

PROGRESSIVE DESIGN-BUILD AGREEMENT
NORTH INTERCEPTOR SEWER PROJECT

CONTRACT NO. 31800363

PARTIES: City of Bend, Oregon (the “City”)
710 NW Wall Street
Bend, Oregon 97703

M. A. Mortenson Company (the “Design-Builder”)
10230 NE Points Drive, Suite 300
Kirkland, WA 98033

RECITALS:

- A. City selected Design-Builder to perform work for the City by a competitive proposal process. Design-Builder’s Construction Proposal earned the highest total score from all proposals received.
- B. This Agreement contemplates a limited initial scope of work, including the Design-Builder’s provision of design and construction options for the East Segment of the North Interceptor sewer project and provision of Preliminary Construction Documents for the Subproject Option selected by the City. The Parties intend for the Design-Builder to make recommendations for the route, profile, piping methods, connection structures concepts and provide designs, construction sequence, and 100% design of the Subproject Option. The City, at its discretion, may at any point request from the Design-Builder a guaranteed maximum price (GMP) proposal for the construction of any portion of the Subproject Option or Subproject. If the parties reach an agreement as to the terms of the Design-Builder’s Construction Proposal for the identified Subproject Option, Subproject(s), or portion thereof, the parties will enter into a Guaranteed Maximum Price Amendment (“GMP Amendment”) for the construction of that Subproject Option, Subproject(s), or portion thereof, based on the terms of this Agreement. Contingent on allocation of funding and the City’s needs, in the City’s sole discretion, the Design-Builder may also submit proposals for construction of one or more additional Subproject(s).

AGREEMENT:

1. DEFINED TERMS

Unless defined in this Agreement, capitalized terms have the meanings assigned to them in the General Conditions.

2. SCOPE OF WORK; INCORPORATION OF DOCUMENTS

- A. The Work may include, at the direction and sole discretion of the City, design and construction of the Project or any portion thereof, prepared by Design-Builder and accepted by the City in writing (individually, "Subproject" and collectively, "Subprojects").

All provisions of this Contract apply to each Subproject, or portion thereof, as it proceeds at the sole direction of the City, whether any Subproject is proceeding in whole or in part, individually or in connection with any other Subproject, unless any Subproject has been removed from the Scope of Work by a Change Order or Change Directive.

- B. The Design-Builder must provide all things necessary for the complete performance of the Work, which includes, but is not limited to, Preliminary Engineering, Alternatives Analysis Report, Supplemental Engineering Analysis and Investigation, Design Development and Construction Documents, or preparation of the Design-Build Proposal, all as directed by and through prior approval of the City.
- C. Upon execution of the GMP Amendment, if any, the Work may also include, but not be limited to, Design Development and Construction Documents, and performance of the construction Work.
- D. The Work must be performed in accordance with the terms of the Contract.
- E. This Contract consists of the main text of this Progressive Design-Build Agreement and the following exhibits:
1. Exhibit 1, Design-Build General Conditions
 2. Exhibit 2, GMP Amendment Form
 3. Exhibit 3, Scope of Work (3.1 and 3.2)
 4. Exhibit 4, Compensation for Design Services (4.1 and 4.2)
- F. In addition, the following documents are part of the Design-Build Documents and are binding on the parties:
1. Written amendments to this Contract signed by both parties
 2. Change Orders and Change Directives
 3. Notice to Proceed
 4. Design-Builder's Proposal
 5. Oregon Standard Specifications (2008 Oregon Standard Specifications for Construction-Volume 1) and City of Bend Special Provisions to the OSS General Conditions
 6. Technical Specifications (the 2008 Oregon Standard Specifications for Construction Volume 2) and Special Provisions to the OSS Technical Specifications including any Supplemental Specifications

7. Construction Documents, as they are developed by Design-Builder and approved by the City
- G. The City's Engineering Director, or designee, will resolve any discrepancies between these documents. The following order of precedence (highest to lowest) shall apply to any review by the Engineering Director or reviewing court. The terms of this Contract and all exhibits, as set forth in Section 2.E., control over any inconsistent provision of any document other than a Change Order because this Contract was prepared by the City Attorney's office and other contract documents may be prepared by consultants or other third parties who are not aware of the City's contract policies.
1. Authorized Change Orders
 2. This Contract, including exhibits
 3. Project Special Provisions to the 2008 Oregon Standard Specifications for Construction-Volume 1 (General Conditions).
 4. City of Bend Special Provisions to the 2008 Oregon Standard Specifications for Construction-Volume 1 (General Conditions).
 5. 2008 Oregon Standard Specifications for Construction Volume 1
 6. City of Bend Special Provisions to the 2008 Oregon Standard Specifications for Construction Volume 2 (Technical Specifications) including any Supplemental Specifications
 7. 2008 Oregon Standard Specifications for Construction Volume 2 (Technical Specifications)
 8. Project Drawings
 9. City of Bend Standard Drawings
 10. OSS Standard Drawings
 11. Design-Builder's Proposal

Figure dimensions, and dimensions that can be computed, on plans shall take precedence over scale dimensions.

- H. Nothing in this Agreement shall be considered as an acceptance of the terms of the Proposal if the terms of the Proposal conflict or are otherwise incompatible with the express terms contained in this Agreement and Attachments or in the City's request for proposals.
- I. Design-Builder acknowledges that it has or has access to all the contract documents referred to in this Section and agrees to comply with all the contract documents.

3. EXAMINATION OF THE SCOPE OF WORK AND THE SITE

By executing this Agreement, the Design-Builder represents that its representatives have reviewed the City's Scope of Work and visited the Project site, become familiar with the local conditions under which the Work is to be

completed, correlated their personal observations with the requirements of the Contract, and confirmed that the information contained in the City's Scope of Work complies with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

4. DESIGN-BUILDER'S DUTIES AND STATUS

A. General Duties

1. The Design-Builder recognizes the relationship of trust and confidence established between the Design-Builder and the City by the Agreement. The Design-Builder shall furnish its best skill, judgment, and cooperation in forwarding the interests of the City.
2. The Design-Builder must comply with any applicable licensing requirements in the jurisdiction where the Project is located, including but not limited to ORS 701.026(1).
3. The Design-Builder shall perform the Work in accordance with the Design-Build Documents. The Design-Builder shall not be relieved of the obligation to perform the Work in accordance with the Design-Build Documents by the activities, tests, inspections or approvals of the City.
4. The Design-Builder agrees to furnish efficient business administration and superintendence, to use every effort to keep an adequate supply of design professionals, workers and materials on hand at all times, and to perform the Work in the best and most sound way and in the most expeditious and economical manner consistent with the interests of the City.
5. The Design-Builder's Designer shall perform services consistent with the professional skill, diligence, and care ordinarily provided by professionals performing the same or similar services at the time the services are performed. The Design-Builder's Designer shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project. The design-Builder will cooperate with the Engineering Director and Owner's Representative and utilize the Design-Builder's professional skill, efforts and judgement in furthering the interests of City; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in conformance with the terms and conditions of the Design-Build Documents in an expeditious and economical manner consistent with the interests of City.

6. When the Design-Build Documents require that a Subcontractor provide design professional services or certifications related to materials or equipment, or when the Design-Builder in its discretion provides such design services or certifications through a Subcontractor, the Design-Builder shall cause such design professional services or certifications to be provided by a properly licensed design professional, whose stamp and signature shall appear on all drawings, calculations, specifications, and certifications.

B. Project Staffing

1. The following persons will serve in the following roles for the Design-Builder:
 - a. Project Principal: Tom Paul
 - b. Design Lead: Sridharan Sadasivan
 - c. Construction Lead: Alex Greene
 - d. Construction Superintendent: Charley Senne
 - e. Scheduler: Josh Curry

Unless they leave the employ of the Design-Builder, the above-named persons must serve in these positions throughout the duration of the Design-Builder's performance of the Contract except as approved otherwise in writing in advance by the City. Persons named to replace those set out above must be approved in writing in advance by the City. The City's approvals as required by this subsection will not be unreasonably withheld.

The following person or entity will serve as the Designer for the Design-Builder:

- a. Michael Humm
 - b. Pipeline Designer: James Bowland
2. The Design-Builder may not employ personnel, or contract with Designers, Subcontractors or suppliers, to whom the City has made reasonable and timely objection. The Design-Builder will not be required to contract with anyone to whom the Design-Builder has made reasonable and timely objection.

3. If the City has reasonable objection to a person or entity proposed by the Design-Builder, the Design-Builder must propose another to whom the City has no reasonable objection. If the rejected person or entity was reasonably capable of performing the Work, the Guaranteed Maximum Price and Contract Time will be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute person or entity's Work. However, no increase in the Guaranteed Maximum Price or Contract Time will be allowed for such change unless the Design-Builder has acted promptly and responsively in submitting names as required.
4. If the Design-Builder changes any of the Designer(s) identified above or Subcontractors identified in the GMP Amendment, the Design-Builder must notify the City and provide the name and qualifications of the new Designer(s) or Subcontractors. The City may reply within 14 days to the Design-Builder in writing, stating (1) whether the City has reasonable objection to the proposed Designer or Subcontractors or (2) that the City requires additional time to review. Failure of the City to reply within the 14-day period constitutes notice of no reasonable objection.
5. Except for those persons or entities already identified or required in the GMP Amendment, the Design-Builder, as soon as practicable after execution of the GMP Amendment, must furnish in writing to the City the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The City may reply within 14 days to the Design-Builder in writing stating (1) whether the City has reasonable objection to any such proposed person or entity or (2) that the City requires additional time for review. Failure of the City to reply within the 14-day period constitutes notice of no reasonable objection.

C. Submittals

1. Construction Documents, Shop Drawings and other submittals must be prepared by a licensed professional. Construction Documents, Shop Drawings and other submittals related to the Work designed or certified by such professionals must bear such design professional's stamp and signature. The City is entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.
2. The Design-Builder must direct specific attention, in writing or on resubmitted design and Construction Documents or other submittals such as Shop Drawings, Product Data, Samples or similar

submittals, to revisions other than those requested by the City on previous submittals. In the absence of such written notice, the City's approval of a resubmission will not apply to such revisions.

5. PRE-CONSTRUCTION DESIGN PHASE

- A. Any information submitted by the Design-Builder, and any interim decisions made by the City, will be for the purpose of facilitating the design process and will not modify the Scope of Work or Design-Builder's proposal unless the City and Design-Builder execute a Change Order or the City issues a Change Directive specifically identifying the change to the City's Scope of Work.
- B. The Pre-Construction Design Phase consists of the following subphases, as directed by the City in writing, for any or all or a combination of Subprojects, at the sole discretion of the City. The City may authorize Design-Builder to proceed on one or more subphases for one or more Subprojects, sequentially or simultaneously, in consultation with Design-Builder:
 - a. Alternatives Analysis Report
 - b. Supplemental Engineering Analysis, Investigation, and Project Services
 - c. Design Development and Construction Documents
 - d. Construction Proposal.

Throughout the Pre-Construction Phase, the Design-Builder will advise the City on proposed site use and improvements, designs, and selection of materials. The Design-Builder must also provide the City with recommendations, consistent with the City's Scope of Work, on constructability; availability of materials and labor; time requirements for procurement, design options, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

- C. Alternatives Analysis Report
 - 1. Alternatives Analysis shall consist of preliminary engineering and an analysis of options as approved by the City. Design-Builder's development of options, including method assessment, performance considerations, cost-benefit evaluation, and alignment and profile analysis ("Subproject Options"), as detailed in the Scope of Work, in consultation with the City, as well as preparation of a proposed price

and schedule, and shall be consistent with the Design-Builder's Proposal except as specifically modified by the Scope of Work. The alternatives analysis must address approaches to design and construction of the Subproject and include the Design-Builder's recommendations, if any, with regard to accelerated or fast-track scheduling, procurement, design options, or phased construction. The preliminary evaluation must consider cost information, constructability, and procurement and construction scheduling issues for any Subproject Option presented.

2. The Design-Builder shall schedule and conduct meetings with the City and any other necessary individuals or entities to discuss and review the Scope of Work to establish Subproject Options and to provide any and all preliminary engineering or other technical assessments that are required to support or otherwise assist in the determination of the feasibility, performance, cost, or other attribute of the considered alternatives. The Design-Builder shall not complete any technical analysis or evaluation without written approval from the City unless such analysis or evaluation is specifically authorized in the Scope of Work.
3. The Design-Builder must meet with the City to discuss its Alternatives Analysis. Design-Builder shall provide a written Alternatives Analysis Report to the City, summarizing the Design-Builder's evaluation of the Subproject Options. The report shall include, but is not limited to, the following, as directed in writing by the City:
 - a. Each Subproject Option included in the Alternatives Analysis shall include:
 - i. Performance analysis
 - ii. Operational risks, costs, and benefits
 - iii. Construction costs
 - iv. Construction risks
 - v. Sequence of construction and overall construction duration and schedule
 - vi. Financial planning
 - vii. Preliminary engineering elements that supported the alternative analysis.

4. The City will review the Design-Builder's written report and, if acceptable, provide the Design-Builder with written consent to proceed for any or all Subproject Option(s) and/or Subproject(s) or portion(s) thereof. The City may, in its sole discretion, provide written consent to proceed for any, all, or a combination of Subproject(s), and direct Design-Builder to proceed under subsections 5.D, 5.E, or 5.F. For any Subproject for which the City has not provided written consent to proceed, Design-Builder shall continue Alternatives Analysis unless otherwise directed by the City. The consent to proceed may include the City's direction on what documents the Design-Builder will prepare in the Supplemental Engineering Analysis, Investigation, and Project Services subphase. The consent to proceed will not be understood to modify the Scope of Work unless the City and Design-Builder execute a Change Order or the City issues a Change Directive specifically identifying the change to the Scope of Work.

D. Supplemental Engineering Analysis, Investigation, and Project Services

1. Through collaboration between the Design-Builder and the City, and with written consent to proceed from the City, the Design-Builder shall perform supplemental engineering services to support the Project. These services include, but are not limited to: Route and profile determination, right of way and easement acquisition, permitting, geotechnical investigations, and other analysis to support the project.
2. The Design-Builder shall submit to the City all findings and/or results of Supplemental Engineering Analysis, Investigation, and Project Services. City will review the findings and/or results and, if acceptable, provide the Design-Builder with written consent to proceed. The City may, in its sole discretion, provide written consent to proceed for any, all, or a combination of Subprojects, and direct the Design-Builder to proceed under subsection 5.E or 5.F. The findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services shall not modify the Scope of Work unless the City and Design-Builder execute a Change Order or the City issues a Change Directive specifically identifying the change to the Scope of Work.

E. Design Development and Construction Documents

1. Upon the City's issuance of a written consent to proceed for any Subproject Option, Subproject(s) or portion thereof, the Design-Builder shall prepare and submit to the City for the City's written approval Construction Documents sufficient to construct the Subproject(s), including but not limited to Drawings and

Specifications. Deviations, if any, from the Supplemental Engineering Analysis, Investigation, and Project Services or any other materials previously provided must be disclosed in writing and are subject to the approval of City.

2. Development and review of the construction documents including drawings, specifications, and any required supplementals shall at a minimum adhere to the following review milestones content requirements, pursuant to the written direction of the City:
 - a. Plan alignment, profile;
 - b. 30% / 60% / 90% and complete design;
 - c. An updated schedule, including proposed design milestones; dates for receiving additional information from, or for work to be completed by, the City, anticipated date for the Design-Builder's Construction Proposal, and dates of periodic design review sessions with the City; and
 - d. Outline specifications or sufficient drawing notes describing construction materials.
 - e. Comprehensive written estimate of the cost to design and construct the Project based upon the current Design Development documents. Such written estimates must be submitted with the respective Design Development documents.
3. The Construction Documents must establish the quality levels of materials required. The Construction Documents must be consistent with the Design-Build Documents, including but not limited to the Scope of Work, Alternatives Analysis Report, as it applies to the Subproject, Subproject Option, or portion thereof being designed, and the findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services, unless otherwise disclosed in writing, and must include all items necessary for the proper execution and completion of the Work and reasonably inferable from the Design-Build Documents, including but not limited to the Scope of Work, as being necessary to produce the indicated results.
4. The Design-Builder shall submit completed Construction Documents to the City for the City's approval. If the City discovers any deviations between the Construction Documents and the Design-Build Documents not previously disclosed by Design-Builder, the City will promptly notify the Design-Builder of such deviations in writing.

Unless the City and Design-Builder execute a Change Order or the City issues a Change Directive specifically identifying the particular deviation and City's agreement with such deviation, the Design-Builder must correct the deviation and resubmit the Construction Documents. The Construction Documents shall not modify the Design-Build Documents, including but not limited to the Scope of Work, Alternatives Analysis Report, as it applies to the Subproject Option, Subproject(s) or portion thereof being designed, or the findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services. Acceptance of the Design Documents will not constitute the City's acceptance of a deviation unless the deviation is specifically identified by the Design-Builder or included in a Change Order or Change Directive.

5. The City, Design-Builder, and its Designer will meet a minimum of twice a month until the completion of the Construction Documents for the Work to review scope, quality, budget and other issues.
6. Before completion of the Construction Documents for the Work, the City, Design-Builder, and its Designer will perform an internal review of the Construction Documents, the Design-Builder's schedule and any critical issues relating to scope, quality or budget. In addition to delivering to City copies of the Construction Documents for the Work, including but not limited to Drawings and Specifications, Design-Builder and Designer will make reasonable efforts to demonstrate to the City the scope and quality aspects of the design.
7. At the completion of the City's, Design-Builder's, and its Designer's Construction Documents review, the City will provide its written approval of the Construction Documents, including any revisions thereto made during the internal review. However, review or approval by City or its agents of design and Construction Documents shall not relieve Design-Builder to the extent of its liability for any damages resulting from or arising out of professional errors or omissions in the design and Construction Documents, except where City expressly directs such defective or deficient design and Design-Builder delivers to City its written objection thereto. Upon the City's written approval of Construction Documents, the Design-Builder, with the assistance of the City, shall prepare and file documents required to obtain necessary approvals of governmental authorities having jurisdiction over the Project.
8. If required by City, the Design-Builder shall obtain from each of the Design-Builder's professionals and furnish to the City certifications with respect to the documents and services provided by such professionals (a) that, to the best of their knowledge, information and

belief, the documents or services to which such certifications relate (i) are consistent with the Scope of Work set forth in the Design-Build Documents, except to the extent specifically identified in such certificate, (ii) comply with applicable professional practice standards, and (iii) comply with applicable laws, ordinances, codes, rules and regulations governing the design of the Project in effect at the time of the applicable permit; and (b) that the City and its consultants are entitled to rely upon the accuracy of the representations and statements contained in such certifications.

9. In the sole discretion of the City, the City may elect to accept the Construction Documents as the Design-Builder's final submittal for any Subproject or the City may issue a written notice to proceed to subsection 5.F for any or all Subproject(s).

F. Design-Builder's Construction Proposal

1. Upon the City's issuance of a written consent to proceed for any Subproject Option, Subproject(s), or portion thereof, the Design-Builder must prepare and submit the Design-Builder's Construction Proposal for Construction to the City. The Design-Builder's Construction Proposal must include the following:
 - a. Either:
 - i. A list of the Supplemental Engineering Analysis, Investigation, and Project Services and other information, including the Design-Builder's clarifications, assumptions and deviations from the Scope of Work, upon which the Design-Builder's Construction Proposal is based; or
 - ii. A list of Construction Documents prepared by the Design-Builder in the Pre-Construction Phase the Design-Builder will use to construction the Subproject(s).
 - b. The proposed Guaranteed Maximum Price for construction of the Subproject(s), including a written statement of the estimated Cost of the Work organized by trade categories, allowances, contingency, Design-Builder's Percentage Fee as proposed in Design-Builder's Proposal, and other items that comprise the Guaranteed Maximum Price in such detail and with such substantiation as City may reasonably require;
 - c. An enumeration of any assumptions and exclusions, if applicable;

- d. A list of Design-Builder's key personnel, Subcontractors and suppliers; and
 - e. The date on which the Design-Builder's Construction Proposal expires, which date must be at least 90 days after submission of the Design-Builder's Construction Proposal to the City.
- 2. Upon the City's receipt of Design-Builder's Construction Proposal, the City and the Design-Builder agree to negotiate in good faith regarding the terms and conditions of the GMP Amendment, including but not limited to the amount of the adjustment to the Guaranteed Maximum Price. Without limiting the City's right to terminate this Contract, if the City and the Design-Builder are unable to agree on the terms and conditions of the GMP Amendment, the City will have the right to one or more of the following actions:
 - a. Terminate this Contract pursuant to the General Conditions;
 - b. Terminate negotiations for the GMP Amendment;
 - c. Terminate Design-Builder's work for the subproject for which a GMP Amendment was under negotiation;
 - d. Direct Design-Builder to prepare Construction Documents under section 5.E. for the subproject for which a GMP Amendment was under negotiation; and/or
 - e. Continue this Contract for the remaining Design Work, or other continuation of the Work under this Contract, in the City's sole discretion.
- 3. If the City terminates the Contract or any portion thereof, then (1) the City will continue to have the rights and obligations set forth in subsection 10.B regarding the ownership and use of the Work Product and (2) the City may obtain an assignment of some or all of the subcontracts and purchase orders (including but not limited to agreements with Designers). The amount of time allotted for negotiations and the timing of any termination will be determined in the City's sole discretion.
- 4. If the City and the Design-Builder agree on the terms and conditions of the GMP Amendment, the City and Design-Builder shall execute the GMP Amendment in the form set forth in Exhibit 2 with the blanks and other information completed in the normal course.

6. CONSTRUCTION PHASE

A. Design Development.

1. Unless Construction Documents were prepared in the Pre-Construction Phase, upon execution of the GMP Amendment, the Design-Builder shall prepare and submit to the City for the City's written approval Construction Documents sufficient to construct the Subproject Option, Subproject(s), or portion thereof ("Work Package"), as directed by the City, including but not limited to Drawings and Specifications. Deviations, if any, from the Alternatives Analysis Report, as it applies to the Subproject Option, Subproject(s), or portion thereof being designed or the findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services must be disclosed in writing and are subject to the approval of City.
2. The Construction Documents must establish the quality levels of materials required. The Construction Documents must be consistent with the Design-Build Documents, including but not limited to the Scope of Work, Alternatives Analysis Report, as it applies to the Subproject Option, Subproject(s), or portion thereof being designed, and the findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services, unless otherwise disclosed in writing, and must include all items necessary for the proper execution and completion of the Work and reasonably inferable from the Design-Build Documents, including but not limited to the Scope of Work, as being necessary to produce the indicated results.
3. The Design-Builder shall submit completed Construction Documents to the City for the City's approval. If the City discovers any deviations between the Construction Documents and the Design-Build Documents not previously disclosed by Design-Builder, the City will promptly notify the Design-Builder of such deviations in writing. Unless the City and Design-Builder execute a Change Order or the City issues a Change Directive specifically identifying the particular deviation and City's agreement with such deviation, the Design-Builder must correct the deviation and resubmit the Construction Documents. The Construction Documents shall not modify the Design-Build Documents, including but not limited to the Scope of Work, Alternatives Analysis Report, as it applies to the Subproject Option, Subproject(s), or portion thereof being designed, and the findings and/or results of the Supplemental Engineering Analysis, Investigation, and Project Services. Execution of the GMP Amendment will not constitute the City's acceptance of a deviation

unless the deviation is specifically identified and described as such in the GMP Amendment. The failure of the City to discover any such deviations will not relieve the Design-Builder of the obligation to perform the Work in accordance with the Design-Build Documents.

4. The City, Design-Builder, and its Designer will meet a minimum of twice a month until the completion of the Construction Documents for the Work to review scope, quality, budget and other issues.
5. Before completion of the Construction Documents for the Work, the City, Design-Builder, and its Designer will perform an internal review of the Construction Documents, the Design-Builder's schedule and any critical issues relating to scope, quality or budget. In addition to delivering to City copies of the Construction Documents for the Work, including but not limited to Drawings and Specifications, Design-Builder and Designer will make reasonable efforts to demonstrate to the City the scope and quality aspects of the design.
6. At the completion of the City's, Design-Builder's, and its Designer's Construction Documents review, the City will provide its written approval of the Construction Documents, including any revisions thereto made during the internal review. However, review or approval by City or its agents of design and Construction Documents shall not relieve Design-Builder to the extent of its liability for any damages resulting from or arising out of professional errors or omissions in the design and Construction Documents, except where City expressly directs such defective or deficient design and Design-Builder delivers to City its written objection thereto. Upon the City's written approval of Construction Documents, the Design-Builder, with the assistance of the City, shall prepare and file documents required to obtain necessary approvals of governmental authorities having jurisdiction over the Project.
7. If required by City, the Design-Builder shall obtain from each of the Design-Builder's professionals and furnish to the City certifications with respect to the documents and services provided by such professionals (a) that, to the best of their knowledge, information and belief, the documents or services to which such certifications relate (i) are consistent with the Scope of Work set forth in the Design-Build Documents, except to the extent specifically identified in such certificate, (ii) comply with applicable professional practice standards, and (iii) comply with applicable laws, ordinances, codes, rules and regulations governing the design of the Project in effect at the time of the applicable permit; and (b) that the City and its consultants are entitled to rely upon the accuracy of the representations and statements contained in such certifications.

B. Construction

1. Except as permitted in subsection 6.B.2, construction on any Work Package shall not commence prior to (1) execution of the GMP Amendment and (2) City's approval of the Construction Documents required for the Work Package. The Design-Builder shall perform no construction Work prior to the City's review and approval of the Construction Documents required for the Work Package. In addition, the Design-Builder shall perform no portion of the Work for which the Design-Build Documents require the City's review of submittals, such as Shop Drawings, Product Data and Samples, until the City has approved each submittal.
2. If the City and Design-Builder agree in a Change Order or the City issues a Change Directive, construction may proceed prior to the execution of the GMP Amendment. However, such Change Order or Change Directive shall not waive the City's right to reject the Design-Builder's Construction Proposal or otherwise limit City's rights and remedies under this Contract.
3. The construction Work must be in accordance with approved submittals, including but not limited to the Construction Documents, except that the Design-Builder will not be relieved of responsibility for deviations from requirements of the Design-Build Documents by the City's review and approval of design and Construction Documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals, unless the Design-Builder has specifically informed the City in writing of such deviation at the time of submittal and (1) the City has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Change Directive has been issued authorizing the deviation. The City's review and approval of design and Construction Documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals does not relieve the Design-Builder of responsibility for errors or omissions in those approved documents and submittals.
4. The Design-Builder shall keep the City informed of the progress and quality of the Work on a regular and frequent basis.
5. The Design-Builder is responsible for the design, supervision and direction of the Work, using the Design-Builder's best skill and attention. If the Design-Build Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Design-Builder must evaluate the jobsite safety of such means, methods, techniques, sequences or procedures and, except as stated below, will be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or

procedures. If the Design-Builder determines that such means, methods, techniques, sequences or procedures may not be safe, the Design-Builder must give timely written notice to the City and may not proceed with that portion of the Work without further written instructions from the City.

6. The Design-Builder is responsible for inspection of any portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.
- C. Unless otherwise provided in the Design-Build Documents, the Design-Builder must provide and pay for supervision, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services, 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.
- D. The Design-Builder shall include in the Guaranteed Maximum Price, as set forth in the GMP Amendment, all allowances, if any, stated in the Design-Build Documents. Items covered by allowances must be supplied for amounts and by persons or entities as the City may direct, but the Design-Builder will not be required to employ persons or entities to whom the Design-Builder has reasonable objection.
- E. The City reserves the right to perform construction or operations or services related to the Project, and to furnish materials and equipment for the Project, with the City's own forces; and to award separate contracts in connection with other portions of the Project, or other construction or operations on the site. If the Design-Builder claims that delay or additional cost is involved because of such action by the City, the Design-Builder must make a claim as provided in the General Conditions.

7. COMPENSATION

- A. Design Services Compensation. City shall pay Design-Builder for Design Phase work as set out in Exhibit 4, based on time and materials as set forth in the attached Exhibits, but the total payment under this Agreement, which includes allowable expenses or reimbursement as per the attached exhibits, **shall not exceed \$3,197,000**. The Not to Exceed amount may be exceeded only upon prior written increase in the Scope of Work, accompanied by written authorization for an increase in fee from the City Manager. If there is no change in Scope of Work, the Design-Builder shall complete all identified Work within the Not to Exceed amount as indicated above. Any known additional or optional tasks are listed in Exhibit B.
 1. Design-Builder shall send City an invoice each month setting forth the fee due for that month and include a detailed summary of the

work performed during the pay period. City shall review all submitted invoices promptly and shall pay all undisputed amounts within 30 days of City's receipt of the invoice.

2. Invoices will be directed to the City of Bend, Attention: Accounts Payable, P.O. Box 1458, Bend, Oregon 97709. Invoices may be emailed to ap@bendoregon.gov. If an invoice is delivered on a non-business day, the invoice shall be considered received on the next day the City's Finance Department is open for business.
3. Design-Builder shall reference the Contract Number and the Project Number as appropriate.

