




## AVOIDING AND MINIMIZING IMPACTS


The McCarthy | CannonDesign Design-Build Team's utility and third-party coordination plan is a cornerstone of our construction management approach. The plan is developed and updated in collaboration with all known utility owners and third parties, detailing the sequencing, responsibilities, and communication protocols necessary to avoid and minimize impacts.

### Key Practices Include

 Early engagement of utility owners during preconstruction to identify potential conflicts and develop prioritized action plans.

 Continuous communication and progress monitoring with franchise owners to ensure timely execution of relocations and adjustments.

 Use of advanced subsurface utility mapping and 3D modeling to document existing conditions and inform design and construction decisions.

 Field verification of utility relocations to ensure compliance with design and prevent unforeseen issues.



### DUST & NOISE MITIGATION

Minimizing dust and noise is essential for community well-being, compliance, and stakeholder relations. Strategies include:

- » Apply regular dust control on haul roads and disturbed areas, especially during dry or windy conditions.
- » Restrict heavy earthwork and demolition to county-approved hours.
- » Maintain construction equipment to minimize noise, using quieter machines and ensuring all mufflers are functional.
- » Schedule noisy activities during periods least likely to impact sensitive uses or meetings.
- » Monitor dust and noise at project boundaries and adjust practices if thresholds approach limits.



### COMMUNICATION OF TRUCK HAUL ROUTES & DELIVERIES

To minimize disruptions and keep stakeholders informed:

- » Developing detailed truck haul route plans using existing major roadways, avoiding residential areas, schools, and medical facilities wherever possible.
- » Provide stakeholders with visual maps and written schedules in advance of major deliveries.
- » Schedule deliveries and exports during off-peak traffic hours.
- » Establishing a dedicated project app for real-time updates on deliveries and major haul activities.
- » Implement notification protocols for significant changes or large delivery events, such as emails and monthly community meetings.



### VIBRATION MONITORING

To protect and preserve nearby historic structures, vibration must be controlled and documented:

- » Installing real-time vibration sensors at critical boundary locations (particularly near historic or vulnerable buildings).
- » Conducting preconstruction condition assessments of adjacent structures and documenting all findings, while providing post-project verification.
- » Setting alert thresholds based on best practices, with automatic notifications if vibrations approach limits.
- » Adopting low-vibration construction techniques when working close to sensitive areas (e.g., hydraulic instead of drop hammers).



### PEDESTRIAN & TRAFFIC SAFETY PRECAUTIONS

Ensuring public safety is a top priority throughout the project lifecycle:

- » Erecting temporary fencing or barricades to clearly separate construction from public access areas, with OSHA-compliant signage alerting pedestrians to detours and hazards.
- » Using trained flaggers or certified traffic control personnel during peak construction or delivery periods.
- » Regularly inspecting pedestrian and vehicular detour routes for obstructions, signage clarity, and adequate lighting. This will include sidewalks along 4th Street, N. Sierra Way, N. Mountain View Avenue, and W. 3rd Street.



Tab 4 (E)

## Approach to Risk Management



**4.9.** Narrative approach to risk management. Submit a narrative description of the Proposer's proposed approach to risk management for the Project. The narrative should describe the Proposer's proposed approach to working collaboratively with the County to identify, analyze, eliminate, minimize and mitigate risk to the County and the Project and to appropriately allocating the residual risks (as between the Contractor and the County) during the Phase 1 Work. The narrative should include specific examples of how the Proposer's proposed approach will identify and resolve any conflicts, errors, complications or omissions in the Project Requirements, and will eliminate or minimize the need for changes during construction.

Provide a supporting narrative describing how the Proposer previously employed the proposed approach effectively or how lessons learned from critical experiences have informed its proposed approach to managing and mitigating risk.

Provide an example risk tracking or management table (this is not required to be Project-specific) in 11 x 17 format.

## APPROACH TO RISK MANAGEMENT

McCarthy's risk management approach is collaborative, proactive, and transparent. The team works closely with the County to identify, analyze, and address risks early - minimizing impacts and ensuring project success.

### Collaborative Risk Identification

McCarthy conducts joint risk workshops and regular meetings with the County and stakeholders to identify and prioritize risks. These sessions leverage cross-disciplinary perspectives and past project experience to surface, categorize, and prioritize risks, ranging from unclear requirements and site conditions to schedule or regulatory hurdles. Following identification, risks are evaluated by likelihood and impact using a collaboratively built risk matrix. A living risk register is maintained and updated throughout Phase 1.

### Risk Analysis and Mitigation

Each identified risk is evaluated for likelihood and impact, with a prevention-first mindset guiding the process. The team employs design reviews, constructability analysis, advanced modeling, and interdisciplinary meetings to clarify ambiguities, resolve conflicts, and address errors or omissions before construction begins. Detailed requests for information (RFIs) are issued as needed to ensure compliance with project requirements and to proactively address constructability concerns. Where prevention is not possible, robust contingency plans are developed, and mitigation strategies are assigned to the party best positioned to manage each risk, ensuring prompt and effective resolution.

