

Construction Management Agreement

Stage Two – Civic Center Place Project

This Addendum to the Construction Management Agreement A134-2009 (the “Agreement”) is made on this ____ day of March, 2017 by and between the **City of Holland** (the “City”), a Michigan municipal corporation, of 270 S. River Ave., Holland, Michigan 40423 and **G.O. Construction** (“Contractor”), a joint venture of GDK Construction (“GDK”) and Owen-Ames-Kimball Co. (“O.A.K.”), of 12 W. 8th St., Suite 250, Holland, Michigan 49423.

- 1. Purpose of Agreement.** The parties entered into the Agreement to provide for construction management services during the construction stage for the Civic Center Place Project (the “Project”). AIA Document A134-2009 are incorporated by reference, to the extent applicable to Stage Two. The City engaged Edgewater Resources who, along with Edgewater’s sub-consultants, will serve as the architect on the Project (the “Architect”).
- 2. Contract Sum and Bidding.** Contractor will be paid the amount of the supply contracts and subcontracts plus a construction management fee of 4% as defined by AIA 134. Contract excludes the work associated with “Stage One”. Contractor will not be performing any of the Work on the Project with its own crews or those of GDK or O.A.K. Thus, no compensation will be paid under Section 6.2 and of form A134. No compensation shall be paid under Sections 4.1, 4.2, 6.6.5, and 6.6.9 of form A134. In addition, the City shall pay Contractor the sum of \$3,500.00 per week for supervision, excluding only weeks mutually agreed upon between the City of Holland and GO Construction. Weekly supervision rates shall begin 3 weeks prior to the start of construction activity, or at a time mutually agreed upon at a later date based on a change in work activities, and shall end the earlier of (a) when the punch list is complete or (b) upon the start of liquidated damages.
 - a.** Contractor will solicit competitive bids from qualified suppliers for material for the Project and from qualified subcontractors for work on the Project. Bids will be solicited within 15 working days of receipt of construction and bid documents from the Architect (the “Plans”).
 - b.** Prior to soliciting bids, the Contractor shall review the Plans from the Architect for constructability of a complete Project. If during this review, or thereafter, the Contractor discovers any conflict, error, ambiguity, or discrepancy, the Contractor shall notify the Architect and shall obtain a written interpretation or clarification from the Architect before proceeding with any Work affected thereby.
 - c.** The supplier and subcontractor bids will be presented before the City Council with a recommendation of the lowest responsible bidders for approval within 2

weeks of receipt of bids. Contractor will then enter into supply contracts and subcontracts with the successful bidders.

- d. Contractor will bill the City for progress payments as set forth in Article 7 of form A134 along with weekly rates for supervision. The amount owed shall be set forth in the AIA sworn statement.
- e. The Contractor shall pay all subcontractors and suppliers.
- f. Section 6.7.3 is modified to read as follows:

Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, subcontractors *or* suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Construction Manager, subcontractor or supplier and only to the extent that the cost of repair or correction is not recoverable by the Construction Manager from insurance, sureties, subcontractors, suppliers, or others.

3. Additional Contractor's Duties. In addition to other duties of Contractor, the Contractor shall be responsible to:

- a. Arrange and manage testing of materials and mechanical systems (including those tests necessary for QECB compliance) used in the project;
- b. Provide all "Division 1" documentation and performance, the Architect will provide technical documents.
- c. Participate in the pre-construction meeting and work with the Architect to prepare a schedule of shop drawings and submittals at the pre-construction meeting for the building envelop and other critical phases.
- d. Comply with the protocol for communication established by the Architect.
- e. Determine and require use of appropriate means and methods in the performance of the work on the Project and shall cause the Project to be built in accordance with the Plans provided by the Architect.
- f. Provide notes, drawings and measurements (not later than completion of the punch list) for use by the Architect in creating "as built" plans for the Project.