B. **Guaranteed Maximum Price.** If the parties execute a GMP Amendment, the City shall pay Design-Builder as set forth in this Article and the GMP Amendment. The Guaranteed Maximum Price shall include (1) the Cost of the Work as defined in Article 8 and (2) the Design-Builder's Percentage Fee. Design-Builder must pay costs that would cause the Guaranteed Maximum Price, as it may be adjusted pursuant to the GMP Amendment, to be exceeded, without reimbursement by the City.

C. **Design-Builder's Percentage Fee**

1. The Design-Builder's Percentage Fee must be set forth in the GMP Amendment and shall not exceed a fixed amount equal to 9.89% percent of the estimated Cost of the Work. Design-Builder's Percentage Fee may not apply to certain design work as set forth in the GMP. The Design-Builder may invoice the City for payments toward the Design-Builder's Percentage Fee in accordance with subsection 7.C.3. of this Agreement. The Design-Builder's Percentage Fee is conclusively presumed to include all costs not reimbursable under this Contract, including, without limitation, overhead and profit.
2. If the Guaranteed Maximum Price is adjusted after execution of the GMP Amendment, if any, an adjustment to the Design-Builder's Percentage Fee will be determined by fixing an amount equal to 9.89% percent of the estimated Cost of the Work related to the change that is the basis for the adjustment to the Guaranteed Maximum Price. The City will not pay for any costs that exceed the Guaranteed Maximum Price, including any additional fee based on such costs, and the Design-Builder's Percentage Fee is subject to no other adjustments.
3. Each of the Design-Builder's requests for progress payment may include a request for payment of Design-Builder's Percentage Fee equal to 9.89% percent of the reimbursable costs for that period.

- D. The City does not anticipate early construction work occurring during the Design Services phase of this Contract. However, in the event that early construction work is determined to be necessary, consistent with subsection 6.B.2, the City will issue a Change Order or Change Directive amending this Contract to incorporate the early work and adjusting Design Services Compensation accordingly. The parties acknowledge that early work in excess of \$50,000 may require Prevailing Wage.
- E. As used in this Contract, the phrase “performance of the Work” includes the services under Article 5, any Work that is authorized under a Change Order or Change Directive issued before the execution of the GMP Amendment, Work authorized under the GMP Amendment and Article 6, if any, and all of the Design-Builder’s other obligations under this Contract.

8. COST OF THE WORK

- A. The term “Cost of the Work” means costs necessarily incurred by the Design-Builder in the proper performance of the Work. Such costs must be at rates not higher than the standard paid at the place of the Project except with the prior written consent of the City. The Cost of the Work shall only include the items set forth in this Article 8. Where any cost is subject to the City’s prior written approval, the Design-Builder must obtain this written approval prior to incurring the cost, which prior written approval is a condition precedent of Design-Builder’s right to payment for such cost. Following are costs included in the Cost of the Work.
 - 1. Payments to Subcontractors (including but not limited to Designers), provided that: (1) the City receives the benefit of trade and quantity discounts; (2) the Design-Builder may retain the benefits of discounts for early or timely payment; (3) each subcontract, including those for supplies for which the Design-Builder seeks reimbursement, has been awarded in accordance with the terms of the Contract; (4) reimbursement will be reduced to the extent the cost for which reimbursement is sought fails to satisfy the requirements set forth in Article 10 of the General Conditions; and (5) reimbursement will be further reduced to the extent the cumulative total of all markups on a cost by Subcontractors at all tiers exceeds the percentage specified in Article 10 of the General Conditions.
 - 2. Salaries or wages, plus fringe benefits routinely provided by the Design-Builder (including, as applicable, retirement, life insurance, medical insurance, sick leave, holiday pay, vacation, workers’ compensation premiums, and other benefits required by law or by a current labor agreement), for all of the following Design-Builder employees for the time they are engaged in the Work:
 - a. Field labor, including field superintendents;

- b. Employees directly involved in performing the Work stationed at the Design-Builder's field office and scheduling personnel and others stationed at the Design-Builder's corporate office or any other location who are pre-approved by the City; and
 - c. Employees engaged at the shops or on the road in expediting the production or transportation of materials or equipment required under the Contract.
 - d. "Casual overtime" costs (overtime that is sustained for less than 7 consecutive days) may be incurred at the Design-Builder's sole discretion. The Design-Builder must obtain City approval prior to incurring all other overtime costs, including those incurred while performing additional work directed by the City or as incurred by the Design-Builder working crews on an "extended overtime" schedule (overtime that is sustained for more than seven consecutive days). Notwithstanding the foregoing, delay by the Design-Builder will not be excused merely because the City declines to approve reimbursement of overtime costs.
- 3. Costs pertaining to Design-Builder-furnished insurance (excluding subcontractor default insurance) or self-insurance and bonds, including premiums and the cost of any deductibles, self-insured retentions, loss above coverage limits, co-pay percentages, claim handling, administration, enrollment, or management costs or expenses, and broker fees under the Design-Builder's insurance program. Costs of Subcontractor bonds; provided that the furnishing of such bonds is subject to the prior written approval of the City. Costs of subcontractor default insurance (e.g., Subguard) are subject to the prior written approval of the City.
- 4. Subsistence and travel for the Design-Builder's salaried employees normally stationed in the field office when those employees are required to travel and remain out of the Bend metropolitan area overnight in direct performance of the Work under the Contract, but only with the City's prior written approval and subject to any limitations or restrictions the City may impose in giving its approval.
- 5. Field office supplies and services, including office supplies, telephone, postage, reproduction, photographs, and field office data processing equipment.
- 6. Equipment, materials, supplies, consumables and services procured, purchased and utilized in the performance of the Work as required to protect the safety and health of all persons who may be exposed to the hazards of construction. This includes the cost of first

aid supplies, temporary fire protection and the cost of administering the Design-Builder's safety program, including safety lunches and safety incentive payment programs, but excludes the cost of material rewards such as shirts, jackets, hats, etc.

7. Temporary facilities and services at the Work site, including the job shack and other structures, sanitation, debris removal, roads, heat, light, water, air, and weather protection.
8. It is the intent of the parties that the majority of the Work authorized under the Contract will be competitively bid and executed under subcontracts. For that portion of the Work described as "Craft Services," the Design-Builder may use Design-Builder-furnished craft labor that is approved by the City and brought on early in the Project. The City will reimburse the Design-Builder for this labor for the direct cost of wages, payroll taxes, and fringe benefits.
9. Materials, expendable supplies, consumables, and hand tools necessary to complete self-performed Work which Design-Builder did not otherwise own, and their transportation to the Work site.
10. Costs of removal and proper disposal of debris from the Work site.
11. Fees for laboratories for testing required by the Design-Build Documents, except those related to Defective Work.
12. Licenses, royalties, bond premiums, and sales or similar taxes that the Design-Builder is required by law to pay and are in effect as of the effective date of the Contract, other than personal property taxes on the Design-Builder's construction equipment and the Design-Builder's income taxes. If the entire amount is allocable to the Work, then the Design-Builder shall be entitled to reimbursement of the entire amount. If only part of the amount is allocable to the Work, then the Design-Builder shall be entitled to a prorated reimbursement based on the proportion of the amount allocable to the Work.
13. Reimbursement for use of Design-Builder-owned equipment and rental of equipment owned by third party equipment vendors while the equipment is engaged in the Work, plus fuel and routine maintenance costs. Equipment rental rates will be the lowest of: The Design-Builder's established company rates, actual rental rates, or the rates in effect in each section of the Rental Rate Blue Book on the Work Start Date. Rental rates shall be calculated hourly, daily, weekly, or monthly, as appropriate based on the duration of the use of the equipment. The rate which results in the lowest charge for equipment use will be applied. Rates will be adjusted annually after

the anniversary date of the Work Start Date to reflect published revisions of the Rental Rate Blue Book.

- a. The Rental Rate Blue Book denotes discontinued models by showing a star next to the model number. Many manufacturers continue the same model number through successive years. In the event the City and the Design-Builder are unable to distinguish discontinued models from current models having different rates in the Rental Rate Blue Book, the lower rate shall apply. In the event a rate is not given for either a new model or an older model, a rate for the most similar model in the Rental Rate Blue Book will be used. Such characteristics as manufacturer, capacity, horsepower, and fuel will be used as the basis for selecting a similar model.
 - b. In the event a rate has not been established for a particular equipment category in the Rental Rate Blue Book, the Design-Builder shall call the Equipment Watch company for written documentation of a rental rate on the equipment and present it to the City for approval before use of the equipment.
14. The City generally does not make progress payments for materials stored offsite or pay financing costs pending their reimbursement, but may make exceptions in some circumstances. Subject to the City's approval in advance and in writing of the circumstances and conditions, such as location, insurance, clear title, and risk of loss, progress payments may be made for materials stored offsite.
15. All permits for the Work normally obtained by and paid for by the Design-Builder, including those required for bidder-designed work, excluding building permits.
16. Preparing and obtaining reports, schedules, manuals, Drawings, Specifications, related data processing services, and other documents that are not furnished by the City but are necessary for the performance of the Work as specified in the Contract Documents.
17. The cost of repairing damaged Work or damage to City property as requested by the City, except:
 - a. To the extent the cost of repair is covered by insurance or warranty provisions to include rework and faulty workmanship;
 - b. To the extent the Design-Builder recovers the cost of repairs from Subcontractors; or

- c. To the extent the damage is the result of one or more breaches of the Contract.
- 18. Costs of Design-Builder's field office computer services (hardware and software) and other outside computer processing services expended in direct performance of the Work, but only to the extent such costs are approved in writing in advance by the City.
- 19. Other costs incurred in the performance of the Work if, and to the extent, approved in writing in advance by the City.

9. COSTS NOT REIMBURSABLE

- A. The following is a non-exclusive list of categories of costs for which the Design-Builder is not entitled to reimbursement as the Cost of the Work, and which are deemed to be accounted for in the Design-Builder's Percentage Fee:
 - 1. The salary of individuals who are officers of the Design-Builder, or of individuals employed in the Design-Builder's office(s) other than the field office, except as provided in subsection 8.A.2.
 - 2. Corporate overhead and general and administrative costs.
 - 3. Interest on capital.
 - 4. Profit.
 - 5. Preparation of the Design-Builder's response to the City's request for proposals for the Project.
 - 6. Legal costs.
 - 7. Prorated cost of the public works bond that design-builders generally must file with the Construction Contractors Board (CCB), as provided in ORS 279C.836.
 - 8. Subcontractor costs arising out of or related to Defective Work.
 - 9. Costs related to corrective Work and warranty Work. The Design-Builder shall diligently pursue and, whenever possible, enforce the performance of corrective Work obligations and warranty repairs under the terms of its subcontracts and purchase agreements. If the Design-Builder is unable to enforce the terms of a corrective obligation or warranty directly with a Subcontractor or vendor or with its bonding company, costs related to corrective Work or warranty Work will not be reimbursed by the City.

10. Any cost due to the negligence or failure of the Design-Builder and Subcontractors (including but not limited to Designer), or anyone directly or indirectly employed by any of them or for whose acts or omissions any of them may be liable, to fulfill a specific responsibility of the Contract.
11. Costs incurred prior to the City's approval of Design-Build Documents, when the Design-Build Documents require such approval.
12. Costs incurred in excess of the City's limitations or contrary to the City's limitations or instructions, when such instructions or limitations are imposed pursuant to the Design-Build Documents.
13. Costs of subcontractor default insurance (e.g., Subguard) and Subcontractor bonds, except when such costs are approved in advance by the City.
14. Costs related to home computers, software subscriptions or renewals, and other outside computer processing services not physically located at the Project site office.
15. Costs expressly excluded from the Cost of the Work by the Design-Build Documents.
16. Otherwise reimbursable costs in excess of the Guaranteed Maximum Price.

10. ACCESS TO RECORDS – FILES; CONFIDENTIAL INFORMATION.

- A. Design-Builder shall maintain all books, documents, papers and records relating to the Agreement for at least seven years following completion of the project. Design-Builder shall maintain any other records pertinent to this Agreement in such a manner as to clearly document Design-Builder's performance. City, state and federal government, and their duly authorized representatives shall have access to the books, documents, papers and records of the Contractor which are directly pertinent to the specific Agreement for the purpose of making audit, examination, excerpts and transcript. Design-Builder agrees that all files or other documents generated or in the possession of Design-Builder related to Design-Builder's delivery of service are the property of the City and shall be available to the City upon request. Design-Builder understands the nature of project/projects means that Contractor may be privy to information that is confidential, proprietary or sensitive in nature, which information shall not be disclosed to any third person or entity without the consent of the City of Bend or at the City's direction, either during the term of this Agreement or after its termination. Likewise, any analysis or commentary provided by

Design-Build of a confidential or sensitive nature shall not be released or disclosed to any person without the consent or direction of the City.

- B. The Design-Build shall require all insurers, material suppliers, and Subcontractors (including but not limited to Designers) at any tier to comply with these requirements.
- C. The Design-Build shall be entitled to no extra compensation for complying with these requirements.

11. INTELLECTUAL PROPERTY RIGHTS

A. Royalties, Patents and Copyrights

- 1. The Design-Build shall pay all royalties and license fees.
- 2. The Design-Build shall defend suits or claims for infringement of copyrights and patent rights and shall hold the City and its separate subcontractors and consultants harmless from loss on account thereof. If the Design-Build has reason to believe that the design, process or product required in the Scope of Work is an infringement of copyright or patent, the Design-Build shall promptly notify the City.

B. Ownership of Work Product

- 1. All Design-Build Documents created by Design-Build pursuant to this Agreement, including derivative works and compilations, and whether or not such work product is considered a “work made for hire” or an employment to invent (“Work Product”), shall be the exclusive property of City. City and Design-Build agree that such original works of authorship are “works made for hire” of which City is the author within the meaning of the United States Copyright Act. To the extent City is not the owner of the intellectual property rights in Design-Build’s Work Product, Design-Build irrevocably assigns to City any and all of its rights, title, and interest in all original Work Product created pursuant to this Agreement, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon City’s request, Design-Build shall execute such further documents and instruments necessary to fully vest such rights in City. Design-Build forever waives any and all rights relating to original work product created pursuant to this Agreement, including, without limitation, any and all rights under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

2. Design-Builder grants to City, for the purposes of accomplishing this Project, an irrevocable, nonexclusive, nontransferable, perpetual, royalty-free license to use any intellectual property owned by Design-Builder developed independently from this Agreement and applicable to services provided by Design-Builder or included in the work product. This grant includes the right of City to authorize contractors, consultants and others to use such intellectual property for the purposes of accomplishing the Project.
3. Design-Builder may refer to the Work Product in its brochures or other literature that Design-Builder utilizes for advertising, or other promotional purposes, including proposals for future, unrelated work, and, unless otherwise specified, Design-Builder may use standard line drawings, specifications and calculations on other, unrelated projects.

12. SUBROGATION

Design-Builder grants Waiver of Subrogation to the City, its officers, agents, employees and volunteers for any claims arising out of Design-Builder's work or service. Further, Design-Builder agrees that in the event of loss due to any of the risks for which it has agreed to provide insurance, recovery by the Design-Builder shall be solely with their insurance carrier. Design-Builder also grants to City on behalf of any insurer providing coverage to either Design-Builder or City with respect to the work or services of Design-Builder a waiver of any right to subrogation which any insurer or Design-Builder may acquire against City by virtue of the payment of any loss under such insurance coverage.

13. SUBCONTRACTING

The majority of the Work authorized by the Contract must be competitively bid and executed under subcontracts, except that the Design-Builder may self-perform or exempt from Subcontractor as allowed in the General Conditions. The Design-Builder will provide the City with the opportunity to attend all introductory meetings and post-bid evaluation meetings with such prospective Subcontractors. See the General Conditions for additional subcontracting requirements.

14. PREVAILING WAGE RATES

The Design-Builder agrees to comply with the requirements of ORS 279C.800 to 279C.870 governing the prevailing wage rates. Current wage rates and amendments determined by the Oregon Bureau of Labor and Industries (BOLI) may be obtained at www.boli.state.or.us. However, the rates in effect at the time this Contract first constitutes a binding and enforceable obligation on the part of the Design-Builder to perform or arrange for the performance of construction, reconstruction, major renovation, or painting, or when the GMP Amendment is

executed, whichever occurs first, are the rates that shall apply for the duration of the Work.

15. NONDISCRIMINATION

The Design-Builder agrees to comply with all federal and state laws and regulations regarding nondiscrimination in employment, employee benefits and facilities.

16. COMPLIANCE WITH LAW

- A. Design-Builder shall comply with all applicable federal, state and local laws, ordinances, and regulations. When multiple standards apply, Design-Builder shall comply with the more stringent standard. Design-Builder shall comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal, state and City civil rights and rehabilitation statutes, ordinances, rules and regulations. Design-Builder also shall comply with the Americans with Disabilities Act of 1990 (Pub L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws. Design-Builder agrees to comply with ADA in its employment practices, and that it shall perform its contractual obligations consistently with ADA requirements and regulations, state law, and applicable regulations.
- B. The Design-Builder shall comply with applicable federal, state and local laws and regulations, including those adopted by the Oregon Department of Environmental Quality, Division of State Lands, Environmental Protection Agency, and/or the US Army Corps of Engineers, relating to the prevention of environmental pollution and preservation of natural resources.

17. PROVISIONS REQUIRED BY STATE LAW

- A. Design-Builder shall:
 - i. Make payment promptly, as due, to all persons supplying to the Design-Builder labor or material for the performance of the work provided for in the contract.
 - ii. Pay all contributions or amounts due the Industrial Accident Fund from the Design-Builder or subcontractor incurred in the performance of the Contract.
 - iii. Not permit any lien or claim to be filed or prosecuted against City.
 - iv. Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

- iv. Demonstrate that an employee drug testing program is in place. City has the right to audit and/or monitor the program. On request by the City, Design-Builder shall furnish a copy of the employee drug-testing program.
 - vi. Salvage or recycle construction and demolition debris, if feasible and cost- effective.
- B. If Design-Builder fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Design-Builder or a subcontractor by any person in connection with the public improvement contract as the claim becomes due, the City may pay the claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Design-Builder by reason of the contract.
- C. If Design-Builder or a First-Tier Subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this contract within 30 days after receipt of payment from the City (or in the case of a subcontractor, from Design-Builder), Design-Builder or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10-day period that payment is due under ORS 279C.580 (4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to Design-Builder or first-tier subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is 30 days after the date when payment was received from the contracting agency or from the Design-Builder, but the rate of interest may not exceed 30 percent. The amount of interest may not be waived.
- D. If Design-Builder or a Subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.
- E. The payment of a claim in the manner authorized in this section does not relieve the Design-Builder or the Design-Builder's surety from obligation with respect to any unpaid claims.
- F. For work under this Contract, a person may not be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires it, and in those cases, the employee shall be paid at least time and a half pay:

- i. For all overtime in excess of 8 hours in any one day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or
- ii. For all overtime in excess of 10 hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and
- iii. For all work performed on Saturday and on any legal holiday specified in ORS 279C.540.

Design-Builder is not required to pay overtime if the request for overtime pay is not filed within 30 days of completion of the Contract if Design-Builder has posted and maintained in place a circular with the information contained in ORS 279C.545 as required by ORS 279C.545(1).

- G. Design-Builders and Subcontractors must give notice in writing to employees who perform work under this contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.
- H. Design-Builder shall promptly, as due, make payment to any person, co-partnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of Design-Builder, of all sums that Design-Builder agrees to pay for the services and all moneys and sums that the Design-Builder collected or deducted from the wages of employees under any law, Contract or Agreement for the purpose of providing or paying for the services.
- I. All employers, including Design-Builder, that employ subject workers who work under this Contract in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless exempt under ORS 656.126. Design-Builder shall ensure that each of its subcontractors comply with these requirements.
- J. Design-Builder shall utilize where applicable, recycled materials if (a) The recycled product is available; (b) The recycled product meets applicable standards; (c) The recycled product can be substituted for a comparable non-recycled product; and (d) The recycled product's costs do not exceed the costs of non-recycled products by more than 5 percent.
- K. Design-Builder shall include in each first-tier subcontract, including contracts with material suppliers, a clause that obligates Design-Builder to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of the amounts paid to Design-Builder by

City under this contract, and if payment is not made within 30 days after receipt of payment from City, to pay an interest penalty as specified in ORS 279C.515(2) to the first-tier Subcontractor. The interest penalty does not apply if the only reason the delay in payment is due to a delay in payment by City to Design-Builder. Design-Builder shall include in each of Design-Builder's subcontracts, a provision requiring the first-tier subcontractor to include a similar payment and interest penalty clause and shall require subcontractors to include similar clauses with each lower-tier subcontractor or supplier. Design-Builder shall also include in each first-tier subcontract a clause that requires Design-Builder to provide a standard form that the first-tier subcontractor may use as an application for payment and that requires Design-Builder to use the same form throughout the period of the contract, unless the Design-Builder provides written notice of a change in the form, including a copy of the new form, at least 45 days before change.

- L. By signing this Contract, Design-Builder certifies that all Subcontractors performing construction work shall be registered by the Construction Contractors Board or licensed by the State Landscape Contractors Board before the subcontractor starts work on the Project.
- M. By signing this Contract, Design-Builder certifies that it shall comply with Oregon tax laws.

18. NON-PARTNERSHIP

Neither the City nor Design-Builder is a partner or joint venture with the other party in connection in connection with the activities carried out under this contract. Design-Builder is engaged as an Independent Contractor.

- A. Design-Builder shall be solely responsible for payment of any Federal or State taxes required as a result of this Contract.
- B. Design-Builder is not a City employee and is not entitled to any benefits granted to City employees.

19. WAIVER

The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

20. LIMITATION ON AUTHORITY

City retains its authority to execute all applications, contracts and other documents relating to the Work. Design-Builder has no right or authority, express or implied, to commit or otherwise obligate City or any of its partners, except as permitted by the express terms of this Contract, or as authorized in writing.

21. ATTORNEY FEES AND GOVERNING LAW

In the event an action, suit or proceeding, including appeal, is brought for failure to observe any of the terms of this Contract, each party shall be responsible for that party's own attorney fees, expenses, costs and disbursements for the action, suit, proceeding or appeal. The provisions of this contract shall be construed in accordance with the provisions of the laws of the State of Oregon.

22. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the City and the Design-Builder, respectively, and their respective partners, successors, assigns, and legal representatives. Neither the City nor the Design-Builder shall assign, transfer, or sublet any interests or obligations hereunder without the prior written consent of the other party.

23. MERGER

No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties. A waiver, consent, modification or change, if made shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract. Design-Builder by signature of its authorized representative hereby acknowledges that Design-Builder understands the Contract and agrees to be bound by its terms and conditions.

24. NOTICES

All notices shall be in writing and shall be served upon the other party by personal service, facsimile transmission, or e-mail followed by mail delivery of the original Notice, by overnight courier with proof of receipt, or by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to City:

City of Bend
710 N.W. Wall Street, Bend, Oregon 97703
Attn: Eric King, City Manager
Email: eking@bendoregon.gov

If to Design-Builder:

M. A. Mortenson Company
10230 NE Points Drive, Suite 300, Kirkland, WA 98033
Attn: Michael Harder, Vice President Operations
Email: Michael.harder@mortenson.com

Service by mail shall be deemed complete on the date of actual delivery or three (3) business days after being sent via certified mail. Service by facsimile transmission or E-Mail shall be deemed served on receipt of the facsimile or E-Mail, followed by mail delivery.

25. EFFECTIVE DATE

This Contract shall become effective as of the date of the latest signature below.

Approved and authorized for signature by City Council, acting as the Local Contract Review Board on June 6, 2018.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed:

(FULL NAME OF CORPORATION)

CITY

By: _____
_____, _____

By: _____
Eric King, City Manager

Date: _____

Date: _____

State of Oregon Construction Contractors
Board Registration No. _____

Approved as to Legal Sufficiency
for the City:

By: _____
City Attorney

PERFORMANCE BOND

Parties

Principal: _____ (Name)
_____ (Address)
_____ (Telephone)

Surety: _____ (Name)
_____ (Address)
_____ (Telephone)

Obligee: City of Bend
_____ (Address)
_____ (Telephone)

Agreement

Principal has entered into a contract ("Contract") with Obligee for the following project:

_____.

By this reference, the Contract is made a part of this bond.

Subject to the provisions of this bond, Principal and Surety, and their respective heirs, executors, administrators, successors, and assigns, are jointly and severally held and firmly bound unto Obligee, and Obligee's successors or assigns, in an amount equal to the total amount of the Guaranteed Maximum Price as adjusted in accordance with the Contract. The foregoing obligation shall be void if Principal promptly, faithfully, and fully performs the Contract, including but not limited to warranty and maintenance work required under the Contract.

Surety waives any right it may have to notice of changes in the Contract agreed to by Principal and Obligee, or required by Obligee in accordance with the Contract, including but not limited to changes that increase the total amount of the Guaranteed Maximum Price as adjusted in accordance with the Contract. Surety shall not be released from its obligation under this bond because of Obligee's failure to give Surety prompt notice of a breach or default by Principal.

Signed and sealed this _day of _____, 20__.

PRINCIPAL

By: _____
Name: _____
Title: _____

SURETY

By: _____
Name: _____
Attorney in Fact

LABOR AND MATERIAL PAYMENT BOND

Parties

Principal: _____ (Name)
_____ (Address)
_____ (Telephone)

Surety: _____ (Name)
_____ (Address)
_____ (Telephone)

Obligee: City of Bend
_____ (Address)
_____ (Telephone)

Agreement

Principal has entered into a contract ("Contract") with Obligee for the following project:

_____.

By this reference, the Contract is made a part of this bond.

Subject to the provisions of this bond, Principal and Surety, and their respective heirs, executors, administrators, successors, and assigns, are jointly and severally held and firmly bound unto Obligee, for the use and benefit of claimants as defined below, in an amount equal to the total amount of the Guaranteed Maximum Price as adjusted in accordance with the Contract. The foregoing obligation shall be void if Principal promptly pays all claimants for all labor and material supplied for the prosecution of the Work provided for in the Contract, including but not limited to warranty and maintenance work required under the Contract.

For the purposes of this bond, a claimant is any person who has a right of action against a payment bond under ORS 279C.600 to 279C.625.

Surety waives any right it may have to notice of changes in the Contract agreed to by Principal and Obligee, including but not limited to changes that increase the total amount of the Guaranteed Maximum Price.

Signed and sealed this _day of _____, 20__.

PRINCIPAL

By: _____

Name: _____

Title: _____

SURETY

By: _____

Name: _____

Attorney in Fact



CITY OF BEND

GUARANTEED MAXIMUM PRICE AMENDMENT TO THE PROGRESSIVE DESIGN-BUILD CONTRACT

Agreement #
Project Number:

This **Amendment to the Progressive Design-Build Contract** ("Agreement") is entered into effective _____ between the City of Bend, Oregon ("City") and ____ ("Contractor") and amends the Progressive Design-Build Contract between City and Contractor dated ____.

The Agreement is revised as follows:

1. **Project Scope.** Contractor shall construct ____ ("GMP Work"). The GMP Work is described in more detail in the attached Exhibit A – Scope of Work. Contractor is required to furnish all materials, labor, water, tools, power, equipment, transportation and other work needed to construct the GMP Work.
2. **Contract Documents.** This Amendment consists of the main text of this Amendment and the following exhibits:
 - a. Exhibit A – Scope of Work
 - b. Exhibit B – GMP Supporting Documents
3. **GMP.** The parties agree that the Guaranteed Maximum Price ("GMP") for the Project is \$____, consisting of the Estimated Cost of the Work and Contingencies, summarized as follows:.

Preconstruction Fee	\$__
Construction Documents	\$__
Estimated Cost of Work (Est. COW)	\$__
Contractor Fee (Design-Builder's Percentage Fee)	\$__
GMP Total (Total of Above)	\$__

4. **Basis of GMP.** The GMP is based on the GMP Supporting Documents included as Exhibit B, including the allowances, assumptions, exclusions, unit prices, and schedule designated in those documents. The GMP Supporting Documents are based on the Preliminary Construction Documents. The Design-Build Documents remain in full force and effect; this Basis of GMP supplements design document requirements but does not replace them.
5. **Substantial Completion Date.** Notwithstanding any provision in the GMP Supporting Documents to the contrary, the required date for Substantial Completion of the Work is ____.

6. Compensation. Article 7, Compensation, is amended by adding the following:

- a. City shall pay Design-Builder for Construction Work according to the schedules and unit prices stated in Exhibit B, plus the Design-Builder's Percentage Fee as set forth in this Amendment and Article 7 of the Agreement.
- b. Design-Builder shall invoice the City monthly for work performed, based on an estimate of the amount of work completed and the value of the completed Work. Invoices shall be directed to the City of Bend, Attn: Accounts Payable, PO Box 1458, Bend OR 97709. Invoices may be emailed to: ap@bendoregon.gov. If an invoice is delivered on a non-business day, the invoice shall be considered received on the next day the City Finance Department is open for business. City shall make a progress payment equal to the value of the completed Work, less amounts previously paid, less retainage of 5 percent within 30 days of receipt of the invoice.
- c. City shall inspect the Project within 15 days of receipt of written notice from Design-Builder that the Work is ready for final inspection and acceptance. The City shall either accept or reject the work in writing. A rejection must state the reasons for the rejection and list the Work that must be done before the Project can be accepted. If a rejection is issued, Design-Builder shall complete all Work needed to be done and request another inspection. The process shall be continued until the City determines that the Project is complete and accepted. Within 30 days after written acceptance by the City and receipt of the Warranty Bond required by Section 8.c, all remaining amounts, including the retainage, shall be paid to Contractor, provided that Design-Builder shall submit evidence satisfactory to the City that all payrolls, material bills, and other indebtedness connected with the Work have been paid; except that in case of disputed indebtedness or liens, the Contractor may submit in lieu of evidence of payment, a Surety Bond satisfactory to City guaranteeing payment of all such disputed amounts when adjudicated in cases where such payment has not already been guaranteed by Surety Bond. If City fails to pay within 30 days of acceptance and receipt of the Bond, City shall pay interest at the rate as specified in ORS 279C.515 on any unpaid amounts.