### Clear Risk Allocation

Risks are openly discussed and allocated between McCarthy and the County, with residual risks assigned to the party best positioned to control or mitigate them. All allocations and mitigation plans are documented in the risk register to ensure transparency and prevent misunderstandings. Regular risk meetings are held to review lessons learned and address emerging risks, maintaining alignment with project and County goals.

By combining early requirements reconciliation through the compliance matrix, robust collaboration, and continuous risk review, McCarthy's approach delivers predictable outcomes, minimizes County exposure, and ensures lasting project value.

### Minimizing Changes During Construction

In a recent project, use of the compliance matrix surfaced a misinterpretation regarding the Owner's requirements. By identifying this early on via compliance review, the design-build and County teams collaboratively resolved the issue—averting a major redesign and associated delay that could have arisen during construction.

### Compliance Matrix

McCarthy uses a compliance matrix from day one to track every Owner requirement against the design. This tool:

- » Shows how each requirement is met or exceeded.
- » Quickly flags gaps or conflicts for review.
- » Supports joint reviews with the County to resolve issues early.
- » Is updated regularly to keep the project aligned.

This process helps prevent errors and scope gaps, reducing costly changes during construction.

## CASE STUDY

### COLLABORATIVE RISK MANAGEMENT

McCarthy's Risk Register at the UCR UTLF project demonstrates proactive, collaborative risk management by working with stakeholders to identify and address risks—such as equipment procurement delays—through regular meetings and transparent documentation. Each risk is tracked with an owner, probability, impact, and mitigation plan, ensuring accountability and timely resolution. This living document supports early issue detection and minimizes costly changes.

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# PROJECT-SPECIFIC RISKS AND MITIGATION STRATEGIES

PHASE	RISK	MITIGATION STRATEGY	MEASUREMENT OF SUCCESS
1	Operational Continuity	Clearly communicate key personnel commitments over project life cycle, conduct frequent stakeholder meetings. Establish communication escalation plan (zipper plan).	Success will be demonstrated by consistent documentation of key personnel commitments, achieving at least 95% attendance by required stakeholders at scheduled meetings, and resolution of escalated issues within the defined zipper plan timeline. Stakeholder surveys should indicate a clear understanding of commitments and escalation procedures.
1	Budget and Cost Management	Use real-time budget tracking, continual reconciliation, and rapid redesign in response to unforeseen cost drivers.	Project delivered within budget; major cost threats identified and contained.
1	Regulatory Compliance	Proactively engage with agencies for document review, compliance and approval so to not delay schedule. Create permit and compliance matrix.	Success will be demonstrated by timely submission of documents to agencies, documented compliance approvals within scheduled milestones, and a permit and compliance matrix that is kept current and referenced by project teams. Delays due to agency review or missing permits should not exceed thresholds set in the project schedule. Stakeholder feedback should indicate clarity on compliance status and next steps.
1	Meet Stakeholder Conditions of Satisfaction	Lead workshop with client and team to define project-specific standards aligned with county requirements and RFP. Publish, communicate, and embed these conditions to develop a project specific culture.	Conditions discussed and recorded early in Phase 1 and maintain clear communication on standards and opportunities for improvement.
1	Public Engagement and Accessibility	Design welcoming lobby, public spaces, secure parking, daylighting, and biophilic features; conduct user feedback.	Positive client/visitor feedback; accessibility standards met/exceeded.
1	Enhanced Quality of Experience	Integrate earthy/natural interior finishes; maximize daylight; prioritize window access for offices; create social zones.	Post-occupancy surveys ≥90% satisfaction; wellness metrics improve.
1	Community Connection	Allocate spaces for public engagement and permitting; link design to downtown revitalization.	Facility utilized for civic activities; community feedback shows increased pride.
1	Complex Phasing and Logistics	Perform integrated planning, optimize access, and carefully site building for efficient circulation and minimal disruption.	Phasing milestones met; minimal disruption to surrounding operations.
1	Practical Sustainability	Employ shading, wind buffers, native landscape, and adaptable campus infrastructure. Ensure no exotic sustainability systems are selected that the County cannot maintain.	Water use, energy, and comfort metrics achieve targets; designed for future needs.
1	Campus Master Planning	Coordinate closely with County planners, fleet maintenance staff, and end-users to ensure the proposed building's location, access points, and utilities do not disrupt fleet operations. Conduct traffic, logistics, and utility impact assessments to proactively address operational conflicts. Update the master plan documentation to reflect all considerations and mitigation actions.	Success will be demonstrated by all operational impacts being identified and addressed in project plans before design finalization, zero unplanned disruptions to fleet maintenance during construction, and documented stakeholder sign-off on the updated master plan for the proposed building.
1	Sustainability and Adaptability	Integrate sustainable design principles by selecting energy-efficient systems, adaptable building layouts, and durable materials. Collaborate with County sustainability teams to set clear performance targets and plan for future adaptability to evolving needs.	Success will be demonstrated by meeting defined sustainability performance targets (such as energy or water reduction goals), documented accommodation for future building adaptability in design plans, and stakeholder confirmation that sustainability requirements were integrated without compromising operational needs.
1	Innovation through Integration	Foster cross-disciplinary collaboration by integrating input from diverse stakeholders, leveraging emerging technologies, and aligning project goals to maximize innovative solutions in planning and design. Establish regular innovation workshops and pilot integrated processes early in the planning phase to identify best practices.	Success will be demonstrated by the documented adoption of at least one cross-disciplinary innovation in the project, regular stakeholder participation in integration workshops, and feedback indicating improved collaboration and solution quality compared to baseline planning approaches.
1	Construction Schedule	Create early baseline schedule, identifying key components such as: design duration, permitting durations, procurement items, and critical path.	Baseline is established early and milestones are met accordingly. Team is diligent in Phase 1 with design, review and permitting, so that construction starts on or ahead of schedule.
1	MEP Procurement and Long Lead Time Planning	Develop and execute clear MEP procurement plan, obtaining early commitments from suppliers. Establish a long-lead equipment matrix and review progress with purchasing and Campus buyout goals.	Long lead items are released for order to maintain installation date as established in baseline schedule.
1	Timely Decision Making	Establish approval timelines for design milestones; define escalation protocols for delayed decisions; hold weekly coordination meetings to track pending actions and deadlines.	Decisions made within agreed timelines; milestone tracker shows <5% overdue items.