4. Owner's Representative. For purposes of Section 3.2 of form A134, the Owner's representative shall be Ryan Cotton.

- 5. Contractor's Representative.** The Contractor's team shall be led by _____ (the "Responsible Person") during the entire term of this Contract. The Responsible Person shall be the primary contact person for the Contractor and shall be the person designated by Contractor to have primary responsibility over the performance by the Contractor under this Contract. Contractor shall give full attention to performance of this Agreement.
- 6. Completion Date.** The substantial completion date for the Project shall be determined by the parties following the receipt of Phase 1 and Phase 2 construction documents with final completion 30 days thereafter. The parties agree that the City will suffer damages from delay in completion but that the actual amount will be difficult or impossible to determine. The Contractor will be liable for liquidated damages in the amount of \$500.00/day for each day that expires following a forty-five day grace period from the date of substantial completion until the Project punch list is complete-
- 7. Substitutions.** Substitutions shall be in accordance with the documents approved by the Architect.
- 8. Change Orders.** The Owner or Architect may require changes, additions, deletions from the Plans during the course of construction. If the changes, additions or deletions requested by the Owner or Architect or unforeseeable conditions necessitate a change in the time for completion or an increase in the Contract Sum, the Contractor shall so advise and the change shall be set forth in a Change Order signed by the City, the Architect and the Contractor in advance of performing the change, addition or deletion. The Contractor will not be entitled to be paid or reimbursed by the City for any amount in excess of the accepted subcontractors' and suppliers' accepted bids unless set forth in a Change Order signed by the Owner, Architect and the Contractor.

No additional time or compensation shall be allowed unless reflected in a Change Order signed by the Owner, Architect and the Contractor.

If a change involves a deletion, the parties shall provide for a reduction in the Contract Sum by a Change Order signed by the City, the Architect and the Contractor. If the amount of a subcontract or supply contract is reduced, the subcontractor's or supplier's overhead and profit shall be reduced pro-rata. This paragraph supplements the provisions of Article 7 and Section 8.3 of form A201.

- 9. Insurance and Bonds.** Article 11 of form A201 is supplemented by this Section. The Contractor shall, throughout the period of this Agreement, procure and maintain general liability, owner's protective liability, builder's risk, automobile liability insurance and excess/umbrella liability insurance covering all operations of the Contractor, its agents and employees, with minimum liability limits as set forth below. The Contractor shall also maintain insurance on any inventory of material sufficient to reimburse for losses due to fire, theft or other perils. The Owner and the Architect and their directors, officials, officers, agents and employees shall be named as additional insureds on the

general liability, owner's protective liability, builder's risk, automobile liability insurance and excess/umbrella liability insurance. The Contractor shall also procure and maintain, throughout the period of this Agreement, workers' compensation and employer liability insurance coverage for all of its employees involved in the performance of this Contract and employers' liability insurance. Certificates evidencing insurance and endorsements showing the additional insureds shall be provided to Owner and shall be maintained during Contractor's performance of this Agreement.

All insurance policies and certificates must include an endorsement providing thirty (30) days prior written notice to the Owner of cancellation and/or reduction of coverage. The Contractor shall cease operations on the occurrence of any such cancellation or reduction in coverage, and it shall not resume operations until new insurance is in full force and effect. The Contractor and any of its subcontractors shall require their insurance carriers to waive all rights of subrogation against the Owner, its directors, officers, agents, and employees and against other contractors and subcontractors.

The limits of liability for the insurance required by this Contract shall be for not less than the following amounts or greater where required by Laws and Regulations:

Workers' Compensation	State Statutory
Employer's Liability:	\$100,000.00 each Accident/Occurrence.
Comprehensive General Liability with completed operations coverage and an Owner's & Contractor's Protective Liability Policy:	
Bodily Injury or Death (including completed operations and products liability):	
\$1,000,000.00	Each Person
\$2,000,000.00	Each Occurrence
Property Damage:	
\$1,000,000.00	Each Occurrence
\$2,000,000.00	Aggregate
Comprehensive Automobile Liability:	
Bodily Injury and Death:	
\$1,000,000.00	Each Person
\$2,000,000.00	Each Accident/Occurrence
Property Damage:	
\$1,000,000.00	Each Accident/Occurrence
\$2,000,000.00	Aggregate

Builder's Risk:

\$2,000,000.00

Each Accident/Occurrence

\$2,000,000.00

Aggregate

Policies shall be written on a comprehensive form to include hired and non-owned vehicles.

Excess Liability Coverage shall be in the amount of \$5,000,000.00, aggregate.

Contractor shall provide the City with performance and payment bonds issued by appropriate sureties in the amount of the Contract Sum, as required by MCL 129.201 with the premiums billed to the City by the Contractor as a reimbursable.

The insurance required of Contractor shall be deemed the primary coverage to the extent of required coverage. The Contractor's insurance shall be maintained in effect until the date that final payment is paid.

10. Warranty. Notwithstanding Sections 9.9.1 and 12.2.2.1 of form A201, the starting date for the correction one year warranty shall be the date of substantial completion. The Owner shall not be obligated to reimburse Contractor under Section 7.2.4 of form A134 for the cost to correct defective work.