7. Prevailing Wage

- a. Contractor shall comply with all provisions required by ORS 279C.800 through ORS 279C.870 relating to the payment of prevailing wage rates for work performed.
- b. Contractor shall pay to workers in each trade or occupation the current, applicable State prevailing rate of wage as established by the Oregon State Bureau of Labor and Industries ("BOLI") <http://www.boli.state.or.us/BOLI>.

Contractor and any Subcontractors shall post the prevailing wage rates and fringe benefits as required by ORS 279C.840.

- c. Contractor shall prepare weekly certified payroll reports and statements and submit them to the City by the fifth business day of each month (ORS 279C.845). Reports shall be submitted to the City of Bend, Attention: Purchasing Manager, on a form prescribed by the Commissioner of the Bureau of Labor, certifying: (a) the hourly rate of wage paid each worker whom the contractor or the Subcontractor has employed upon the public works; and (b) that no worker employed upon the public works has been paid less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract. If the Contractor has not filed the certified statements as required under this contract, the City of Bend shall retain 25 percent of any amount earned by the Contractor until the Contractor has complied. The City of Bend shall pay the Contractor the amount retained under this subsection within 14 days after the Contractor has filed the certified statements with the City.
- d. Contractor shall allow BOLI to enter the office or business establishment of Contractor at any reasonable time to determine whether the prevailing rate of wage is actually being paid and shall make payment records available to BOLI on request. Contractor shall require subcontractors to provide the same right of entry and inspection.
- e. City shall not make final payment unless the prevailing wage rate certifications are received.
- f. Contractor must comply with all laws and regulations relating to prevailing wages, whether or not set out in this contract. Further information regarding prevailing wages is available by contacting BOLI at (971) 673-0839 or on-line at the BOLI web site:
<http://www.boli.state.or.us/BOLI/WHI/PWR/index.shtml>
- g. Prevailing Wage publications applicable to this contract are the Prevailing Wage Rates for Public Works Contracts in Oregon effective ____, the Prevailing Wage Rate Amendments effective ____ and the ____ PWR Apprenticeship Rates.

8. General Conditions. In addition to the above, the General Conditions are modified to reflect the following modifications to the existing contract language:

a. Add the following subsections to Article 5:

- i. Builder's Risk or Installation Floater. The Design-Builder shall obtain and maintain for the benefit of the parties an all risk builder's risk or installation floater policy insuring 100 percent of the Cost of the Work. Such insurance shall include testing, and shall allow utilization of part of the equipment prior to Substantial Completion of all the GMP Work. Coverage shall continue until Substantial Completion of the GMP Work. The City and all Subcontractors shall be additional named insureds, as their interests may appear. The City shall be given not less than 30 days' written notice prior to cancellation, non-

renewal, or material change in the policy. One copy of the policy and a certificate of insurance shall be delivered to the City before commencing GMP Work and shall be subject to approval by the City. The City may defer delivery of the copy of the policy, but such deferral shall not be a waiver of the City's right to a copy of the policy. In the event the Design-Builder fails to maintain insurance required under this subsection 5.8, the City, at its sole option, may arrange for such coverage, and any administrative costs and premium incurred shall be reimbursed by the Design-Builder.

- ii. Design-Builder shall provide a separate Performance Bond and a separate Payment Bond in a form acceptable to the City Attorney. Each bond shall be equal to 100 percent of the GMP, or if either bond is issued to replace the bond previously issued under the Contract, equal to the total amount of the Progressive Design-Build Contract including the GMP Amendment. The Performance Bond and the Payment Bond must be signed by the Surety's Attorney-in-Fact, and the Surety's seal must be affixed to each bond. Bonds shall not be canceled without the City of Bend's consent, nor shall the City release them prior to Contract completion. Bonds must be originals. Faxed or photocopied Bond Forms shall not be accepted.
 - iii. Design-Builder shall provide a Warranty Bond in the amount of the GMP to cover the warranty period after acceptance. The City's acceptance of the work shall not take effect until receipt of the warranty bond.
- b. **Add 12.22 Liquidated Damages.** Contractor recognizes that the City shall incur significant internal and external costs (damages) as a result of any delay by the Contractor completing all GMP Work within the specified Contract time. However, given the nature of the GMP Work, it is unduly burdensome and difficult to demonstrate the exact dollar value of damages related to delay. The City has made a good faith and reasonable estimate of damages it would suffer from delay in completion. Contractor agrees to pay to City, not as a penalty but as liquidated damages, \$2,000.00 for each calendar day of delay in completion of the Work.

The City of Bend is authorized to deduct the amount of the liquidated damages from any amounts due and the Contractor and its Surety shall be liable for any excess. See Section 00180.85 of the City of Bend Special Conditions to the General Conditions.

If the Contract is terminated according to the General Conditions and if the Work has not been completed by other means on or before the expiration of Contract Time or adjusted Contract Time, liquidated damages shall be assessed against the Contractor for the duration of time reasonably required to complete the work.

The parties further agree that the liquidated damages required by this Contract are compensation to the City only for the harm the City sustains from late completion. They are not compensation for additional effort required by the City because the Work has been extended over a longer period, or for other harm the City may sustain from the Design-Builder's other breaches of this Contract. The City may withhold liquidated damages from progress payments, or may withhold the full amount of accrued liquidated damages from final payment.

- c. **Add 12.23 Other Damages.** The City may recover from the Design-Builder, withhold from payments under this Contract, or both, actual costs incurred by the City due to the extra effort necessitated because the Work is extended over a longer period of time, such as the actual costs of additional engineering and inspections by the City. This right to actual damages shall apply to both late Substantial Completion and late Final Acceptance.
- d. **Amend 13.7 City May Terminate the Work for Convenience** by adding the following: The Design-Builder will not be entitled to overhead or profit on the unperformed Work, and will not be entitled to payments in excess of (1) the Cost of the Work incurred by the Design-Builder to the date of termination, (2) the prorated portion of the Design-Builder's Percentage Fee based on the ratio of (a) the Cost of the Work incurred by the Design-Builder to the date of termination divided by (b) the Guaranteed Maximum Price less the Design-Builder's Percentage Fee, (3) fair compensation, either by purchase or rental at the election of the City, for any equipment owned by the Design-Builder which the City elects to retain and which is not otherwise included in the Cost of the Work under subitem (1), and (4) fair compensation for the Design-Builder's demobilization costs and other costs directly incurred relating to the termination which are not otherwise included in the Cost of the Work under subitem (1); provided, however, that the total amount of such payment shall be subject to the Guaranteed Maximum Price.

In all other respects the Contract, as previously amended, shall remain in full force and effect.

Approved and authorized for signature by City Council on DATE.

This Amendment may be executed in two originals, with one original to be delivered to each party.

THE PARTIES SIGNING BELOW WARRANT, REPRESENT AND AGREE THAT THEY HAVE THE AUTHORITY TO SIGN THIS AGREEMENT AND AGREE TO ALL TERMS:

City of Bend, Oregon

Contractor

BY: _____
Eric King

BY: _____

TITLE: City Manager

TITLE: _____

DATE: _____

DATE: _____

APPROVED AS TO LEGAL FORM:

City Attorney

CONTRACT EXHIBIT 1 – DESIGN-BUILD GENERAL CONDITIONS

DEFINITIONS

For the purposes of this Contract, terms are defined in the Agreement and in this section, and may be defined in the Specifications or Drawings. Terms used in a defined sense normally are capitalized; terms used in a general or undefined sense normally are not capitalized. Unless the context clearly requires otherwise, or the term is expressly defined otherwise for a particular purpose, the following definitions apply throughout this Contract.

Act of God - A natural phenomenon of such catastrophic proportions or intensity as would reasonably prevent performance, and which could not have been prevented or escaped by any amount of foresight, reasonable degree of care, or by the aid of any equipment reasonably required under the circumstances.

Agreement - The Progressive Design-Build Agreement for Empire Corridor Improvements Project signed by the parties and incorporating other documents.

Ambiguities - Conflicts, errors, discrepancies, or inconsistencies.

Business Day - Every official work day of the week that the City is open for business. These are the days between and including Monday through Friday, and do not include public holidays and weekends.

Change Directive - A written order prepared and signed by the City, directing a change before agreement on adjustment, if any, in the Guaranteed Maximum Price or Contract Time, or both. A Change Directive may state a proposed basis for adjustment, if any, in the Guaranteed Maximum Price or Contract Time, or both.

City – City of Bend, Oregon

Change Order - A written amendment to this Contract which authorizes an addition, deletion, or revision to the Work described in this Contract, and which may authorize an adjustment in the Guaranteed Maximum Price, the Contract Time, or both.

Project Manager - An individual authorized in writing by the City to represent the City with respect to this Contract within the scope of the authority conferred by the written authorization.

Construction Documents – Documents necessary to complete construction, including but not limited to, the Drawings and Specifications prepared by the Design-Builder.

Contract - The entire written agreement between the City and the Design-Builder establishing their respective rights and obligations concerning the Work.

Contract Time - The number of days between the Work Start Date established by the Notice to Proceed and the date by which Substantial Completion of all Work must be achieved under this Contract.

Cost of the Work - Costs necessarily incurred by the Design-Builder in the performance of the Work in accordance with Article 8 of the Agreement.

Day or Calendar Day - Any 24-hour period beginning at midnight.

Defective - (1) Unsatisfactory, faulty, or deficient, (2) not conforming to this Contract, or (3) not meeting the requirements of any inspection, test, or approval required by this Contract or federal, state, or local Law.

Design Development - The preconstruction phase described in the Agreement.

Design-Build Documents – All documents, including exhibits and attachments, that make up this Contract, including but not limited to the Agreement; the Scope of Work; Alternatives Analysis Report; Supplemental Engineering Analysis, Investigation, and Project Services; Design Development and Construction Documents; bonds; these Design-Build General Conditions; wage rates; and the Notice to Proceed.

Design-Builder or Contractor - The person or entity identified as such in the Agreement.

Design-Builder's Percentage Fee – A fixed fee described in the Agreement which is adjustable only under very limited circumstances.

Design-Builder's Construction Proposal - The Design-Builder's proposal for completion of design and performance of construction work on one or more Subprojects following Preliminary Construction Documents to be completed under a GMP Amendment. Design-Builder may submit one or more Construction Proposals for one or more Subprojects, as directed by the City. Unless specifically incorporated into the GMP Amendment (and then only to the extent such proposal relates to the scope of the Work), the Design-Builder's Construction Proposal is not part of the Design-Build Documents.

Design-Builder's Proposal - The proposal Design-Builder submitted in response to the City's Request for Proposals for this Project

Design-Builder's Representative - An individual authorized in writing by the Design-Builder to represent the Design-Builder with respect to this Contract.

Designer - A person or entity providing design services for the Design-Builder for all or a portion of the Work that is licensed to practice architecture or engineering in the State of Oregon. The Designer is referred to throughout the Contract Documents as if singular in number, although there may be more than one Designer providing design services for the Design-Builder.

Drawings - The graphic representations which show the character and scope of the Work to be performed, which have been prepared by Design-Builder and approved by the City in accordance with the Agreement.

Final Acceptance - The City's written acknowledgment that the Work has been fully completed and all Contract-required documentation has been received and accepted.

Guaranteed Maximum Price - The limit established in the Agreement on the City's obligation to pay the Design-Builder for (1) the Cost of the Work plus (2) the Design-Builder's Percentage Fee.

Guaranteed Maximum Price Amendment - An amendment to the Agreement setting forth the City's and Design-Builder's agreement, if any, to the terms and conditions applicable to the Work following completion of the Preliminary Construction Documents, including but not limited to the adjustment to the Guaranteed Maximum Price.

He, Him, His - Used solely for legibility and ease of writing and applies equally to both genders.

Law - Any statute, rule, regulation, ordinance, or order of any federal, state, or local government including, but not limited to, ordinances and resolutions adopted by the City Council of the City of Bend, and rules and regulations adopted in accordance with those ordinances and resolutions.

Maintenance Data - Manufacturer's catalog information, shop drawings, installation, operation, and maintenance manuals, and other information needed for operating, troubleshooting, preventive maintenance, repair, restoration, or overhaul of materials, products, systems, and equipment furnished or provided by the Design-Builder.

Notice to Proceed - A written notice given by the City to the Design-Builder fixing the Contract Time and designating a date on which the Design-Builder is authorized to begin the Work under the Guaranteed Maximum Price Amendment.

Preliminary Construction Documents - The documents created after the Design-Builder's evaluation of the Scope of Work and prior to preparation of the Design-Builder's Construction Proposal as described in the Agreement.

Product Data - Pictures, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Design-Builder to illustrate a material, product, or system for some portion of the Work. Product Data are not Design-Build Documents.

Project – The preconstruction work authorized in writing by the City, and any construction work authorized in writing by the City pursuant to a GMP Amendment or an early work agreement, to complete design and construction work, if any, of a sewer interceptor between the City Water Reclamation Facility and the Plant Interceptor, or points farther west at the direction of the City, in Bend, Oregon and Deschutes County, Oregon.

Rental Rate Blue Book - The book by that name, being the current edition of the year that the work is performed, published by Equipment Watch, Primedia Corp., 1735 Technology Drive, Suite 410, San Jose, California, 95110.

Request for Proposals – The information published by the City, titled North Interceptor Sewer Project soliciting proposals from third parties for completion of the Project.

Samples - Physical examples of material, equipment, or workmanship which demonstrate and establish standards by which the Work will be judged. Samples are not Design-Build Documents.

Scope of Work - The program for the Project set forth in Exhibit 3, which includes initial information about the Project. These documents shall be evaluated and refined by the Design-Builder to develop the Preliminary Construction Documents.

Shop Drawings - Diagrams, drawings, illustrations, instructions, and other data submitted by the Design-Builder to illustrate some portion of the Work. Shop Drawings are not Design-Build Documents.

Specifications - Those written technical descriptions of materials, equipment, systems, standards, and workmanship prepared by the Design-Builder and approved by the City in accordance with the Agreement.

Subcontractor - An individual or firm having a direct or indirect contract with the Design-Builder or with any other Subcontractor at any tier for the performance of a part of the Work, including but not limited to the Designer.

Substantial Completion - Completion of the Work, or a part of the Work designated by the City in writing, in accordance with this Contract, to the point where it may be utilized and occupied for the purpose for which it was intended.

Work - The design services, supervision, labor, material, equipment, and services required by this Contract.

Work Start Date - The day stated in the Notice to Proceed when the Contract Time will begin to run in accordance with this Contract.

ARTICLE 1 – TERMINOLOGY

- 1.1 Unless stated otherwise in this Contract, words or phrases which have a well-known technical, construction industry, or trade meaning are used in accordance with such recognized meaning.
- 1.2 Unless stated otherwise in this Contract, all requirements are directed to the Design-Builder. This includes statements which have no grammatical subject, as in “Install equipment plumb and level.”
- 1.3 In the interest of brevity, this Contract frequently omits modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.
- 1.4 The following terms are used in this Contract: as allowed, as directed, as ordered, as required, acceptable, proper, reasonable, satisfactory, suitable. These items and any others of like effect or import describe direction, judgment, requirement, or review of the City. Such use is solely to evaluate the Work for compliance with this Contract unless there is a specific statement otherwise. The use of such terms never indicates the City has authority to supervise or direct performance of the Work.
- 1.5 The words, “design,” “furnish,” “install,” “perform,” and “provide” have the following meanings for the purposes of this Contract. When such verbs are not used in connection with services, materials, or equipment in a context clearly requiring an obligation on the part of the Design-Builder, “provide” is implied.
 - A. Design means to perform architectural or engineering, or both, design professional services, including but not limited to planning, designing, observing, consulting, evaluating and other related services, for the construction of the Work.
 - B. Furnish means to supply and deliver services, materials, or equipment to the Work site (or other specified location) ready for use or installation and in usable or operable condition.
 - C. Install means to put into use or place in final position services, materials, or equipment complete and ready for intended use.
 - D. Perform or provide means to perform design services and furnish and install services, materials, or equipment complete and ready for intended use.

ARTICLE 2 – PRELIMINARY MATTERS

City Representative

- 2.1 The City’s Engineering and Infrastructure Planning Director (“Engineering Director”) is authorized to represent the City with respect to this Contract, provided that his authority to amend this Contract is limited to the amount set by City policy. The Engineering Director will appoint a Project Manager in writing to exercise all or part of his authority. Although a person may have the title Engineering Director, such person shall have no responsibility for any engineering or architectural, or both, design aspects of the Work.

Design-Builder’s Representative

- 2.2 The Design-Builder shall authorize the Design-Builder’s Representative to receive communications from the City and to sign the Design-Builder’s communications to the City. The Design-Builder’s Representative must be approved in writing in advance by the City. The City’s approvals as required by this subsection will not be unreasonably withheld.

Communications

- 2.3 In addition to the communication between the City's representative and the Design-Builder's Representative noted above, frequent informal communication will take place between City and Design-Builder employees to facilitate the Work. These communications may include Contract enforcement and interpretation. If the Design-Builder concludes that any communication from the City appears that it will result in a change in Contract Time or the Design-Builder's cost to complete the Work, the Design-Builder shall request that the issue be presented in a Change Directive.

Copies of Project Manual and Drawings

- 2.4 The City will provide the Design-Builder with digital copies of any documents referenced in Exhibit 3.

Commencement of Contract Time

- 2.5 The Contract Time will commence to run on the Work Start Date stated in the Notice to Proceed.

Starting the Work

- 2.6 The Design-Builder may start to perform the Work on the Work Start Date stated in the Notice to Proceed.

Before Starting Work

- 2.7 Before the Design-Builder begins performance of the Work, one or more meetings will be held to establish a working understanding among the parties. Procedures will be established for operations coordination and administrative communication for matters such as design reviews, submittals, clarifications and interpretations, and Change Orders; and for processing applications for payment. At the first meeting, the Design-Builder must submit to the City for review a preliminary design progress schedule. After execution of the GMP Amendment, if any, Design-Builder must submit an updated design schedule and preliminary construction schedule, submittal schedule, a preliminary cash flow schedule, and a written site-specific safety and health plan.
- A. The preliminary design progress schedule must be finalized and submitted to the City one week after the first meeting. The revised design schedule and preliminary construction schedule must be submitted to the City one week after the first meeting following execution of the GMP Amendment, if any. Unless specified otherwise, the progress schedules must indicate the Design-Builder's planned progress in increments of not more than seven-day periods. The schedule will not exceed the time limits current under the Design-Build Documents and will be subject to review and comment by the City. The Design-Builder must prepare and submit revisions to match actual and projected progress as requested by the City, before and during the course of design and construction, at no added cost to the City. The Design-Builder must adhere to the most recent version of the schedule.
 - B. The preliminary submittal schedule must be finalized and submitted to the City one week after the first meeting following execution of the GMP Amendment, if any. The submittal schedule must demonstrate that submittals will be submitted in time to allow the City's review and comment and the Design-Builder's submission of revised submittals before the Work covered by the submittals is scheduled to start under the work progress schedule.
 - C. Prior to commencement of any physical construction Work, the Design-Builder must submit the contractor safety information form for safety planning purposes. The Design-Builder must also include applicable company policies, procedures, or plans. The City expects that

the Design-Builder will abide by all Oregon OSHA requirements and the Design-Build Documents to provide for the safety of the Design-Builder's employees, City employees, tenants, and the general public. Work performed by Subcontractors must be on the form. Safety data sheets (SDS) for chemical products introduced to City premises will not be submitted with this information, but shall accompany the Design-Builder on site and be available to the City upon request.

- 2.8 Before undertaking each part of the Work, the Design-Builder must carefully study and compare this Contract and check and verify pertinent figures shown therein and all applicable field measurements. The Design-Builder must promptly report in writing to the City any Ambiguities that the Design-Builder may discover.

ARTICLE 3 – DESIGN-BUILD DOCUMENTS

Intent

- 3.1 This Contract is complementary; what is called for by one element is as binding as if called for by all.
- 3.2 It is the intent of this Contract to describe the Work. Any design services, supervision, labor, material, equipment, or service that may be reasonably inferred from this Contract as being required to produce the intended result shall be supplied whether or not it is expressly specified.
- 3.3 The Design-Builder is expected to read the entirety of the Design-Build Documents and to seek clarification from the City of any Ambiguities found between, among or within the Design-Build Documents. Absent written clarification from the City to the contrary, the Design-Builder shall, in resolving Ambiguities discovered either before or after original procurement and/or installation, provide the better quality of, and the greater quantity of, the Work. The Design-Builder shall specifically notify all Subcontractors and suppliers of this requirement.
- 3.4 Clarifications and interpretations of this Contract will be issued by the City. They will be consistent with or reasonably inferable from the overall scope of this Contract.
- 3.5 This Contract is unique. Design services, labor, material, equipment, or services approved for other City work may not necessarily be approved for this Contract.
- 3.6 Pursuant to ORS 15.320, Oregon law applies to this Contract. In the event ORS 15.320 is deemed invalid or inapplicable, the parties agree that Oregon law applies to this Contract.
- 3.7 If the Design-Builder's Construction Proposal is incorporated into this Contract, any Ambiguities between the proposal and this Contract will be resolved in favor of this Contract. Any limitations of liability, waivers of damages, or disclaimers of warranty or liability contained in the Design-Builder's Construction Proposal will not apply to the Work or this Contract.
- 3.8 If any provision of this Contract is held to be illegal, invalid, or unenforceable under present or future Laws effective during the terms of this Contract or in subsequent dispute resolution proceedings, the legality, validity, and enforceability of the remaining provisions of this Contract will not be affected thereby. As to the illegal, invalid or unenforceable clauses, they shall be rendered void only to the extent of such illegal, invalid and unenforceable portions, with the remainder of such clauses given full force and effect.

Reference Standards

- 3.9 Unless expressly provided otherwise, references to standard specifications, manuals, or codes of any technical society, organization, or association, or to the codes of any governmental authorities, shall mean the latest version or edition in effect on the effective date of this Contract, except that

all references to the Oregon Standard Specifications for Construction shall mean the 2008 edition. Such reference may be specific or implied. No provision of any referenced standard specification, manual, or code shall change the duties and responsibilities of the City, the Design-Builder, or any of their employees, contractors, subcontractors, or agents from those set forth in this Contract.

Reporting Ambiguities

- 3.10 If, during the performance of the Work, the Design-Builder discovers any Ambiguities within this Contract, the Design-Builder must report it to the City, in writing, at once. The Design-Builder will proceed with the affected Work after receiving clarification or interpretation from the City. The Design-Builder will be liable to the City for failure to report any Ambiguities in this Contract if the Design-Builder factually knew or reasonably should have known of the Ambiguities.

Reuse

- 3.11 Neither the Design-Builder nor any Designer, Subcontractor, manufacturer, fabricator, supplier, or distributor will have or acquire any title to or ownership rights in any of the Drawings, Specifications or other documents, or copies thereof, prepared by Design-Builder. They may not reuse any of them for any purpose unrelated to this Contract without the prior written consent of the City.

Electronic Documents

- 3.12 Those using electronic documents provided by the City do so at their own risk. Electronic documents are subject to data erosion, erasure, and alteration. Because computer software may become obsolete with time, the City makes no warranties or representations regarding the ability to permanently access electronic documents it provides. The City makes no warranties or representations regarding the presence or absence of computer viruses in electronic documents it provides; any person using an electronic document provided by the City should check the document for computer viruses before using it in a manner that might allow the spread of a computer virus. All or parts of electronic documents provided by the City may be copyrighted, and those using them are responsible for determining the existence of copyrights and for obtaining permission to copy copyrighted material.

ARTICLE 4 – AVAILABILITY OF LANDS; PHYSICAL CONDITIONS; SURVEY CONTROL

Availability of Lands

- 4.1 The City will provide access to City owned land in proximity of the pipeline alignment and where connection will be made at the City Water Reclamation Facility. The Design-Builder shall obtain permits for access to Deschutes County right of way and any permanent easements required for the permanent facilities. Any additional lands needed for temporary access, construction, material storage, etc. shall be provided by the Design-Builder at no additional cost to the City.

Physical Conditions – Investigations, Reports, and Tests

- 4.2 Investigations, reports, or tests which the City may make available to the Design-Builder are the City's best known information at the time of execution of the Agreement. However, the City makes no warranty or representation regarding accuracy or completeness unless the investigations, reports, or tests have been made a part of this Contract.

Differing Site Conditions

- 4.3 The Design-Builder must promptly notify the City in writing of: (1) subsurface or latent physical conditions at the site differing materially from those shown in this Contract or (2) unknown

conditions of an unusual nature, differing materially from conditions ordinarily encountered in the region and generally recognized as inherent in the Work. The Design-Builder must, to the extent reasonably possible, provide prompt written notice of such conditions before they are substantially disturbed or altered. The City will promptly review those conditions and advise the Design-Builder in writing if further investigation or tests are necessary. The Design-Builder may not continue Work in the affected area until the City has inspected such condition to determine whether an adjustment to the Contract is required. If the conditions differ materially from those shown in this Contract or from what reasonably could have been anticipated by the Design-Builder, this Contract may be amended to allow additional compensation or time, or both, as reasonably necessary to accommodate the differing conditions.

Survey Control

- 4.4 Unless otherwise provided in the Contract, the City will only provide the Mapping Control Survey and Aerial Mapping by GeoTerra dated June, 2017. The Design-Builder must: (1) perform any required survey services necessary to accurately design and construct the project, (2) lay out the Work, (3) protect and preserve the established survey control points, property monuments, and government corners and (4) make no change or relocation of the survey control points without the prior written approval of the City. The Design-Builder must report to the City whenever any survey control point is lost, destroyed, or requires relocation. At no additional cost to the City, the Design-Builder shall be responsible for the accurate replacement or relocation of survey control points, property monuments, and government corners lost or destroyed. Such replacement must be by a professional land surveyor licensed by the State of Oregon.

ARTICLE 5 – BONDS AND INSURANCE

Bonds

- 5.1 Upon execution of the Agreement, the Design-Builder shall furnish bonds in accordance with the Agreement and this Article, as security for the faithful performance of, and payment of, all the Design-Builder's obligations, including without limitation preparation and completion of design and related personal services and self-performed work, under this Contract. The performance bond, and labor and material payment bond shall be on the forms prescribed by the bidding and contract requirements and executed by sureties: (1) licensed to conduct business in the State of Oregon, and (2) named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, U.S. Treasury Department. All bonds signed by an agent shall be accompanied by a power of attorney or other evidence of the agent's authority to act on behalf of the surety.
- a. Design-Builder shall provide a separate Performance Bond and a separate Payment Bond in a form acceptable to the City Attorney. Each bond shall be equal to 100 percent of the contract amount. The Performance Bond and the Payment Bond must be signed by the Surety's Attorney-in-Fact, and the Surety's seal must be affixed to each bond. Bonds shall not be canceled without the City of Bend's consent, nor shall the City release them prior to Contract completion. Bonds must be originals. Faxed or photocopied Bond Forms shall not be accepted.
 - b. Design-Builder shall file with the Construction Contractor's Board a Public Works Bond with a corporate surety authorized to do business in the State of Oregon in the amount of \$30,000 prior to starting construction work under this contract unless

otherwise exempt. Design-Builder is aware of the provisions of ORS 279C.600 and 279C.605 relating to notices of claim and payment of claims on Public Works Bonds.

- c. Design-Builder shall include in every Subcontract a provision requiring the Subcontractor to have a public works bond filed with the Construction Contractor's Board before starting construction work on the project, unless otherwise exempt.
 - d. Design-Builder shall provide a Warranty Bond in the amount of the Contract amount to cover the warranty period after acceptance. The City's acceptance of the work shall not take effect until receipt of the warranty bond.
- 5.2 The Design-Builder shall substitute another bond and surety meeting the requirements of Item 5.1 within five days after the surety on any bond furnished by the Design-Builder: (1) is declared bankrupt, (2) becomes insolvent, (3) has its right to do business terminated in any state where any part of the Work is located, or (4) ceases to meet the requirements of Item 5.1.
- 5.3 In lieu of requiring Subcontractors to provide performance and payment bonds for their respective Work, the Design-Builder may utilize a Subcontractor default program to address defaults by Subcontractors on their contractual responsibilities.
- 5.4 This section intentionally left blank.

