal, unless otherwise indicated in the Request for Proposal, CONTRACTOR shall provide a Change Order Proposal which contains proposed adjustments to the Contract Amount, Milestones and/or Contract Time reflective of the Work specified in the Request for Proposal.

Construction Directive:

- 10.4** A Construction Directive shall not adjust the Contract Amount, Milestones and/or Contract Time but may lead to a Change Order Proposal.
- 10.5** Upon OAR issuance of a Construction Directive, CONTRACTOR shall comply as set forth in the Construction Directive.
- 10.6** If CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17 submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive, unless otherwise indicated in the Construction Directive.

Change Order Proposal:

- 10.7** A Change Order Proposal shall include all detailed estimates for quantities of material, quantities of labor hours, hourly labor rates, allowable mark-ups, and detailed quotes/invoices from any applicable third party suppliers/fabricators or subcontracts in order to validate a proposed adjustment in the Contract Amount. If the CONTRACTOR seeks adjustment in Milestones and/or Contract Time, CONTRACTOR shall also adhere to the requirements outlined in Article 12 and all related Sections

of the Division 01 General Requirements. If CONTRACTOR seeks adjustment of the Contract Amount, CONTRACTOR shall also adhere to the requirements outlined in Article 11 and all related Sections of the Division 01 General Requirements.

- 10.8** Should CONTRACTOR fail to submit a Change Order Proposal within the (10) day time period required under, without limitation, Articles 3.11, 4.2.3, 4.3.2, 4.5.3.3, 6.42, 7.4.6, 7.4.7, 7.4.8, 9.4.6, 9.5, 9.6, 10.6, 13.19.3, and 15.1.2, CONTRACTOR acknowledges that it would be depriving OWNER of an opportunity to timely mitigate the issue, event, condition, circumstance and/or cause, and therefore, CONTRACTOR waives and releases any and all disputes, Claims, rights and remedies in connection therewith.
- 10.9** CONTRACTOR shall not be entitled to any adjustment in the Contract Amount, Milestones and/or Contract Time in connection with preparing a Change Order Proposal whether ultimately accepted or not.
- 10.10** If CONTRACTOR and OAR agree to all the proposed adjustments, in an additive and/or deductive Change Order Proposal, OAR shall issue a Change Order for mutual execution by the parties.
- 10.11** If CONTRACTOR and OAR are able to achieve only partial agreement on the proposed adjustments in the Contract Amount, Milestones and/or Contract Time contained within an additive Change Order Proposal, then OAR shall issue a Change Order for mutual execution by the parties setting forth those undisputed adjustments. If CONTRACTOR still chooses to pursue the disputed items, then the CONTRACTOR shall within ten (10) days of the OAR's written decision serve notice to the OAR of CONTRACTOR's intent to file a Claim and shall submit its Claim within the time period set forth in Article 16.6.
- 10.12** If OAR rejects a Change Order Proposal in its entirety, CONTRACTOR shall within ten (10) days of the OAR's written decision serve notice to the OAR of CONTRACTOR's intent to file a Claim and shall submit its Claim within the time period set forth in Article 16.6, if CONTRACTOR intends to seek further relief.
- 10.13** CONTRACTOR shall use the most current version of the OWNER provided forms found at http://www.laschools.org/documents/file?file_id=289569928 and listed in Section 01 3229 of the General Requirements for Change Order Proposal. CONTRACTOR shall submit the Change Order Proposal with all supporting documents and data.
- 10.14** Prior to submitting any Change Order Proposal, CONTRACTOR shall verify that all tiers of Subcontractor costs and time have been accounted for.
- 10.15** CONTRACTOR shall not use the Schedule of Values by itself to determine the proposed adjustments to the Contract Amount, Milestones and/or Contract Time.
- 10.16** The proposed adjustments to the Contract Amount shall cover any and all costs, including those due to Adverse Impacts and damages associated with the changed Work. Where CONTRACTOR requests that a Change Order Proposal include a time extension, CONTRACTOR shall submit a detailed critical path method schedule analysis supporting the requested time extension showing the delay to the critical path to the Approved Construction Schedule.
- 10.17** The OAR has the right to require CONTRACTOR to revise and resubmit a Change Order Proposal if such Change Order Proposal fails to comply with Articles 10 and 11 requirements. CONTRACTOR

shall correct the incomplete and/or inaccurate Change Order Proposal, supply additional back up and re-submit the proposal within ten (10) days of OAR's required revisions. CONTRACTOR shall be responsible for any costs, delays and/or damages resulting from the submittal or re-submittal of an incomplete and/or inaccurate Change Order Proposal.

Change Order:

- 10.18** CONTRACTOR shall not place any reservation of rights and/or qualifying language on any Change Order.
- 10.19** OAR and CONTRACTOR shall execute appropriate Change Orders covering:
- 10.19.1** changes in the Work ordered pursuant to, but not limited to, Article 10.1;
 - 10.19.2** changes in the Contract Amount, Milestones and/or Contract Time which are agreed to by the parties;
 - 10.19.3** changes in the Contract Amount, Milestones and/or Contract Time which embody the substance of any decision rendered pursuant to Article 16.
- 10.20** If CONTRACTOR fails or refuses to execute a Change Order within ten (10) days of OAR issuance, OWNER reserves the right to process the Change Order without CONTRACTOR's signature.
- 10.21** Notwithstanding any note, comment, reservation or other notation appearing on the face of the Change Order or any other document or form, concurrent with the Change Order or not, the signing of a Change Order shall be conclusively deemed to be a full resolution, settlement and accord and satisfaction with respect to all CONTRACTOR's and Subcontractors' (regardless of tier) rights for losses and extensions of time that were asserted, or that could have been asserted, whether known or unknown at the time of execution of the Change Order, related to the subject matter of the Change Order, including without limitation all rights to recovery of costs, expense or damages for Adverse Impacts, extended or extraordinary (direct and indirect) overhead, home office overhead, multiplicity of changes, legal expenses, consultant costs, interest, lost profits or revenue, bond and insurance costs, changes in taxes and other similar and related losses.

ARTICLE 11 - CHANGE OF CONTRACT AMOUNT

This Article sets forth the process for adjusting the Contract Amount. If CONTRACTOR believes it is entitled to an adjustment of the Contract Amount, CONTRACTOR shall submit a Change Order Proposal in strict accordance with this Article 11.

- 11.1** The costs set forth in Article 11 are limited to those costs incurred in the performance of Change Order Work and include any costs resulting from adjustment to the Contract Time covered by the Change Order. All original duties, responsibilities and obligations assigned to, or undertaken by, CONTRACTOR under the original Contract shall be at expense of CONTRACTOR without change in the Contract Amount.
- 11.2** The Contract Amount can only be changed by Change Order to the Contract.
- 11.3** Any adjustment to the Contract Amount due to compensable delay shall be determined pursuant to Articles 11.12 and 12.1.2 and included in the Change Order amount.

- 11.4** The value of any Work covered by a Change Order Proposal or a Change Order shall be determined as follows:
- 11.4.1** where the Work involved is covered by unit prices contained within the Contract Documents, the costs of such Work shall be determined by application of such unit prices to the quantities of the items involved, subject to the provisions of Articles 11.5 through 11.7 inclusive;
 - 11.4.2** where the Work involved is not covered by unit prices contained in the Contract Documents, OAR and CONTRACTOR will arrive at a mutually agreed-upon sum based on the estimated Cost of the Work as determined by Articles 11.8 and 11.9 plus a CONTRACTOR fee for overhead and profit as determined in Article 11.10;
 - 11.4.3** where the Work involved is not covered by unit prices contained in the Contract Documents and no agreement is reached under Article 11.4.2, then the basis of Cost of the Work may be as set forth in Article 11.11, plus a CONTRACTOR fee for overhead and profit as determined in Article 11.10.
 - 11.4.4** all allowed and non-allowed costs as set forth in this Article 11 apply to any claims of Subcontractors and suppliers, regardless of tier.

Unit Prices:

- 11.5** Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, the initial Contract Amount shall be deemed to include for all Unit Price Work an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Bidding Documents. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of bids and determining an initial Contract Amount. Determinations of the actual quantities and classifications of Unit Price Work performed by CONTRACTOR will be made by OAR.
- 11.6** Each unit price will be deemed to include an amount considered by CONTRACTOR to be adequate to fully cover all overhead and profit for each separately identified item.
- 11.7** OAR or CONTRACTOR may request, by appropriate Change Order Proposal, an adjustment in the Contract Amount if:
- 11.7.1** the quantity of any item of Unit Price Work performed by CONTRACTOR differs materially and significantly from the estimated quantity of such item indicated in the Contract and there is no corresponding adjustment with respect to any other item of Work;
 - 11.7.2** CONTRACTOR believes CONTRACTOR is entitled to an increase in the Contract Amount as a result of having incurred additional expense or OAR believes that OWNER is entitled to a decrease in the Contract Amount.

Cost of the Work:

- 11.8** The term “Cost of the Work” means the sum of all direct costs necessarily incurred and paid for by CONTRACTOR in connection with the proper furnishing and/or performance of the Work covered by Change Order. Such costs shall be in amounts no greater than those prevailing in the locality of the Work and/or Project and shall only include:

- 11.8.1** estimated payroll costs for employees in direct employ of CONTRACTOR for the performance of the Work. Payroll costs shall include wages paid and fringe benefits as determined by the California State Director of Industrial Relations at the time the Change Order Proposal is submitted. A table of burdened labor rates acceptable to OWNER, which includes employer paid social security contributions, unemployment insurance, and payroll taxes required by law, can be downloaded from http://www.laschools.org/file-storage/download/forms_log/forms_beginning_with_e/Fully_Burdened_Prevaling_Wage_TABLE.pdf. Any burdened labor rate in excess of the published burdened labor rate table will require submittal of the appropriate supporting documents as set forth in Section 01 3229 of the General Requirements. OWNER's consideration of a rate in excess of the published burdened labor rate will be given only if the supporting documents validate CONTRACTOR's payment of costs at the higher rate and if the employee in connection with those costs was in direct employ of CONTRACTOR at least 90 days prior to the claim for a higher rate. The expenses of performing Work after regular hours, on Saturday, Sunday or legal holidays, shall be included if authorized by OAR;
- 11.8.2** cost of all materials and equipment furnished and incorporated into the Work, including costs of transportation, loading and unloading, storage and the cost of supplier's field services in connection therewith;
- 11.8.3** payments made by CONTRACTOR to Subcontractors for Work furnished and/or performed by Subcontractors. If the Work requires a trade subcontractor not listed at the time of the bid because such Work was not within the scope of the Work when bid, CONTRACTOR shall obtain competitive bids from a minimum of three (3) Subcontractors. OAR shall determine the acceptable bid. Subcontractors Cost of the Work and fees shall be determined in the same manner as for CONTRACTOR under Articles 11.8, 11.9, and 11.10. All subcontracts shall be subject to the other provisions of the Contract Documents insofar as applicable.
- 11.8.4** Supplemental costs:
- 11.8.4.1** transportation, delivery and storage of all materials, supplies, appliances, at the Project Site and hand tools not owned by the workers which are consumed in the performance of the Work;
 - 11.8.4.2** an amount for CONTRACTOR owned equipment and machinery based on the Equipment Rental Rates published by Caltrans or rental rate published by actual rental company. The amount shall be based on actual use of the equipment and machinery;
 - 11.8.4.3** sales, consumer, use and/or similar taxes related to the Work, and for which CONTRACTOR is responsible;
 - 11.8.4.4** royalty payments and fees for permits and licenses;
 - 11.8.4.5** utilities, fuel and sanitary facilities at the Project Site;
 - 11.8.4.6** premiums due to additional bonds required because of changes in the Work, or increases, as appropriate, to the scope of the Work covered by the bonds;

11.8.4.7 consultants such as surveyors, testing agencies and engineers, employed for services specifically related to the Work.