PHASE	RISK	MITIGATION STRATEGY	MEASUREMENT OF SUCCESS
1	Design Decision Making	All design decisions must be finalized by end of the Design Development phase. Design changes made after this point may result in delays to procurement and construction, and could require redesign, impacting cost and schedule. This reinforces the importance of project team and stakeholder alignment early in the process.	Decisions made within agreed timelines to meet procurement and construction schedules.
1	Deferred Approvals	Incorporate deferred approvals in the project schedule to ensure the design, discipline coordination, permitting, and long lead time procurement will support construction sequence with minimal impacts to other permitted elements.	Team meets or exceeds all timelines as established in the baseline schedule.
1	Collaboration with Stakeholders	Conduct regular design review meetings with key stakeholders, facilitate feedback sessions, and schedule jobsite tours focused on permanent space requirements. Document decisions and monitor accommodations.	County sign-off on design prior to GMP; all critical feedback integrated and tracked.
1	Management of Permanent Stormwater Discharge	Coordinate with civil engineers and regulatory agencies to analyze site drainage and stormwater options early. Develop a robust stormwater management plan that permanently aligns with County goals.	Stormwater plan approved by County within timelines as established in baseline schedule.
1	Understanding the Existing Soils Conditions	Review and validate the soils report; perform independent geotechnical investigation; identify and plan for risk factors (rock, contamination, undocumented fill, groundwater) prior to cost/buyout.	Confirmed geotechnical findings for utilization in building design; no scope, cost, or schedule surprises during excavation.
1	Utility Mapping and Validation	Use advanced 3D utility mapping to identify and validate all existing utility locations before design finalization. Coordinate closely with utility owners for updates.	All utilities accurately mapped and validated before construction; zero utility strikes; updated utility log maintained.
1	Flexibility and Adaptability	Design flexible workspaces and use resilient materials (e.g., weathering steel, native landscaping). Incorporate shared amenities and adaptable.	Post-occupancy surveys show increased satisfaction with flexibility; documented ability to adapt spaces for new uses.
1	Leveraging Lessons Learned	Apply strategies and solutions from reference projects (e.g., Public Defender's Office, Rosena Ranch Fire Station) to inform risk mitigation and project.	Documented integration of lessons learned; periodic review of reference project outcomes; improved project performance.
1	Civic Pride	Foster civic pride through design by creating welcoming public spaces, supporting community events, and integrating local context and history.	Community feedback and post-occupancy surveys indicate increased civic pride; number of community events hosted onsite.
1	Integrated Planning for Complex Sites	Use integrated planning and functional circulation strategies to address site constraints, optimize access, and minimize disruption during construction.	Phasing milestones met; minimal disruption to operations; stakeholder sign-off on circulation and access plans.
2	Safety of Construction Crews	Develop comprehensive site specific safety plan; conduct daily tailgate meetings and safety audits; enforce PPE usage and incident reporting. Recognize and reward safe behavior.	Zero recordable injuries; ≥98% compliance with safety audits.
2	Safety of the Public	Secure fencing and signage; schedule high-risk work during off-hours when possible; keep public egress clear; communicate regularly with community and local authorities about activities; Develop and implement a traffic management plan; use signage and flaggers as needed; schedule large deliveries for off-peak hours; coordinate with County transport officials.	No reported public incidents or injuries; positive feedback from community; minimal disruption per stakeholder feedback.
2	Existing Utilities	We are aware that there are existing utilities feeding other critical County buildings. Use in-house mapping and subsurface utility locating; coordinate with local utility owners; update utility plans as field conditions change; brief crews daily on utility locations and risks. Implement critical environment protocol.	Zero utility strikes; mapping confirmed before any excavation; utility log updated; Government Center maintains 100% online, unless for a scheduled pause in service for necessary work.
2	Dust Mitigation	Implement dust control measures (e.g., regular watering, dust fencing, street sweeping); monitor air quality on/around site; adjust activities as needed during dry/windy periods.	No air quality violations or complaints; visible dust kept within site boundaries; zero complaints by surrounding community.
2	Sound and Vibration Mitigation	Utilize noise and vibration monitoring equipment; adjust working hours and methods to minimize impact; alert county prior to community events; offer mitigation plans (barriers, quiet equipment). Understand dates critical to both the County and community events, where noise or vibration would negatively impact said event - avoid disruption on these critical dates.	No noise/vibration complaints impacting critical events; all monitoring logs within limits.
2	Keeping Stakeholders Aligned on Progress	Hold weekly progress meetings with County and stakeholder reps; provide three-week schedule look-ahead; circulate critical upcoming impacts and events via email and posted bulletins (i.e. traffic and pedestrian impacts, large deliveries, etc.).	Stakeholder satisfaction on progress; no surprises on work impacting daily operations.
2	Weather-Related Interruptions	Monitor forecasts and plan weather-sensitive activities accordingly; establish contingency plans for rain, wind, and heat events; communicate changes rapidly.	No unplanned lost time due to weather events; work re-sequenced within schedule buffer.
2	Disruptions to the Neighbors	Avoid noisy off-hour construction practices to avoid negative impacts to the neighboring residents.	No reported disruptions confirmed in surveys/feedback.
2	Haul Routes	Coordinate haul routes with County departments to ensure materials ingress and egress from the site does not disturb the County's day-to-day operations. Use traffic data to optimize proposed haul routes.	Minimal to zero impacts to members of the public and County personnel. Continuous audit of traffic patterns and adjustments as necessary.
2	Environmental Hazards During Construction	Monitor air, soil, and water quality during excavation; have contingency abatement plans for unforeseen contamination; ensure certified hazmat teams are on-call; timely submissions to SCAQMD to maintain schedule.	Zero hazardous condition violations; all environmental reports signed off by regulatory agencies.
2	Agency Reviews	Assist with navigating agency reviews and approvals. This can be an effective strategy to streamline coordination with the City and avoid any potential delays.	A city approval expeditor may help meet/accelerate the project schedule.