Workers' Compensation

- 5.5 The Design-Builder shall maintain workers' compensation and employer's liability insurance as required by ORS Chapter 656 and meeting the minimum requirements therein, for all employees subject to the workers' compensation Laws of the State of Oregon, unless exempt, and any other appropriate jurisdiction. In lieu of such insurance, the Design-Builder may maintain a self-insurance program approved by the State of Oregon and a policy of excess workers' compensation insurance in the amount required by the State, which policy includes coverage for employer's liability. The Design-Builder shall provide evidence of such insurance and self-insurance to the City before commencing Work and throughout the term of this Contract.

Commercial General Liability Insurance

- 5.6 The Design-Builder shall maintain Commercial General Liability Insurance in an amount not less than \$2,000,000 per incident, claim or occurrence and \$5,000,000 in aggregate. Such insurance shall include coverage for personal injury, bodily injury, advertising injury, property damage, premises, operations, products completed operations, employer's practices liability and contractual damages. Contractor shall remain fully responsible and liable for any claims resulting from the negligence or intentional misconduct of Design-Builder, its subcontractors, and their officials, agents and employees in performance of this Contract, even if not covered by, or in excess of insurance limits.

Automobile Liability Insurance

- 5.7 The Design-Builder shall maintain business automobile liability insurance in an amount not less than \$2,000,000 per occurrence to protect against liability arising from the use, loading, and unloading of all of the Design-Builder's owned, hired, and non-owned automobiles in connection with this Contract. Such insurance shall cover the City as an additional insured, provided that the Design-Builder's insurer shall not be required to indemnify the City for damages arising out of the death or bodily injury to persons or damage to property to the extent caused by the negligence of the City. The limits set forth herein may be met through the stacking of primary and excess policies.

Professional Liability Insurance

- 5.8 The Design-Builder shall maintain professional liability insurance or “errors and omissions” coverage in amounts not less than \$2,000,000 per claim and \$5,000,000 aggregate. The Design-Builder shall cause its lead designer to maintain professional liability insurance in amounts not less than \$2,000,000 per claim and \$5,000,000 aggregate. Such insurance shall be written to cover all costs of correcting defects and deficiencies arising from error, omission, or negligent acts of the Design-Builder and lead designer and any other Subcontractor providing design, engineering, or other professional services. The policy shall not contain any provision or exclusion (including any so-called “insured versus insured” exclusions or “cross-liability” exclusion) the effect of which would be to prevent, bar, or otherwise preclude the City or the Design-Builder from making a claim which would otherwise be covered by such policy on the grounds that the claim is brought by an insured or additional insured against an insured or additional insured under the policy. Insurance shall be maintained through completion of construction and for at least 5 years past project completion. The retroactive date for coverage will be no later than the commencement date of design. If coverage is canceled and not replaced with similar coverage with a consistent retroactive date, the Design-Builder or lead designer shall purchase an extended reporting period of at least 5 years or otherwise as by agreement with the City.

Subcontractor Insurance

- 5.9 All Subcontractors (including designers) shall maintain the same insurance as required of Design-Builder as set forth herein, including but not limited to the types of insurance, extent and durations of coverages, and notice requirements, except that the limits of insurance for Subcontractors shall be no less than the following:
- A. Workers’ Compensation: same as Design-Builder above.
 - B. Commercial General Liability: \$2,000,000 per occurrence/\$2,000,000 aggregate.
 - C. Professional Liability: The Design-Builder shall require Subcontractors who perform design Work to provide coverage at limits determined by the Design-Builder not to exceed \$2,000,000 per claim/\$2,000,000 aggregate.
 - D. Automobile Liability: \$2,000,000 per occurrence.

General Insurance Requirements

- 5.10 The limits set forth herein may be met through the stacking of primary and excess policies.
- 5.11 The limits set forth herein may be increased or modified in subsequent GMP Amendments.
- 5.12 Design-Builder and lead designer shall provide proof of coverage required by acceptable Certificate of Insurance and signed Endorsement from the carrier(s). The Certificate and Endorsement shall provide that there will be no cancellation, termination, material change or reduction in limits of the insurance coverage without a minimum 30-day written notice to the City. The Certificate and Endorsement shall also state the deductible or self-insured retention level.
- 5.13 Commercial General Liability coverage shall name, by certificate and endorsement the City, its officers, agents, employees and volunteers as additional insureds with respect to Contractor’s work or services provided under this contract.

ARTICLE 6 – DESIGN-BUILDER’S RESPONSIBILITIES

Administration and Supervision

- 6.1 The Design-Builder must supervise and direct the Work competently and efficiently, applying the skills and expertise as may be necessary to perform the Work in accordance with this Contract. The Design-Builder is solely responsible for the means, methods, techniques, sequences, and procedures of construction. The Design-Builder is responsible for seeing that the finished Work complies accurately with this Contract.
- 6.2 The Design-Builder must provide a competent project superintendent at the site at all times during work progress. The superintendent is be responsible for oversight of the work being performed by the Design-Builder and his Subcontractors. The project superintendent may only be replaced as provided in the Agreement.
- 6.3 If the Design-Builder’s Representative is not available for project administration, the superintendent will have the authority to receive direction from the City on behalf of the Design-Builder. All communications given to the superintendent will be as binding as if given to the Design-Builder. This authority includes, but is not limited to, receipt of City-issued documentation, taking action on City direction not involving changes to this Contract, taking direct action in emergency situations, and implementing stop work orders issued by the City.

Labor and Material

- 6.4 The Design-Builder must provide competent, suitably qualified personnel to survey and lay out the Work, and to perform construction as required by this Contract. The Design-Builder must at all times maintain good discipline and order at the site.
- 6.5 The Design-Builder must give not less than 4 days’ notice to the City if work is to be performed outside normal day-shift hours or on Saturday, Sunday or any legal holiday. Emergency conditions relating to safety or protection of persons or property are valid exceptions to such notice. Specific work hour restrictions may be described in Exhibit 3.
- 6.6 Unless otherwise specified, the Design-Builder must furnish for the execution, required testing, initial operation, and completion of the Work all necessary material, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, and all other facilities and incidentals.
- 6.7 All material incorporated into the Work must be new, except as otherwise provided in this Contract. Products containing asbestos or other hazardous material, as defined by ORS 466.605, may be used only with the City’s prior written approval. If required by the City, the Design-Builder will furnish satisfactory evidence that the kind and quality of material and equipment provided meet Contract requirements. Satisfactory evidence may include test reports.
- 6.8 The Design-Builder must obtain documentation from distributors, fabricators, manufacturers, and suppliers that provides instructions for the application, cleaning, connection, erection, installation, and use of their products. The Design-Builder must follow these instructions unless more stringent requirements are provided in this Contract.
- 6.9 All material provided and normally tested and labeled by an approved testing laboratory, such as Underwriters Laboratories (UL), Canadian Standards Association (CSA), or by a similarly recognized third-party approval authority, must be so labeled.

“Pre-Bid Approved Equals,” “Equals,” and Substitutes

- 6.10 Whenever an item of material or equipment is specified or described in the Construction Documents by using the name of a proprietary item or the name of a particular supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description indicates that no substitution is permitted, other items of material or equipment, or material or equipment of other suppliers, may be submitted to the City for evaluation under the circumstances described below:
- A. “Pre-Bid Approved Equal” Items: The Design-Builder shall submit requests to the City for “pre-bid approved equal” material, products, or services on behalf of Subcontractors prior to submittal of bids. The Design-Builder must submit such requests no less than five Business Days prior to the bid opening. The Design-Builder must then forward approval of materials, products, or services the City deems equivalent by addendum to the Subcontractors at least 72 hours prior to the bid opening date and time.
 - B. “Equal” Items: If in the City’s sole discretion an item of material or equipment proposed by the Design-Builder is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by the City as an “equal” item, in which case evaluation and approval of the proposed item may, in the City’s sole discretion, be accomplished without compliance with some or all of the requirements for approval of proposed substitute items. Proprietary materials, products, or services that are specified but not followed by the words “or pre-bid approved equal,” “or equal,” or “no substitution” will be evaluated as if they were followed by the words “or equal.” For the purposes of this paragraph, a proposed item of material or equipment will be considered functionally equal to an item so named if:
 - 1. It is at least equal in quality, durability, maintainability, appearance, strength, and design characteristics;
 - 2. It will reliably perform at least equally well the function imposed by the design concept of the completed Work as a functioning whole; and
 - 3. The Design-Builder certifies that there is no increase in cost to the City; and that it will conform substantially, even with deviations, to the detailed requirements of the item named in this Contract.
 - C. Substitute Items:
 - 1. The Design-Builder may treat Subcontractor substitution requests in accordance with this section, but must obtain the City’s approval of the substitution before allowing the Subcontractors to bid based upon the substitution.
 - 2. If an item of material or equipment proposed by the Design-Builder does not qualify as an “equal” item as defined above, it will be considered a proposed substitute item. This determination will be at the City’s sole discretion.
 - 3. The Design-Builder must submit sufficient information, as provided below, to allow the City to determine that the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. The City will not accept requests for evaluation of proposed substitute items of material or equipment from anyone other than the Design-Builder. The Design-Builder must make the request as a submittal.

4. The application must certify that the proposed substitute item will adequately 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.
5. The application must state the extent, if any, to which the use of the proposed substitute item will prejudice the Design-Builder's achievement of Substantial Completion on time, whether or not use of the proposed substitute item in the Work will require a change in this Contract (or in the provisions of any other affected contract with the City for work) to adapt the design to the proposed substitute item, and whether or not incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
6. The application must identify any variations of the proposed substitute item from that specified, and shall identify available engineering, sales, maintenance, repair, and replacement services.
7. The application must contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including costs of redesign and claims of other contractors affected by any resulting change, all of which will be considered by the City in evaluating the proposed substitute item.
8. The City may require the Design-Builder to furnish additional data beyond that listed above about the proposed substitute item.
9. The City may require the Design-Builder to furnish, at the Design-Builder's expense, a special performance guarantee or other surety with respect to any substitute.
10. No increase in the Guaranteed Maximum Price or extension of the Contract Time will be considered when a substitution is not accepted.

D. No Substitution:

1. Materials, products, or services marked "no substitution" have been determined to be 1) manufactured from a single source only or 2) required for the efficient utilization of existing equipment or systems. Requests for substitution will not be considered for these items. Justifications for classifying these products as "no substitution" are on file as brand name exemption items in the City's Procurement Office.
- 6.11 Design-Builder Application for Evaluation: The application for evaluation of "equal" or substitute items must be made by written letter to the City.
- 6.12 City's Evaluation: Within 10 days, the City will evaluate each application for "equal" and substitute items. The City will be the sole judge of acceptability. No "equal" or substitute item shall be ordered, installed, or utilized until the City's evaluation is complete, which will be evidenced by either a Change Order for a substitute or an approved submittal for an "equal." The City will advise the Design-Builder in writing of any negative determination.

Concerning Subcontracting and Self-Performance

- 6.13 Selection of sources of design services, labor, material, equipment, and services necessary to accomplish the Work is governed by this section. For the purposes of this section, "Subcontractor" also includes suppliers.
 - A. The Design-Builder shall seek to develop Subcontractor interest in the Work and shall furnish to the City a list of potential qualified Subcontractors from whom bids may be requested.

The City may identify additional potential qualified Subcontractors from whom the Design-Builder shall request bids.

- B. Unless exempted and approved by the City under subsection D or E below, the Design-Builder will perform each element of the Work through a subcontract awarded in accordance with the competitive selection process described in subsection F below. In bundling elements of the Work for subcontracting or self-performance purposes, the Design-Builder is not constrained by the grouping or association of elements of the Work in the Specifications and Drawings.
- C. Unless already exempted by subsection E, the Design-Builder must submit for City approval each element of the Work the Design-Builder proposes to self-perform, and each element of the Work the Design-Builder proposes to subcontract without the competitive selection process. The proposal must include an explanation as to why self-performance or exemption from the competitive selection process is in the City's best interest. The proposal must also describe the process the Design-Builder will use to qualify and select prospective Subcontractors for the portions of the Work that are not subject to the qualification and selection process.
 - 1. The Design-Builder must provide an independent cost estimate for the Work element that will be subject to the non-competitive process, if required by the City.
 - 2. The Design-Builder must fully respond to any questions or comments submitted to the Design-Builder by the City in regard to the non-competitive process.
- D. To determine whether self-performance or exemption from the competitive selection process is in the City's best interest, the City will consider some or all of the following factors including, but not limited to: emergency circumstances, the Design-Builder's need to utilize a key Subcontractor member of the Design-Builder's project team consistent with the Design-Builder's Proposal, the need to meet other specified Contract requirements, the continuation or expansion of an existing Subcontractor agreement that was awarded through a "competitive process" along with facts supporting the continuation or expansion of the Subcontractor agreement, special requirements for the Work, special advantages or capabilities of the Design-Builder or Subcontractor to perform the Work, the significance of the Work as a critical path item, market availability of the requested services or products, and demonstration that the price is reasonable and fair.
- E. The following are exempt from the competitive selection process:
 - 1. Management services self-performed by the Design-Builder.
 - 2. Subcontracted or self-performed Work valued at \$10,000 or less.
 - 3. Subcontracted Work valued at less than \$100,000 but more than \$10,000 provided the Design-Builder receives a minimum of three written quotations and awards the subcontract to a qualified Subcontractor at a fair and reasonable price. However, the City may waive the three-quotation minimum requirement after reviewing the Design-Builder's good faith efforts to obtain them.
 - 4. Design professional services self-performed by Design-Builder.
 - 5. Design professional services performed by one or more Designers identified in the Agreement.
- F. The competitive selection process includes all of the elements described below:

1. The Design-Builder must develop the criteria (qualifications and price) that will be used to analyze bids for each element of the Work, in accordance with the following:
 - a. Subcontracts in the trades or design disciplines listed below will be awarded to the firms that meet minimum qualifications and offer the lowest price:
 - 1) Landscaping.
 - 2) Civil work (site utilities, excavation, grading, pipe installation, general concrete work, structural concrete work, and paving).
 - 3) Architectural elements.
 - b. Subcontracts in the trades or design disciplines listed below will be awarded to the firms that offer the best combination of qualifications and price:
 - 1) Electrical.
 - 2) Mechanical.
 - c. Design-Builder shall consult with the City regarding subcontracts for an element of the Work not listed above, and will use the competitive procedure detailed in 1.a. or 1.b., as directed by the City for that subcontract.
 - d. Subcontract pricing may be lump sum, unit cost bid, or cost plus a fixed fee. The criteria must be presented to the City for review, and are subject to approval. The City may also add criteria for evaluation upon reasonable justification.
 - e. If the Design-Builder or an affiliate or subsidiary of the Design-Builder will be included in the Subcontractor selection process to perform particular design services or construction Work on the project, the Design-Builder must disclose that fact in the selection process documents and announcements. The Design-Builder must utilize the conditions, processes, and procedures identified in subsection 6 below.
2. Advertisements of each solicitation for bids must be published in *The Bulletin* (Bend, Oregon) and the *Portland Daily Journal of Commerce*, and other trade journals if appropriate, in a manner reasonably calculated to give timely notice of the solicitation to all qualified prospective bidders likely to submit bids.
3. Design-Builder must obtain a minimum of three Subcontractor bids for each element of the Work, unless the City waives the three-bid minimum requirement after reviewing the Design-Builder's good faith efforts to obtain bids.
4. If requested by the City, bid solicitation documents must be provided to the City for review not less than five Business Days prior to issuance of bid solicitation, unless a different schedule is agreed to by the Design-Builder and the City. Each solicitation must state the time and place bids will be opened.
5. All bids must be in writing, sealed, and submitted to a specific location by a specific time. If Subcontractors are required by Law to have State of Oregon Construction Contractors Board license and Workers' Compensation Insurance, the bids must include the Subcontractor's Contractors Board license number and insurance identification number. If Subcontractors are required by Law to have State of Oregon architect, landscape architect or engineering registration, the bids must include the Subcontractor's registration number.

6. Bids must be opened in public with the City's Project Manager or his designee present at the time and place stated in the solicitation. The Design-Builder must evaluate the Subcontractors according to the criteria approved in subsection F.1 above. After evaluation, the Design-Builder shall share the results of the evaluation with the City. Upon completion of the City's review and subject to the City's disapproval, the Design-Builder shall then award the contract to the selected bidder and announce the results to all Subcontractors who submitted bids for that element of the Work. The announcement of award shall:
 - a. Be communicated to Subcontractors via email.
 - b. Specify that Subcontractors who were not selected for an element of the Work may, within 60 days from the Design-Builder's notice of award of a subcontract for that Work, submit a written request to the Design-Builder for a post-selection meeting with the Design-Builder to discuss the Subcontractor qualification and selection process. Indicate that a meeting with the Subcontractor will be set within 45 days of the Subcontractor's written request.
7. The City will not resolve or be involved in the resolution of protests of the Design-Builder's selection of Subcontractors and suppliers. The procedures and reporting mechanisms related to the resolution of Subcontractor and supplier protests shall be as follows:
 - a. The Design-Builder's Managing Principal will review any protest. Upon completion of the review the Design-Builder will determine the path of resolution with three possible outcomes: (1) confirmation of the original findings; (2) re-solicitation of bid package; or (3) revised award.
8. The City retains the right to monitor the subcontracting process in order to protect the City's interests and to confirm the Design-Builder's compliance with the Contract and with applicable statutes, administrative rules, and other legal requirements.
9. The Design-Builder's subcontracting records are not considered to be public records except to the extent that they are prepared, owned, used, or retained by the City in the conduct of the City's business.
- G. The Design-Builder shall submit monthly usage reports on Work contracted with disadvantaged, minority, women, and emerging small business.
- H. All subcontracts, including but not limited to subcontracts with Designers, shall include a clause stating that the City is a third-party beneficiary of the subcontract and the subcontract is assignable to the City upon the City's written request in the event the City takes over the Work.
- I. Upon execution of any subcontract, the Design-Builder shall provide the City with a bid tabulation for the portion of the Work covered by the subcontract.
- 6.14 The Design-Builder shall include a provision in all subcontracts that all Subcontractors (including but not limited to Designers) agree to be bound to the Design-Builder by terms of the Design-Build Documents, and to assume toward the Design-Builder all the obligations and responsibilities, including but not limited to the responsibility for safety of the Subcontractor's Work, which the Design-Builder, by this Contract, assumes toward the City.

- 6.15 Subcontractors shall be subject to disapproval of the City. If the City disapproves a Subcontractor, the Design-Builder shall submit an acceptable substitute.
- 6.16 The Design-Builder is responsible for: (1) all acts and omissions of his Subcontractors (including but not limited to Designers), (2) persons and organizations directly or indirectly employed by his Subcontractors, (3) persons and organizations for whose acts any of his Subcontractors may be liable, and (4) scheduling and coordinating the work of Subcontractors, suppliers, and other individuals or entities designing, performing or furnishing any of the Work under a direct or indirect contract with the Design-Builder. Nothing in this Contract shall create any contractual relationship between the City and any Subcontractor or other person or organization having a direct contract with the Design-Builder. Nothing in this Contract shall create any obligation on the part of the City to pay or to see to the payment of any moneys due any Subcontractor or other person or organization, except as may otherwise be required by Law. The City may furnish to any Subcontractor or other person or organization, to the extent practicable, evidence of amounts paid to the Design-Builder on account of specific Work completed.

Patent Fees and Royalties

- 6.17 If any design, device, material, or process covered by letters patent or copyright is used by the Design-Builder or is provided for the City's use, the Design-Builder shall: (1) provide for such use by agreement with the owner of the patent or copyright or a duly authorized licensee of such owner, and (2) defend, indemnify, reimburse and hold the City harmless from all damages, losses and expenses, including, without limitation, attorneys' and expert witness' fees arising from the use of the patented or copyrighted design, device, material, or process.

Computer Software and Code Use Rights

- 6.18 If the Design-Build Documents require the Design-Builder to provide the City with computer software programs or code as part of the Work, the Design-Builder shall provide the City with all documentation and instruments necessary to evidence the City's right to use such software or code, including but not limited to ownership transfer documentation, software license agreements generally in accordance with the forms of agreements included in the Design-Build Documents as exhibits, subscription agreements, or assignments of intellectual property interests, as applicable.

Permits

- 6.19 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall secure and pay for the building permit as well as any other permits, fees, licenses, and inspections by governmental agencies, necessary for proper execution of the Work and Substantial Completion of the Project, including but not limited to mechanical, plumbing, electrical and similar special permits, plan check fees, system development charges, road approach and right-of-way permits, air discharge permits and all other necessary permits, approvals, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.
- A. The Design-Builder shall submit to the City, for review, all calculations and other documentation required for purposes of obtaining permits.
- B. After City review, the Design-Builder shall submit to federal, state, and local units of government all calculations and other documentation required for obtaining permits. During review by units of government, the Design-Builder shall notify the City of proposed deviations from the original permit documentation.

- C. The Design-Builder shall submit to the City all calculations and other documentation approved by units of government.
- D. The Design-Builder shall pay costs and charges imposed by local units of government for permits issued to the Design-Builder.
- E. The Design-Builder shall give all notices necessary for permit-related inspections by third parties.
- F. The Design-Builder shall submit to the City a legible copy of permits, certificates of approval, and certificates of occupancy issued by the responsible unit of government.

Laws and Regulations

- 6.20 The Design-Builder shall comply, and shall ensure that his employees and those of his Subcontractors and suppliers at every tier comply, with the most current versions of applicable Laws, rules, regulations, and practices.
- 6.21 If the Design-Builder performs any Work knowing or having reason to know that it is contrary to any Law, the Design-Builder shall be responsible for all claims, costs, losses, and damages arising out of or relating to the Design-Builder's performance or the resulting Work. The Design-Builder shall immediately report to the City if performance under this Contract would violate any Law in any respect.
 - A. The Contract hereby incorporates all contract provisions that are required to be incorporated into contracts with public entities pursuant to (a) the Public Contracting Code (ORS Chapters 279A, 279B and 279C), (b) the City's Contracting Rules and (c) other applicable Law. The provisions incorporated into the Contract under the preceding sentence include, without limitation, any provisions or amendments to provisions that become required after the Contract is executed. The provisions listed in this section are not necessarily an exhaustive list of provisions that are required under the Public Contracting Code, the City's Contracting Rules or other applicable Law, and the fact that this section does not list a provision that is required by the Public Contracting Code, the City's Contracting Rules or other applicable Law will not (i) prevent or otherwise diminish the incorporation of that unlisted provision into the Contract or (ii) negate or otherwise diminish Design-Builder's obligation to comply with applicable Laws.

Environmental Responsibilities

- 6.22 The following federal, state, and local agencies have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that affect the performance of this Contract:
 - A. City and county where the Work is to be performed
 - B. Oregon Environmental Quality Commission
 - C. Oregon Fish and Wildlife Commission
 - D. U.S. Environmental Protection Agency
 - E. U.S. Fish and Wildlife Service
 - F. National Marine Fisheries Service
- 6.23 Known conditions at the construction site may require the Design-Builder to comply with statutes or with ordinances or regulations enacted by the agencies listed above.

- 6.24 The Design-Builder is solely responsible for (1) considering applicable statutes and the ordinances and regulations enacted by the agencies listed above, (2) considering the known conditions specifically referred to in this Contract, and (3) ensuring that the activities of the Design-Builder and the Design-Builder's employees, Subcontractors (including suppliers), agents, and invitees with respect to those conditions do not violate any of those statutes, ordinances, or regulations. Without limiting the foregoing, the Design-Builder is solely responsible for the following environmental and natural resource risks associated with the performance of this Contract:
- A. Air pollution;
 - B. Water pollution;
 - C. Contamination of soil, groundwater, or sediment;
 - D. Filling or destruction of wetlands;
 - E. Taking of a federally listed threatened or endangered species through habitat destruction, habitat degradation, or otherwise; and
 - F. Introduction of an invasive species.
- 6.25 In addition to the foregoing requirements, the Design-Builder shall manage and conduct all activities related to the performance of this Contract in accordance with all environmental Laws and regulations, and with the requirements of all permits issued under those Laws and regulations of which the Design-Builder has been given notice or has actual knowledge. "Environmental Laws and regulations" means all federal and state statutes, all local ordinances, and all regulations adopted pursuant to those statutes and ordinances, as any of them may be amended from time to time, dealing with the prevention of environmental pollution or the preservation of natural resources, including but not limited to: the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, and Oregon Revised Statutes Chapters 465, 466, 467, 468, 468A, 468B, and 496. If the Design-Builder believes compliance with a requirement under this Contract or a direction given by the City will result in violation of any environmental Laws or regulations, the Design-Builder shall so notify the City in writing immediately and shall not proceed pursuant to that requirement or direction until the City directs the Design-Builder to proceed.
- 6.26 In the event of a sudden spill or discharge of hazardous material as a result of the negligence or other fault of the Design-Builder, its Subcontractor(s), agents, employees or anyone else for whom Design-Builder is responsible, the City may take action, including contracting for control or cleanup of the spill or discharge, unless the Design-Builder takes immediate appropriate action. If the City takes action pursuant to this paragraph, the City may recover from the Design-Builder all reasonable cost necessarily incurred in effecting the control and cleanup of the spill or discharge. Regardless of who undertakes the cleanup or control of the spill or discharge, the methods used shall be subject to the approval of the City.
- 6.26A. Unless disposition of environmental pollution is specifically a part of this Contract, or was caused by Design-Builder (reference 6.26), Design-Builder shall immediately notify City of any hazardous substance(s) which Design-Builder discovers or encounters during performance of the Work required by this Contract. "Hazardous substance(s)" means any hazardous, toxic and radioactive materials and those substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or other similar designations in any federal, state, or local law, regulation, or ordinance, including without limitation asbestos, polychlorinated biphenyl (PCB), or petroleum, and any substances, materials or wastes regulated in 40 CFR, Part

261 and defined as hazardous in 40 CFR S 261.3. In addition to notifying City of any hazardous substance(s) discovered or encountered, Design-Builder shall immediately cease working in any particular area of the project where a hazardous substance(s) has been discovered or encountered if continued work in such area would present a risk or danger to the health or well-being of Design-Builder's or any Subcontractor's work force.

- 6.26B. Upon notification by Design-Builder of the presence of hazardous substance(s) on the project site, City shall arrange for the proper disposition of such hazardous substance(s). City may agree to a Change Order or Change Directive to extend the Contract Time, depending on the nature and extent of necessary disposition or remediation for hazardous substances under this section.

Taxes

- 6.27 The Design-Builder shall pay or ensure payment of sales, consumer, use, and other similar taxes required of the Design-Builder or any Subcontractor under any Law with respect to performance under this Contract. Design-Builder shall comply with all Oregon tax Laws and shall submit a certification of such compliance in accordance with ORS 305.385(6).

Use of Premises

- 6.28 The Design-Builder shall confine equipment, the storage of material, and the operations of workers to areas permitted by this Contract. The Design-Builder shall not unreasonably encumber the premises with equipment or material.
- 6.29 During the progress of the Work, the Design-Builder shall keep the premises free from accumulations of waste material, rubbish and other debris resulting from the Work. At the completion of the Work, the Design-Builder shall leave the site clean and ready for occupancy. The Design-Builder shall restore to their original condition those portions of the site not designated for alteration by this Contract.
- 6.30 The Design-Builder shall not permit any part of any structure to be subjected to loads that may endanger its structural stability. The Design-Builder shall not subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

Safety and Protection

- 6.31 The Design-Builder shall comply with all Laws applicable to the safety of persons or property. Damage, injury, or loss to property caused by the Design-Builder, Subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable shall be remedied by the Design-Builder.
- 6.32 The Design-Builder shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work.
- 6.33 Prevention through Design: In order to minimize or eliminate risk and hazards, during the design phase the Design-Builder shall assign a design safety coordinator to anticipate hazards during the construction phase(s) and during occupancy.
- A. The design safety coordinator shall develop a safety and health plan anticipating hazards applicable to the construction site, taking into account the construction activities that will take place on the site. The plan shall be provided to the construction team safety representative(s) for inclusion into their site-specific safety plan. This plan shall also include specific measures addressing hazards which may fall within one or more of these categories:
1. Work involving engulfment hazards.

2. Work involving falls from height hazards.
 3. Work which puts workers at risk from chemical or biological substances.
 4. Work with ionizing radiation.
 5. Work near high voltage lines.
 6. Work involving Hazardous Energy Control Procedures.
 7. Work exposing workers to the risk of drowning (work over water).
 8. Work carried out by divers.
 9. Work involving the use of explosives.
 10. Work involving the assembly or dismantling of heavy prefabricated components.
 11. Work involving an OSHA or other regulatory requirement for worker health exposure monitoring.
- B. The design safety coordinator shall also develop a safety and health plan anticipating hazards applicable to the use and maintenance of the permanent facility, ensuring the protection of employees and the public. This plan shall be submitted to the City prior to beneficial occupancy.
- 6.34 The Design-Builder shall designate a qualified and experienced safety representative whose duties and responsibilities shall be the prevention of accidents and the maintenance and supervision of safety precautions and programs. This person shall be the Design-Builder's project superintendent unless otherwise designated in writing by the Design-Builder to the City.
- 6.35 The Design-Builder shall report promptly in writing to the City all recordable accidents and injuries occurring at the site. When the Design-Builder is required to file an accident report with a public authority, the Design-Builder shall submit a copy of the report to the City.
- 6.36 The Design-Builder shall inform the City of the specific requirements of the Design-Builder's safety program with which the City's employees and representatives must comply while at the site.
- 6.37 If the City deems any part of the Work unsafe, the City, without assuming responsibility for the Design-Builder's safety program, may require the Design-Builder to stop performance of the Work or take corrective measures satisfactory to the City, or both. If the Design-Builder does not adopt corrective measures, the City may perform them and deduct their cost from the GMP. The Design-Builder agrees to make no claim for damages, for any increase in the GMP, or for a change in the Contract Time based on the Design-Builder's compliance with the City's reasonable request.
- 6.38 The Design-Builder shall erect and maintain necessary safeguards for the safety and protection of:
- A. Employees on the Work and other persons whose safety may be adversely affected by performance of the Work.
 - B. The Work and material to be incorporated into the Work, whether in storage on or off the site. If the Design-Builder fails to protect the Work, the City may, after giving notice to the

Design-Builder, protect the Work and deduct the resulting cost from payment due the Design-Builder. The City's determination of when and to what degree such protection is necessary shall be final.