11.8.5 Rental amount for construction equipment and machinery, whether rented by CONTRACTOR or others in accordance with Rental Rate Blue Book for Construction Equipment or Equipment Rental Rates published by Caltrans. The amount shall be based on actual use of the equipment and machinery.

11.9 All costs set forth in Article 11.9.1 through 11.9.11 are deemed to be part of CONTRACTOR's overhead and profit, and are included in the Contract Amount and/or covered by CONTRACTOR fee as set forth in Article 11.10. The following are not allowed in the Cost of the Work:

11.9.1 payroll costs and other compensation of CONTRACTOR's project manager, superintendents, general foreman, project coordinators, schedulers, safety officers, detailers, draftsman, project engineers, officers, executives, principals, owners, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks and other personnel employed by CONTRACTOR whether at the Project Site or in CONTRACTOR principal or a branch office for general administration of the Work;

11.9.2 costs and expenses of CONTRACTOR's office located at the Project Site, principal office, branch office(s), home office(s) and all home office overhead costs, including without limitation general and administrative costs;

11.9.3 any part of CONTRACTOR capital expenses, including interest on CONTRACTOR capital employed for the Work and charges against CONTRACTOR for delinquent payments;

11.9.4 cost of premiums for all bonds and for all insurance whether or not CONTRACTOR is required by the Contract Documents to purchase and maintain same except for the cost of premiums covered by Article 11.8.4.6;

11.9.5 costs due to negligence, act or failure to act of CONTRACTOR, any Subcontractor, or anyone else directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment furnished in error and the repair and/or replacement of any damage to property;

11.9.6 consumable materials, such as drill bits, abrasive discs, gloves, rags, rope, welding tips, etc.;

11.9.7 tools and equipment with original costs of less than \$1,000.00;

11.9.8 other overhead or general expense costs of any kind such as Shop Drawings, guarantees and warranties, and the costs of any item not specifically and expressly set forth in Article 11.8;

11.9.9 consequential expenses including impairment of bonding capacity, lost opportunity, labor, wage or cost escalations, legal expenses or changes in taxes;

11.9.10 expenses related to pickup trucks;

CONTRACTOR Overhead and Profit

11.10 CONTRACTOR fee for overhead and profit shall be based on the following:

11.10.1 for costs incurred under Articles 11.8.1 and 11.8.2, CONTRACTOR fee shall be fifteen (15) percent for Work performed directly by CONTRACTOR;

11.10.2 where Subcontractors are included in the change, the intent of Articles 11.8.1, 11.8.2, 11.8.3 and 11.11 is that the Subcontractor who actually performs or furnishes the Work, regardless of tier, will be paid a fee of fifteen (15) percent of the costs incurred by such Subcontractor under Articles 11.8.1 and 11.8.2, and CONTRACTOR will be paid a fee of five (5) percent, for a maximum total fee of twenty (20) percent;

11.10.3 no fee shall be payable on the basis of costs itemized under Articles 11.8.4 and 11.9;

11.10.4 the amount CONTRACTOR shall credit OWNER for any change that results in a net decrease in cost will be the amount of the actual net decrease in cost and a deduction in the CONTRACTOR fee of five (5) percent of the net decrease;

11.10.5 the amount CONTRACTOR shall credit OWNER for any change of Work by a Subcontractor which results in a net decrease in cost will be the amount of the actual net decrease in costs plus a deduction in the Subcontractor fee by an amount equal to five (5) percent of such net decrease and a deduction in fee for the CONTRACTOR of five (5) percent;

11.10.6 for costs incurred under Article 11.8.5, the CONTRACTOR fee for rented equipment shall be five (5) percent. No fee shall be allowed for CONTRACTOR owned equipment as set forth in Article 11.8.4.2;

11.10.7 when both additions and credits are involved in any one change of Work, the adjustment in CONTRACTOR fee shall be calculated on the basis of the net change in accordance with Articles 11.10.1 through 11.10.6 inclusive.

Time and Material:

11.11 Whenever the Cost of the Work is to be determined in accordance with Article 11.4.3, CONTRACTOR shall maintain records thereof in accordance with generally accepted accounting practices and shall submit the itemized cost breakdown to OAR in the following form:

At the close of each work day, CONTRACTOR shall submit a daily time and material record, on a form prescribed by OWNER, to OAR, together with applicable delivery tickets, listing all labor, employees names, hours worked, wage classifications, materials, quantities, equipment size, type and identification number, and supplies involved for said work day, the location of the affected portion of the Work, for services and expenditures as authorized under Articles 11.8, 11.9, and 11.10. An attempt shall be made to reconcile the daily time and material record, and OAR and CONTRACTOR shall sign it. In the event of disagreement, each party, to explain points which cannot be resolved immediately, shall enter pertinent notes. Each party shall retain a signed copy of the daily time and material record. Daily time and material records of Subcontractors or others shall only be submitted through CONTRACTOR. The submittal shall include invoices depicting cost of material and rental equipment.

Cost of Compensable Delay:

11.12 When the Contract Time is extended, the allowable cost for the time extension shall include only the following items:

11.12.1 Payroll costs of CONTRACTOR's employees at the Project Site.

11.12.2 CONTRACTOR Project Site and Site office expenses.

11.12.3 CONTRACTOR fee for all profit and overhead, including costs and expenses of CONTRACTOR's principal office, branch office(s), home office(s) and all home office overhead costs, including without limitation general and administrative costs, and all other off Site expenses, shall be five (5) percent of costs incurred under Articles 11.12.1 and 11.12.2.

11.12.4 Additional cost of bond premiums, if any, due to extended Contract Time.

Change Order Exceeding \$500,000:

11.13 Any individual Change Order in an amount that exceeds \$500,000 and which has been approved by the Deputy Chief Procurement Officer (Facilities), or designee, shall be subject to audit by OWNER as set forth in Article 14.8.

ARTICLE 12 - CHANGE OF CONTRACT TIME

12.1 ***Adjustment of Contract Time.*** If the Work is delayed for any reason, adjustment, if any, to the Contract Time on account of such delay shall be in accordance with this Article 12 and will be made, if at all, by Change Order in accordance with Articles 10 and 11 or, if the duration of the adjustment cannot be resolved, then in accordance with Article 16. If CONTRACTOR believes it is entitled to an adjustment of the Contract Time, CONTRACTOR shall submit a Change Order Proposal in strict accordance with this Article 12.

12.1.1 ***Excusable Delays.*** If the Work is delayed by unforeseeable and unavoidable casualties or other unforeseen causes beyond the control, and without fault or neglect, of CONTRACTOR, any Subcontractor, Material Supplier or other person directly or indirectly engaged by CONTRACTOR in performance of any portion of the Work the Contract Time shall be subject to adjustment for such reasonable period of time as determined by OWNER. Such delays will be known as "Excusable Delays." Excusable Delays include unanticipated and unavoidable labor disputes, unusual and unanticipated delays in transportation of equipment or materials reasonably necessary for completion and proper execution of the Work, and unanticipated unusually severe weather conditions. Neither the financial resources of CONTRACTOR nor any person or entity directly or indirectly engaged by CONTRACTOR in performance of any portion of the Work shall be deemed conditions beyond the control of CONTRACTOR. If an event of Excusable Delay occurs, the Contract Time shall be subject to adjustment hereunder only if CONTRACTOR establishes: (i) full compliance with all applicable provisions of the Contract Documents relative to the method, manner and time for CONTRACTOR's notice and request for adjustment of the Contract Time; (ii) that the event(s) forming the basis for CONTRACTOR's request to adjust the Contract Time are outside the reasonable control and without any fault or neglect of CONTRACTOR or any person or entity directly or indirectly engaged by CONTRACTOR in performance of any

portion of the Work; and (iii) that the event(s) forming the basis for CONTRACTOR's request to adjust the Contract Time directly and adversely impacted the progress of the Work as indicated in the most recent updated Approved Construction Schedule relative to the date(s) of the claimed event(s) of Excusable Delay. The foregoing provisions notwithstanding, if the Specifications set forth a number of "Rain Days" to be anticipated during performance of the Work, the Contract Time shall not be adjusted for unusually severe weather conditions until and unless the actual number of Rain Days during performance of the Work shall exceed those noted in the Specifications and such additional Rain Days shall have directly and adversely impacted the progress of the Work as depicted in the Approved Construction Schedule or the most recent updated Approved Construction Schedule relative to the date(s) of such additional Rain Days. Excusable Delays shall not result in any increase in the Contract Amount.

12.1.2 *Compensable Delays.* If Work is delayed by the acts or omissions of OWNER, ARCHITECT or separate contractor employed by OWNER, upon CONTRACTOR's request and notice, in strict conformity with Articles 10, 12 and 16 of these General Conditions and all related Sections of the Division 01 General Requirements, the Contract Time will be adjusted by Change Order for such reasonable period of time as determined by the OWNER and in accordance with Article 11.12.

12.1.3 *Unexcusable Delays.* Unexcusable Delays refer to any delay to the progress of the Work caused by events or factors other than those specifically identified in Articles 12.1.1 and 12.1.2 above. Neither the Contract Amount nor the Contract Time shall be adjusted on account of Unexcusable Delays.

12.2 *Procedure for Adjustment of Contract Time.* The Contract Time shall be subject to adjustment only in strict conformity with applicable provisions of the Contract Documents. Failure of CONTRACTOR to request adjustment(s) of the Contract Time in strict conformity with applicable provisions of the Contract Documents shall be deemed CONTRACTOR's waiver and release of the same.