# Volume 3



**PRICE  
PROPOSAL**

**McCarthy would like to acknowledge the following RFI and provide a note of clarity regarding the County's response.**

Per Addendum 2 RFI #68:Letter to Bidders, Price Proposal Form, Phase 2 Margin Percentage.

Question: "The letter to Bidders states a construction cost of \$77,000,000. Price Proposal Form Phase 2 Margin Percentage states a construction cost of \$72,000,000. Please confirm the construction cost is \$77,000,000."

Answer: "The County confirms that the construction cost for the DPW Headquarters project is \$77,000,000. Proposers should use the published construction cost associated with the specific project referenced in their submittals."

**Since the County did not issue an updated *FORM VOL 3-1.1 – Price Proposal Form*, McCarthy's Phase 2 Margin Percentage Value relies on the published \$72,000,000 Construction Cost shown on the bid form. If the Phase 2 Margin Percentage Value is based off \$77,000,000 Construction cost per RFI#68, our \$3,600,000 value on Line Item 3 will increase by \$250,000 to a revised value of \$3,850,000.**

**01**

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**PRICE  
PROPOSAL**

**FORM VOL 3-1.1 – PRICE PROPOSAL FORM**

*[Proposer must complete all blanks in the form in accordance with Section 4.6 (Price Proposal evaluation criteria) of this RFQ. Proposers must review the definitions for all Price Proposal-related defined terms and the Cost Allocation Matrix when completing this form. The fees and margin included in this Price Proposal Form must be consistent with the Cost Allocation Matrix and the breakdown provided under the supporting information included with the Price Proposal. Submission of this form is an acknowledgement of Section 4.2(c) (Responsiveness Review) of the RFQ. Cells in Columns 2 and 3 and highlighted in yellow indicate those pricing elements that will be incorporated into the Contract as a Contractor Commitment. Except in the case of the Phase 1 Preconstruction Lump Sum Fee, the totals set out in Column 4 are calculated based on assumed time periods and costs and will be utilized for evaluation purposes only.]*

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>PRICING COMPONENTS</b>	<b>Phase 1 Work</b>	<b>Phase 2 Work</b>	<b>Totals For Purposes Of Evaluation Only</b>
<b>1. Phase 1 Preconstruction Lump Sum Fee</b>	<p>\$ <u>\$3,440,182.85</u></p> <p><i>(The total lump sum amount included here will be incorporated into the Contract as the Phase 1 Preconstruction Lump Sum Fee)</i></p>	Not applicable	<p>\$ <u>\$3,440,182.85</u></p> <p><i>(This should be the same as the amount included in Column 2)</i></p>
<b>2. Phase 2 Management Lump Sum Fee</b>	Not applicable	<p>\$ <u>\$6,960.00</u></p> <p><i>(The weekly lump sum fee included here will be incorporated into the Contract as the Phase 2 Management Lump Sum Fee. As set out in Section 4.6(b)(iii) (Phase 2 Management Lump Sum Fee) of the RFQ, this weekly fee will be used to calculate the Contractor Management Fee based on: (a) the agreed utilization for the Key Personnel for the Phase 2 Work, as determined under the Contract (and without reference to the assumed utilization used in this RFQ for the</i></p>	<p>\$ <u>\$849,120.00</u></p> <p><i>(Total \$ amount calculated by multiplying the per week fee set out in Column 3 by the assumed period for performance for the Phase 2 Work of 122 weeks (the assumed period for performance for the Phase 2 Work is provided for evaluation purposes only, in accordance with Section 4.6(b)(ii) (Phase 2 Management Lump Sum Fee) of the RFQ.)</i></p>