- C. Other property at the site including trees, shrubs, lawn, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement.
- D. Adjacent property and utilities when prosecution of the Work may affect them.

6.39 The Design-Builder's duties and responsibilities for the safety and protection of the Work shall continue until the Design-Builder has completed all obligations under this Contract.

Emergencies

6.40 In the event of an emergency affecting the safety or protection of persons or the Work or property at, adjacent to, or near the site, the Design-Builder shall act to prevent threatened damage, injury, or loss. The Design-Builder may act without special instruction or authorization from the City. The Design-Builder shall give the City written notice within 24 hours of any significant change in the Work or deviation from this Contract caused by the Design-Builder's acts or omissions.

Submittals (Construction Documents, Shop Drawings, Product Data, Maintenance Data, Other Information, and Samples)

- 6.41 The Design-Builder shall check and verify all field measurements associated with the fit and function of supplied equipment, products, and material. He shall then submit to the City any Construction Documents, Shop Drawings, Product Data, Maintenance Data, other information, and Samples required to be submitted to the City in accordance with the accepted submittal schedule, with such promptness as to cause no delay in the Work. All submittals shall be identified as the City requires, and shall be accompanied by the Design-Builder's standard submittal form. Submittals shall be reviewed and stamped with the approval of the Design-Builder prior to submittal to the City.
- 6.42 Any Construction Documents, Shop Drawings, Maintenance Data, Product Data, and other information including, but not limited to, substitution requests, certificates, reports, test data, mix designs, and warranties required to be submitted to the City shall be submitted electronically unless otherwise specified. Data shown in submittal information shall be complete with respect to quantities, dimensions, material, and specified performance and design criteria, to allow the City to verify conformance with this Contract.
- 6.43 The Design-Builder shall submit to the City the specified number of Samples required by this Contract. Samples shall be identified clearly as to material, manufacturer, pertinent catalog numbers, and intended use.
- 6.44 The Design-Builder shall call the City's attention to any deviations from the requirements of the Construction Documents that the Shop Drawings, Product Data, Maintenance Data, other information, or Samples may have. This shall be in a written format approved by the City and submitted electronically through EADOC unless otherwise specified.
- 6.45 Within 7 Business Days of actual receipt, the City will stamp, date, and return proposed deviations to the Design-Builder indicating the action to be taken, or notify the Design-Builder of the reason for delay in return. The City's review will be only for conformance with the design concept of the Work and for general compliance with this Contract. It will not extend to means, methods, sequences, techniques, or procedures of construction; nor will it extend to safety precautions or programs related thereto, or to the assembly in which an item functions.

- 6.46 The Design-Builder shall make any corrections required by the City and proceed according to the City's directions. The Design-Builder shall return the required number of corrected copies of submittal information and resubmit new Samples for review. The Design-Builder shall direct specific attention in writing to revisions other than the corrections called for by the City on previous submittals.
- 6.47 The Design-Builder's stamp of approval on any submittal shall constitute a representation to the City that the Design-Builder has: (1) determined and verified all quantities, dimensions, field construction criteria, material, catalog numbers, and similar data or assumes full responsibility for doing so, and (2) has reviewed and coordinated each submittal with the requirements of this Contract.
- 6.48 When a submittal is required by this Contract, no related Work shall be commenced until the submittal has successfully completed the Design-Builder's review process and any deviations have been submitted to and reviewed by the City, unless permission to commence has been granted in writing by the City. The Work shall be in accordance with approved submittals (including but not limited to the Construction Documents), except that Design-Builder shall not be relieved of its responsibility to perform Work in accordance with the requirements of the Design-Build Documents.
- 6.49 The City's review of a submittal (including but not limited to the Construction Documents) shall not relieve the Design-Builder from responsibility for any deviations from this Contract except those called to the City's attention at the time of submission and specifically accepted in writing by the City. Changes in the Work shall follow procedures outlined for a Change Order. Review by the City shall not relieve the Design-Builder from responsibility for errors or omissions in the submittal, including but not limited to errors or omissions in the Construction Documents.
- 6.50 Submittals that have successfully completed the review process shall become binding upon the Design-Builder, and Design-Builder shall be obligated to perform in accordance with the reviewed submittal.

Schedule of Values

- 6.51 The Design-Builder shall submit a schedule of values prepared by distributing the Guaranteed Maximum Price to line items in a format approved by the City. The distribution of the Guaranteed Maximum Price shall accurately reflect the estimated cost of the individual line items.
- 6.52 The Design-Builder shall submit the initial schedule of values for review and approval when requested by the City. Once approved, the schedule of values shall be updated monthly. Each schedule of values submittal, including the initial submittal, shall include a hard copy and an electronic copy through EADOC.

Work Progress Schedule

- 6.53 The Design-Builder shall submit a PC-based critical path method work progress schedule with activities coded to facilitate organizing the schedule.
- 6.54 The Design-Builder shall submit the initial work progress schedule for review at the first meeting between the City and Design-Builder. The work progress schedule shall be updated monthly. Each work progress schedule submittal, including the initial submittal, shall include a hard copy and an electronic copy through EADOC.

Access to the Work

- 6.55 The Design-Builder shall provide reasonable and safe access to the City and inspection authorities for observation, testing, and inspection of the Work including, but not limited to, ladders, lifts, equipment, and tie-off apparatus.

Prosecution of the Work

- 6.56 The Design-Builder shall continue performance of the Work in accordance with the work progress schedule during all claims or disputes with the City. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as the Design-Builder and the City may otherwise agree in writing.

City's Right to Do the Work

- 6.57 If the Design-Builder fails to prosecute the Work properly or fails to perform any provision of this Contract, the City, after a three-day written notice to the Design-Builder, may, without prejudice to any other remedy it may have, make good such failures. The City may deduct the cost thereof from any payment due the Design-Builder. In cases of emergency, the City may prosecute such Work without notice or delay and may deduct the cost thereof from any payment due the Design-Builder.

Indemnification

- 6.58 Design-Builder shall defend, indemnify, and hold the City, its officers, agents, employees and volunteers harmless against all liability, claims, losses, demands, suits, fees and judgments (collectively known as 'claims') to the extent that claims may be based on, or arise out of damage or injury (including death) to persons or property caused by or resulting from any act or omission of Design-Builder or its agents, representatives, or subcontractors in connection with Design-Builder's, its agents', representatives', or subcontractors' performance of this contract or by conditions created thereby or based upon violation of any statute, ordinance or regulation, including professional errors and omissions, design warranties, construction operations, and faulty Work claims. This indemnification required shall not apply to claims caused by the sole negligence or willful misconduct of the City, its officers, agents, employees, and volunteers. The Contractor agrees that it is not an agent of the City and is not entitled to indemnification and defense under ORS 30.285 and ORS 30.287.

Nothing in the foregoing shall be deemed to require any indemnity made void by ORS 30.140.

Prevailing Wage Rates

- 6.59 The Design-Builder shall comply with the prevailing wage rate requirements of ORS 279C.800 to 279C.870 at the time this Contract first constitutes a binding and enforceable obligation on the part of the Design-Builder to perform or arrange for the performance of construction, reconstruction, major renovation, or painting, or when the GMP Amendment is executed, whichever occurs first.
- A. The existing prevailing rates of wage which may be paid to workers in each trade or occupation required for this Work and employed in the performance of this Work by the Design-Builder or a Subcontractor, or any other person doing or contracting to do all or any part of the Work, may be obtained from the Bureau of Labor and Industries' web site at www.boli.state.or.us.
 - B. Workers in each trade or occupation required for this Work and employed in the performance of this Work by the Design-Builder, a Subcontractor, or any other person doing or contracting to do all or any part of the Work, shall be paid not less than the minimum hourly rate of wage

specified in the foregoing paragraph. The Design-Builder shall ensure that each subcontract includes a provision that workers shall be paid not less than the minimum hourly rate of wage specified in the foregoing paragraph.

- C. The Design-Builder shall have a public works bond filed with the Construction Contractors Board as provided by ORS 279C.836. In every subcontract, the Design-Builder shall include a provision requiring the Subcontractor to have a public works bond filed with the Construction Contractors Board, unless exempt, as provided by ORS 279C.836.
- D. The fee that is required to be paid to the commissioner of the Bureau of Labor and Industries under ORS 279C.825(1) shall be paid under the administrative rule of the commissioner.

Labor Relations

- 6.60 The Design-Builder shall be responsible for labor relations and shall seek to resolve disputes between himself and his employees. Any labor dispute arising from this Contract that causes a disruption of the City's operations shall be to the account of and the responsibility of the Design-Builder.

ARTICLE 7 – WORK BY OTHERS

- 7.1 The Design-Builder shall afford utility service companies, other contractors and City employees reasonable access to the Work. He shall allow storage of material and execution of work by others. He shall properly connect and coordinate his Work with work by others.
- 7.2 Notice will be given to the Design-Builder prior to the start of any additional work by others not noted in this Contract if known by the City. If the Design-Builder believes that the performance of such additional work by the City or others involves additional expense to the Design-Builder or requires an extension of the Contract Time, the Design-Builder shall notify the City in writing.
- 7.3 If any part of the Design-Builder's Work depends upon the work of any other contractor, utility service company, or the City, the Design-Builder shall inspect and promptly report to the City in writing any reasons that render work by others unsuitable. The Design-Builder's failure to report unsuitability of work by others shall constitute the Design-Builder's acceptance of the work by others as fit and proper for integration with the Design-Builder's Work. Latent or non-apparent defects and deficiencies in the work by others shall be reported to the City in writing promptly upon discovery.
- 7.4 The Design-Builder shall do all cutting, fitting, and patching of the Work that may be required to make its parts come together properly and integrate with such other work. The Design-Builder shall not endanger any work by others. The Design-Builder shall cut or alter work by others only with the written consent of the City and those whose work will be affected.
- 7.5 Unless otherwise specified, the City shall be the final authority regarding coordination issues between the Design-Builder and work by others.

ARTICLE 8 – CITY'S STATUS

Project Manager

- 8.1 The City's Project Manager will be the City's representative during the design and construction phases of the Work.

- 8.2 The Project Manager will resolve any and all questions which may arise as to Contract compliance. The Design-Builder shall at all times carry out and fulfill the City's instructions and directions insofar as they concern the Work to be performed under this Contract.
- A. The Project Manager's authority includes, but is not limited to:
 - 1. Determining the quantity, quality, and acceptability of material furnished and Work performed.
 - 2. Reviewing and approving/disapproving the manner of performance and rate of progress of the Work.
 - 3. Stopping the Work whenever such stoppage is deemed necessary.
 - 4. Administering this Contract.
 - 5. Determining acceptable fulfillment of this Contract by the Design-Builder.
 - B. Written approval by the Project Manager signifies favorable opinion and qualified consent. It does not carry with it: (1) certification, (2) assurance of completeness, (3) assurance of quality, or (4) assurance of accuracy concerning details, dimensions, and quantities.
 - C. Written approval by the Project Manager will not relieve the Design-Builder from responsibility for: (1) errors, (2) improper fabrication, (3) nonconformance with requirements, or (4) deficiencies within the Design-Builder's control.

Clarifications and Interpretations

- 8.3 The Project Manager will issue with reasonable promptness such written clarifications or interpretations of this Contract as may be necessary. If the Design-Builder believes that a written clarification or interpretation justifies an increase in the Guaranteed Maximum Price or the Contract Time, the Design-Builder may notify the City as provided in Article 9.

Rejection of Defective Work

- 8.4 The Project Manager is authorized to disapprove or reject Work which is Defective and to require additional inspection or testing of the Work whether or not the Work is fabricated, installed, or completed.

City Inspectors

- 8.5 The City will assign City inspectors who are authorized to:
- A. Inspect the Work as it is performed and all material being furnished. Such inspections may extend to all or any part of the Work and to the preparation, fabrication, or manufacture of the material to be used.
 - B. Call the attention of the Design-Builder to any failure of the Work to meet this Contract.
 - C. Reject material not meeting the requirements of this Contract.
 - D. Suspend that part of the Work affected by Contract nonconformance until the issue can be referred to and a decision issued by the Project Manager.
- 8.6 City inspectors are not authorized to:
- A. Supervise or perform any other duties for the Design-Builder, or interfere with the Design-Builder's management of the Work.

- B. Give final approval or acceptance of any portion of the Work or materials.
 - C. Issue instructions or directions contrary to this Contract.
- 8.7 No act or failure to act on the part of a City inspector will render the City liable in any way, nor shall it relieve the Design-Builder from fulfilling all of the terms and conditions of this Contract.

Limitations on the City's Responsibilities

- 8.8 The City is not responsible for the acts or omissions of the Design-Builder or the Design-Builder's employees, Subcontractors, manufacturers, fabricators, suppliers, distributors, or any other persons at the site or otherwise performing any of the Work, or their agents or employees.
- 8.9 The City is not responsible for the Design-Builder's means, methods, procedures, sequences, or techniques of construction, or related safety precautions and programs, except as specified in the Design-Build Documents.
- 8.10 The City is not responsible for the Design-Builder's failure to perform the Work in accordance with this Contract.

ARTICLE 9 – CHANGES

Changes in the Work

- 9.1 Without invalidating this Contract, the City may, at any time, order additions, deletions, or revisions to the Work by written Change Order or Change Directive. All such additions to or revisions of the Work shall be performed in accordance with the applicable provisions of this Contract. If the City and Design-Builder agree on the terms and conditions related to a change in the Work, a Change Order will be executed to adjust the Guaranteed Maximum Price, schedule, or both. If the City and Design-Builder cannot agree on the adjustment to the Guaranteed Maximum Price, schedule, or both, the City may issue a Change Directive. If the Design-Builder disagrees with any City-issued Change Directive, the Design-Builder may assert a claim in accordance with Article 14.
- 9.2 If the Design-Builder believes that a Change Directive or Contract interpretation or clarification by the City will require a change in the Guaranteed Maximum Price or the Contract Time, the Design-Builder shall so notify the City in writing within seven days after the Design-Builder receives the Change Directive or Contract interpretation or clarification.
- 9.3 If directed by the City, the Design-Builder shall immediately proceed with the changes to the Work involved upon receipt of a Change Directive. If (a) the Design-Builder fails to submit a cost estimate within 15 days of receipt of the Change Directive (or earlier if requested), or other request for a proposed change, or (b) the parties fail to agree as to the cost or schedule impact, or (c) the City for any reason deems it necessary, the City in its discretion may either (i) order the Design-Builder to account for cost using the force account method described in the Oregon Standard Specifications for Construction or (ii) issue a unilateral change to the Guaranteed Maximum Price in accordance with the City's estimate of cost. If the City disputes whether the Design-Builder is entitled to additional compensation for the work at issue, the City may in its discretion proceed with either approach above (with a full reservation of rights regarding lack of entitlement) or the City may proceed under the disputed change order method described in Item 9.4 herein.
- 9.4 If the City and the Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by the City, or if there are any other disagreements over the scope of Work or proposed changes to the Work, the City and Design-Builder shall resolve the disagreement pursuant to Article 14 herein. As part of the negotiation process, Design-Builder shall furnish the

City with a good faith estimate of the costs to perform the disputed services in accordance with the City's interpretations. If the parties are unable to agree and the City expects Design-Builder to perform the services in accordance with the City's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon the City issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying the City's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its applications for payment an amount equal to 50 percent of its reasonable estimated direct cost, and the City agrees to pay such amounts to the extent they are reasonable, with the express understanding that (x) such payment by the City does not prejudice the City's right to argue that it has no responsibility to pay for such services, (y) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if the City's order is deemed to be a change to the Work, and (z) the fact that 50 percent payment has been temporarily acknowledged or paid shall not be admissible by either party in any dispute resolution proceeding (including but not limited to arbitration or litigation) for the purpose of showing that either party conceded any aspect of the other party's position, it being understood that the 50 percent provisions of this paragraph are intended solely to facilitate completion of the Project while fully preserving both parties positions for dispute resolution.

- 9.5 The Design-Builder shall continue performance of the Work, including the change, during the negotiation of the Change Order, even if a dispute arises which delays or prevents agreement on the terms and conditions of the Change Order.
- 9.6 Any Change Order shall constitute an accord and satisfaction with respect to issues related to changes in the Guaranteed Maximum Price and the Contract Time. The Change Order shall be deemed to contain all the costs and credits relating to changes.
- 9.7 To assist in the preparation of a Change Order, the Design-Builder shall give the City a detailed cost estimate and a proposed schedule adjustment if a change in Contract Time is necessary. The cost estimate shall include a line item for each category of cost reimbursable under the Contract (see the Agreement), shall be submitted in writing to the City within 10 days after the City orders the additional work, and shall demonstrate satisfaction of the requirements set forth in Article 10. If a Change Order includes multiple, unrelated changes, the cost estimate and proposed schedule adjustment shall treat those changes independently.
- 9.8 The parties shall negotiate to resolve any disagreements over the cost estimate or proposed schedule adjustment. The negotiated cost estimate shall be the basis for increasing or decreasing the Guaranteed Maximum Price. Based upon the negotiated cost estimate and schedule adjustment, the City will prepare and the parties shall sign a Change Order.

Change of Contract Time

- 9.9 All time limits stated in this Contract are of the essence. Contract Time will be changed only by a Change Order. Any extension in Contract Time will be based on written notice delivered to the City within 15 days of the occurrence of the event precipitating the request. The Design-Builder shall deliver a work progress schedule analysis or summary justifying the time extension within 30 days of such occurrence. Failure to deliver any documentation to the City within the time limits specified above will completely foreclose consideration of an extension of Contract Time and all rights and remedies arising therefrom.
- 9.10 Time extensions will be granted only when conditions described in Item 9.11 exist and when the City agrees that the work progress schedule substantiates the need.
 - A. An adjustment of Contract Time will be the Design-Builder's sole remedy for any delay in performing the Contract, including without limitation any delay in achieving contractually

required Substantial Completion, Final Acceptance, or milestone dates. To the extent the delay is unreasonable and is caused by the acts or omissions of the City or persons acting for the City, the Design-BUILDER is not precluded from the recovery of damages or from an equitable adjustment.

- 9.11 Extension of Contract Time will be determined by the City and will be an equitable adjustment if all or a part of the Work is hindered, delayed, or suspended by an Act of God, act of war, act of terrorism, or the acts or omissions of the City or the City's commissioners, employees, contractors, or agents.
- 9.12 Requests for extension of Contract Time will not be considered for: (1) contention that insufficient time was specified in this Contract; (2) delays which affect the Design-BUILDER's planned early completion but not the specified Contract Time; (3) suspensions made at the request of the Design-BUILDER; (4) delays caused by labor disputes involving the Design-BUILDER or his Subcontractors; or (5) delays caused by issues known and addressed in this Contract.

ARTICLE 10 – SUBCONTRACTS

- 10.1 For the purposes of this article, "subcontract" includes without limitation subcontracts at any tier for construction services or supplies.
- 10.2 An adjustment for the changes in the Work will be made in accordance with one or a combination of the following methods as the Design-BUILDER may elect:
 - A. Fixed price Change Orders as supported by the breakdown of estimated costs.
 - B. Force account Change Orders in accordance with the Oregon Standard Specifications for Construction, with the City's prior written authorization.

Fixed Price Subcontractor Change Orders

- 10.3 Except as otherwise provided by this article or agreed to in writing by the City, subcontract change orders shall meet the following requirements.
 - A. Direct Costs
 - 1. Material (itemize)
 - a. The cost to the Subcontractor for the material directly required for the performance of the changed Work. Such cost of material may include the cost of transportation. No delivery charges will be allowed unless the delivery is specifically for the changed Work.
 - b. Trade discounts offered by the supplier to the Subcontractor shall be credited to the City. If the material is obtained from a source owned wholly or in part by the Subcontractor, payment thereof will not exceed the current wholesale price for the material. The term "trade discount" includes the concept of cash discounting.
 - c. If, in the opinion of the City, the cost of the material is excessive or if the Subcontractor fails to furnish satisfactory evidence of a cost to him from the supplier then, in either case, the cost of the material shall be deemed to be the lowest current wholesale price at which similar material is available in the quantities required.

- d. The City reserves the right to furnish such material as it deems advisable and the Subcontractor shall have no claims for cost or profit on material furnished by the City.
- 2. Labor (man-hours, rates by crafts)
 - a. Payroll costs shall include, but not be limited to, salaries and wages, and fringe benefits including social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, sick leave, vacation and holiday pay applicable thereto. The costs for all supervision, including general superintendents and foremen, shall be included in the markups established by this Contract. The only exception to this shall be working foremen who perform manual labor. No labor charges will be accepted for engineering or proposal preparation. These costs shall be included in the markups established by this Contract.
 - b. Overtime and premium time pricing will be allowed only for labor which is authorized by the City to be performed after normal working hours, or on Saturday, Sunday, or legal holidays.
- 3. Equipment (type, size, attachments, hours, rate)
 - a. The cost to the Subcontractor for the use of equipment directly required in the performance of the changed Work. No mobilization or demobilization cost will be allowed for equipment already on site.
 - b. For equipment owned, furnished, or rented by the Subcontractor, costs allowed shall be the actual usage costs incurred as supported by the Subcontractor's published standard equipment rates or rental invoices. Rates charged shall not exceed the rates established by the Rental Rate Blue Book.
 - c. The amount to be paid to the Subcontractor for the use of equipment as set forth above will constitute full compensation for the cost of fuel, power, oil, lubricants, supplies, small tools, small equipment, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, labor (except for equipment operators) and any and all costs incidental to the use of the equipment.
- 4. Direct costs shall not include:
 - a. Payroll costs and other compensation of the Subcontractor's officers, executives, principals of partnerships and sole proprietorships, general managers, engineers, architects, estimators, lawyers, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, superintendents and foremen, and similar administrative personnel. These costs shall be considered administrative costs covered by the Subcontractor's fee.
 - b. Expense of the Subcontractor's principal and branch offices other than the Subcontractor's office at the site.
 - c. Any part of the Subcontractor's capital expenses. Interest on the Subcontractor's capital employed for the Work. Charges against the Subcontractor for delinquent payments.
 - d. Costs due to the negligence of the Subcontractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may

be liable. Negligence costs include correction of Defective Work, disposal of material wrongly supplied, and making good any damage to property.

- e. Other overhead or general expense costs of any kind.
- f. Cost of small tools and supplies.
- g. Cost of safety programs.
- h. Costs of insurance.
- i. Cost of warranty work.

B. Subcontract Costs

- 1. Direct costs shall be as outlined in Item 10.3, A.
- 2. Subcontractors' (at any tier) markups for overhead and profit shall not exceed 15 percent of the direct costs.

C. Subcontractor's Markup

- 1. The Subcontractor's markup for overhead and profit shall not exceed the following:
 - a. No more than 15 percent of material, labor and equipment costs incurred; and
 - b. No more than 8 percent on payments to Subcontractors at all tiers.
- 2. The amount of credit to the City for a change which results in a net decrease in cost shall be the amount of the actual net decrease plus a deduction in the Subcontractor's overhead and profit markup by an amount equal to that allowed above.
- 3. When both additions and credits are involved in any one change, the adjustment in the Subcontractor's overhead and profit markup shall be computed on the basis of the net change in cost.
- 4. Notwithstanding the foregoing, the cumulative total of all markups on a cost by Subcontractors at all tiers may not exceed 30 percent.

ARTICLE 11 – WARRANTY; TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK

Tests and Inspections

- 11.1 All Testing shall be performed by the Design-Builder, be at the Design-Builder's expense, and be in accordance with the Oregon Standard Specifications for Construction.
- 11.2 Inspection is the responsibility of the City.
- 11.3 This section intentionally left blank.

Uncovering Work

- 11.4 The Design-Builder, at the City's request, shall uncover, expose, and reconstruct, or otherwise make available for observation, inspection, testing, or approval, any portion of the Work. The

Design-Builder shall furnish all necessary labor, material, and equipment. The cost shall be allocated as follows:

- A. The Design-Builder shall bear the cost if the Work was covered contrary to the direction or without approval of the City.
- B. The Design-Builder shall bear the cost if the Work was covered without concurrence of the City unless the Design-Builder had given the City timely notice of intent to cover such Work, and the City did not act with reasonable promptness in response to such notice.
- C. The Design-Builder shall bear the cost if the previously installed Work is found to be Defective.
- D. For situations not covered above, the Design-Builder may be allowed an increase in the Guaranteed Maximum Price or an extension of the Contract Time, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, and reconstruction if he makes a request therefor as provided in Articles 9 and 10.

Warranty

11.5 Contractor unconditionally warrants all Work and materials under this Contract, including additional Work authorized under Change Orders, against any defects whatsoever, for one year from the date of Final Acceptance by the City, except that manufacturers' warranties and extended manufacturer warranties as specified in the Design-Build Documents or otherwise is a standard manufacturer product warranty shall not be abridged. In addition to its right to proceed on the warranty, the City may recover for breach of contract or negligence even if defects do not become evident during the warranty period.

- A. Contractor shall perform all Work in accordance with all Specifications, correcting any Work not in compliance with Specifications, and for all repairs of damage to other improvements, natural and artificial structures, systems, equipment, and vegetation caused by, or resulting in whole or in part from occurrences beginning during the warranty period and are the result of defects in construction or materials installed under this contract. Contractor shall be responsible for all costs associated with site cleanup and remediation caused by, or resulting in whole or in part from, defects in its work or materials.
- B. Within 10 calendar days of the City's written notice of defects, Contractor or Contractor's Surety shall start repair of the defects and all related damage. If Contractor or Contractor's Surety fails to correct and repair the defects in a timely manner, the City may have the correction and repair done by others. Contractor or Contractor's Surety shall promptly reimburse the City for all expenses incurred to correct and repair the defects.
- C. In case of an emergency where delay could result in serious loss or damage, the City may make emergency corrections and repairs, without written notice. Contractor or Contractor's Surety shall promptly reimburse the City for all expenses incurred to correct and repair the defects.
- D. All Work done to comply with the warranty shall itself be warranted for one year beginning on the date of the City's Final Acceptance of the corrections, repairs, replacements or changes.

11.6 The Design-Builder further warrants that construction work will conform to the requirements of the Contract Documents and will not be Defective for any reason, and that all materials and equipment selected by the Design-Builder or Subcontractor will be suitable for the purposes indicated in the Design-Build Documents. Work, materials, or equipment not conforming to these requirements may be considered Defective. The Design-Builder's warranty excludes remedy for

damage or defect caused by abuse, alterations to the Work not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the City, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

- 11.7 Without limitation of any remedy of the City, upon Substantial Completion of the Work or termination of the Contract, the City shall be entitled to enforce at its option any and all Subcontractor warranties relating to Work performed and materials and equipment furnished by such Subcontractors. The Design-Builder agrees to perform the Work in such manner so as to preserve any and all such Subcontractor warranties. The Design-Builder also shall collect, assemble in a binder, and submit to the City written Subcontractor warranties and related documents, including without limitation from Subcontractors at all tiers performing Work and furnishing materials, equipment, appliances and other components of the Project.
- 11.8 Effective upon the written demand of the City or upon the insolvency, bankruptcy, dissolution or other incapacity of the Design-Builder, the Design-Builder assigns to the City all Subcontractors' warranties in materials and equipment and other portions or components of the Work.
- 11.9 The Design-Builder shall collect, assemble in a binder and submit to the City written warranties and related documents provided by Subcontractors, including but not limited to suppliers of equipment, appliances and other components of the Project, at all tiers. All such written warranties shall extend to the City. The Design-Builder hereby assigns to the City any warranty or maintenance obligation provided by a Subcontractor or supplier in excess of that required by this Contract.

Correction or Removal of Defective Work

- 11.10 In addition to the Design-Builder's warranty obligations and all other remedies of the City, if at any time during the period ending one year after Substantial Completion of the Work the Work is found to be Defective, the Design-Builder shall promptly correct all Defective Work without added cost to the City, whether or not fabricated, installed, or completed or, at the City's option, remove it from the site and replace it with Work that meets the Contract requirements. If the Design-Builder does not promptly comply with the terms of such instructions, or in an emergency where delay would cause risk of loss or damage, the City may have the Defective Work corrected or removed and replaced, and all direct and indirect costs of such correction or removal and replacement, including compensation for additional professional services, shall be paid by the Design-Builder or the Design-Builder's surety.
- 11.11 Nothing contained in Item 11.10 shall be construed to establish a period of limitation with respect to other obligations the Design-Builder has under the Design-Build Documents or applicable Law. Establishment of the period for correction of Work as described in Item 11.10 relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time nor shall otherwise be deemed to limit the time within which the obligation to comply with the Design-Build Documents or applicable Law may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations other than specifically to correct the Work.