12.2.1 If CONTRACTOR and/or its Subcontractor, encounter any issue, event, condition, circumstance and/or cause of an Adverse Impact, CONTRACTOR shall provide a written notice to OAR, utilizing a notice form provided by OWNER. The notice shall be given to OAR upon the date of discovery or no later than three (3) days after CONTRACTOR first encounters the Adverse Impact. The notice shall supply all the information required by the provided form. CONTRACTOR shall also raise the circumstances of the Adverse Impact at the first Project meeting with OAR following the date of discovery of the Adverse Impact. The matter shall be carried in the meeting minutes until resolved.

12.2.2 Within three (3) days of the ending of the Adverse Impact, CONTRACTOR shall provide written notice to OAR, on an OWNER provided form, notifying OAR of the date on which the Adverse Impact ended. If CONTRACTOR contends the Adverse Impact entitles CONTRACTOR to an adjustment of the Contract Amount, Milestones and/or Contract Time, then CONTRACTOR shall submit a Change Order Proposal in strict conformity with Articles 10 through 12, Article 16 and Division 01 General Requirements within thirty-five (35) days after the written notice to the OAR was given.

12.2.3 CONTRACTOR recognizes and acknowledges that timely submission of notices identified in Articles 12.2.1 and 12.2.2, whether or not the circumstances of an Adverse Impact may be

known to OWNER or available to OWNER through other means, is not a mere formality but is of crucial importance to the ability of OWNER to promptly identify, prioritize, evaluate and mitigate the potential effects of the Adverse Impact. Any form of informal notice, whether verbal or written (including, without limitation, statements at regular job meetings or entries on monthly reports, daily logs or job meeting minutes), that does not strictly comply with the formal notice requirements of Articles 12.2.1 and 12.2.2 above, shall accordingly be deemed insufficient and of no force or effect.

12.3 Limitations Upon Adjustment of Contract Time on Account of Delays. Any adjustment of the Contract Time on account of an Excusable Delay or a Compensable Delay shall be limited as set forth herein. No adjustment of the Contract Time shall be made on account of any Excusable Delays or Compensable Delays unless such delay(s) actually and directly impact Work or Work activities on the critical path of the then current and updated Approved Construction Schedule as of the date on which such delay first occurs. OWNER shall not be deemed in breach of, or otherwise in default of any obligation hereunder, if OWNER shall deny a request by CONTRACTOR for an adjustment of the Contract Time for any delay which does not actually and directly impact Work on the critical path of the then current and updated Approved Construction Schedule. In submitting a request for an adjustment of Contract Time, and as a condition precedent to OWNER's review of such request, CONTRACTOR shall insert into the then current and updated Approved Construction Schedule a "fragnet" analysis representing the event which CONTRACTOR claims to result in delay to the critical path as depicted in such updated Approved Construction Schedule. If an Excusable Delay and a Compensable Delay occur concurrently, the maximum extension of the Contract Time shall be the number of days, if any, which the Compensable Delay exceeds the period from the Excusable Delay. If an Unexcusable Delay occurs concurrently with either an Excusable Delay or a Compensable Delay, the maximum extension of the Contract Time shall be the number of days, if any, which the Excusable Delay or the Compensable Delay exceeds the period of time of the Unexcusable Delay.

12.4 Early Completion. Nothing stated in these General Conditions or elsewhere in the Contract Documents shall be interpreted as creating any contractual right, express or implied, on the part of CONTRACTOR to complete the Work earlier than the Contract Time. CONTRACTOR has included in its Bid that is the basis for the Contract Amount the costs of all CONTRACTOR's and the Subcontractors' direct and indirect overhead, including but not limited to all Project staff, temporary facilities, temporary utilities and home office overhead for the entire duration of the Contract Time. The above costs have been included in the Bid and Contract Amount notwithstanding CONTRACTOR's possible anticipation of completion in fewer Days than established by the Contract Time. Under no circumstances shall OWNER be liable to CONTRACTOR for any losses, of any kind, due to the inability of CONTRACTOR to complete the Work earlier than the Contract Time, regardless of the cause, including, without limitation, delays due to acts or omissions (intentional or negligent) of OWNER, ARCHITECT or others. No reduction in the Contract Amount shall be made nor will CONTRACTOR be required to remain on the Site if the Work is completed before expiration of the Contract Time.

12.5 Acceleration of the Work.

12.5.1 Due to Unexcused Delay. If OWNER determines and notifies CONTRACTOR that CONTRACTOR's progress in performance of the Work is such that, in OWNER's good faith judgment, CONTRACTOR will not achieve Substantial Completion of the Work within the Contract Time, then CONTRACTOR shall immediately respond in writing setting forth a detailed plan for accelerating the Work and shall thereafter take, at CONTRACTOR's own expense, all measures necessary, including, if permissible, providing additional equipment,

working overtime, additional shifts, Saturdays, Sundays and holidays, to recover performance to ensure that the Work is performed within the Contract Time. OWNER reserves the right to take all necessary measures to mitigate further delays to the completion of the Work within the Contract Time and CONTRACTOR shall reimburse OWNER, or OWNER may withhold from payment due to CONTRACTOR, any costs incurred by OWNER to perform such measures.

12.5.2 Due to Excusable Delay. CONTRACTOR shall have the right, exercised in its sole discretion, to accelerate performance of the Work to overcome time lost due to Excusable Delay. However, such acceleration, if performed, shall be deemed a voluntary acceleration performed at CONTRACTOR's own expense.

12.5.3 Due to Compensable Delay. OWNER shall have the right, exercised in its sole discretion, in lieu of granting an adjustment to the Contract Time and/or Contract Amount for Compensable Delay, to direct in writing the acceleration of the Work by CONTRACTOR in order to recapture time lost due to Compensable Delay. OWNER and CONTRACTOR shall endeavor prior to commencement of the acceleration to mutually agree upon an amount of compensation to be paid therefor that is consistent with the provisions of this Article. OWNER shall have the right, in the absence of such an agreement, to direct in writing that CONTRACTOR accelerate, in which case CONTRACTOR's compensation therefor shall be limited, subject to the other provisions of this Article, to only those costs incurred and paid for any premium time portion of overtime wages paid and additional equipment that is required to recapture the number of days of Compensable Delay stated by OWNER in such direction. Except as directed by OWNER in the manner stated in this Article, no statements, conduct or actions by OWNER will be construed as creating an obligation on the part of OWNER to make payment for the cost of any overtime or other costs associated with an acceleration of the Work and any acceleration undertaken without the prior written direction of OWNER as required by this Article shall be deemed to be a voluntary acceleration performed at CONTRACTOR's own expense.

12.6 Continuous Performance. No dispute or disagreement with respect to any Changes or delay, including, without limitation, disputes over CONTRACTOR's right to or the amount of any adjustment to the Contract Amount or Contract Time, shall relieve or excuse CONTRACTOR from the obligation to proceed with and maintain continuous, expeditious and uninterrupted performance of the Work, including performance of any disputed Changes.

12.7 Liquidated Damages – CONTRACTOR Delays. Should the CONTRACTOR not achieve Completion of the Work within the Contract Time, as adjusted, the CONTRACTOR shall pay to the OWNER the amount of per diem Liquidated Damages set forth in Supplementary Condition Article 12.7.1, for every day beyond the Contract Time, as adjusted, until Completion of the Work is achieved. Any such Liquidated Damages are automatically and without notice of any kind owed by CONTRACTOR upon the accrual of each day of delay. The OWNER may at any time deduct Liquidated Damages from any payments due or to become due to the CONTRACTOR. Neither the OWNER's failure or delay in deducting Liquidated Damages from payments otherwise due the CONTRACTOR, nor the OWNER's failure or delay in notifying CONTRACTOR of the accrual of Liquidated Damages, shall be deemed a waiver of the OWNER's right to Liquidated Damages. The CONTRACTOR and the Surety shall be liable for and pay to the OWNER the entire amount of Liquidated Damages including any portion that exceeds the amount of the Contract Amount then held, retained or controlled by the OWNER. The CONTRACTOR and OWNER acknowledge and agree that the Liquidated Damages and the provisions of this Article 12.7 are reasonable and

necessary under the circumstances existing at the time this Contract is made because of the difficulty of fixing the OWNER's actual damages in the event of delayed completion of the Work. The CONTRACTOR and the OWNER agree that the Liquidated Damages do not constitute a penalty. In the event that the CONTRACTOR shall fail or refuse to correct or complete items of the Work noted upon Substantial Completion and the OWNER elects to exercise its right to cause completion or correction of such items pursuant to Article 15, the OWNER's Liquidated Damages pursuant to the foregoing shall be in addition to, and not in lieu of, the OWNER's right to charge CONTRACTOR with the cost of completing or correcting such items of the Work, as provided for under Article 15.

ARTICLE 13 - TESTING AND INSPECTION; DEFECTIVE WORK

Notice of Defective or Non-Compliant Work:

- 13.1** Although OAR, ARCHITECT, or the Project Inspector have no obligation to discover or search for non-compliant or defective Work, if OAR, ARCHITECT, or the Project Inspector acquire actual knowledge of any non-compliant and/or defective Work, OWNER shall notify and provide CONTRACTOR with a listing that identifies the observed non-compliant items (NCIL) and/or defective Work requiring correction, including any Punch List items from any applicable governing agency for Class "A" or "B" permit work. OWNER shall post all lists of non-compliant items to OWNER's website at <http://mo.laschools.org/fis/construction-support/inspection/fs-inspection-docs-2> for CONTRACTOR access and reference. Any or all defective Work may be rejected, corrected and/or accepted in accordance with the terms set forth in Articles 13 and 15.

Access to the Work:

- 13.2** CONTRACTOR shall provide access at any time to the Work, products, equipment, materials and/or fabrications of the Work, wherever same are stored, fabricated, erected or installed, when directed to do so by OAR, ARCHITECT, the Project Inspector, other OWNER personnel, representatives of testing and inspection agencies and other governmental entities having jurisdiction over the Work. CONTRACTOR shall provide sufficient, safe, proper access to labor and facilities to prepare for and take samples for testing and/or inspection of products, equipment, and materials or fabrications of the Work.

Project Inspector:

- 13.3** The person employed by OWNER and approved by the Division of the State Architect will be assigned to the Work in accordance with the requirements of Title 24 of the California Code of Regulations.
- 13.4** All Work shall be under the observation of or with the knowledge of the Project Inspector. The Project Inspector shall have free access to any and all parts of the Work at any time. CONTRACTOR shall furnish the Project Inspector such information and facilities as may be necessary to keep the Project Inspector fully informed regarding progress, manner of Work and character of materials. Such observations shall not, in any way, relieve CONTRACTOR from responsibility for full compliance with all terms and conditions of the Contract Documents or be construed to lessen to any degree CONTRACTOR responsibility for providing efficient and capable superintendence of the Work. The Project Inspector is not authorized to make changes in the Contract Documents, including, without limitation, the Drawings or Specifications nor shall the Project Inspector's inspection of the Work and methods relieve the CONTRACTOR of responsibility for the correction of subsequently discovered defects, or from its obligation to exactly comply with the Contract Documents. To the extent

CONTRACTOR believes the Project Inspector is requiring any such change, CONTRACTOR shall immediately provide written notice to OAR. The Project Inspector review of percentage of the Work completed for the purpose of progress payments are stated for facilitating cash flow only and shall not constitute acceptance of the Work, in whole or in part, shall not be binding upon OWNER in any way, and shall not be used as evidence of the actual percentage of the Work completed as per the requirements of the Contract Documents. The Project Inspector shall prepare all Project NCIL and Punch Lists relative to Partial Use or Occupancy, Substantial Completion, Administrative Closeout, and/or Contract Completion.