Column 1	Column 2	Column 3	Column 4
PRICING COMPONENTS	Phase 1 Work	Phase 2 Work	Totals For Purposes Of Evaluation Only
		<p><i>purposes of the calculation in Column 4; and (b) the number of weeks under the Contract Time for the Phase 2 Work, as determined under the Contract (and without reference to the assumed period for performance for the Phase 2 Work used in this RFQ for the purposes of the calculation in Column 4.)</i></p>	
<p><b>3. Phase 2 Margin Percentage</b></p>	<p>Not applicable</p>	<p><u>5.0%</u></p> <p><i>(The margin percentage included here will be incorporated into the Contract as the Phase 2 Margin Percentage, which will be applied to the Construction Cost developed and negotiated under the terms of the Contract (and without reference to the estimated Construction Cost used in this RFQ for the calculation in Column 4).)</i></p>	<p>\$ <u>3,600,000.00</u></p> <p><i>(Total \$ amount calculated by multiplying the percentage in Column 3 by the estimated Construction Cost of \$72,000,000 (the estimated Construction Cost is provided for evaluation purposes only, in accordance with Section 4.6(b)(iii) (Phase 2 Margin Percentage) of the RFQ.)</i></p>
<p><b>4. Total Evaluation Price and Fee (1+2+3)</b></p>			<p>\$ 7,889,302.85</p>

**02**

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**PRICE PROPOSAL  
SUPPORTING INFORMATION**

**FORM 60**  
**PHASE 1 PRECONSTRUCTION LUMP SUM FEE**  
**COST/PRINCE SUMMARY**


Name of Proposer McCarthy Building Companies, Inc.	End-Item deliverable Phase 1 Services
Home office address 20401 SW Birch Street, Newport Beach, CA 92660	
Division(s) and locations where Work is to be performed Home Office Division: 20401 SW Birch Street, Newport Beach, CA 92660 Location where Work is to be performed: 210 North Lena Road, San Bernardino, CA 92408	Project Number: 10.10.1777

**NOTE:** For proper calculations of cost elements link additional sheets to this summary page.

1. Direct Labor	Est. Hours	Rate Per Hour	Est. Cost	TOTAL
2. Project Management	1,038.00	\$193.52	\$200,873.76	
3. Preconstruction	2,339.00	\$161.00	\$376,579.00	
4. Design Integration	1,127.00	\$185.12	\$208,630.24	
<b>5. TOTAL DIRECT LABOR HOURS</b>	<b>4,504.00</b>		<b>TOTAL DIRECT LABOR</b>	<b>\$786,083.00</b>
6. Labor Overhead (O/H)	O/H Rate	x Base	Est. Cost	
7.	0%		\$0.00	
8.			<b>TOTAL LABOR OVERHEAD</b>	<b>\$0.00</b>
9. Direct Material			Est. Cost	
10. N/A			N/A	
11. N/A			N/A	
12. N/A			N/A	
13.			<b>TOTAL DIRECT MATERIAL</b>	
14. Equipment		Unit Cost	Est. Cost	
15. N/A		N/A	N/A	
16. N/A		N/A	N/A	
17.			<b>TOTAL EQUIPMENT</b>	<b>\$0.00</b>
18. Subcontractors			Est. Cost	
19. CannonDesign, Inc.			\$2,277,611.00	
20.				
21.				
22.			<b>TOTAL SUBCONTRACTORS</b>	<b>\$2,277,611.00</b>
23.			<b>TOTAL BURDENED COST (add lines 5, 8, and 22)</b>	<b>\$3,063,694.00</b>
24. Other Direct Costs			Est. Cost	
25. VDC Services			\$12,000.00	
26. Project Scheduling			\$12,000.00	
27. Support Services			\$160,000.00	
28.			<b>TOTAL OTHER DIRECT COSTS</b>	<b>\$184,000.00</b>
29. Travel			Est. Cost	
30. a. Transportation			\$0.00	
31. b. Per Diem or Subsistence			\$0.00	
32.			<b>TOTAL TRAVEL</b>	<b>\$0.00</b>
33. General and Administrative Expense	Rate %	% x Line 23		
34.	5%		\$153,184.70	
35.			<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSE</b>	<b>\$153,184.70</b>
36.			<b>TOTAL ESTIMATED COSTS (Total Lines 23, 28, 32 and 35)</b>	<b>\$3,400,878.70</b>
37. Fee/Profit	Total Labor and Overhead (line 5 + line 8)	Rate %	% x Total Labor and Overhead	
38.	\$786,083.00	5%	\$39,304.15	
39.			<b>TOTAL FEE</b>	<b>\$39,304.15</b>
40.			<b>TOTAL ESTIMATED PRICE (Total of Lines 36 and 39)</b>	<b>\$3,440,182.85</b>
41. Milestone /Task Number	Milestones/Tasks	Hours	Completion Date	Payment Amount
42.	Milestone 1&2 <b>Validation &amp; 100% SD &amp; OPC</b>	<b>2026.80</b>	<b>9/21/2026</b>	\$1,548,082.28
43.	Milestone 3 <b>50% DD &amp; OPC</b>	<b>2026.80</b>	<b>12/17/2026</b>	\$860,045.71
44.	Milestone 4 <b>100% DD &amp; GMP</b>	<b>450.40</b>	<b>4/13/2027</b>	\$1,032,054.86
45.			<b>TOTAL MILESTONES/TASKS (Must equal line 40)</b>	<b>\$3,440,182.85</b>

\* Attach Form Vol 3-2.1 for all proposed subcontracts. This form is for McCarthy Building Companies, Inc.