11. Construction Liens. Section 2.2.2 of form A201 is deleted as liens may not be filed against City owned property.

12. Remedy for Default. In addition to the remedies provided in the forms A134 and A201, if the Contractor defaults on its obligations under this Agreement, the City shall be entitled to recover its investigative and enforcement costs, including attorney fees, incurred to investigate a default and enforce or pursue remedies under this Agreement.

13. Compliance with Criteria for QECBs. The Owner intends to finance a substantial portion of the Contract Sum with Qualified Energy Conservation Bonds. Contractor shall comply with (and shall require all subcontracts to comply with) the requirements set forth in Schedule 1. Contractor shall be paid only for the time spent compiling the required documentation and shall set up a budget line item under the General Conditions portion of the project to track the cost associated.

14. Nondiscrimination.

- a. Compliance with Regulations:** The Contractor shall comply with Regulations relative to nondiscrimination in Federally-assisted programs, as they may be

amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

- b. Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials in the discrimination prohibited by the Regulations, including employment practices when the Contractor covers a program set for in Appendix B of the Regulations.
- c. Solicitation (or Subcontracts, including Procurements of Materials and Equipment):** In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract or procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- d. Information and Reports:** The Contractor shall provide all information and reports required by the Regulations, or directives issues pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify and shall set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance):** In the event the Contractor's noncompliance with the nondiscrimination provisions of this contract, the City shall impose such contract sanctions as it determines to be appropriate, including, but not limited to:
 - i. Withholding payments to the Contractor under the contract until the Contractor complies and/or
 - ii. Cancellation, termination or suspension of the contract, in whole or in part.
- f. Incorporation of Provisions:** The Contractor shall include provisions of paragraphs (a) through (f) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the City may direct as a means of enforcing such provisions including sanctions for noncompliance.

15. Complete Agreement. Notwithstanding the provisions in form A134 and A201, this Agreement consists of the following:

- a.** Form A134 -2009 as executed by the Parties;

- b. Form A201 – 2007 as attached to Form A134;
- c. This Addendum;
- d. The Performance and Payment Bonds;
- e. The Contractor's Certificates of Insurance;
- f. The General Conditions, Supplemental Conditions and specifications and drawings to be provided by the Architect;
- g. The following documents shall be incorporated for reference only: Request for Qualifications, Contractor's Response Request for Qualifications, Request for Proposals, Contractor's Response to the Request for Proposals, material from stage one work.

The above documents represent the complete agreement between the parties and supersedes all prior representations, negotiations and agreements with respect to Phase Two of the Civic Center project. In the event of any conflict between the above documents, they shall be interpreted in the following order of priority: this Addendum, then form A134 as modified, then form A201 as modified, then the documents listed in Section 13 (f) of this Addendum.

16. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all counterparts, when taken together, will constitute one same Agreement. The parties agree that signatures on this Agreement may be delivered by facsimile or electronically in lieu of an original signature and agree to treat facsimile or electronic signatures as original signatures that bind them to this Agreement.

{Signatures on next page}

City-GO Construction
CM Contract – Stage One
Signature page

This Addendum is executed effective as of the date and year noted in the introductory paragraph of this contract document.

CITY:

CITY OF HOLLAND

Dated: March ____, 2017

By: _____
Nancy DeBoer
Its Mayor

Dated: March ____, 2017

Approved as to Form:

By: _____
Anna Perales
Its Deputy City Clerk

Ronald J. VanderVeen
City Attorney
Dated: March ____, 2017

CONTRACTOR:

G.O. CONSTRUCTION, a joint venture of GDK
Construction and Owen-Ames-Kimball Co.

Dated: March ____, 2017

By: GDK Construction,
joint venture member
By: _____
Its _____

Dated: March ____, 2017

By: Owen-Ames-Kimball Co.,
joint venture member
By: _____
Its _____

Schedule 1

Federal Davis Bacon Act Contract Requirements

(1) Minimum wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in Sec. 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met: (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (2) The classification is utilized in the area by the construction industry; and (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every

additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary. (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records. (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development

of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) .The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency), the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner)

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under Sec. 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is

being maintained under Sec. 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the (write the name of the agency) or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition,

any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the (write in the name of the Federal agency) may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility. (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Exhibit A

AIA Form A134 Construction Manager Contract

Exhibit B

AIA Form A201 General Conditions