Testing, Inspection and Observation of the Work:

- 13.5** Tests, inspections, observations, and approvals of any portion of the Work required by the Contract Documents will comply with Title 24, and with all other laws, ordinances, rules, regulations, or orders of public authorities having jurisdiction.
- 13.6** Tests, inspections, observations, and approvals conducted pursuant to the Contract Documents shall not serve as a basis for any CONTRACTOR dispute based on, but not limited to, Adverse Impacts.
- 13.7** CONTRACTOR shall provide a minimum of 48 hours advance notice to the Project Inspector by submitting a correctly completed Inspection Request form identifying Work, including Off-Site Work, that is ready to be inspected, tested, observed and/or verified as compliant with the DSA approved construction documents in order for the Project Inspector to observe such test or to perform or arrange performance thereof. When any Off-Site Work is ready to be inspected, tested, observed and/or verified as compliant with the DSA approved construction documents and participation of a public authority having jurisdiction over the Off-Site Work is required, or the Off-Site Work is outside a sixty (60) mile radius of Project Site, CONTRACTOR shall provide a minimum of 96 hours advance notice to the Project Inspector. CONTRACTOR is responsible for providing notice to any public authority having jurisdiction over the Off-Site Work. CONTRACTOR shall fully cooperate with all testing and inspection personnel in the performance of their duties and responsibilities.
- 13.8** CONTRACTOR shall provide a minimum of 96 hours advance notice to the Project Inspector by submitting a correctly completed Inspection Request form identifying the supply, manufacture and/or fabrication of material to be supplied which must, by terms of the Contract Documents, be tested, observed, and/or inspected at the source of supply, fabrication, or manufacture.
- 13.9** If the Contract Documents require observation, inspection, testing, or approval of Work to be performed outside normal hours of Work, the costs thereof shall be borne by OWNER. If CONTRACTOR elects to perform Work outside normal hours of Work, the costs of any required observation, inspection, testing, or approvals performed outside normal hours of Work shall be borne by CONTRACTOR with such costs of observation, inspection, testing, and approval being assessed against Contract funds or CONTRACTOR. CONTRACTOR shall provide a minimum of 48 hours advance notice to the Project Inspector if CONTRACTOR elects to perform Work outside normal hours of Work.
- 13.10** If the Project Inspector, ARCHITECT, or any other public authority having jurisdiction over the Work, require or consider it necessary to perform additional observation, testing, inspection and/or approval, the Project Inspector or ARCHITECT shall, upon receipt of OAR directive, arrange for such additional observation, testing, inspection, or approval with the costs thereof being borne by OWNER, except for costs as set forth in Articles 13.11, 13.14, and 13.16 or as otherwise noted in the Contract Documents.

- 13.11** If initial observations, tests, inspections or approvals do not pass or receive approvals, CONTRACTOR shall be responsible for all costs including, but not limited to, the costs of additional observations, tests, inspections or approval additional professional services and consultants provided by OWNER with the costs of such observation, tests, inspections and approval being assessed against Contract funds or CONTRACTOR.
- 13.12** CONTRACTOR shall not incorporate any material, product, assembly, or fabrication requiring observation, testing, inspection and/or approval into the Work until such test results, observation or inspection reports denoting compliance with applicable provisions of the Contract Documents are provided to CONTRACTOR.
- 13.13** If observations, tests, inspections, or approvals do not pass or receive approval, CONTRACTOR shall be responsible for all delays in the Milestones and/or Contract Time as set forth in Article 12.1.3.

OWNER Consultants:

- 13.14** If required by the terms and conditions of the Contract Documents, OWNER will furnish at OWNER expense, professional consultants such as, but not limited to, geotechnical engineers or other consultants who shall provide observations, tests, inspections and approvals identified in the Contract Documents as being responsibility of OWNER except:
- 13.14.1** when such services and expenses thereof are stipulated by the Contract Documents to be provided by CONTRACTOR;
 - 13.14.2** when an observed, tested, inspected or approved material, product, fabrication or assembly fails to meet the requirements of the Contract Documents;
 - 13.14.3** when the source or supplier of material is changed after original observation, test or inspection has been approved or passed;
 - 13.14.4** when, upon examination of ARCHITECT, any material, product, fabrication or assembly appears to be inferior to and/or different from the originally observed, tested, inspected or approved material, product, fabrication or assembly;
 - 13.14.5** for travel and incidental costs related to specified observations, testing, inspection and approval Work associated with CONTRACTOR-provided materials, products, fabrications or assemblies that are outside a sixty (60) mile radius of Project Site.
- 13.15** OWNER Consultant shall report results of all observations and tests noting if tested and/or observed materials passed or failed such tests and shall furnish copies to the Project Inspector, ARCHITECT, OAR, DSA, CONTRACTOR and others as required. In the case of geotechnical engineers the report shall state such observations and tests were conducted under the responsible charge of a licensed State of California civil engineer and the material was tested in accordance with applicable provisions of the Contract Documents, Title 24, CCR and the DSA. Upon completion of the Work, testing laboratory shall submit electronically a verified report to the DSA as required by Title 24, CCR, and as described in the DSA Procedure for the Construction Oversight Process.

Testing Laboratories and Test Reports:

- 13.16** If required by the terms and conditions of the Contract Documents, OWNER will furnish at OWNER expense professional services of an independent approved testing laboratory to conduct required tests and inspections identified in the Contract Documents as being responsibility of OWNER except:
- 13.16.1** when such services and expenses thereof are stipulated by the Contract Documents to be provided by CONTRACTOR;
 - 13.16.2** when a tested and/or inspected material, product, fabrication or assembly fails to meet the requirements of the Contract Documents;
 - 13.16.3** when the source or supplier of material is changed after original observation, test or inspection has been approved or passed;
 - 13.16.4** when, upon examination of ARCHITECT, any material, product, fabrication or assembly appears to be inferior to and/or different from the originally observed, tested, inspected or approved material, product, fabrication or assembly;
 - 13.16.5** for travel and incidental costs related to specified observations, testing, inspection and approval Work associated with CONTRACTOR-provided materials, products, fabrications or assemblies that are outside a sixty (60) mile radius of Project Site.
- 13.17** Independent testing laboratory shall report results of all tests noting if inspection and/or tested material passed or failed such tests and shall furnish copies to the Project Inspector, ARCHITECT, OAR, DSA, CONTRACTOR and others as required. Report shall state tests were conducted under the responsible charge of a licensed State of California civil engineer and the material was tested in accordance with applicable provisions of the Contract Documents, Title 24, CCR, and the DSA. Upon completion of the Work, testing laboratory shall submit electronically a verified report to the DSA as required by Title 24, CCR, and as described in the DSA Procedure for the Construction Oversight Process.

Uncovering the Work:

- 13.18** If any portion of the Work is covered prior to any required observation, inspection, testing or approval it shall, upon notice to CONTRACTOR by the Project Inspector or OAR, be uncovered for observation, inspection, testing or approval with the costs of uncovering and replacement thereof being borne by CONTRACTOR. CONTRACTOR shall erect and maintain reasonable safeguards for the safety and protection of the uncovered work.
- 13.19** If ARCHITECT, OAR, or Project Inspector deems it necessary to uncover any portion of the Work for additional observation, inspection, testing or approval, CONTRACTOR shall, upon receipt of OAR Construction Directive, proceed with furnishing such labor, material and equipment to uncover such portion of the Work and shall proceed as follows:
- 13.19.1** if uncovered Work is deemed to be defective, CONTRACTOR shall proceed in accordance with, but not limited to, Articles 13.20 through 13.23;
 - 13.19.2** if uncovered Work is deemed to be in complete accordance with the Contract Documents,

CONTRACTOR may be allowed an adjustment in the Contract Amount for those specific costs directly related to the costs of uncovering, repair and replacement of Work, and OAR may adjust the Milestones and/or Contract Time;

- 13.19.3** however, if CONTRACTOR believes a Construction Directive establishes a basis for an adjustment in the Contract Amount, Milestones and/or Contract Time, CONTRACTOR shall, pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal within ten (10) days of the date of issuance of the Construction Directive.

Remedying Defective Work:

- 13.20** Any Work, materials, equipment or other items, which do not conform to the requirements, standards or approvals as set forth in the Contract Documents may be deemed defective by OWNER, in which case, they shall be removed and replaced by CONTRACTOR upon notice from OWNER.
- 13.21** CONTRACTOR shall, upon receipt of OAR notice, promptly correct any portion of the Work deemed defective, whether observed before or after completion and whether or not fabricated, installed, or completed. CONTRACTOR shall be responsible for all delays to the Milestones and/or Contract Time, costs of correcting defective Work, including the Work of others, including, but not limited to, additional professional services and consultants provided by OWNER with the costs of such observations, tests, inspections, and approvals being assessed against Contract funds or CONTRACTOR.
- 13.22** CONTRACTOR shall remove from the Project Site all portions of defective Work not corrected by CONTRACTOR or not accepted by OAR.
- 13.23** If CONTRACTOR fails to remedy any defective Work, OAR may proceed as set forth in Article 15.3.

Correction Period for the Work:

- 13.24** If, within one (1) year after the date of Substantial Completion or such longer periods of time prescribed by any special guarantees or warranties established under the Contract Documents and/or by any specific provisions of the Contract Documents, any Work is found to be defective, CONTRACTOR shall, in accordance with OWNER written notice and directives, correct defective Work; or replace defective Work with Work which is not defective; and correct and/or replace damage to other Work resulting from correction and/or replacement of defective Work. During the prescribed correction period, CONTRACTOR shall remedy any defective Work within forty-five (45) days of receipt of OWNER's written notice unless such notice requests more immediate corrective action due to a potential health or safety issue posed by the defective Work.
- 13.25** In the event OAR accepts a particular item of equipment and places it into continuous service prior to Substantial Completion of the Work, the correction period and the warranty period for such item may commence from such date of OAR acceptance if such acceptance is provided for in Article 14.13.
- 13.26** Where such defective Work has been corrected and/or replaced pursuant to Article 13.24, the correction and warranty period for such corrected and/or replaced Work shall be extended an additional term equal to the original correction and warranty period for the Work or such longer period of time prescribed by any special guarantees or warranties.