**FORM 60**  
**PHASE 1 PRECONSTRUCTION LUMP SUM FEE**  
**COST/PRINCE SUMMARY**

46. Fill in applicable sections only		
47. The Statement of Qualifications (SOQ) reflects our estimates and/or actual costs as of this date and by submitting this SOQ, the Proposer grants to the Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the SOQ as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to Contract award or execution of a Modification.		
<b>48. CERTIFICATE</b>		
The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. The Proposer represents: (a) that it has/has not ( <i>delete as appropriate</i> ) employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer) to solicit or secure a contract, and (b) that it has/has not ( <i>delete as appropriate</i> ) paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this Contract, and agrees to provide information relating to (a) and (b) above, as requested by the Contracting Officer.		
49. The SOQ as submitted represents our best estimates and/or actual costs as of this date.		
50. Type Name and Title of Proposer's Representative Paul King, Sr. Vice President	Signature 	Date** October 24, 2025
51. * Insert the day, month, and year when price negotiations were concluded and price agreement was reached. Day, month & year of negotiations to be finalized with San Bernardino County.		
52. ** Insert the day, month and year of signing (i.e., When price negotiations were concluded and mutual agreement was reached on Phase 1 Contract Price). Day, month & year of signing to be finalized with San Bernardino County.		

**McCARTHY BUILDING COMPANIES, INC.**  
**CERTIFIED COPY OF CORPORATE RECORDS**

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THE UNDERSIGNED, a duly elected Assistant Secretary of McCarthy Building Companies, Inc., a Missouri Corporation (the "Company"), certifies that she is authorized to execute this certificate on behalf of the Company.

**DELEGATION OF SIGNING AUTHORITY TO AUTHORIZED OFFICERS**

The UNDERSIGNED further certifies that below is a true and correct abstract of a resolution adopted by Unanimous Written Consent of the Board of Directors, effective as of January 1, 2025, and that the resolutions have not been amended or revoked in any manner, and remain in full force and effect:

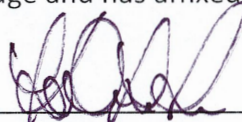
NOW THEREFORE BE IT RESOLVED, that pursuant to the authority set forth in Section 5.1 of the Bylaws, each Authorized Officer is hereby authorized, empowered, and directed in their capacity as an officer of the Company to do any of the following:

1. Sign, on behalf of and in the name of the Company, bids, proposals, qualifications, mechanics lien waivers, releases, and any and all surety bonds of whatever nature, and execute and deliver contracts and subcontracts, including amendments and supplements thereto.
2. Negotiate and conclude any contract, agreement, and lease, and make and execute any document or take any other action which he or she may deem necessary, proper, or convenient for acquiring and maintaining adequate machinery, equipment, vehicles, facilities, and furniture and fixtures necessary to the performance of the Company's business.

**APPOINTMENT AS AN AUTHORIZED OFFICER**

THE UNDERSIGNED certifies that by way of resolutions adopted by unanimous written consent of the Company's Board of Directors effective as of January 1, 2025, Paul King, Senior Vice President Operations, SoPac Region was appointed as an Authorized Officer, and authorized to sign documents on behalf of the Company as described in the abstract of the resolution provided above.

IN WITNESS WHEREOF, the undersigned is familiar with the matters certified herein and makes this certificate based on her personal knowledge and has affixed her signature on February 18, 2025.



\_\_\_\_\_  
Kristina De La Rosa  
Assistant Secretary  
McCarthy Building Companies, Inc.

(Corporate Seal)

Position	Milestone 1 (Hours) Final Program Validation Report and Conceptual Design Base Information	Milestone 2 (Hours) 100% Schematic Design and OPC	Milestone 3 (Hours) 50% Design Development and OPC	Milestone 4 (Hours) 100% Design Development and submittal of Phase 2 Proposal (including GMP)	Total hours	Rate	Total \$
Preconstruction Manager	165	206	206	247	823	\$ 223	\$ 183,589
Assistant Preconstruction Manager	104	130	130	156	520	\$ 158	\$ 82,154
MEP Estimator	87	108	108	130	433	\$ 121	\$ 52,429
Estimator	113	141	141	169	563	\$ 104	\$ 58,582
Design Manager	156	195	195	234	780	\$ 197	\$ 153,648
Assistant Design Manager	69	87	87	104	347	\$ 158	\$ 54,769
Project Executive	90	113	113	135	451	\$ 212	\$ 95,534
Project Manager	69	87	87	104	347	\$ 174	\$ 60,315
Superintendent	48	60	60	70	240	\$ 188	\$ 45,063
<b>Total</b>	<b>901</b>	<b>1127</b>	<b>1127</b>	<b>1349</b>	<b>4504</b>		<b>\$ 786,083</b>