City May Correct Defective Work

- 11.12 If the Design-Builder fails, within three days after written notice from the City, to proceed to correct, or to remove and replace Defective Work as required by the City, or if the Design-Builder fails to perform the Work in accordance with this Contract (including any requirements of the work progress schedule), the City may correct and remedy any such deficiency. In exercising the rights under this paragraph, the City will proceed expeditiously. To the extent necessary to

complete corrective and remedial action, the City may: (1) exclude the Design-Builder from all or part of the site; (2) take possession of all or part of the site; (3) suspend the Design-Builder's services related thereto; (4) take possession of the Design-Builder's tools, appliances, construction equipment and machinery at the site; and (5) incorporate in the Work material stored at the site or for which the City has paid the Design-Builder but which has been stored elsewhere. The Design-Builder shall allow the City's representatives, contractors, agents, and employees such access to the site as may be necessary to exercise the rights under this paragraph. All direct and indirect costs in exercising such rights will be charged against the Design-Builder. A Change Order will be executed incorporating the necessary revisions to this Contract and a reduction in the Guaranteed Maximum Price. Such direct and indirect costs will include, in particular but without limitation: (1) additional professional services required; and (2) repair and replacement of the Work of others destroyed or damaged by correction, removal, or replacement of the Design-Builder's Defective Work. The Design-Builder will not be allowed an extension of the Contract Time because of any delay in performance of the Work attributable to the exercise of the City's rights under this section.

ARTICLE 12 – PAYMENTS TO THE CONTRACTOR AND COMPLETION

Before Request for Progress Payment

12.1 Prior to submitting the first request for progress payment, the Design-Builder shall submit the following to the City:

- A. Work progress schedule.
- B. Schedule of values.
- C. Cash flow schedule.
- D. Final submittal schedule.
- E. Wage certification.

- 1. If the Design-Builder is required to file a certified statement under ORS 279C.845, and the certified statement has not been filed as required, the City will retain 25 percent of any amount earned under this Contract until the certified statement has been filed. The City will pay the Design-Builder the amount retained within 14 days after the missing certified statement has been filed. Failure of a Subcontractor to file a certified statement required under ORS 279C.845 will not trigger retainage under this paragraph.

12.2 After the City's receipt and acceptance of the items listed under Item 12.1 above, the Design-Builder shall attend a pre-progress payment meeting, if requested by the City, to discuss payment requests, procedures, and requirements.

Request for Progress Payment

12.3 Thirty days or more following the Work Start Date, the Design-Builder may request the first monthly progress payment on Work completed by the date of the request. The request shall be made on the Design-Builder's Request for Payment form (form is subject to approval by the City) and shall be accompanied by supporting documentation required by this Contract. Requests shall be signed by the Design-Builder and submitted to the City for review.

12.4 This section intentionally left blank.

- 12.5 Material delivered and stored on site but not yet incorporated in the Work may be included in the request for progress payment subject to approval by the City and the following:
- A. No payment will be made for material costing less than \$50,000 total.
 - B. The City's title to and interest in the material must be clearly established and free of all liens or other encumbrances.
 - C. Value shall be established by invoice, freight bill, or other document.
 - D. Payment for stored material will be limited to 90 percent of the net cost invoiced to the Design-Builder.
 - E. When there is a bid price on material in place, the City will estimate the cost of placing. The progress payment will be limited to 90 percent of the bid price less the estimated cost of placing.
 - F. Materials must be stored in a location that is acceptable to the city where the city has access to said materials. Additionally, the materials must be stored in a fashion that does not compromise the materials in any way.
 - G. Risk of loss remains with the Design-Builder.

12.6 Progress payments shall not be construed as acceptance or approval of the Work or waiver of any defects in the Work.

Retainage

12.7 This section intentionally left blank. Refer to GMP Amendment.

Review of Request for Progress Payment

- 12.8 Within 15 days, the City will review each request for progress payment and recommend payment or respond in writing to the Design-Builder with the reasons the City is requiring resubmittal of the pay request before it can be approved.
- 12.9 The City may refuse to make payment and withhold payment, in whole or any part, to the extent:
- A. The Work is Defective, or completed Work has been damaged requiring correction or replacement;
 - B. Written claims have been made against the City or liens have been filed in connection with the Work;
 - C. The City has been required to correct Defective Work or to complete the Work;
 - D. The Design-Builder's prosecution of the Work in accordance with this Contract is unsatisfactory;
 - E. The Design-Builder has failed to make payments covered by past progress payments to Subcontractors, or for labor or material; or
 - F. The Design-Builder is in breach of this Contract.
 - G. Testing of work element failed or was not performed.
 - H. Specified warranties for work products are not provided to the City.

Substantial Completion

- 12.10 When the Design-Builder considers the entire Work ready for its intended use, he shall certify in writing that the entire Work is Substantially Complete and request a letter confirming Substantial Completion. Within 15 days thereafter, the Design-Builder and the City shall make an inspection of the Work to determine the status of completion. If the City considers the Work Substantially Complete, the City will, within 15 days of date of inspection, execute and deliver to the Design-Builder a letter confirming Substantial Completion with a list of items to be completed or corrected. The letter will state the date of Substantial Completion. If the City does not consider the Work Substantially Complete, the City will notify the Design-Builder in writing giving reasons therefor.
- A. Warranties and operation and maintenance manuals shall be submitted and approved by the City and training shall be completed for the Work to be considered Substantially Complete.
- 12.11 The City may exclude the Design-Builder from that part of the Work after the date of Substantial Completion. The City will allow the Design-Builder reasonable access to complete or correct items on the list.
- 12.12 The Design-Builder may request, in writing, that the City confirm Substantial Completion for a part of the Work. The City will only consider confirming Substantial Completion for a part of the Work if the City desires that part to become operational.
- 12.13 The City may allow the Design-Builder use of equipment installed as part of the Work prior to Substantial Completion, subject to the Design-Builder:
- A. Obtaining the City's written approval.
- B. Maintaining the equipment, and preparing and maintaining a log recording all maintenance activities.
- C. Returning equipment to "as-new" condition upon Substantial Completion.

Partial Utilization

- 12.14 The City may request, in writing, the use of any part of the Work which may be used without significant interference with construction of other parts of the Work. If the City requests use of any part of the Work prior to Substantial Completion of all the Work, the City will issue to the Design-Builder a letter granting Substantial Completion for that portion of the Work with a list of items to be completed or corrected. The City will assume responsibility for security, safety, operation, maintenance, and utilities for that part of the Work while it is being used by or under the control of the City.

Final Inspection and Final Acceptance

- 12.15 When the Design-Builder considers the entire Work, or an agreed-upon portion thereof, to be complete, he shall certify, in writing, that the Work is complete and request a letter granting Final Acceptance. Within 30 days after receipt of the Design-Builder's certification, the City will inspect the Work and will notify the Design-Builder, in writing, of Final Acceptance or of all particulars in which this inspection reveals that the Work is incomplete or Defective. The Design-Builder shall immediately take such measures as are necessary to remedy such deficiencies and allow an additional 30 days for the City to complete another inspection of the Work. Issuance of Final Acceptance by the City shall not constitute (1) a waiver of any right or remedy of the City under the Contract or Law or (2) approval of or acquiescence to any breach of this Contract. The

Design-Builder's certification shall be preceded or accompanied by all documentation called for in this Contract, including but not limited to:

- A. Redline Drawings for creating record drawings.
- B. Bonds, if any.
- C. Software or code use rights documentation.
- D. Certificates of inspection from jurisdictional authorities.
- E. Releases, waivers, or exoneration of all liens arising out of or filed in connection with the Work.
- F. The Design-Builder's Waiver of Claims to Date form certifying that all payrolls and material bills and other indebtedness connected with the Work for which the City might in any way be responsible have been paid or otherwise satisfied. G. Consent of surety, if any, to final payment.

Final Payment

12.16 This section intentionally left blank. Refer to GMP Amendment.

12.17 This section intentionally left blank.

Design-Builder's Continuing Obligation

12.18 The Design-Builder's obligation to perform and complete the Work in accordance with this Contract shall be absolute and cannot be waived in whole or in part by the City except by express written instrument signed by an authorized City representative. Any such waiver will specifically identify the Work that the City is willing to accept and the manner in which that Work fails to meet the original requirements of the Contract. Accordingly, and by way of example only, none of the following will constitute acceptance of Work not in accordance with this Contract or release the Design-Builder from obligation to perform the Work in accordance with this Contract, regardless of whether any defect, deficiency, or damage is patent or latent:

- A. Any act of acceptance by the City, except in an express written instrument as described above.
- B. Any correction by the City of Defective Work.
- C. Use, operation, or occupancy of the Work or any part of the Work by the City.
- D. Recommendation by City staff for any progress or final payment.
- E. Payment by the City to the Design-Builder.
- F. Issuance of a letter of Substantial Completion.
- G. Issuance of a letter of Final Acceptance.

Design-Builder's Warranty of Title

12.19 The Design-Builder warrants that title to all Work and material covered by any request for payment, whether incorporated in the Work or not, will pass to the City at the time of payment. Title shall be free and clear of all liens, claims, security interests, and encumbrances.

Waiver of Claims

12.20 The acceptance of final payment will constitute a waiver of all claims by the Design-Builder against the City other than those previously made in writing and still unsettled.

Other Damages

12.21 The City will have the right to recover from the Design-Builder and, to the extent permitted by Law, to deduct from any payment due the Design-Builder, the amount of any loss suffered by the City on account of the failure of the Design-Builder, Subcontractor, anyone directly or indirectly employed by any of them, and anyone for whose acts any of them may be liable to comply with the rules and regulations referenced or contained in this Contract.

ARTICLE 13 – SUSPENSION OR TERMINATION OF THE WORK

City May Suspend the Work

- 13.1 The City may, at any time and without cause, suspend the Work or any portion thereof for a period of not more than 90 consecutive days by notice, in writing, to the Design-Builder. This notice will fix the date on which Work shall stop and the date on which it shall resume. The Design-Builder shall resume the Work on the date so fixed. The Design-Builder will be allowed an increase in the Guaranteed Maximum Price or an extension of the Contract Time, or both, directly attributable to the suspension.
- 13.2 If the Work is Defective, or if the Design-Builder fails to supply sufficient skilled workers or suitable material or equipment, or if the Design-Builder fails to perform the Work in such a manner that the completed Work conforms to this Contract, the City may order the Design-Builder to suspend the Work, or any portion thereof, until the cause for such order has been eliminated. However, this right of the City to suspend the Work shall not give rise to any duty on the part of the City to exercise this right for the benefit of the Design-Builder or any other party.
- 13.3 In the event the Design-Builder, Subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable fails to comply with the rules and regulations referenced in this Contract, the City may suspend the Work or any portion thereof. The suspension shall continue until completion of any investigation or evaluation by the City and full compliance with any corrective measures which the City may reasonably require. The City will not be liable to the Design-Builder for any delay caused by such suspension, nor will there be any adjustment in the Guaranteed Maximum Price or Contract Time.

City May Terminate the Work

- 13.4 The occurrence of any one or more of the following events will justify termination for cause:
- A. The Design-Builder is adjudged bankrupt or insolvent.
 - B. The Design-Builder makes a general assignment for the benefit of creditors.
 - C. A trustee or receiver is appointed for the Design-Builder or for any of the Design-Builder's property.
 - D. The Design-Builder files petition to take advantage of any debtor's act, or to reorganize under bankruptcy or similar Laws.
 - E. The Design-Builder fails to supply sufficient skilled workers or suitable material or equipment.

- F. The Design-Builder fails to make prompt payments to Subcontractors or for labor and material.
 - G. The Design-Builder disregards Laws, ordinances, rules, regulations, or orders of any public body having jurisdiction including, without limitation, ordinances adopted by the City and referenced in this Contract, and the rules and regulations adopted by the City's City Manager or his designee.
 - H. The Design-Builder disregards the authority of the City.
 - I. The Design-Builder otherwise violates in any substantial way any provision of this Contract.
- 13.5 The City may, after giving the Design-Builder a seven-day written notice:
- (1) terminate this Contract for default; (2) exclude the Design-Builder from the site; (3) take possession of the site and the Design-Builder's tools, appliances, construction equipment and machinery at the site, or take possession of tools, appliances, construction equipment and machinery not at the site that is to be incorporated into the Work and for which Design-Builder received payment, and use the same to the full extent they could be used by the Design-Builder without liability to the Design-Builder for trespass or conversion; (4) take possession of and incorporate in the Work material stored at the site or for which the City has paid the Design-Builder but which is stored elsewhere; (5) finish the Work as the City may deem expedient, and (6) obtain an assignment of some or all of the subcontracts and purchase orders (including but not limited to agreements with Designers) relating to the uncompleted Work. By executing this Contract, the Design-Builder agrees to execute documents necessary to effect the assignment of those subcontracts and purchase orders if requested by the City in the event of termination of this Contract pursuant to this article.
- 13.6 Where the Design-Builder's services have been so terminated by the City, the termination will not affect any rights of the City against the Design-Builder then existing or which may thereafter accrue. Any retention or payment of moneys due the Design-Builder by the City will not release the Design-Builder from liability.

City May Terminate the Work for Convenience

- 13.7 Upon giving the Design-Builder a seven-day written notice, the City may, without cause and without prejudice to any other right or remedy, elect to terminate this Contract in whole or in part for the convenience of the City. In such case, the Design-Builder will be paid for the costs of all Work acceptably performed and installed, together with reasonable profit and overhead on those costs, and any justifiable costs actually sustained in the process of termination, including without limitation the cost of demobilization and termination of subcontracts, purchase agreements, and purchase orders.

If this Contract is terminated for default and it is subsequently determined through mediation, arbitration, or litigation that the termination was improper, this Contract shall be treated as if it had been terminated for the convenience of the City, and the Design-Builder shall be entitled to payment under the provisions of this paragraph.

- 13.8 In the event of a termination for convenience, the Design-Builder remains liable for all elements of the Work actually performed by the Design-Builder or Subcontractors, or those for whom any of them are responsible, regardless of whether: (a) such performance occurred before or after the effective date of termination; or (b) the City provided an opportunity to cure. The Design-Builder's liability includes, but is not limited to, liability for having performed all Work according to the Design-Build Documents, industry standards, and the other standards incorporated in this

Contract. The Design-Builder also remains liable for all representations, warranties, and guarantees to the extent applicable to the Work performed.

ARTICLE 14 – DISPUTE RESOLUTION

14.1 If the Design-Builder wishes to assert a claim, he shall submit to the City a written statement of the claim within 30 Calendar Days after the Design-Builder first has knowledge of or reason to know of the facts upon which the claim is based. The statement of claim shall recite the facts upon which the claim is based and shall include copies of all documentary evidence in support of the claim. Within 15 Calendar Days after receiving a claim, the City will respond in writing stating whether the claim is allowed, partially allowed, or denied. If the Design-Builder disputes the action taken by the City, the Design-Builder shall deliver a written notice of dispute to the City within 15 Calendar Days after the Design-Builder receives the City's written response to the claim. The written notice of dispute shall be entitled "Notice of Dispute." A claim shall be barred if the Design-Builder fails to comply with the foregoing notice of dispute requirement or fails to timely deliver the notice of dispute to the City.

A. The City's Contract is with the Design-Builder. It is the Design-Builder's responsibility to fully evaluate any claim before presenting it to the City. In addition, when a claim includes Work done or costs incurred by any Subcontractors or any person or entity other than the Design-Builder, the Design-Builder remains solely responsible for presenting the claim to the City. Claims that include Work done or costs incurred by any Subcontractors or any entity other than the Design-Builder will not be considered by the City unless the Design-Builder has (1) completed and provided to the City its own written evaluation of the claim, (2) verified by its own independent review and evaluation of the amount of compensation sought, and (3) certified in writing the claim as follows:

"Under penalty of law for perjury or falsification, the undersigned, (Name) (Title), (Company) certifies that this claim originating from the Subcontractor (Company) for additional compensation (1) is being asserted by the Design-Builder in good faith, (2) is an accurate and reasonable statement, independently verified by Design-Builder, of the costs incurred in the amount of \$_____, exclusive of interest; (3) was timely and properly submitted; and (4) is fully justified, documented and supported under the Contract between the parties and the amount requested accurately reflects the amount for which the Design-Builder believes the City is liable.

Signature: _____

Date: _____, 20____

Subscribed and sworn before me this ____ day of _____, 20____

_____ Notary

Public

My commission expires_____."

14.2 The parties shall attempt to resolve all disputes by negotiation. Negotiation shall be initiated at the earliest opportunity. Each party shall freely share unprivileged information requested by the other and shall make a good faith effort to ensure that all relevant issues are fully developed and fairly presented to the other side.

14.3 If a dispute is not resolved through negotiation between the Design-Builder and the City, the parties shall submit the dispute to mediation. Either party may request mediation. The requesting

party shall suggest an independent mediator with the request for mediation. If the parties cannot agree upon a mediator, either party may apply to the Presiding Judge, Deschutes County Circuit Court, for appointment of a mediator. The parties shall share equally in the fees and costs of the mediator. Mediation shall be at Bend, Oregon, unless the parties agree otherwise.

- 14.4 If a dispute is not resolved by mediation, the parties may, but are not required to, agree to submit the dispute to binding arbitration. The parties shall agree upon a single arbitrator, the applicable rules for arbitration, and the time and place of arbitration.
- 14.5 If a dispute cannot be resolved by mediation, and the parties do not agree to submit the dispute to arbitration, either party may file a lawsuit to resolve the dispute in a court with proper jurisdiction located in Deschutes County, Oregon.
- 14.6 Should any lawsuit, arbitration, or other action be commenced in connection with any dispute arising out of this Contract, each party shall bear all its costs and expenses.
- 14.7 Except to the extent performance may be legally excused under the particular circumstances, each party shall continue to perform its duties under this Contract while the resolution of a dispute is pending. Failure to comply with this requirement shall be a material breach of this Contract.

ARTICLE 15 – MISCELLANEOUS

Computation of Time

- 15.1 Any period of time referred to in this Contract by days shall be computed to exclude the first and include the last day of such period. If the last day of any time period falls on a Saturday or Sunday or on a day made a legal holiday by the Law of the applicable jurisdiction, such day shall not be included in determining the time period.

Liability Claims

- 15.2 Should the City or the Design-Builder suffer injury or damage to person or property because of any error, omission, or act of the other party or of any of the other party's employees, contractors, or agents or others for whose acts the other party is legally liable, claim shall be made: (1) in writing, and (2) to the other party within a reasonable time of the first observance of such injury or damage.

Rights and Remedies

- 15.3 These General Conditions impose duties and obligations on the Contract parties and provide for rights and remedies. The rights and remedies available to each party are in addition to, and shall not limit, actions allowed by Law or other parts of this Contract. All representations, warranties, and guaranties made in this Contract shall survive final payment and/or termination (whether for cause or convenience) and/or completion of this Contract. The content of this paragraph shall apply as if repeated specifically in this Contract in connection with each duty, obligation, right, and remedy.

Commencement of Limitations Period

- 15.4 As to acts, omissions, breaches of contract or warranty, negligence, misrepresentation, strict liability, fraud, or any other improper conduct of the Design-Builder or those persons or entities for whom the Design-Builder is responsible, whether occurring prior to or after completion of the Work, all applicable limitations periods shall not commence to run and any alleged cause of action shall not be deemed to have accrued unless and until the City is aware of all three of the following: (1) the identity of all party(ies) responsible; (2) the actual magnitude of the damage or injury; and

(3) the cause(s) of the damage or injury. The discovery rule provided herein applies in lieu of any otherwise applicable statute or case authority.



CITY OF BEND

GUARANTEED MAXIMUM PRICE AMENDMENT TO THE PROGRESSIVE DESIGN-BUILD CONTRACT

Agreement #
Project Number:

This **Amendment to the Progressive Design-Build Contract** ("Agreement") is entered into effective _____ between the City of Bend, Oregon ("City") and ____ ("Contractor") and amends the Progressive Design-Build Contract between City and Contractor dated ____.

The Agreement is revised as follows:

1. **Project Scope.** Contractor shall construct ____ ("GMP Work"). The GMP Work is described in more detail in the attached Exhibit A – Scope of Work. Contractor is required to furnish all materials, labor, water, tools, power, equipment, transportation and other work needed to construct the GMP Work.
2. **Contract Documents.** This Amendment consists of the main text of this Amendment and the following exhibits:
 - a. Exhibit A – Scope of Work
 - b. Exhibit B – GMP Supporting Documents
3. **GMP.** The parties agree that the Guaranteed Maximum Price ("GMP") for the Project is \$____, consisting of the Estimated Cost of the Work and Contingencies, summarized as follows:.

Preconstruction Fee	\$__
Construction Documents	\$__
Estimated Cost of Work (Est. COW)	\$__
Contractor Fee (Design-Builder's Percentage Fee)	\$__
GMP Total (Total of Above)	\$__

4. **Basis of GMP.** The GMP is based on the GMP Supporting Documents included as Exhibit B, including the allowances, assumptions, exclusions, unit prices, and schedule designated in those documents. The GMP Supporting Documents are based on the Preliminary Construction Documents. The Design-Build Documents remain in full force and effect; this Basis of GMP supplements design document requirements but does not replace them.
5. **Substantial Completion Date.** Notwithstanding any provision in the GMP Supporting Documents to the contrary, the required date for Substantial Completion of the Work is ____.

The parties further agree that the liquidated damages required by this Contract are compensation to the City only for the harm the City sustains from late completion. They are not compensation for additional effort required by the City because the Work has been extended over a longer period, or for other harm the City may sustain from the Design-Builder's other breaches of this Contract. The City may withhold liquidated damages from progress payments, or may withhold the full amount of accrued liquidated damages from final payment.

- c. **Add 12.23 Other Damages.** The City may recover from the Design-Builder, withhold from payments under this Contract, or both, actual costs incurred by the City due to the extra effort necessitated because the Work is extended over a longer period of time, such as the actual costs of additional engineering and inspections by the City. This right to actual damages shall apply to both late Substantial Completion and late Final Acceptance.
- d. **Amend 13.7 City May Terminate the Work for Convenience** by adding the following: The Design-Builder will not be entitled to overhead or profit on the unperformed Work, and will not be entitled to payments in excess of (1) the Cost of the Work incurred by the Design-Builder to the date of termination, (2) the prorated portion of the Design-Builder's Percentage Fee based on the ratio of (a) the Cost of the Work incurred by the Design-Builder to the date of termination divided by (b) the Guaranteed Maximum Price less the Design-Builder's Percentage Fee, (3) fair compensation, either by purchase or rental at the election of the City, for any equipment owned by the Design-Builder which the City elects to retain and which is not otherwise included in the Cost of the Work under subitem (1), and (4) fair compensation for the Design-Builder's demobilization costs and other costs directly incurred relating to the termination which are not otherwise included in the Cost of the Work under subitem (1); provided, however, that the total amount of such payment shall be subject to the Guaranteed Maximum Price.

In all other respects the Contract, as previously amended, shall remain in full force and effect.

Approved and authorized for signature by City Council on DATE.

This Amendment may be executed in two originals, with one original to be delivered to each party.

THE PARTIES SIGNING BELOW WARRANT, REPRESENT AND AGREE THAT THEY HAVE THE AUTHORITY TO SIGN THIS AGREEMENT AND AGREE TO ALL TERMS:

City of Bend, Oregon

Contractor

BY: _____
Eric King

BY: _____

TITLE: City Manager

TITLE: _____

DATE: _____

DATE: _____

APPROVED AS TO LEGAL FORM:

City Attorney

EXHIBIT 3.1 – SCOPE OF WORK For Alternative Analysis

TASK 1 – PROJECT MANAGEMENT AND COORDINATION

Task 1.1 - Project Coordination and Management

The Design/Builder will provide project management including project set-up and initiation, budget control, and coordination with the project team. The Design/Builder will maintain and coordinate all pertinent electronic design files and documents including all CADD-related files related to the Project *utilizing Procore*. The Design Builder will provide the City and its consultants/contractors access to Procore throughout the life of the project. Software training will be made available to the City upon request.

Task 1.2 – Monthly Invoices

The Design/Builder will prepare and submit monthly invoices to The City of Bend and earned value expenditures for the month and project duration. The invoices will include the Decision log, QA/QC log and the updated Design Schedule.

Task 1.3 - Quality Management

The Design/Builder will perform in-progress quality management reviews of its work to ensure the project objectives are achieved as part of The Design/Builder's overall quality management process. At a minimum, we will perform the following:

- Designate a quality assurance/quality control (QA/QC) Lead who is responsible for implementation of The Design/Builder QA/QC Plan, and documentation of QA/QC activities for design and construction.
- Prepare a Project Implementation Plan that details the Scope of Services, Schedule and Budget for the consultant team. This Plan will be reviewed by and discussed with each team member so that all staff are in complete understanding of their roles and responsibilities for the Project.
- The Design/Builder will utilize individuals on its staff to perform independent QC checks of all calculations and deliverables.
- Record and submit all internal review and comment information on forms submitted with draft deliverables, with certification by the Project Manager that submitted information has been reviewed and checked in accordance with the procedures documented in the QA/QC Plan.
- Review and discuss review comments on all deliverables. Record responses to comments on approved forms.

Task 1.4 – Meetings

The following meetings are assumed for coordination with Mortenson, the City of Bend, and teaming partners:

- The Design/Builder will facilitate a Project Kickoff Meeting to review, among other topics, Project goals, objectives, and critical success factors. The Design/Builder will prepare and submit agenda no later than seven (7) calendar days before meeting. The Design/Builder will prepare and provide meeting minutes for the kickoff meeting.

- Scope includes four (4) progress meetings or workshops to facilitate discussions on Project progress, key technical issues, schedule and budget compliance. The Design/Builder will provide agenda and meeting notes for each meeting.
- The Design/Builder key staff will co-locate at project office (1020 Emkay Dr. #100 Bend, OR) Two (2) days per week on a bi-weekly basis.

TASK 2 – ALTERNATIVE ANALYSIS AND PRELIMINARY ENGINEERING

Task 2.1 – Alternative Analysis

The Scope of Work, in accordance with the RFP, includes:

Alternatives Analysis shall consist of preliminary engineering and an analysis of options as approved by the City. Design-Builder's development of options, including method assessment, performance considerations, cost-benefit evaluation, and alignment and profile analysis ("Subproject Options"), as detailed in the Scope of Work, in consultation with the City, as well as preparation of a proposed price and schedule, and shall be consistent with the Design-Builder's Proposal except as specifically modified by the Scope of Work. The alternatives analysis must address approaches to design and construction of the Subproject and include the Design-Builder's recommendations, if any, regarding accelerated or fast-track scheduling, procurement, design options, or phased construction. The preliminary evaluation must consider cost information, constructability, and procurement and construction scheduling issues for any Subproject Option presented. The analysis will include considerations for:

- Large diameter gravity conveyance pipe traversing from the Plant Interceptor intersection to the WRF.
- Parallel pipe conveyance system traversing from the Plant Interceptor intersection to the WRF. Pipe sizing to be determined in conjunction with utilization of the existing Plant Interceptor.
- A valving or flow diversion structure at the Plant Interceptor/North Interceptor intersection that can direct flows as follows:
 - Plant Interceptor flows from the southwest directed into the Plant Interceptor to the Northeast
 - Plant Interceptor flows from the southwest directed into the North Interceptor to the east.
 - North Interceptor flow from the west directed into the North Interceptor east.
- A constrained flow diversion structure at the Plant Interceptor/North Interceptor intersection that solely direct flows to the North Interceptor.
- Inverted siphon connection to the WRF.
- Gravity flow to an Influent Flow Control Structure (IFC) to the WRF. IFC locations for analysis include:
 - At the WRF
 - At or near the Plant Interceptor intersection to the WRF.
- Pipeline alignment optimization.

- Pipe material selection

Collectively with The Design Builder and the City of Bend, will develop draft evaluation criteria to conduct the Alternatives Analysis. The criteria will be finalized following approval by The Design/Builder and the City of Bend. The mutually agreed upon criteria will then be used in the analysis. Example criteria include:

- Performance analysis (hydraulics)
- Construction cost
- Constructability/construction risks
- Sequence of construction and overall construction duration
- Operational costs
- Operational risks and benefits
- Financial Planning

Millen Jacobs Associates and Century West, as subconsultants to The Design/Builder, will support Kennedy/Jenks with the alternative analysis.

It is understood that the City has contracted with Murraysmith to integrate the Design Builder's proposed alternatives into the City's master sewer collection model. The Design Builder will coordinate with Murraysmith throughout the Alternatives Analysis process, with the assistance of the City. Additionally, the Design Builder will furnish a Request for Information list to the City prior to generating alternatives to confirm parameters used in the City's sewer model to define the design criteria used for the Design Builder's design. A schedule of deliverables to Murraysmith will also be furnished to the City for planning/resource purposes and agreed turn-around times for deliverables will be coordinated during initial project workshops. Schedule impacts based on Murraysmith's scope of work will be the responsibility of the City.