- 13.27** Nothing contained in Articles 13.24, 13.25, and 13.26 shall be construed to establish a period of limitation with respect to CONTRACTOR obligations under the Contract Documents. Establishment of the one (1) year time period only relates to the specific obligation of CONTRACTOR to correct defective Work and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, or to the time within which proceedings may be commenced to establish CONTRACTOR liability with respect to CONTRACTOR obligations other than to correct any defective portion of the Work.

OWNER Acceptance of Non-Compliant Work:

- 13.28** Prior to Contract Completion, OWNER may, in lieu of requiring correction and/or replacement of non-compliant Work and where code, statute, ordinance or law does not require such correction, prefer to accept the non-compliant Work and may do so. CONTRACTOR shall pay all claims, costs, professional services, tests, inspections, losses, and damages incurred by OWNER in the evaluation of and determination of the acceptability of such non-compliant Work. In addition, the OAR may issue a Construction Directive and CONTRACTOR shall provide OWNER with a credit (deductive) Change Order Proposal for accepting such non-compliant Work. When changes in Contract scope (as opposed to quality issues) are being accepted, the provisions of Article 10 shall apply.

ARTICLE 14 - CONTRACTOR PAYMENTS AND COMPLETION

Schedule of Values:

- 14.1** The Schedule of Values, as established in Article 2.5.2, shall serve as the basis for progress payments and shall be incorporated into a certified Application for Payment form available from OWNER.

Application for Payment:

- 14.2** On or before the fifth (5th) day of each calendar month following the month for which payment is being requested, but not more than once a month, CONTRACTOR shall submit to OAR an itemized Application for Payment for Work completed during the preceding month in accordance with the Contract Documents. Such application shall be certified by CONTRACTOR under penalty of perjury and shall be supported by the following or such portion thereof as OAR requires:
- 14.2.1** the amount paid to the date of the application to CONTRACTOR, to all its Subcontractors, and all others furnishing labor, material, or equipment;
 - 14.2.2** certified payroll records submitted in electronic format as specified by OWNER and hard copy directly to Labor Compliance Program, as per Article 6.48, for the prior Application for Payment period in addition to District OCIP forms;
 - 14.2.3** a certification the Project record documents are current;
 - 14.2.4** the approved Change Orders to the Contract Amount, Milestones and/or Contract Time;
 - 14.2.5** in accordance with Article 14.7, a summary of the retention withheld;
 - 14.2.6** material invoices, evidence of equipment purchases, rentals, and other supporting documentation and details of cost as OAR may require from time to time;

- 14.2.7** the percentage of completion of the Work by line item referenced to the certified Schedule of Values, and construction schedule updates;
- 14.2.8** a statement showing all payments made by CONTRACTOR for labor and materials on account of the Work covered in the preceding certified Application for Payment;
- 14.2.9** prior to CONTRACTOR receipt of any payment for monies due, as a result of a percentage of the Work completed, it shall furnish OAR with a summary which must show payments to be made to Subcontractors and all others furnishing labor, material, and equipment covered by the payment application.
- 14.3** If CONTRACTOR fails to comply with any one of the certified Application for Payment requirements as set forth in Article 14.2, OWNER has no obligation whatsoever to make any payment. Each of the Article 14.2 requirements, as well as performing the Work as per the Contract, shall be conditions precedent to the maturing of OWNER obligation to make payment.
- 14.4** In accordance with Section 22300 of the Public Contract Code, and at CONTRACTOR sole cost and expense, OWNER will also permit the substitution of securities in lieu of retention withheld by OWNER to ensure performance under the Contract. At the request and expense of CONTRACTOR, securities equivalent to the amount otherwise to be withheld under the Contract shall be deposited with OWNER, or with a state or federally chartered bank as the escrow agent. If the securities are so deposited, then retention on progress payments will not be withheld. In accordance with the provisions of the Contract the securities shall be returned to CONTRACTOR. Securities eligible for investment under Section 22300 shall include those listed in Government Code §16430, bank or savings and loan certificates of deposit, interest-bearing, demand-deposit accounts, standby letters of credit, or any other security mutually agreed to by CONTRACTOR and OWNER. CONTRACTOR shall be the beneficial owner of any securities substituted for monies withheld and shall receive an interest thereon. The escrow agreement used for the purposes of this Article 14.4 shall be substantially similar to the form set forth in Public Contract Code § 22300. The escrow agreement shall provide “in the event OWNER declares a material breach of the Contract and gives notice thereof in writing to CONTRACTOR and the escrow agent, the escrow agent shall immediately release to OWNER funds and/or securities in an amount necessary to permit OWNER to correct defective Work and/or complete the Work.”
- 14.5** CONTRACTOR is required to order, obtain, and store materials and equipment sufficiently in advance of the Work at no additional cost or advance payment from OWNER, and assure there will be no delays to the progress of the Work. OWNER may pay for stored material only when OAR specifically approves the payment in writing. If payments are to be made on account for materials and equipment not incorporated in the Work, but delivered and suitably stored at the Project Site or at some other location agreed to in writing by OAR, the certified Application for Payment shall be accompanied by a bill of sale, invoice or other documentation warranting OWNER has received the materials and equipment free and clear of all liens and encumbrances and the materials and equipment are covered by appropriate insurance and/or other arrangements to protect OWNER interests therein, including, without limitation, transportation to the Project Site. All stored items shall be stored, inventoried, and if applicable, specified by identification numbers, otherwise all risk of loss remains with CONTRACTOR.

CONTRACTOR Warranty of Title:

- 14.6** CONTRACTOR warrants and guarantees title to all Work, materials, and equipment covered by any certified Application for Payment, whether incorporated into the Work or not, will pass to OWNER no later than the time of payment free and clear of stop payment notices and any and all encumbrances. CONTRACTOR further warrants upon submittal of a certified Application for Payment all Work for which a certified Application for Payment has been previously issued and payments received from OWNER shall, to the best of CONTRACTOR knowledge, information, and belief, be free and clear of stop payment notices and any and all encumbrances in favor of CONTRACTOR, Subcontractors, material and equipment suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work. Nothing set forth in this Article shall be construed to commence any warranty period for materials, equipment, systems, etc. incorporated into the Work. OWNER expressly reserves the right to reject any or all of the Work not in compliance with the Contract Documents at any time before Contract Completion.

Review of Payment Applications:

- 14.7** If the certified Application for Payment is undisputed and properly submitted as per Articles 14.2 and 14.3, payment, less five percent (5%) retention, any OWNER assessments and withholds will be made within thirty (30) days from receipt.
- 14.7.1** If the certified Application for Payment is not properly submitted and/or is otherwise disputed the OAR will return it with a written statement setting forth the reason why the payment request is not proper.
- 14.7.2** If the payment request is properly submitted, and only a portion thereof is disputed, OWNER may pay the undisputed portion thereof and refuse to pay the disputed portion thereof until the dispute is resolved.
- 14.7.3** If CONTRACTOR disputes any OWNER assessment, then CONTRACTOR shall give written notice as set forth in Article 16.
- 14.8** Individual Change Orders exceeding \$500,000 require an audit by OWNER. Following approval of the Change Order and completion and acceptance of the Change Order Work, OWNER shall pay CONTRACTOR up to 80% of the value of the Change Order pending completion of the audit. Payment of the remaining amount, reflecting any adjustments as required by OWNER's audit, will be made upon completion of the audit.
- 14.9** OAR may refuse to make payments in whole or part because of:
- 14.9.1** defective Work not remedied or completed Work has been damaged requiring correction;
- 14.9.2** Contract Amount having been reduced by Change Order;
- 14.9.3** OWNER has been required to correct defective Work and/or to complete Work in accordance with Articles 13.23 and/or 15.3;
- 14.9.4** stop payment notices filed;

- 14.9.5** Liquidated Damages owed by CONTRACTOR;
- 14.9.6** reasonable OAR doubt the Work can be completed for the unpaid balance of any Contract Amount and/or within the Milestones and/or Contract Time;
- 14.9.7** damage to OWNER and/or Separate Contract Work;
- 14.9.8** failure to store and/or properly secure materials;
- 14.9.9** failure of CONTRACTOR to submit on a timely basis, proper and sufficient documentation required by the Contract Documents, including, without limitation, Shop Drawings, submittal schedules, construction schedules, Product Data and Samples, proposed material lists, and/or verified reports;
- 14.9.10** failure of CONTRACTOR to maintain current and accurate Project record documents;
- 14.9.11** erroneous estimates by CONTRACTOR of the value of the Work performed and/or other erroneous data in a certified Application for Payment;
- 14.9.12** unauthorized deviations from the Contract Documents including, without limitation, CONTRACTOR failure to correct notices of defective Work, NCILs, and/or safety orders;
- 14.9.13** failure of CONTRACTOR and/or its eligible Subcontractors to comply and remain in compliance with the OCIP program;
- 14.9.14** other items entitling OWNER to a partial and/or full withholding of the recommended amounts;
- 14.9.15** OWNER exercising any of its rights as set forth in Articles 15.3;
- 14.9.16** OWNER assessed other costs, expenses and/or damages as permitted by the Contract;
- 14.9.17** OWNER assessed penalties as permitted by law;
- 14.9.18** failure of CONTRACTOR to comply with Certified Payroll Records, as required per Article 6.48.
- 14.9.19** failure to defend, indemnify or hold harmless the OWNER, members of OWNER's Board of Education, OAR, OCIP Administrator, ARCHITECT, OWNER consultants, Project Inspector or State of California, and each of their respective agents, employees, representatives, officers and directors, as required by Article 6.53.

No interest or penalties shall be paid on any retention or amounts withheld due to the failure of CONTRACTOR to perform in full accordance with the terms and conditions of the Contract Documents.

Payment Not Constituting Approval or Acceptance:

- 14.10** An approved certified Application for Payment, a progress payment, or partial or entire use or occupancy of the Work by the OWNER shall not constitute acceptance of Work not in accordance with the Contract Documents.

Interest:

- 14.11** If payment is not made within thirty (30) days of receipt of an undisputed and properly submitted certified Application for Payment as set forth in Articles 14.2 and 14.3, then interest shall begin to accrue as of the thirty-first (31st) day until paid at the rate set forth in Code of Civil Procedure Section 685.010 as of the date this Contract was entered into.

Substantial Completion:

- 14.12** When CONTRACTOR considers the progress of the Work to be at Substantial Completion, CONTRACTOR shall request in writing that OAR inspect the Work and issue a Certificate of Substantial Completion.