**FORM 60**  
**PHASE 1 PRECONSTRUCTION LUMP SUM FEE**  
**COST/PRINCE SUMMARY**

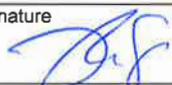
Name of Proposer McCarthy Building Companies, Inc. Subcontractor: CannonDesign, Inc. <hr/> Home office address for McCarthy Building Companies, Inc. 20401 SW Birch Street, Newport Beach, CA 92660 Home office address for CannonDesign, Inc. 2875 Michelle Drive Ste. 210, Irvine, CA 92606	End-Item deliverable Phase 1 Services
Division(s) and locations where Work is to be performed Home Office Division for McCarthy Building Companies, Inc.: 20401 SW Birch Street, Newport Beach, CA 92660 Location where Work is to be performed: 210 North Lena Road, San Bernardino, CA 92408	Project Number: 10.10.1777

**NOTE:** For proper calculations of cost elements link additional sheets to this summary page.

1. Direct Labor	Est. Hours	Rate Per Hour	Est. Cost	TOTAL	
2. Design, Design Integration, Project Management	5,178.35	\$260.00	\$1,346,371.00		
3.					
4.					
5. <b>TOTAL DIRECT LABOR HOURS</b>	<b>5,178.35</b>		<b>TOTAL DIRECT LABOR</b>	<b>\$1,346,371.00</b>	
6. Labor Overhead (O/H)	O/H Rate	x Base	Est. Cost		
7.	0%		\$0.00		
8.			<b>TOTAL LABOR OVERHEAD</b>	<b>\$0.00</b>	
9. Direct Material			Est. Cost		
10. N/A			N/A		
11. N/A			N/A		
12. N/A			N/A		
13.			<b>TOTAL DIRECT MATERIAL</b>		
14. Equipment		Unit Cost	Est. Cost		
15. N/A		N/A	N/A		
16. N/A		N/A	N/A		
17.			<b>TOTAL EQUIPMENT</b>	<b>\$0.00</b>	
18. Subcontractors			Est. Cost		
19. Subconsultants to CannonDesign, Inc. - Psomas, Coffman, IMEG, MIG, Resonance, The Consulting Group, Jensen Hughes			\$784,261.00		
20.					
21.					
22.			<b>TOTAL SUBCONTRACTORS</b>	<b>\$784,261.00</b>	
23.			<b>TOTAL BURDENED COST (add lines 5, 8, and 22)</b>	<b>\$2,130,632.00</b>	
24. Other Direct Costs			Est. Cost		
25. Support Services			\$146,979.00		
26.					
27.					
28.			<b>TOTAL OTHER DIRECT COSTS</b>	<b>\$146,979.00</b>	
29. Travel			Est. Cost		
30. a. Transportation			\$0.00		
31. b. Per Diem or Subsistence			\$0.00		
32.			<b>TOTAL TRAVEL</b>	<b>\$0.00</b>	
33. General and Administrative Expense	Rate %	% x Line 23			
34.	0%		\$0.00		
35.			<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSE</b>	<b>\$0.00</b>	
36.			<b>TOTAL ESTIMATED COSTS (Total Lines 23, 28, 32 and 35)</b>	<b>\$2,277,611.00</b>	
37. Fee/Profit	Total Labor and Overhead (line 5 + line 8)	Rate %	% x Total Labor and Overhead		
38.	\$1,346,371.00	0%	\$0.00		
39.			<b>TOTAL FEE</b>	<b>\$0.00</b>	
40.			<b>TOTAL ESTIMATED PRICE (Total of Lines 36 and 39)</b>	<b>\$2,277,611.00</b>	
	Milestone /Task Number	Milestones/Tasks	Hours	Completion Date	Payment Amount
41.					
42.	Milestone 1 & 2	<b>Validation &amp; 100% SD &amp; OPC</b>	<b>2330.26</b>	<b>9/21/2026</b>	\$1,024,924.95
43.	Milestone 3	<b>50% DD &amp; OPC</b>	<b>2330.26</b>	<b>12/17/2026</b>	\$569,402.75
44.	Milestone 4	<b>100% DD &amp; GMP</b>	<b>517.84</b>	<b>4/13/2027</b>	\$683,283.30
45.					<b>TOTAL MILESTONES/TASKS (Must equal line 40)</b>
					<b>\$2,277,611.00</b>

\* Attach Form Vol 3-2.1 for all proposed subcontracts. This form is for McCarthy Building Companies, Inc.