Task 2.2 – Preliminary Engineering

The Scope of Work, in accordance with the RFP, includes:

- Preliminary engineering to determine pipeline elevations at key locations including but not limited to the Plant Interceptor/North Interceptor intersection, the East Interceptor connection to the North Interceptor, connection to the WRF, critical infrastructure crossing locations including Hwy 20, Hwy 97, BNSF railroad, and canals.
- Establish two or three alignment options west of the Juniper Ridge area. Specifically, this includes routing through or around the North Pointe Subdivision, Crossing BNSF railway, Hwy 97, routing the triangle area between Hwy 97 and Hwy 20, crossing Hwy 20 to O.B. Riley Road, and then along O.B. Riley Road south to the Glen Vista pump station. Each alignment shall include a profile and a gravity service area delineation.
- Preliminary profile considerations, and
- Delineation of gravity sewer service area

- A Table of Contents for the Alternative Analysis Report will be submitted to The City of Bend for review. The Design/Builder will incorporate The City of Bend comments prior to commencing work on the Report.

Task 2.3 – Draft Alternatives Analysis Report

The Design/Builder will document the analysis performed, description of Alternatives selected along with figures, evaluation criteria, results of the evaluation and recommendations in a report and submit to Mortenson for review.

Task 2.4 – Final Alternatives Analysis Report

Comments from Mortenson/City will be incorporated, and a final report will be submitted.

Project Deliverables

- Project Kickoff Meeting Agenda (electronic copy)
- Project Kickoff Meeting Notes (electronic copy)
- Draft Alternatives Analysis Report (6 hard copies and electronic copy)
- Final Alternatives Analysis Report (6 hard copies and electronic copy)

Assumptions

- Design flows for current and ultimate conditions will be furnished by the City
- City will provide the final design flows prior to initiating the Alternatives Analysis
- The City will require a minimum 10 day review period on the Draft Alternatives Analysis
- The Scope of Work is based on a pipe line alignment of 10,500 feet
- The Scope of Work assumes eight (8) week Alternative Analysis period. At the City's request, this timeline may be extended for additional City/City consultant review time without any major additional costs.
- Subsurface utilities location (potholing) is not included in the Scope of Work

**EXHIBIT 3.2 – SCOPE OF WORK
For GMP Level Design –
Influent Flow Control Structure Option**

TASK 1 – PROJECT MANAGEMENT AND COORDINATION

Task 1.1 - Project Coordination and Management

The Design/Builder will provide project management including project set-up and initiation, budget control, and coordination with the project team. The Design/Builder will maintain and coordinate all pertinent electronic design files and documents including all CADD-related files related to the Project utilizing Procore. The Design/Builder will provide the City and its consultants/contractors access to Procore throughout the life of the project. Software training will be made available to the City upon request.

Task 1.2 - Public Outreach

It is assumed that Public Outreach will be led by the City. The Design/Builder will support the City to provide graphics and content support for public outreach efforts. Attendance at public outreach events or organization/hosting of public outreach events would be considered additional services and is not covered in this scope.

Task 1.3 – Monthly Progress Reports

The Design/Builder will prepare and submit monthly invoices to The City of Bend and earned value expenditures for the month and project duration. The invoices will include the Decision log, QA/QC log and the updated Project Schedule. A total of six (6) invoices is assumed during the Pre-Construction phase.

Task 1.4 - Change Management (Decision Log)

The Design/Builder will document scope and schedule changes associated with completion of Design Consultant's work by using a Decision Log, which describes the issues or requests that arise and provide a status of each item during progress meetings. Time is of the essence and The Design/Builder will advise The City of Bend of major scope changes greater than \$4,000 for authorization when identified. Minor scope changes (less than \$4,000) will be documented in the Decision log and performed on a Time and Material to maintain schedule. Exercising the Minor Scope Change does not change the contract Not to Exceed amount. This mechanism allows for minimal latitude to continue work and that effort will be deducted from another task item within the contract.

Task 1.5 - Quality Management

The Design/Builder will perform in-progress quality management reviews of its work to ensure the project objectives are achieved as part of The Design/Builder's overall quality management process. At a minimum, we will perform the following:

- Designate a quality assurance/quality control (QA/QC) Lead who is responsible for implementation of The Design/Builder's QA/QC Plan, and documentation of QA/QC activities for design and construction.
- Prepare a Project Implementation Plan that details the Scope of Services, Schedule and Budget for the consultant team. This Plan will be reviewed by and discussed with each team member so that all staff are in complete understanding of their roles and responsibilities for the Project.

- The Design/Builder will utilize individuals on its team to perform independent QC checks of all calculations and deliverables.
- Record and submit all internal review and comment information on forms submitted with draft deliverables, with certification by the Project Manager that submitted information has been reviewed and checked in accordance with the procedures documented in the QA/QC Plan.
- Review and discuss review comments on all deliverables. Record responses to comments on approved forms.

Task 1.6 - Schedule Management

The Design/Builder will prepare a baseline schedule using MS Project, that details engineering tasks for the Pre-Construction Phase for review and coordination with Mortenson. Our Scope of Work assumes that Mortenson will prepare and maintain the overall project schedule, including scheduling of construction tasks. Schedule updates will be submitted as electronic files to show progress. The schedule will include at a minimum:

- Start date for each activity;
- Finish date for each activity;
- Major milestones;
- Meeting and workshop dates;
- Submittal dates including draft submission dates, review periods, and final submission dates;
- Identification of critical path; and
- Float.

Task 1.7 – Meetings

The following meetings will be held are assumed for coordination with The Design/Builder, the City of Bend, and teaming partners, as necessary:

- The Design/Builder will facilitate a Project Kickoff Meeting to review, among other topics, Project goals, objectives, and critical success factors. The Design/Builder will prepare and submit agenda no later than seven (7) calendar days before meeting. The Design/Builder will prepare and provide meeting minutes for the kickoff meeting.
- Scope to include six (6) in-person progress meetings to facilitate discussions on project progress, key technical issues, schedule and budget compliance. The Design/Builder will provide agenda and meeting notes for each meeting.

- The Design/Builder will conduct internal weekly design coordination calls with the Design Team and The City of Bend to discuss project coordination, design status, identification of any issues and any barriers to progress, schedule and project requirements. A total of sixteen (16) meetings is assumed.
- The Design/Builder's key staff will co-locate at project office (1020 Emkay Dr. #100 Bend, OR) Two (2) days per week on a bi-weekly basis.

TASK 2 – SUPPLEMENTAL ENGINEERING ANALYSIS, INVESTIGATION AND PROJECT SERVICES

Task 2.1 – Geotechnical Investigation

McMillen Jacobs Associates, as a subconsultant to The Design/Builder, will provide for and coordinate the geotechnical investigation required for design of the Project. In the event access is denied to private properties, The Design/Builder will request the City's assistance in obtaining access. A Geotechnical Investigation Design Report will be developed and include the following:

- Work Plan
- Coordinate ROE, Utility Locates
- Geotechnical/Geological Reconnaissance
- Pipeline geophysics
 - Overburden thickness
 - Bedrock anomalies (lava tubes, interflows)
 - Rock strength
- Trenchless Canal Crossing Geophysics
 - Subsurface conditions beneath canal
 - Spatial distribution of anomalies
- Subsurface Investigation
 - Characterize subsurface conditions along pipeline, trenchless crossing and shafts
 - Geotechnical Drilling:
 - 1 boring to 60 feet (Wet Well)
 - 1 boring to 60 feet (Trenchless Shaft)
 - 8 borings to 15-25 feet
- Test Pits to Evaluate Excavations
- Geotechnical Analyses
 - Lateral earth pressures
 - Coefficient of friction between concrete and native soils and base materials
 - Recommendations for E' of trench backfill, native soils, and composite E' for flexible pipe design
 - Expected total and differential settlement of proposed facilities
 - Loading, allowable stresses, and adjacent movement criteria for shoring
 - Soil improvement or preload recommendations
 - Minimum cover over pipe for various loading conditions and to prevent floatation of pipe in high groundwater areas

- Pavement structural sections
- Cut and fill slope requirements
- Recommendations for suitable structural and general fill requirements
- Rock excavation and blasting
- Other construction considerations
- Shoring or other temporary construction earthwork considerations (for cost estimating and planning – not for design)
- Trenchless Analyses
 - Evaluate viable trenchless methods
 - Identify construction issues and risks
 - Casing pipe evaluation
 - Alignment
 - Recommendations for backfill and grouting
 - Construction access and staging and easement requirements

Task 2.2 – Design Surveys

The Design/Builder will provide ground surveying services to obtain all field information needed for design of the Project, based on approximately 10,500 linear feet of pipeline. Fees for survey tasks include utilization of the existing aerial survey completed by Geo Terra previously. Survey tasks will include:

- Prepare permit-to-survey letters (up to 11 letters) and obtain permission from the owner of each affected property to perform necessary surveys.
- Prepare Easements documentation exhibits and legal descriptions no to exceed 11 properties
 - Currently it is unknown if permanent acquisition will be required for the project as it pertains to imminent domain. Various options are available depending on the property type with regards to transfer of ownership with a lot line adjustment, a county partition, or a city partition. The cost for each scenario are detailed below per property but are not currently budgeted within the scope of work
 - \$7,000 per Lot line adjustment
 - \$10,000 per County partition
 - \$15,000 per City of Bend partition
- Establish horizontal and vertical controls for the Project. Benchmarks shall be documented and retraceable. Surveyor shall utilize existing control documented previously by Geo Terra and other regional existing control.
- Provide planimetric (horizontal and vertical) mapping including topography to 1-foot intervals and based on the ground survey show existing visible elements within 40 feet (minimum) of either side of the proposed alignment including all applicable physical features that could impact design. Topo will also tie in critical points of interest including existing manholes within the region, regional pump station pipe invert elevations identified to be removed with this project, and other items identified by the team.
- Based on the existing and new ground survey, generate one-foot contours along the

alignment corridor

- Prepare composite base map of all features located in the field through the ground survey
- Identify the areas for subsurface utility potholing (potholing services is not included in the services scope, but included within the “potholing budget” overall.

Task 2.3 – Permitting and ROW/Easement Acquisition Assistance

The Design/Builder will provide ROW/Easement Acquisition and permit assistance for the Project. The Scope of Work will include the following:

1. Permits for Federal/State:

- Wetland Delineation
- Joint Permit Application (JPA)
 - Army Corps of Engineers & Department of State Lands
 - May be able to get a letter of no effect depending on construction methods
- Oregon DEQ Section 401 Stormwater Management Plan
- Bureau of Reclamation
- Possibly BLM/Forest Service (depending on route)
 - Pre-Application Meeting
 - Application and Supporting Documents: Site Plan Review: Conditional Use Permit: Other submittals as determined by Pre-Application Meeting
 - Application Submittal and Documentation
 - Burden of Proof
 - Public Meeting
 - Additional information as requested

2. Permits for Deschutes County:

- Major Administrative Review
 - Pre-Application Meeting
 - Application and Supporting Documents: Site Plan Review; Conditional Use Permit; Other submittals as determined by Pre-Application Meeting
 - Application Submittal and Documentation
 - Burden of Proof
 - Public Meeting
 - Additional information as requested
- Right-of-Way Permit for Construction
- Traffic Control (Duplicate for services shown under the City Services)
- Traffic Control
 - Pioneer Loop
 - Hughes Rd
 - Cricketwood Rd
 - Gentry Loop
 - Cardwell Road
- Erosion & Sediment Control Plan

- Stormwater Control Plan
- Building Permit (For Public Facilities)
- Building Permit (Influent Flow Control Structure)
 - Structural Review
 - Mechanical Review
 - Plumbing Code Review
 - Electrical Code Review
 - Oregon Fire Code
 - ADA Compliance
- Right-of-Way Permit for Construction

3. Permits for the City of Bend:

- Traffic Control
 - Pioneer Loop
- Right-of-Way Permit for Construction
- Other permits may be duplicates shown within the Deschutes County section.

4. Individual Utility Permitting & Coordination:

- NW Natural/Cascade Natural Gas
- North Unit Irrigation District
- BPA
- Pacific Power
- Central Electric Co-Op
- CenturyLink
- Bend Broadband
- LSNetworks
- Avion Water
- Others if discovered

5. Individual Property Owners Easement or Acquisition:

- Rowan Anderegg
- Jill Atwood
- Christine & John Mong
- Diamond H Holdings
- Brandon & Lisa Dubisar
- Steven & Gail Harrower
- Jennifer and James Hutchinson
- Henry & Victoria Graham
- Loren Hall

6. Appraisals and Acquisition services: will include obtaining title reports for each parcel as needed. (Title reports will be needed for the surveyors and the appraisers.); Prepare appraisal and appraisal reviews for 11 parcels (appraisers to be provided with legal

descriptions and exhibits) Appraisals will conform to state law and standards of appraisal practices; Provide acquisition services which will include making a written offer in person to each property owner and a minimum of 5 contacts per property owner, either in person or by phone as needed to reach agreements; City to be provided with a complete negotiation package including all sign documents and agreements for recording and payment; Provided support for closing and/or condemnation support to complete the acquisition process for each parcel.

Task 2.4 – Surge Analysis

Utilizing the hydraulic model provided by the City, The Design/Builder's subconsultant Flow Science will develop a pressure surge analysis model to assess surge conditions between the proposed Influent Flow Control Structure and WRP to identify surge protection requirements in the systems. Modeling will be performed for the current and ultimate flow conditions.

Task 2.5 – Basis of Design Report (BODR)

Following the Alternatives Analysis, prior to commencing the design, The Design/Builder's Team will establish the design criteria for the Project. The criteria will be reviewed by and discussed with The City of Bend. The mutually agreed upon design criteria will be documented in a Basis of Design Report (BODR). The BODR will include:

- Hydraulic Profile
- Influent Flow Control Structure site location
- Force main alignment including identification of trenchless sections
- Code and standard reference requirements
- Structural design criteria
- Anticipated electrical service and required coordination with utility company
- A list of required permits and ROW/Easement acquisition
- Schedule for design through GMP Level documents

TASK 3 – TECHNICAL EXHIBITS

For the selected Influent Flow Control Structure configuration and Force Main alignment (10,500 linear feet), and upon written authorization from The Design/Builder will prepare Technical Exhibits to facilitate development of GMP. The Technical Exhibits will consist of drawings prepared in AutoCad 2016 (2D format) and specifications prepared in Microsoft Word.

- The Sheet List Table provides the list of drawings included in this scope of work.
- Technical Specifications sections will include: concrete mix design; pipeline material; trenchless construction; and pumps (mechanical and related electrical specifications). Other material and requirements will be noted in the drawings.
- Pipeline drawings will include plan and profiles at 1-inch equals 40 feet scale horizontally and 1-inch equals 4 feet vertically.
- City standard specifications and details will be incorporated as necessary.

- McMillen Jacobs, as a subconsultant to The Design/Builder, will provide design for the trenchless segments
- The Design/Builder will prepare Traffic Control plans (total 3 sheets)

Task 3.1 – 30% Design Technical Exhibits

The Technical Exhibits will first be taken to a point of 30% completion of the final design and submitted for review. The drawings that will be included in the 30% design is noted in the Sheet List table below.

Task 3.2 – 60% Design Technical Exhibits

The Design/Builder will incorporate City comments on the 30% design and develop the design to a 60% level. The drawings proposed to be included in the 60% design are noted in the Sheet List table below. Progress Technical Specifications for the items noted above will also be included in this submittal.

Task 3.3 – GMP Level Technical Exhibits

The Design/Builder will incorporate City comments on the 60% design and further develop the design to an adequate design level to facilitate preparation of the GMP. The drawings will be sealed and signed by registered professional engineer(s) in Oregon. The drawings will also include a “Not for Construction” stamp. The Technical Exhibits at the GMP level will, as appropriate, contain final site investigations; final project layout and features; detailed design of project features; detailed drawings and specifications; design calculations (civil, electrical, mechanical, structural); and quality management reviews.

Following negotiations of the GMP and Construction Phase scope of work, The Design/Builder will prepare a final set of technical exhibits suitable for Construction Phase services.

Task 3.4 – Review Workshops

The Design/Builder will facilitate workshops to review design submittal including analysis performed, assumptions, methodologies, constraints, technical issues, and schedule. Kennedy/Jenks will provide a draft of the presentation (PowerPoint) and meeting agenda for review and comment at least one week prior to the meeting. Presentation slides and meeting minutes, with action items, will be distributed within three working days following the meeting. The workshop will be attended by key project team members. One workshop will be conducted after the BODR submittal and one after each design submittal (total 4). The City will be allowed a minimum of 10 days’ review of the 30%/60%/GMP level documents following the review workshop for each deliverable.

SHEET LIST			30%	60%	GMP Level
General					
1	G1	Title Sheet, Maps, Sheet Index	✓	✓	✓
2	G2	Abbreviations, Symbols and General Notes		✓	✓
3	G3	Key Map and Survey Control (with Geotech Boring locations)	✓	✓	✓
4	G4	Hydraulic Profile	✓	✓	✓
5	G5	Staging/Storage Plan		✓	✓
Civil					
6	C1	Influent Flow Control Structure Site Plan	✓	✓	✓
7	C2	Influent Flow Control Structure Site Control Plan			✓
8	C3	Influent Flow Control Structure Site Grading and Drainage Plan			✓
9	C4	Influent Flow Control Structure Site Yard Piping Plan		✓	✓
10	C5	Potable Water Plan & Details			✓
11-23	C6 - C18	Plan & Profile Sheets	✓	✓	✓
24	C19	WRF Piping Plan	✓	✓	✓
25	C20	Tunnel Sections and Details		✓	✓
26	C21	Trench Sections			✓
27	C22	Pipeline Details - 1		✓	✓
28	C23	Pipeline Details - 2			✓
29	C24	Connections Details - 1		✓	✓
30	C25	Connections Details - 2			✓
31	C26	Civil Site Details		✓	✓
32	C27	Miscellaneous Civil Details			✓
33	C28	SWPPP 1		✓	✓
34	C29	SWPPP 2			✓
Architectural					
35	A1	Code Summary	✓	✓	✓
36	A2	Architectural Details 1		✓	✓
37	A3	Architectural Details 2			✓
38	A4	Elec/Generator/Odor Building Floor Plans	✓	✓	✓
39	A5	Elec/Generator/Odor Building Roof Plans		✓	✓
40	A6	Building Exterior Elevations	✓	✓	✓
41	A7	Building Sections		✓	✓
42	A8	Door Schedule and Building Data			✓
43	A19	Wall, Door and Louver Details			✓

SHEET LIST			30%	60%	GMP Level
Structural					
44	S1	Structural General Notes, Special Inspect, Testing and Abbrev. 1	✓	✓	✓
45	S2	Structural General Notes, Special Inspect, Testing and Abbrev. 2		✓	✓
46	S3	Structural Concrete General Notes and Typical Details 1		✓	✓
47	S4	Structural Concrete General Notes and Typical Details 2			✓
48	S5	Structural Concrete Unit Masonry Notes and Typical Details			✓
49	S6	Structural Steel Notes and Typical Details		✓	
50	S7	Influent Flow Control Structure Foundation Plan	✓	✓	✓
51	S8	Influent Flow Control Structure Roof Plan	✓	✓	✓
52	S9	Influent Flow Control Structure Structural Sections 1	✓	✓	✓
53	S10	Influent Flow Control Structure Structural Sections 2		✓	✓
54	S11	Elec/Generator/Odor Foundation Plan	✓	✓	✓
55	S12	Elec/Generator/Odor Roof Plan		✓	✓
56	S13	Elec/Generator/Odor Building Sections	✓	✓	✓
57	S14	Diversion Structure Foundation Plan	✓	✓	✓
58	S15	Diversion Structure Roof Plan	✓	✓	✓
59	S16	Diversion Structure Sections and Details	✓	✓	✓
60	S18	Diversion Structure Details			✓
61	S19	Exterior Equipment Pad Schedule & Details			✓
62	S20	Structural Details 1			✓
63	S21	Structural Details 2			✓
64	S22	Structural Details 3			✓
Mechanical					
65	M1	General Piping Notes, Symbols, Pipe Schedule		✓	✓
66	M2	Influent Flow Control Structure Lower Level Plan	✓	✓	✓
67	M3	Influent Flow Control Structure Roof Plan	✓	✓	✓
68	M4	Influent Flow Control Structure Mechanical Section - 1	✓	✓	✓
69	M5	Influent Flow Control Structure Mechanical Section - 2		✓	✓
70	M6	Influent Flow Control Structure Mechanical Section - 3			✓
71	M7	Odor Control Plan		✓	✓

SHEET LIST			30%	60%	GMP Level
72	M8	Odor Control Sections			✓
73	M9	Chemical Feed System Plan		✓	✓
74	M10	Chemical Feed System Sections			✓
75	M11	Generator and Fuel System Plans and Sections			✓
76	M12	Mechanical Details - 1		✓	✓
77	M13	Mechanical Details - 2			✓
78	M14	Pipe Supports Details			✓
79	M15	Influent Flow Control Structure Ventilation Plan		✓	✓
80	M16	Influent Flow Control Structure Ventilation Section and Details			✓
81	M17	Elec/Generator/Odor Building HVAC Plan		✓	✓
82	M18	Elec/Generator/Odor Building HVAC Sections			✓
83	M19	Elec/Generator/Odor Building HVAC Sections			✓
84	M20	HVAC Details			✓
85	M21	HVAC Schedule			✓
Electrical					
86	E1	Symbols and Abbreviations		✓	✓
87	E2	Electrical Details			✓
89	E3	Electrical Primary Normal System One-Line	✓	✓	✓
90	E4	Electrical Medium Voltage Starter Elevations			✓
91	E5	Electrical Secondary Normal System One-Line	✓	✓	✓
92	E6	Feeder Schedule			✓
93	E7	Electrical Site Plan	✓	✓	✓
94	E8	Influent Flow Control Structure Power and Control Plan Lower Level		✓	✓
95	E9	Influent Flow Control Structure Power and Control Plan Ground Level		✓	✓
96	E10	Elec/Generator/Odor Power and Control Plan		✓	✓
97	E11	Influent Flow Control Structure Power, Grounding and Lighting Plan Lower Level		✓	✓
98	E12	Influent Flow Control Structure Power, Grounding and Lighting Plan Ground Level		✓	✓
99	E13	Elec/Generator/Odor Power, Grounding and Lighting Plan Lower Level		✓	✓
100	E14	Chemical Feed System Power and Control Plan		✓	✓
101	E15	Electrical Site Lighting			✓
102	E16	Security System Details			✓
103	E17	Electrical Schedules			✓
104	E18	Electrical Control Schematics		✓	✓
105	E19	Control Panel Elevation and Layout			✓

SHEET LIST			30%	60%	GMP Level
106	E20	Control Panel Schematic			✓
107	E21	PLC I/O 1			✓
108	E22	PLC I/O 2			✓
109	E23	PLC I/O 3			✓
110	E24	Schematics			✓
111	E25	Ductbank Sections			✓
Instrumentation					
112	I1	P&ID - Legend, Symbols and Abbreviations		✓	✓
113	I2	P&ID - Influent Flow Control Structure 1	✓	✓	✓
114	I3	P&ID - Influent Flow Control Structure 2	✓	✓	✓
115	I4	P&ID - Discharge Valve Manifold & Metering	✓	✓	✓
116	I5	P&ID - Odor Control		✓	✓
117	I6	P&ID - Chemical System 1		✓	✓
118	I7	P&ID - Chemical System 2		✓	✓
119	I8	P&ID - Generator	✓	✓	✓
120	I9	P&ID - Miscellaneous		✓	✓
121	I10	Instrument Details 1		✓	✓
122	I11	Instrument Details 2		✓	✓

TASK 4 – GMP SUPPORT

- During the preparation of Technical Exhibits, The Design/Builder will initiate discussions with subcontractors and suppliers of major equipment as required to develop the GMP.
- The Design/Builder will provide a fee for engineering services during the Construction Phase (Final Design and Construction) to be included in the Construction Phase Cost Proposal.
- A complete list of the Technical Exhibits, including drawings and specifications, which were used in the preparation of the GMP and are the baseline for the final design.
- A list of the assumptions and clarifications made by The Design/Builder in the preparation of the GMP, which list is intended to supplement the information contained in the drawings and specifications.
- Provide support to answer questions as required during negotiations of GMP with the City.

TASK 5 – FINAL DESIGN (OPTIONAL)

If the parties are unable to reach an agreement on a GMP, in accordance with the requirements of the RFP, the scope of this task will include completion of design to a 100% level.

- The drawings will be developed to a 100% design level (drawings other than those included in the Sheet List is not included in the scope)

- The Design Builder will develop technical specifications to supplement the drawings as required and to complete the design to a 100% level.

The level of effort and fee will be negotiated with the City prior to commencing the Final Design.

Project Deliverables

- Draft and Final Geotechnical Data Report (3 hard copies and electronic copy of each)
- Draft and Final Geotechnical Trenchless Report (3 hard copies and electronic copy of each)
- Draft and Final Project Permitting Plan (electronic copy)
- Meeting agendas and minutes (electronic copies)
- 30% Design Technical Exhibits (6 hard copies and electronic copy)
- 60% Design Technical Exhibits (6 hard copies and electronic copy)
- Draft GMP Technical Exhibits (6 hard copies and electronic copy)
- Final GMP Technical Exhibits (signed and stamped) (6 hard copies and electronic copy)
- Subcontractor Procurement Plan, including bid package break out, bid packaged estimated value, advertisement date, bid date and time, pre-bid site visit time and date.
- GMP Document
 - Narrative and Assumptions
 - Summary Level GMP Estimate
 - Detail Level GMP Estimate
 - Project Schedule
 - Site Logistics Plan
 - Risk Register
 - Cost Management Log

Assumptions

- Design flows for current and ultimate conditions will be furnished by the City
- City will provide the final design flows prior to initiating the Alternatives Analysis
- The Scope of Work is based on a force main alignment of 10,500 feet
- The Scope of Work assumes a five (5) month design period through the GMP Level design. GMP Amendment to be prepared for inclusion in the January 16th, 2019 City Council agenda.