14.12.1 CONTRACTOR shall submit to OAR the written request using OWNER form "Request for Certificate of Substantial Completion." In the request, CONTRACTOR shall certify that the progress of the Work is at Substantial Completion and CONTRACTOR shall at that time, submit a list of items that CONTRACTOR believes are corrective in nature. CONTRACTOR shall promptly proceed in correcting items that are on CONTRACTOR submitted list.

14.12.2 Within three (3) days after receipt of the Request for Certificate of Substantial Completion, OAR, ARCHITECT, the Project Inspector authorities having jurisdiction, and CONTRACTOR shall inspect the Work.

14.12.2.1 If, after inspection of the Work, OAR considers the progress of the Work to be at Substantial Completion, the Project Inspector shall prepare and issue to OAR, ARCHITECT and CONTRACTOR a comprehensive Punch List of items to be corrected. OAR shall prepare and deliver to CONTRACTOR a Certificate of Substantial Completion thereby establishing the date of Substantial Completion and the date by which CONTRACTOR shall finish all items on the attached Punch List.

14.12.2.2 If, after inspection of the Work, and within seven (7) days after receipt of the Request for Certificate of Substantial Completion, OAR does not consider the progress of the Work to be at Substantial Completion, OAR will notify CONTRACTOR stating the reasons thereof.

14.12.3 At Substantial Completion, OAR and CONTRACTOR will concur on the division of responsibilities between OWNER and CONTRACTOR with respect to security, maintenance, safety, operation, heat, utilities, damage to the Work, warranties and guarantees. Warranties and guarantees shall commence on the date of Substantial Completion, unless otherwise indicated in the Certificate of Substantial Completion.

14.12.4 CONTRACTOR shall correct all items on the Punch List in the time frame established by the Certificate of Substantial Completion issued by the OAR, within the Administrative Closeout period and in accordance with the Contract. Failure to include an item on the Punch List issued by OWNER does not relieve CONTRACTOR from completing all the Work in accordance with the Contract Documents.

14.13 OWNER shall allow reasonable access to CONTRACTOR to correct items on the Punch List, which may not be granted during normal school hours if such activity interferes with school operations.

Partial Use or Occupancy:

14.14 OWNER may occupy or use any completed or partially completed portion of the Work with such Partial Use or Occupancy not constituting acceptance of the Work or a portion thereof. Upon OWNER election to partially use and/or occupy the Work, OAR shall provide notice to CONTRACTOR. OAR, ARCHITECT and the Project Inspector shall jointly inspect the area to be partially used and/or occupied in order to determine and record the status of completion. The Project Inspector shall prepare and distribute a list of Contract deficiencies to CONTRACTOR, OAR, and ARCHITECT. The Contract deficiencies shall be corrected in the time frame as directed by the OAR. OAR and CONTRACTOR shall also agree in writing to the division of responsibilities pending issuance of a certificate of Substantial Completion regarding security, maintenance, operation, heat, utilities, damage to the Work, warranties, and guarantees.

Final Payment Application:

14.15 Upon certification of Substantial Completion by OAR, CONTRACTOR may make a final Application for Payment. This does not preclude CONTRACTOR from subsequently submitting a payment request for Change Order Work completed prior to, but approved after Substantial Completion. Final Application for Payment shall be accompanied by the same details as set forth in Article 14.2 and the following items shall have been submitted as conditions precedent to final payment:

14.15.1 written preliminary warranties and guarantees, operating permits, applications, occupancy and use permits, and bonds required by the Contract Documents for its portion of the Work;

14.15.2 all manuals and extra materials required by the Contract Documents;

14.15.3 all training and OWNER orientations as specified in the Contract Documents;

14.15.4 CONTRACTOR shall have removed, or caused to be removed, all waste materials and rubbish from and about the Project Site, as well as all tools, construction equipment, machinery, surplus material, scaffolding equipment, temporary facilities, and any other similar materials or equipment of CONTRACTOR or any Subcontractor; except as needed to correct items on the Punch List with approval of the OAR.

Release of Retention

14.16 Within sixty (60) days after certification of Substantial Completion by OAR, the retention shall be paid, except for one-hundred fifty percent (150%) of the value of the Punch List items and/or any

amount which OWNER otherwise has a right or obligation to withhold, in accordance with Public Contract Code Section 7107.

14.17 OAR shall make a determination of all outstanding items required by the Contract as a condition precedent to payment of retention and may withhold monies for all outstanding items considered in dispute as listed in Article 14.17 and including the following items:

14.17.1 Outstanding corrections to the Work which are required to remedy any defects therein, to obtain compliance with the Contract Documents or any requirements of applicable codes and/or ordinances including but not limited to the filing of a DSA final verified report, or to fulfill any of the orders or directives of OAR required under the Contract;

14.17.2 CONTRACTOR shall have delivered to OAR legible and reproducible final Project record documents, including the “As-Built” Drawings, with CONTRACTOR certification of the accuracy of the Project record documents, all guarantees and warranties, bonds, operation and maintenance instructions for equipment, products, apparatus.

Contract Completion and Release of Withholds:

14.18 CONTRACTOR is precluded from performing Punch List corrections and/or document submittal after the Contract Time has expired unless OWNER elects to extend the Administrative Closeout duration. This authorization is solely issued as an accommodation and convenience for CONTRACTOR to complete remaining Punch List items and/or document submittals, and shall be non-compensable and shall not be deemed to extend the Contract Time. CONTRACTOR will be assessed actual cost for the items the CONTRACTOR was precluded from completing. Withhold amounts exceeding actual costs to correct or to obtain deliverables will be released.

14.19 OWNER shall have the right, if deemed necessary in its sole discretion, to issue joint checks made payable to CONTRACTOR and any Subcontractor(s), of any tier. The joint check payees shall be solely responsible for the allocation and disbursement of funds included as part of any such joint payment. Endorsement on such check by a payee shall be conclusively presumed to constitute receipt of payment by such payee. In no event shall any joint check payment be construed to create (i) any contract between OWNER and a Subcontractor, of any tier, (ii) any obligation from OWNER to such Subcontractor, or (iii) any third party rights against OWNER.

ARTICLE 15 – WORK SUSPENSION AND TERMINATION

15.1 *OWNER Right To Suspend Or Stop Work:*

15.1.1 OWNER may, with or without cause and without invalidating or terminating the Contract, at any time and from time to time, order CONTRACTOR, in writing, to suspend, delay or interrupt performance of the Work, in whole or in part, for such period of time as the OWNER may determine or, if no time frame is provided, until OWNER directs resumption of the suspended Work or any part thereof. Upon receipt of such Construction Directive, CONTRACTOR shall comply with its terms and take all reasonable steps to minimize costs allocable to the Work covered or impacted by the Construction Directive during the period of Work stoppage.

15.1.2 If a Construction Directive issued by OWNER is canceled or expired, in whole or in part, CONTRACTOR shall resume and continue with the Work. Within ten (10) days of the

cancellation or expiration of a suspension directive, CONTRACTOR, if it believes it is entitled to an adjustment to the Contract Amount or Contract Time shall pursuant to Articles 10.7 through 10.17, submit a Change Order Proposal. Any adjustment in Contract Amount as a result of an adjustment to the Contract Time shall be limited to the amount set forth in Article 11.12; provided however that no adjustment of the Contract Amount shall be made to the extent (1) performance of the Work is, was or would have been so suspended, delayed or interrupted by another cause for which CONTRACTOR or any Subcontractor is responsible or for which CONTRACTOR would not be entitled to an adjustment of the Contract Amount or Contract Time under the Contract Documents or (2) to the extent that either an adjustment to the Contract Amount or Time is made or denied under another provision of the Contract Documents.

15.1.3 In addition to the OWNER's right to suspend the Work or terminate the Contract pursuant to the Contract Documents, the OWNER may, by written order, direct the CONTRACTOR to stop the Work, or any portion thereof, until the cause for such stop work order has been eliminated, if the CONTRACTOR: (i) fails to correct Work which is not in conformity and in accordance with the requirements of the Contract Documents, or (ii) otherwise fails to carry out the Work in conformity and accordance with the Contract Documents. The right of the OWNER to stop the Work hereunder shall not be deemed a duty on the part of the OWNER to exercise such right for the benefit of the CONTRACTOR or any other person or entity, nor shall the OWNER's exercise of such right waive or limit the exercise of any other right or remedy of the OWNER under the Contract Documents or at law.

15.2 OWNER Termination For Convenience:

The OWNER may at any time, in its sole and exclusive discretion, by written notice to the CONTRACTOR, terminate the Contract in whole or in part for the convenience of the OWNER ("Termination for Convenience"). CONTRACTOR's sole and exclusive compensation in the event of a Termination for Convenience shall be payment for: (i) Work actually performed and in place in accordance with the Contract Documents as of the effective date of such Termination for Convenience with a reasonable allowance for profit and overhead on such Work, (ii) reasonable termination expenses for reasonable protection of Work in place and suitable storage and protection of materials and equipment delivered to the Site of the Work but not yet incorporated into the Work, provided that such payments exclusive of termination expenses shall not exceed the total Contract Price as reduced by payments previously made to the CONTRACTOR and as further reduced by the value of the Work as not yet completed and (iii) other direct costs for material and equipment which CONTRACTOR has already incurred as of the date of termination provided CONTRACTOR incurred such expense as authorized by the Contract Documents. The CONTRACTOR shall not be entitled to profit and overhead on Work which was not performed as of the effective date of the Termination for Convenience by the OWNER or for any other damages, direct or indirect, including loss of revenue, lost opportunity, or other consequential or incidental damages of any kind which CONTRACTOR or anyone claiming through CONTRACTOR alleges (including all Subcontractors of any tier) resulting from the OWNER's election to terminate under this Article or where a termination for cause under Article 15.3 has been converted to a Termination for Convenience under Article 15.3.8. The OWNER may, in its sole discretion, elect to have Subcontracts assigned pursuant to Article 15.3.4 after exercising the right hereunder to Terminate for Convenience. CONTRACTOR shall deliver to OWNER all partial drawings, warranties or other contractual requirements which would be required to be furnished to OWNER upon Contract Completion.

15.3 OWNER Termination For Cause:

15.3.1 OWNER may terminate the Contract and/or the CONTRACTOR's performance of the Contract, upon the occurrence of any one or more of the following events or actions or inactions of CONTRACTOR: (1) fails to correct or remedy any defective Work; (2) refuses, fails or neglects to supply a sufficiency of material, labor or equipment; (3) refuses, fails or neglects to prosecute the Work with diligence as will insure Substantial Completion of the Work within the Contract Time; (4) fails to promptly pay Subcontractors; (5) fails to keep in full force and effect the payment and performance bonds required by law and/or the Contract; (6) fails to comply with a Construction Directive or direction by the OAR to correct noncompliant Work; (7) fails to keep to the Construction Schedule; (8) fails to enroll and remain enrolled in the OCIP; (9) fails to correct and complete Punch List Work including required documents; (10) fails to adhere and comply with any provision of the Contract Documents including safety requirements; (11) if CONTRACTOR's prequalification status has been revoked or cancelled; (12) CONTRACTOR is adjudged a bankrupt or makes a general assignment for the benefit of creditors or a receiver is appointed on account of CONTRACTOR's insolvency; (13) if CONTRACTOR disregards laws, ordinances, rules, codes, regulations, or orders applicable to the Work or similar requirements of any public entity having jurisdiction over the Work; or (14) if the CONTRACTOR otherwise violates in any material way any provisions or requirements of the Contract Documents.

15.3.2 If OWNER determines that any of the events set forth in Article 15.3.1 have occurred, the OWNER may declare a default and shall provide CONTRACTOR and its Surety written notice of the event(s) giving rise to the default and provide CONTRACTOR and its Surety five (5) days from CONTRACTOR or Surety's receipt of such written notice, whichever occurs first, to correct and/or commence correcting the events giving rise to default to OWNER's satisfaction. Should CONTRACTOR or its Surety fail to commence correction within the five (5) days, and/or fail to commence to correct such events of default in a diligent manner to OWNER's satisfaction, OWNER may, without limitation to OWNER's other rights or remedies under the Contract Documents, terminate the Contract and/or CONTRACTOR's performance of the Contract as set forth in Article 15.3.1 and the OWNER may take over the Work and prosecute it to completion, by contract or otherwise, and may exclude the CONTRACTOR from the Site. OWNER may take possession of the Work and of all of the CONTRACTOR's tools, appliances, construction equipment, machinery, materials, and plant which may be on the Site of the Work, and use the same to the full extent they could be used by the CONTRACTOR without liability to the CONTRACTOR. In exercising OWNER's right to prosecute the completion of the Work, OWNER may also take possession of all materials and equipment stored at the Site of the Work or for which OWNER has paid the CONTRACTOR but which are stored elsewhere, and finish the Work as OWNER deems expedient. In exercising OWNER's right to prosecute the completion of the Work, OWNER shall have the right to exercise its sole discretion as to the manner, methods, and reasonableness of the costs of completing the Work and OWNER shall not be required to obtain the lowest figure for completion of the Work. In the event that OWNER takes bids for remedial Work or completion of the Work, the CONTRACTOR shall not be eligible for the award of such contract(s).

15.3.3 In the event that the Contract or the CONTRACTOR's performance of the Contract is terminated pursuant to Article 15.3.1, OWNER may also demand that the Surety take over and complete the Work. OWNER may require that in so doing, the Surety not utilize the CONTRACTOR in performing and completing the Work. Upon the failure or refusal of the

Surety to take over and begin completion of the Work within ten (10) days after demand therefor, OWNER may take over the Work and prosecute it to completion as provided for in Article 15.3.2.

- 15.3.4** OWNER shall, in its sole and exclusive discretion, have the option of requiring any Subcontractor or Material Supplier to perform in accordance with its subcontract or purchase order with the CONTRACTOR and assign the subcontract or purchase order to OWNER or such other person or entity selected by OWNER to complete the Work.
- 15.3.5** In the event of termination under Article 15.3.1, the CONTRACTOR shall not be entitled to receive any further payment of the Contract Amount until the Work is completed. If the unpaid balance of the Contract Amount as of the date of termination exceeds OWNER's direct and indirect costs and expenses for completing the Work, including without limitation, attorneys' fees and compensation for additional professional and consultant services, such excess shall be used to pay the CONTRACTOR for the Cost of the Work performed prior to the effective date of termination with a reasonable allowance for overhead and profit. If OWNER's costs and expenses to complete the Work exceed the unpaid Contract Amount, the CONTRACTOR and/or the Surety shall pay the difference to OWNER.
- 15.3.6** The CONTRACTOR and the Surety shall be liable for all damage sustained by OWNER resulting from, in any manner, the termination of the Contract or CONTRACTOR's performance of the Contract under Article 15.3.1, including without limitation, attorneys' fees, and for all costs necessary for repair and completion of the Work over and beyond the Contract Amount.
- 15.3.7** If OWNER terminates the Contract or CONTRACTOR's performance of the Contract under Article 15.3.1 because an event of default under Article 15.3.1 has occurred, and OWNER later learns that another event or events of default under Article 15.3.1 existed at the time notice was provided to CONTRACTOR and Surety but that OWNER was unaware of such event(s) but CONTRACTOR was or should have been aware of such event(s), then such event(s) shall have been considered to have been included in the notice provided to CONTRACTOR and Surety under Article 15.3.2 and their opportunity to cure shall be considered to have been waived by CONTRACTOR's and Surety's failure to cure the enumerated event(s) of default contained in the notice.
- 15.3.8** In the event the Contract or CONTRACTOR's performance of the Contract is terminated under Article 15.3.1, and it is finally determined by an arbitrator, court, jury or other tribunal having jurisdiction, for any reason, that the CONTRACTOR was not in default under the provisions hereof, or that OWNER's exercise of its rights under Article 15.3.1 was defective, deficient, ineffective, invalid or improper for any reason, the termination shall be deemed a Termination for Convenience by OWNER and thereupon, the rights and obligations of OWNER and the CONTRACTOR shall be determined in accordance with Article 15.2 hereof.
- 15.3.9** In the event the Contract or CONTRACTOR's performance of the Contract is terminated pursuant to Article 15.2 or 15.3, the termination shall not affect or limit any rights or remedies of OWNER against the CONTRACTOR or the Surety. The rights and remedies of OWNER under Article 15.2 or 15.3 are in addition to, and not in lieu of, any other rights and remedies provided by law or otherwise under the Contract Documents. Any retention or

payment of monies to the CONTRACTOR by OWNER shall not be deemed to release the CONTRACTOR or the Surety from any liability hereunder.

ARTICLE 16 – CLAIM RESOLUTION

16.1 *Public Contract Code section 9204.* This Article 16 is intended to comply with the provisions of Public Contract Code section 9204 pertaining to claim resolution.

16.2 *What is a Claim?*

The term “Claim” means a written demand by CONTRACTOR sent by registered mail or certified mail with return receipt requested for one or more of the following:

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

16.3 *What is not a Claim?*

16.3.1 The term “Claim” does not include, and the Claims procedures provided under this Article 16 do not apply to, the following:

- 16.3.1.1** Penalties, forfeitures or other remedies prescribed by statute or regulation which a government agency is specifically authorized to administer, settle, or determine, including revocation of pre-qualification status, barring a bidder from OWNER contracts; however, penalties sought against a public agency pursuant to statute, such as Public Contract Code sections 7107 or 20104.50, are considered Claims.
- 16.3.1.2** Personal injury, death, reimbursement, or other demands for compensation arising out of or resulting from liability for personal injury or death.
- 16.3.1.3** The OWNER’s determination of whether the Work complies with the Contract Documents, or concerning a latent defect, breach of warranty, or guarantee to repair.
- 16.3.1.4** Stop payment notices.
- 16.3.1.5** OWNER’s rights under the Contract Documents including, but not limited to, Articles 12 and 15.
- 16.3.1.6** Disputes arising out of or pertaining to the LCP or PSA.
- 16.3.1.7** An OCIP insurance claim or dispute with an OCIP Insurer.

16.4 *When does a Claim arise?*

A Claim arises upon the issuance of a written decision by the OAR denying in whole or in part CONTRACTOR's Change Order Proposal.

16.5 *Where must the Claim be submitted?*

16.5.1 CONTRACTOR must submit the Claim to the OWNER's Construction Claims Unit ("CCU") located at 333 S. Beaudry Avenue, 23rd Floor, Los Angeles, California, 90017. CONTRACTOR must also submit a copy of the Claim to the OAR.

16.6 *When must the Claim be submitted?*

CONTRACTOR must submit a Claim in writing, together with all supporting data specified in Article 16.7.1, no later than the earlier of either: (1) thirty (30) days after the date the Claim arises under Article 16.4; or (2) sixty (60) days after the date of Substantial Completion. It is the intent of OWNER to evaluate and resolve Claims with CONTRACTOR as close to the events giving rise to such Claims as possible and to avoid stale or late Claims, including late notice and documenting of Claims, and to timely mitigate the issue, event, condition, circumstance and/or cause of the Claim and any Adverse Impacts or damages related thereto. Should CONTRACTOR fail to submit a Claim by the deadline set forth in this Article, CONTRACTOR waives and releases such Claim, including all rights and remedies in connection therewith.

16.7 *What must the Claim include?*

16.7.1 A Claim must include the following:

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

16.7.1.2 A detailed description of the act, error, omission, unforeseen condition, event or other condition giving rise to the Claim.

16.7.1.3 A statement demonstrating that the Claim was timely submitted as required by Article 16.6. If the Claim arises from the issuance by OWNER of a Construction Directive, a statement demonstrating that a Change Order Proposal was timely submitted.

16.7.1.4 A detailed justification for any remedy or relief sought by the Claim, including to the extent applicable, the following:

- 16.7.1.4.1** If the Claim involves extra work, a detailed cost breakdown of the amounts claimed, including the items specified in Article 11 shall be provided by CONTRACTOR. The breakdown must be provided even if the costs claimed have not been incurred when the Claim is submitted. To the extent costs have been incurred when the Claim is submitted, the Claim must include actual cost records (including without limitation, all payroll records (including Subcontractors), material and rental invoices and the like) demonstrating that costs claimed have actually been incurred. To the extent costs have not yet been incurred at the time the Claim is submitted, actual cost records must be submitted on a current basis not less than once a week during any periods costs are incurred. A cost record will be considered current if received by CCU within ten (10) days of the date the cost reflected in the record is incurred. At the request of OWNER, claimed extra costs may be subject to further verification procedures (such as having an inspector verify the performance of alleged extra work on a daily basis).
- 16.7.1.4.2** If the Claim involves an alleged error or omission in the Contract Documents: (i) an affirmative representation under penalty of perjury by CONTRACTOR and any affected Subcontractors and suppliers that the error or omission was not discovered prior to submitting a bid for the Contract, and (ii) a detailed statement demonstrating that the error or omission reasonably should not have been discovered, by CONTRACTOR, its Subcontractors and/or suppliers, prior to submitting a bid for the Contract.
- 16.7.1.4.3** If the Claim involves an extension of the Contract Time, written documentation demonstrating CONTRACTOR's entitlement to a time extension under Article 12.1.
- 16.7.1.4.4** If the Claim involves an adjustment of the Contract Amount for delay, written documentation demonstrating CONTRACTOR's entitlement to such an adjustment under Articles 11 and 12.1.
- 16.7.1.4.5** Pursuant to Public Contract Code section 9204(d)(5), a Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that CONTRACTOR submit to OWNER a Claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. The Subcontractor requesting that the Claim be submitted to OWNER shall furnish reasonable documentation to support the Claim. Regardless of whether or not CONTRACTOR decides to submit the Subcontractor's Claim to OWNER, CONTRACTOR shall provide a copy of the Subcontractor's written request, including all supporting documentation, to the OAR within ten (10) days of CONTRACTOR's receipt of the request. In the event CONTRACTOR agrees to submit a Subcontractor's Claim to OWNER, CONTRACTOR shall submit such Claim as a Change Order Proposal in accordance with Articles 10, 11 and 12, unless

such Claim was previously submitted to OWNER as a Change Order Proposal. Within forty-five (45) days of receipt of the Subcontractor's written request, CONTRACTOR shall notify the Subcontractor in writing as to whether CONTRACTOR submitted the Claim to OWNER and, if CONTRACTOR did not submit the Claim, CONTRACTOR shall provide the Subcontractor with a written statement of the reasons for not having done so and shall concurrently provide a copy of such written statement to the OAR. In the event CONTRACTOR includes supporting documentation with such written statement, CONTRACTOR shall concurrently provide a copy of such supporting documentation to the OAR.