- The City will require a minimum 10-day review period on major deliverables
- Subsurface utilities location (potholing) is included in the Scope of Work under “trade partners” fee provided by Mortenson.
- It is assumed that adequate power is available near the Influent Flow Control Structure site. If not, utility company will be responsible to bring power close to the site including any related design.
- It is assumed that potable water connection is available in close proximity (< 1000 feet) to the Influent Flow Control Structure site
- Emergency storage basin at the Influent Flow Control Structure site is not included in the Scope of Work
- Landscaping and irrigation plans are not included
- Assumed one building for Electrical Panels, Generator and Odor Control (CMU with Steel Roof); Fuel tank will be sited outside
- City will provide available CAD base files for the WRF
- Design for temporary services, including, but not limited to water, sewer, electricity, telephone, and gas, are not included in our Scope of Work
- All exhibits will be 2-dimensional (2D) and prepared in AutoCAD 2016
- Technical specifications will be furnished in sufficient detail, and as coordinated with Mortenson and the City, to support the GMP preparation. Equipment cut sheets will be utilized where specific equipment items can be identified
- Environmental evaluation and mitigation, including contaminated soils or groundwater, should they be found during excavation, is not included in the current Scope of Work
- Architectural renderings will be computer generated.
- Acoustical analyses/noise study is not included in our Scope of Work.
- This proposal is based on the understanding that Mortenson will be developing the GMP during the progress of this Scope of Work. Kennedy/Jenks will support Mortenson’s effort with developing the GMP by providing the Technical Exhibits defined in this scope of work, and through the regular communication, meetings and workshops identified. Interim submittals, other than those identified in this Scope of Work, are not anticipated or budgeted as part of this proposal.
- Permit fees to the respective agencies and payments to private property owners for easements are not included in the Scope of Work and will be provided by the City

Exhibit 4.1 - Compensation

Bend North Interceptor Sewer Project
Phase 1 Services Fee Summary - Alternative Analysis Study
Status Date: March 15, 2018



			Design Builder- Mortenson																		
WORK PLAN TASK	POSITION	SUBTOTAL	Const Executive			Proj Manager		General Supt		Sr Estimator/DPM		Design & Engineering		Misc Expenses							
			(hrs)	\$	175	(hrs)	\$	125	(hrs)	\$	130	(hrs)	\$	140							
1 Project Initiation																					
Project Kickoff Meeting - w/ main precon			1 mtgs	8 hrs each		8	\$	1,400	8	\$	1,000		\$	-	8	\$	1,120		\$	2,120	
							\$	-		\$	-		\$	-		\$	-				
							\$	-		\$	-		\$	-		\$	-				
Subtotal Task					\$	5,640		\$	1,400		\$	1,000		\$	-		\$	1,120		\$	2,120
2 Engineering and Design Development																					
Alternatives Workshops - in Bend			3 mtgs	8 hrs each		24	\$	4,200	24	\$	3,000		\$	-	24	\$	3,360		\$	6,360	
Pricing Studies						20	\$	3,500	40	\$	5,000		\$	-	80	\$	11,200		\$	150	
Kennedy Jenks - see attached for detail							\$	-		\$	-		\$	-		\$	-	\$	339,000		
Trade Partners							\$	-		\$	-		\$	-		\$	-		\$	10,000	
							\$	-		\$	-		\$	-		\$	-				
Subtotal Task					\$	385,770		\$	7,700		\$	8,000		\$	-		\$	14,560		\$	339,000
								\$	7,700		\$	8,000		\$	-		\$	14,560		\$	339,000
TOTAL COST					\$	391,400		\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
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								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
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								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$	9,000		\$	-		\$	15,700		\$	339,000
								\$	9,100		\$										

Bend North Interceptor Sewer Project - Lift Station
Phase 1 Services Fee Summary - Design to 90% - Rev 2

Status Date: May 21, 2018



			Design Builder- Mortenson															
WORK PLAN TASK	POSITION	SUBTOTAL	Const Executive			Proj Manager		General Supt		Sr Estimator/DPM		Engineering & Trade Partners		Misc Expenses				
			(hrs)	\$	175	(hrs)	\$	125	(hrs)	\$	130	(hrs)	\$	140				
1 Project Initiation & Management																		
General Project Management			-	\$	-	69	\$	8,650	-	\$	-	-	\$	-				
- pay apps, trade partner coordination			-			-			-			-						
- permit coordination, procurement plan			-			-			-			-						
- buyout, contracts, outreach			-			-			-			-						
Public Outreach			20	\$	3,500	-	\$	-	20	\$	2,600	-	\$	-			\$	250
Scheduling			-	\$	-	72	\$	9,000	-	\$	-	-	\$	-				
				\$	-		\$	-		\$	-		\$	-				
Subtotal Task		\$ 24,000	\$ 3,500			\$ 17,650		\$ 2,600		\$ -		\$ -		\$ 250				
2 Engineering and Design Development																		
Design Workshops - bi-weekly - Bend			144	\$	25,200	144	\$	18,000	-	\$	-	144	\$	20,160			\$	20,475
Other design meetings - PDX			48	\$	8,400	48	\$	6,000	-	\$	-	48	\$	6,720			\$	1,275
			-	\$	-	-	\$	-	-	\$	-	-	\$	-			\$	-
Kennedy Jenks - see attached for detail			-	\$	-	-	\$	-	-	\$	-	-	\$	-	\$ 2,550,286		\$	-
Trade Partners			-	\$	-	-	\$	-	-	\$	-	-	\$	-	50,000		\$	-
				\$	-		\$	-		\$	-		\$	-				
				\$	-		\$	-		\$	-		\$	-				
Subtotal Task		\$ 2,706,516	\$ 33,600			\$ 24,000		\$ -		\$ 26,880		\$ 2,600,286		\$ 21,750				
3 Estimating																		
30% Design																		
- Constructability Review			10	\$	1,750	20	\$	2,500	-	\$	-	20	\$	2,800			\$	-
- Estimating			-	\$	-	10	\$	1,250	-	\$	-	60	\$	8,400			\$	125
- Presentation			8	\$	1,400	8	\$	1,000	-	\$	-	8	\$	1,120			\$	1,590
			-	\$	-	-	\$	-	-	\$	-	-	\$	-			\$	-
60% Design			-			-			-			-					\$	-
- Constructability Review			10	\$	1,750	20	\$	2,500	20	\$	2,600	20	\$	2,800			\$	-
- Estimating			-	\$	-	10	\$	1,250	-	\$	-	60	\$	8,400			\$	125
- Presentation			8	\$	1,400	8	\$	1,000	-	\$	-	8	\$	1,120			\$	1,590
			-	\$	-	-	\$	-	-	\$	-	-	\$	-			\$	-
GMP			-			-			-			-					\$	-
- Constructability Review			10	\$	1,750	20	\$	2,500	20	\$	2,600	20	\$	2,800			\$	-
- Estimating			-	\$	-	10	\$	1,250	-	\$	-	60	\$	8,400			\$	125
- Presentation			8	\$	1,400	8	\$	1,000	-	\$	-	8	\$	1,120			\$	1,590
- Contract Negotiations			20	\$	3,500	-	\$	-	-	\$	-	-	\$	-			\$	530
			-	\$	-	-	\$	-	-	\$	-	-	\$	-				
				\$	-		\$	-		\$	-		\$	-				
Subtotal Task		\$ 75,035	\$ 12,950			\$ 14,250		\$ 5,200		\$ 36,960		\$ -		\$ 5,675				
TOTAL COST		\$ 2,805,600	\$ 50,100			\$ 55,900		\$ 7,800		\$ 63,800		\$ 2,600,300		\$ 27,700				

Exhibit 4.2 - Compensation
Detail for Kennedy/Jenks Line

Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: Mortenson

PROJECT Description: NISP East Segment - Influent Flow Control Structure

Proposal/Job Number:

Date: 5/21/2018

	Eng-Sci-9	Eng-Sci-8 Project Manager	Eng-Sci-8 Design Manager	Eng-Sci-8 Pipeline Design	Eng-Sci-7	Eng-Sci-6	Eng-Sci-4	Eng-Sci-3	CAD-Design	Project Administrator	Total	KJ Labor	KJ Escalation	KJ Associated Project Costs	Sub Century West	Sub McMillan Jacobs - Geotech	Sub FlowScience - Surge Analysis	Sub 	KJ Sub-Markup	KJ ODCs	Total Labor (Including Associated Project Costs)	Total Subs (Including 5% markup)	Total Expenses	Total Labor + Subs + Expenses
Classification:																								
Hourly Rate:	\$255	\$235	\$235	\$235	\$225	\$195	\$170	\$150	\$155	\$125	Hours	Fees	0%	3%	Fees	Fees	Fees	Fees	5%	Fees				Fees
Task 1 - Project Management & QA/QC																								
Task 1.1 Project Coordination and Management		160	80		84					80	404	\$85,300	\$0	\$2,559					\$0	\$86,240	\$87,859	\$0	\$86,240	\$174,099
Task 1.2 Public Outreach Support		8	24		16		16				64	\$13,840	\$0	\$415	\$13,774				\$689		\$14,255	\$14,463		\$28,718
Task 1.3 Monthly Invoices (6)		24	12								36	\$8,460	\$0	\$254					\$0		\$8,714	\$0		\$8,714
Task 1.4 Change Management (Decision Log)		40	80								120	\$28,200	\$0	\$846					\$0		\$29,046	\$0		\$29,046
Task 1.5 Quality Management	168										168	\$42,840	\$0	\$1,285					\$0		\$44,125	\$0		\$44,125
Task 1.6 Schedule Management		48	24								72	\$16,920	\$0	\$508					\$0		\$17,428	\$0		\$17,428
Task 1.7 - Meetings																					\$0			
Project Kick-off Meeting w/ City (1)		12	12		12		16				52	\$11,060	\$0	\$332					\$0		\$11,392	\$0		\$11,392
Prograss Meetings w/ City (6)		48	48	24	56	24	32				232	\$50,920	\$0	\$1,528					\$0		\$52,448	\$0		\$52,448
Design Builder Meetings (16)		48	48	24	48						168	\$39,000	\$0	\$1,170					\$0		\$40,170	\$0		\$40,170
																			\$0			\$0		
Task 1 - Subtotal	168	388	328	48	216	24	64	0	0	80	1316	\$296,540	\$0	\$8,896	\$13,774	\$0	\$0		\$689	\$86,240	\$305,436	\$14,463	\$86,240	\$406,139
Task2 - Supplemental Eng. Analysis, Investigations, Project Services																								
Task 2.1 - Geotechnical Investigation and Reports		4	8				8	8			28	\$5,380	\$0	\$161	\$3,415	\$227,000			\$11,521		\$5,541	\$241,936		\$247,477
Task 2.2 - Surveying			2	2			8		16		28	\$4,780	\$0	\$143	\$65,405				\$3,270		\$4,923	\$68,675		\$73,599
Task 2.3 - ROW, Easement Acquisition, & Public Outreach Support			8	8			8	8			32	\$6,320	\$0	\$190	\$137,720				\$6,886		\$6,510	\$144,606		\$151,116
Task 2.4 - Permitting			8	8			24	12			52	\$9,640	\$0	\$289	\$143,390				\$7,170		\$9,929	\$150,560		\$160,489
Task 2.5 - Data Acquisition/Review		4	8	8	8	8	24	24			84	\$15,740	\$0	\$472					\$0		\$16,212	\$0		\$16,212
Task 2.6 - Field Reconnaissance & Archi				16		16	16				48	\$9,600	\$0	\$288					\$0		\$9,888	\$0		\$9,888
Task 2.7 - Surge Analysis			4				24				28	\$5,020	\$0	\$151			\$30,000		\$1,500		\$5,171	\$31,500		\$36,671
Task 2.8 - BODR (Draft and Final)		4	16	16	20	16	40				112	\$22,880	\$0	\$686							\$23,566	\$0		\$23,566
Task 2 - Subtotal	0	12	54	58	28	40	152	52	16	0	412	\$79,360	\$0	\$2,381	\$349,930	\$227,000	\$30,000		\$30,347	\$0	\$81,741	\$637,277	\$0	\$719,017
Task 3 - Technical Exhibits																								
Task 3.1 - 30% Design Plans and Specifications		20	48	48	304	440	160	400	392	24	1836	\$332,420	\$0	\$9,973	\$17,040	\$34,000			\$2,552		\$342,393	\$53,592		\$395,985
Task 3.2 - 60% Design Plans and Specifications		20	60	80	424	680	280	600	800	24	2968	\$530,200	\$0	\$15,906	\$17,040	\$34,000			\$2,552		\$546,106	\$53,592		\$599,698
Task 3.3 - GMP Level Design Plans and Specifications (Draft and Final)		20	40	40	184	240	240	240	320	24	1348	\$241,100	\$0	\$7,233	\$17,040	\$20,000			\$1,852		\$248,333	\$38,892		\$287,225
Task 3.4 - Workshops (4)		48	64	32	64	32	32				272	\$59,920	\$0	\$1,798					\$0		\$61,718	\$0		\$61,718
Task 3 - Subtotal	0	108	212	200	976	1392	712	1240	1512	72	6424	\$1,163,640	\$0	\$34,909	\$51,120	\$88,000	\$0	\$0	\$6,956	\$0	\$1,198,549	\$146,076	\$0	\$1,344,625
Task 4 - GMP Support																								
Task 4 - GMP Support		24	24	48	48	48	72	72	80		416	\$78,160	\$0	\$2,345					\$0		\$80,505	\$0		\$80,505
Task 4 - Subtotal	0	24	24	48	48	48	72	72	80	0	416	\$78,160	\$0	\$2,345	\$0	\$0	\$0		\$0	\$0	\$80,505	\$0	\$0	\$80,505
All Phases Total	168	532	618	354	1268	1504	1000	1364	1608	152	8568	\$1,617,700	\$0	\$59,808	\$414,824	\$315,000	\$30,000		\$37,991	\$86,240	\$1,666,231	\$812,278	\$86,240	\$2,550,286

Consultant Fee Determination Summary Sheet
Mortenson
City of Bend - North Interceptor 90%-Design Report
 "Project #"

Employee Type		PERSONNEL & LABOR RATE												
		Matt Rogers - VP	Sr. Project Manager - Jim Pex	Sr. Project Manager - Ron Weigel	Project Manager - Tom Headley	Project Manager - Bill Brackett	Sr. Staff Engineer - Kyle Bonnet	EIT - Victoria Oldham	Project Coordinator - Shelley Nelson					
Activity Code (see below)		163	102	102	103	103	104	123	117					
TASK NUMBER	RATE	\$221.00	\$190.00	\$190.00	\$155.00	\$155.00	\$130.00	\$105.00	\$75.00	MAN HOURS	LABOR COST	ITEMIZED EXP	SUB COST	TOTAL COST
DESCRIPTION														
1	Project Mangement (PM)		88						24	112	\$18,520	\$600		\$19,120
2	Alternatives Analysis Report									0	\$0	\$0		\$0
2.1	Alternatives Analysis									0	\$0	\$0		\$0
2.2	Draft Alternatives Analysis									0	\$0	\$0		\$0
2.3	Workshop									0	\$0	\$0		\$0
2.4	Final Report									0	\$0	\$0		\$0
3	Supplimental Engineering Analysis (SUBS & Permitting)									0	\$0	\$0		\$0
3.1	Geotech Investigation		12						3	15	\$2,505	\$0		\$2,505
3.2	Geotech/Tenchless Report		4						2	6	\$910	\$0		\$910
3.3	Boring Design (Jacobs)		4											
3.4	Surveying		12				30		3	45	\$6,405		\$59,000	\$65,405
3.5	ROW & Easement Acquisition		20		180		40	40	3	243	\$36,125	\$400	\$101,195	\$137,720
3.6	E.Segment General Permitting		20		600		20	40	3	683	\$103,825	\$1,000		\$104,825
3.7	Environmental Permitting (JPA adds \$7500)		4				6	16	3	29	\$3,445	\$0	\$16,000	\$19,445
3.8	Historical Research (HRA)		0						0	0	\$0	\$0	\$0	\$0
3.9	Public Outreach (JLA Allowance 50 hrs)		8		16			16	3	43	\$5,905	\$0	\$7,869	\$13,774
3.10	Traffic Control		4				40			44	\$5,960	\$0		\$5,960
4.1	Project Mangement for Design/Meetings	2	200	4	20		20			246	\$44,902	\$250		\$45,152
4.1.2	Specifications									0	\$0	\$0		\$0
4.1.3	Cost Estimate									0	\$0	\$0		\$0
4.1.4	30% Review Meeting									0	\$0	\$0		\$0
4.2.1	60% Design Package Plans									0	\$0	\$0		\$0
4.2.2	Specifications									0	\$0	\$0		\$0
4.2.3	Cost Estimate									0	\$0	\$0		\$0
4.2.4	60% Review Meeting									0	\$0	\$0		\$0
4.3.1	90% Design Package Plans									0	\$0	\$0		\$0
4.3.2	Specifications									0	\$0	\$0		\$0
4.3.3	Cost Estimate									0	\$0	\$0		\$0
4.3.4	90% Review Meeting									0	\$0	\$0		\$0
4.4.1	Final Design Package Plans									0	\$0	\$0		\$0
4.4.2	Specifications									0	\$0	\$0		\$0
4.5	GMP									0	\$0	\$0		\$0
										0	\$0	\$0		\$0
										0	\$0	\$0		\$0
Total Manhours		2	376	4	816	0	116	112	44	1466				
Total Labor Cost		\$442	\$71,440	\$760	\$126,480	\$0	\$15,080	\$11,760	\$3,300		\$229,262	\$2,250		\$414,816
Total Cost		\$442	\$71,440	\$760	\$126,480	\$0	\$15,080	\$11,760	\$3,300		\$229,262	\$2,250	\$184,064	
Total % by Time over 6 months Estimated % Time over 6 months			39% 25%	0% 10%	85% 80%	0% 50%	12% 80%	12% 80%						

McMillen Jacobs: North Interceptor Sewer Project - East Segment													
TASK	Principal M Havekost	Associate W Lang	Associate J Schick	Geotechnical Designer B Duevel	Project Engineer G Bee	Staff Geologist J Irizarry	Trenchless Designer L Erickson	CADD	Subtotal Hours	Subtotal Cost	Geophysics Field Charge	Expenses ⁽¹⁾	Total by Task
	\$250.00	\$195.00	\$175.00	\$180.00	\$110.00	\$95.00	\$160.00	\$110.00					
Task 1 - Project Management													\$15,860.00
- Coordination , Invoicing, Subconsultants			16						16	\$2,800.00			
- Biweekly meetings			16						16	\$2,800.00			
- Kickoff meeting and workshop			8	16					24	\$4,280.00		\$ 500.00	
- Progress Design Meetings (30%, 60%, 90%)			12	16					28	\$4,980.00		\$ 500.00	
Task 2 - Alternatives Analysis													\$0.00
Task 3.1 - Geotechnical Investigation													\$138,500.00
- Coordination (ROE, Work Plan, Borehole Locating, Permitting)			40	2		16		8	66	\$9,760.00		\$ 500.00	
- Geophysics and Field Reconnaissance			40	2					42	\$7,360.00	\$80,000.00		
- Subsurface Investigation			24	6		80			110	\$12,880.00	\$25,000.00	\$ 3,000.00	
Task 3.2 Geotechnical / Trenchless Design and Report													\$81,150.00
- Geotechnical Design - Pipeline			4	24	40				68	\$9,420.00		\$500.00	
- Geotechnical/Structural Evaluation - Shaft	1		4	12	24				41	\$5,750.00			
- Trenchless Analysis	2	2	16	16			32		68	\$11,690.00			
- Blasting Evaluation and Constraints	1		8	4	16		16		45	\$6,690.00			
- Trenchless Evaluation / Design	1		4	4			40		49	\$8,070.00			
- Draft Geotechnical Data Report		2	16	4		40		32	94	\$11,230.00			
- Final Geotechnical Data Report			4	2		12		8	26	\$3,080.00			
- Draft Geotechnical/Trenchless Report		2	8	16	40	16	40	32	154	\$20,510.00			
- Final Geotechnical/Trenchless Report		2	4	4	8		4	8	30	\$4,210.00			
Task 3. Design (30%, 60%, 90% and Final)													\$79,380.00
- Misc. Geotechnical Design Support			16	16	8		16		56	\$9,120.00			
- Trenchless Design (3 sheets)	1		4	12			32	60	109	\$14,830.00			
- Geotechnical Baseline Report (Crossing Only)	2		16	16	24		40	32	130	\$18,740.00			
- Drawing Review			4	12			8		24	\$4,140.00			
- Specification Development (Trenchless, Shaft, Blasting, Monitoring)	8		16	24	16		24		88	\$14,720.00			
- Incorporation into Alternatives Analysis	2		8	8			16		34	\$5,900.00			
Task 3 – Hazard Rating System and Reporting													
	MAN HOURS		19	8	236	196	176	164	300	220	1319		
	LABOR COST (\$)		\$4,750.00	\$1,560.00	\$41,300.00	\$35,280.00	\$19,360.00	\$15,580.00	\$48,000.00	\$24,200.00			
	MCMILLEN JACOBS ASSOCIATES LABOR (\$)										\$190,030.00		
	SUBCONTRACTOR COSTS (\$)										\$105,000.00		
	MCMILLEN JACOBS ASSOCIATES EXPENSES (\$)											\$5,000.00	
	OUTSIDE EXPENSES (\$)												
PROJECT TOTAL EXPENSES			\$4,750.00	\$1,560.00	\$41,300.00	\$35,280.00	\$19,360.00	\$15,580.00	\$48,000.00	\$24,200.00			\$314,890.00
Estimated Project Cost													\$314,890.00

Geophysics & Field Reconnaissance	
Andy Siemens Rate	\$180/hr
Field Crew	\$3,000/day
Equipment Rental	\$7,500



City of Bend - North Interceptor

Draft Budget with Appraisals 5-17-18

APPRAISAL ESTIMATE

Appraisals	11	Each	@	\$4,000		\$44,000.00	
Appraisal Review	11	Each	@	\$1,000		\$11,000.00	
Project Manager	10	Hours		\$98.00		\$980.00	
Total Appraisal Fee							\$53,230.00

NEGOTIATION ESTIMATE

Corporate Oversight	4	Hours	\$130.00	\$520		\$520.00	
Project Manager	8	Hours	\$98.00	\$784	11	\$8,624.00	
R/W Agent	28	Hours	\$65.00	\$1,820	11	\$20,020.00	
R/W Agent	6	Hours	\$52.00	\$312	11	\$3,432.00	
Administrative Assistant	3	Hours	\$40.00	\$120.00	11	\$1,320.00	
Mileage	5,000	Miles	\$0.545			\$2,725	
Preliminary Title & Title Ins.	11	Each	\$400.00			\$4,400	
Miscellaneous Expenses						<u>\$500</u>	
Total Acquisition Consultant Estimate							<u>\$41,541.00</u>

CONDEMNATION SUPPORT ESTIMATE

Project Manager	2	Hours	\$98.00	\$196	11	\$1,078.00	
R/W Agent	6	Hours	\$65.00	\$390	11	\$4,290.00	
Title Specialist	2	Hours	\$48.00	\$96	11	\$1,056.00	
							<u>\$6,424.00</u>

Total Consultant Estimate \$101,195.00

NOTES:

(1) Estimated number of parcels. Changes in number of parcels will have an impact on the final costs. If the number of parcels is increased, the cost will increase.

(2) Estimate includes a minimum of three visits with the property owner. Universal reserves the right to use the Project Manager to acquire the property. The estimate will not be exceeded without the written permission.

(3) Mileage to be reimbursed at current IRS rate at time mileage is incurred.

Flow Science Incorporated

48 South Chester Ave., Suite 200, Pasadena, CA 91106

(626) 304-1134 • FAX (626) 304-9427



May 17, 2018

Kennedy/Jenks Consultants
421 SW 6th, Suite 1000
Portland, OR 97204

Attention: Mr. Dean Wood, P.E.
Principal

Subject: North Interceptor Sewer Project
City of Bend, Oregon
Proposal for Pressure Surge Analysis
FSI 181031

Dear Mr. Wood,

This letter responds to your request for a proposal to perform a pressure surge analysis of the proposed new pump station (PS) for the North Interceptor Sewer Project (NISP) on behalf of the City of Bend, Oregon.

From the information provided, we understand that the proposed PS will be located at either 1) the junction of the Plant Interceptor and Juniper Ridge Segment (*i.e.*, the upstream/western end of the East Segment) or 2) at the downstream/eastern end of the East Segment at the Water Reclamation Facility (WRF). For either option, the proposed PS will pump flow from a wet well to the WRF. For Option 1, the pumped flow will travel through the entire length of the East Segment to reach the WRF. For Option 2, the pumped flow will travel through a short (assumed <1,000 ft) pipeline to the WRF. We understand that a pressure surge analysis is requested for only one of these selected options as determined by an alternatives analysis to be performed by others.

For either option, pressure surges in the piping downstream of the PS will be created by the operation of the pumps at the PS through normal shutdown, the sudden loss of power, and start up. These transients will propagate out into the pipeline, and, if of large enough magnitude, can potentially damage the system piping, potentially leading to its failure. A pressure surge analysis determines the severity of such pressure transients. If these transients are deemed to be of sufficient magnitude that the maximum allowable surge pressures within the system would be exceeded or detrimental low surge pressures are predicted, then recommendations for surge mitigation measures will be provided. Pressure surges may also be generated by the opening or closing of inline valves or pipeline rupture, both of which are beyond the scope of the current evaluation but which can be added at your request.

Since this is a sewage system, the presence of small quantities of air can greatly reduce the waterhammer wave speed of the fluid because air is much more compressible than liquids at normal temperatures. Research shows that as little as one percent by volume air entrainment of a fluid can

reduce the acoustic wave speed of a pressure wave by up to 75 percent of its non-air entrained value. Therefore, we will analyze both a high and low wave speed for the pipeline.

SCOPE OF WORK

Based on the above and our previous experience with similar projects, we see the following Scope of Work and Budget as necessary to complete a pressure surge analysis of the PS and the selected option.

- Task 1 - Provide as-needed input on surge considerations during alternatives analysis (to be performed by others), including reviewing preliminary pump station, pipeline, and operating details, participating in conference calls, etc.
- Task 2 - Gather necessary information required to create a computer model of the system from the PS to the free surface at the headworks of the WRF for the one (1) selected PS and force main option. For Option 1, this would mean inclusion of the entire length of the East Segment between the PS and the WRF. For Option 2, this would mean inclusion of only the short length of piping between the end of the East Segment and the WRF. For either option, the pipelines upstream of the proposed PS do not need to be included in the analysis, since pressure transients will not propagate upstream beyond the free surface of the PS wet well.
- Task 3 - Establish initial non-transient hydraulic grade line elevations for the pumps operating under both minimum and maximum static lift conditions.
- Task 4 - Perform simulations for pump power failure and startup of the pumps operating under both minimum and maximum static lift conditions and under both high and low waterhammer wave speeds.
- Task 5 - Review the results of the analysis and, if deemed necessary, recommend surge protection measures required to eliminate possible adverse surges created by power failure and startup of the pump station. Although normal pump shutdown will not be modeled, the recommendations developed for pump power failure will provide adequate surge protection for planned pump shutdown as well. These may include, but are not limited to, the installation of pressurized surge tanks, pressure/surge relief valves, vacuum relief valves, or any combination thereof.
- Task 6 - Prepare a detailed draft and final report describing the results of the analysis and recommendations for the safe operation of the system under the scenarios analyzed. This will include necessary figures, assumptions, data, and other pertinent information used in the analysis. HGL elevation plots and predicted pressure history plots will be

Mr. Dean Wood, P.E.
Kennedy/Jenks Consultants
May 17, 2018
Page 3 of 3

provided for selected scenarios. The final report will address consolidated comments received on the draft report. The reports will be provided in electronic PDF format only.

BUDGET

We propose to complete the above Scope of Work for the Not-to-Exceed fee of \$29,736, which is based on the following estimated level of effort and our experience with similar projects.

Total Not-To-Exceed fee \$ 29,736

We estimate that we can complete the above Scope of Work within 25 working days after receipt of a signed contract and notice to proceed, along with pump station information (pump curves, pump plans and sections, valve details, and wet well water surface elevations) and pipeline information (diameter, elevations, material, and pressure class). Upon completion of the final design, we will review the plans and specifications as they pertain to surge protection to insure conformity to our recommendations.

If you have any questions or need any other information, please do not hesitate to call. We look forward to working with you on this project.

Sincerely,



Kristen Bowman Kavanagh, P.E. (OR)
President and Principal Engineer

SCHEDULE OF HOURLY BILLING RATES

STANDARD RATES

Effective January 2018

PROFESSIONAL

Principal Consultant	\$318.
Principal Engineer IV	237.
Principal Engineer III	211.
Principal Engineer II	181.
Principal Engineer I	146.
Project Engineer	146.
Associate Engineer	127.
Assistant Engineer	109.

MANAGERIAL	181.
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ADMINISTRATIVE	103.
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CLERICAL	67.
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INTERN	51.
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EXPENSES	At Cost
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MILEAGE	Prevailing IRS Rate
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JLA 2018 Classifications and Rates - Standard

	Standard Overhead Rate	170%		
	Profit Rate	10.50%		
Classification	Personnel	Title	2018 Billing Rate	2019 Billing Rate
Senior Associate 2			\$ 203.68	\$ 210.81
	Jeanne Lawson	Founding Principal, President	\$ 198.43	\$ 205.38
Senior Associate 1			\$ 182.40	\$ 188.79
	Stacy Thomas	Senior Associate/Business Development Mgr	\$ 160.78	\$ 166.41
Public Involvement Specialist 6			\$ 157.39	\$ 162.90
	Kristen Kibler	Senior Program Manager, Director of Finances	\$ 152.37	\$ 157.70
Public Involvement Specialist 5			\$ 139.57	\$ 144.46
	Kalin Schmoltdt	Director of eParticipation and Creative Services	\$ 125.49	\$ 129.88
	Adrienne DeDona	Program Mgr/SW Washington Office Mgr	\$ 124.29	\$ 128.64
	Sylvia Ciborowski	Program Manager	\$ 123.34	\$ 127.65
Public Involvement Specialist 4			\$ 123.24	\$ 127.55
	Jessica Pickul	Program Manager	\$ 117.49	\$ 121.60
	Katy Belokonny	Marketing and Communications Specialist	\$ 113.37	\$ 117.34
	Sam Beresky	Digital Storyteller/Program Mgr	\$ 112.39	\$ 116.32
Public Involvement Specialist 3			\$ 106.22	\$ 109.94
	Shareen Springer	Program Manager / Eugene Office Lead	\$ 104.42	\$ 108.08
	Jamie Harvie	Marketing and Communications Specialist	\$ 99.11	\$ 102.58
Public Involvement Specialist 2			\$ 93.29	\$ 96.55
	Irene Kim	Program Coordinator	\$ 90.61	\$ 93.78
	April Hasson	Program Coordinator	\$ 88.91	\$ 92.02
	Jessica Bull	Program Coordinator	\$ 88.91	\$ 92.02
	Bill Walters	Communications Spcst/ Program Manager	\$ 85.03	\$ 88.01
	Tracie Heidt	Program Coordinator	\$ 80.70	\$ 83.53
	Josh Mahar	Program Coordinator	\$ 80.55	\$ 83.37
Public Involvement Specialist 1			\$ 80.72	\$ 83.54
	Hannah Mills	Public Involvement Assistant	\$ 68.77	\$ 71.18
Administration 5			\$ 128.70	\$ 133.21
Administration 4			\$ 103.79	\$ 107.42
	Lesley Yan	Staff Accountant	\$ 86.52	\$ 89.55
Administation 3			\$ 83.03	\$ 85.94
	Miriam Hanes	Office Administrator	\$ 81.06	\$ 83.90
Administation 2			\$ 65.93	\$ 68.23
Administration 1			\$ 51.91	\$ 53.72
	Courtney Chase		\$ 44.75	\$ 46.32

Reimbursable Expenses			
Copies			
	B&W	\$	0.10
	Color	\$	1.00
Mileage	Billed at current IRS rate	\$	0.545

All other expensese incurred as part of the project (professional printing, translation, etc.) will be pre-