- 16.7.1.4.6** If CONTRACTOR submits a Claim on behalf of a Subcontractor as set forth in Article 16.7.1.4.5, in addition to the penalty of perjury language required by Article 16.7.1.1, the Claim shall also include a statement in writing and signed by an authorized agent or officer of CONTRACTOR under penalty of perjury that includes the following language immediately above or before CONTRACTOR's signature: "I declare under penalty of perjury under the laws of the State of California that [insert name of CONTRACTOR] has thoroughly evaluated the claim of [insert name of Subcontractor] and determined that the information provided and statements made in the claim are true and correct, substantiated and of merit."

16.8 *District Review of Claims:*

Upon receipt of a Claim, OWNER shall conduct a reasonable review of the Claim and, within a period not to exceed forty-five (45) days, shall provide CONTRACTOR a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, OWNER and CONTRACTOR may, by mutual written agreement, extend the forty-five (45) day time period. OWNER shall process and make payment of any undisputed portion of a Claim within sixty (60) days after OWNER issues its written statement. Failure by OWNER to provide a written statement in response to a Claim from CONTRACTOR within the forty-five (45) day time period, or within an agreed upon extended time period, shall result in the Claim being deemed rejected in its entirety. A Claim that is rejected by reason of OWNER's failure to respond, or failure to timely respond, to the Claim shall not constitute an adverse finding regarding the merits of the Claim or the claimant's responsibility or qualifications.

16.9 *Meet and Confer:*

If CONTRACTOR disputes OWNER's written response made pursuant to Article 16.8, or if OWNER fails to respond within the time frame prescribed in Article 16.8, CONTRACTOR, within fifteen (15) days of OWNER's written response or if OWNER fails to respond, within fifteen (15) days after OWNER's response was due, may demand in a writing sent to CCU by registered mail or certified mail, return receipt requested, with a copy to the OAR, an informal conference to meet and confer for settlement of the issues in dispute. OWNER shall schedule a meet and confer conference within thirty (30) days of its receipt of CONTRACTOR's written demand.

16.10 Mediation:

Within ten (10) business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, OWNER shall provide CONTRACTOR a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the OWNER issues its written statement. Any disputed portion of the Claim, as identified by CONTRACTOR in writing, shall be submitted to nonbinding mediation administered by the AAA under its construction industry mediation rules. The expenses and fees of the mediator and the administrative fees shall be divided among the parties equally. Each party shall pay its own counsel fees, witness fees, and other expenses. OWNER and CONTRACTOR shall mutually agree to a mediator within ten (10) business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. The foregoing notwithstanding, pursuant to Public Contract Code section 9204(f), the parties may mutually agree in writing to waive mediation.

16.11 CONTRACTOR's Obligation to File Government Code Claim (All Claims):

Nothing in this Contract, including Article 16, waives or modifies CONTRACTOR's obligation to present a timely Claim under Government Code section 910, et seq. Therefore, in addition to complying with the contractual Claims procedures, CONTRACTOR is required to present Claims to OWNER pursuant to Government Code section 910, et seq. If after the requirements of Articles 16.8, 16.9 and 16.10 are satisfied, and all or a portion of the Claim remains unresolved, and if the Government Code Claim is rejected by OWNER, CONTRACTOR may proceed under Article 16.12.

16.12 Litigation (All Claims):

The sole forum for resolution of unresolved Claims shall be in the Superior Court of the State of California in the county in which the Project is located. Each party shall pay its own counsel fees, witness fees, and other expenses in such litigation.

16.12.1 Claims of \$375,000 or Less: The provisions of Public Contract Code section 20104.4 shall apply. Pursuant to Public Contract Code section 20104.4(a), within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. Pursuant to Public Contract Code section 9204(d)(2)(D), a mediation conducted pursuant to Article 16.10 shall excuse the obligation under Public Contract Code section 20104.4(a) to mediate after litigation has been commenced unless otherwise agreed to by the parties in writing.

16.13 Waiver:

A failure by OWNER to enforce any time or other requirement in the Contract Documents, including those in Articles 9, 10, 11, 12 or 16 in connection with any Claim shall not constitute a waiver of, and shall not preclude OWNER from enforcing, such requirements in connection with any Claim.

16.14 *District Claim Approval:*

CONTRACTOR agrees and understands that any approval, either express or implied, of any Claim shall not be binding upon OWNER unless and until such approval is approved or ratified by execution of a written Change Order approved by the Board of Education or Deputy Chief Procurement Officer under the delegated authority of OWNER's Board of Education or by a Settlement Agreement executed by the Board of Education or Deputy Chief Procurement Officer under the delegated authority of OWNER's Board of Education or a person to whom the OWNER's Board of Education has delegated authority to execute a Settlement Agreement within the dollar amount of the Settlement Agreement which he or she is executing.

16.15 *No Cessation of Work:*

Notwithstanding the making of any Claim or the existence of any dispute regarding any Claim, unless otherwise directed by OWNER, CONTRACTOR shall not cause any delay, cessation, or termination in or of CONTRACTOR's performance of the Work, but shall diligently proceed with performance of the Work in accordance with the Contract Documents. OWNER will continue to make payments in accordance with the Contract Documents.

16.16 *Strict Compliance:*

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and as an express, material condition of OWNER accepting CONTRACTOR's bid for this Contract as responsive, CONTRACTOR agrees that strict compliance with the requirements of Articles 9, 10, 11, 12 and 16 is an express condition precedent to CONTRACTOR's right to prosecute an action in any forum.

16.17 *No Payment for Claim Preparation Costs:*

CONTRACTOR shall bear all costs, fees and expenses of CONTRACTOR, its Subcontractors and suppliers in preparing and presenting any Claim to OWNER.

ARTICLE 17 – ADDITIONAL PROVISIONS

17.1 *Governing Law:*

This Contract shall be governed by and interpreted in accordance with the laws of the State of California. The Parties agree that the exclusive venue for any action or proceeding arising from or relating to the Contract or Work shall be in the County of Los Angeles, State of California.

17.2 *Successors and Assigns:*

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 to the Contract shall assign the Contract in whole or in part without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

17.3 *Written Notice:*

In the absence of any other specific notice requirements set forth elsewhere in the Contract Documents, regarding a specific subject matter, notice shall be in writing, dated and personally signed by party giving notice or their duly authorized representative. Mechanical and/or electronically generated signatures are not acceptable under the terms and conditions of this Contract. Notice shall be deemed to be duly served if delivered in person to the individual, member of the firm or entity, or to an officer of the corporation for which it was intended, or if delivered at or sent by registered or certified mail to the last business address known to the party giving notice. Copies of notice or correspondence shall be distributed amongst the various parties of the Work by the party generating such notice or correspondence.

17.4 *Communications Facilitating Contract Administration:*

Except as otherwise provided in the Contract Documents or when direct communications are warranted by special circumstances, CONTRACTOR shall communicate to OWNER and OWNER Consultants, through the OAR and then only in writing with copies to all affected and/or mentioned parties. Official communications and notice shall be in writing only. Verbal communications are not official or binding under the Contract. Verbal communication, including directions, cannot be, and shall not be, the basis for: any change in the Contract Amount; Milestones; Contract Time; or any dispute, Claim, action, cause of action or other remedy regarding the Work and/or Contract and/or a breach thereof.

17.5 *Rights, Remedies, Duties and Obligations Cumulative:*

Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder, shall be in addition to any duties, obligations, rights, and remedies otherwise imposed or available by law.

OWNER's rights and remedies under the Contract Documents and at law are non-exclusive and are cumulative to one another.

17.6 *Time is of the Essence:*

CONTRACTOR acknowledges that all time deadlines under the Contract are of the essence.

17.7 *No Waiver:*

No action or failure to act by OWNER, OAR, OWNER Consultant, the Project Inspector, or ARCHITECT, shall constitute a waiver of a right afforded them under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed to in writing.

17.8 *Contract Language Controls:*

Custom and practice, industry standards, past (pre-Project) course of dealings, shall not be used to explain, interpret, supply or contradict the express text of this Contract unless a different intent is expressed in this Contract.

17.9 *Claims Involving Injury or Damage to Person or Property:*

If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, any of the other party's employees or agents, or others for whose acts such party is legally liable, written notice of such injury or damage, whether or not insured, shall be given to the other party with sufficient detail to enable the other party to investigate the matter.

17.10 *Computation of Time:*

17.10.1 When any period of time is referred to in the Contract Documents by days and/or calendar days, it will be computed to exclude the first and include the last day of such period;

17.10.2 a day of twenty-four hours measured from midnight to the next midnight will constitute a day and/or calendar day.

17.11 *Oral Agreements or Modifications:*

No oral conversation, representation or agreement with the OAR and/or any representative of OWNER, OWNER Consultant, ARCHITECT, the Project Inspector or any other employee or agent of OWNER shall affect, or modify any of the terms and conditions contained in any of the documents comprising this Contract.

17.12 *Unfair Business Practice Claims; Assignment to OWNER:*

Pursuant to Public Contract Code Section 7103.5, in entering into a public works Contract or a subcontract to supply goods, services, or materials pursuant to a public works Contract, CONTRACTOR and/or Subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to CONTRACTOR without further acknowledgement by the parties.

17.13 *Discrimination:*

It is the policy of OWNER that there be no discrimination against any prospective or active employee engaged in the Work because of race, color, ancestry, national origin, religion, sex, sexual orientations, age, physical disability, medical condition, or marital status. CONTRACTOR agrees to comply with applicable federal and California laws prohibiting discrimination including, without limitation, the California Fair Employment and Housing Act, beginning with Government Code section 12900 and Labor Code section 1735. In addition, CONTRACTOR shall require like compliance by its employees, and by its Subcontractors and suppliers of all tiers.

END OF ARTICLE