**FORM 60**  
**PHASE 1 PRECONSTRUCTION LUMP SUM FEE**  
**COST/PRICE SUMMARY**

<b>46. Fill in applicable sections only</b>		
47. The Statement of Qualifications (SOQ) reflects our estimates and/or actual costs as of this date and by submitting this SOQ, the Proposer grants to the Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the SOQ as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to Contract award or execution of a Modification.		
<b>48. CERTIFICATE</b>		
The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. The Proposer represents: (a) that it has/has not ( <i>delete as appropriate</i> ) employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer) to solicit or secure a contract, and (b) that it has/has not ( <i>delete as appropriate</i> ) paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this Contract, and agrees to provide information relating to (a) and (b) above, as requested by the Contracting Officer.		
49. The SOQ as submitted represents our best estimates and/or actual costs as of this date.		
50. Type Name and Title of Proposer's Representative Paul King, Sr. Vice President	Signature 	Date** October 24, 2025
* Insert the day, month, and year when price negotiations were concluded and price agreement was reached. Day, month & year of negotiations to be finalized with San Bernardino County.		
51.		
52. ** Insert the day, month and year of signing (i.e., When price negotiations were concluded and mutual agreement was reached on Phase 1 Contract Price). Day, month & year of signing to be finalized with San Bernardino County.		

Position	Milestone 1 (Hours) Final Program Validation Report and Conceptual Design Base Information	Milestone 2 (Hours) 100% Schematic Design and OPC	Milestone 3 (Hours) 50% Design Development and OPC	Milestone 4 (Hours) 100% Design Development and submittal of Phase 2 Proposal (including GMP)	Total hours	Rate	Total \$
<b>Architecture</b>							
Principal-in-Charge	73.61	33.88	9.35	9.35	126	\$ 468	\$ 59,069
Lead Designer	51.41	54.91	52.58	52.58	211	\$ 424	\$ 89,568
Project Manager	154.23	61.93	24.54	24.54	265	\$ 290	\$ 76,858
Project Designer	114.50	175.26	96.98	96.98	484	\$ 290	\$ 140,173
Project Planner	70.10	73.61	70.10	70.10	284	\$ 379	\$ 107,591
Project Architect	51.41	238.35	222.00	222.00	734	\$ 290	\$ 212,629
<b>Interiors</b>							
Project Manager		58.05	135.44	135.44	329	\$ 245	\$ 80,653
Specifications		33.88	23.37	23.37	81	\$ 334	\$ 26,956
<b>Signage and Graphics (code)</b>							
Project Manager		23.73	19.77	19.77	63	\$ 290	\$ 18,335
<b>Civil Engineering</b>							
Project Engineer		198.63	210.31	210.31	619	\$ 160	\$ 99,387
<b>Landscape Architecture</b>							
Landscape Architect			46.74	93.47	140	\$ 156	\$ 21,878
<b>Structural Engineering</b>							
Project Engineer	51.41	189.28	198.63	198.63	638	\$ 192	\$ 122,296
<b>Mechanical</b>							
Project Engineer		128.52	81.79	81.79	292	\$ 227	\$ 66,414
<b>Plumbing</b>							
Project Engineer		46.74	29.21	29.21	105	\$ 227	\$ 23,909
<b>Electrical</b>							
Project Engineer		128.52	81.79	81.79	292	\$ 227	\$ 66,414
<b>LEED &amp; T24, Perf. Modeling, MEP LEED docs</b>							
Project Engineer		93.47	29.21	29.21	152	\$ 227	\$ 34,535
<b>Sustainability</b>							
Principal		49.67	15.87	15.87	81	\$ 424	\$ 34,479
<b>Lighting Design</b>							
Project Manager		21.03	20.64	20.64	62	\$ 245	\$ 15,278
<b>Acoustical &amp; Vibration</b>							
Project Engineer	18.69	16.36	11.68	11.68	58	\$ 165	\$ 9,637
<b>Code/Life-Safety Consultanting</b>							
Project Consultant	17.53	17.53	17.53	17.53	70	\$ 250	\$ 17,502
<b>Fire Sprinkler/Concept Design Criteria</b>							
Project Engineer		18.69			19	\$ 227	\$ 4,250
<b>Signage &amp; Graphics (non-code) - Concept Only</b>							
Chris McCampbell		17.53			18	\$ 290	\$ 5,079
<b>CASP</b>							
Project Consultant		17.53	8	26.96	54	\$ 250	\$ 13,482
<b>Total</b>	<b>603</b>	<b>1697</b>	<b>1406</b>	<b>1471</b>	<b>5178</b>		<b>\$ 1,346,371</b>

**FORM 70  
(PHASE 2 MANAGEMENT LUMP SUM FEE)  
COST/PRICE SUMMARY**

Name of Proposer McCarthy Building Companies, Inc.	
Home office address 20401 SW Birch Street, CA 92660	
Division(s) and locations where Work is to be performed Home Office Division: 20401 SW Birch Street, Newport Beach, CA 92660 Location where Work is to be performed: 210 North Lena Road, San Bernardino, CA 92408	Project Number: 10.10.1777

**NOTE 1:** For proper calculations of cost elements link additional sheets to this summary page.

**NOTE 2:** Please refer to Sections 4.2(c) and 4.6(b) of the RFQ for additional information.

1	Phase 2 Key Personnel Costs <small>(as defined in Appendix A (Definitions and Interpretation) of the RFQ)</small>	Rate per Week	Phase 2 Weeks	Rate for Phase 2	TOTAL
2	Project Manager	\$6,960.00	122	\$849,120.00	\$849,120.00
3			122		
4			122		
5			122		
6			122		
7	Any other costs for Key Personnel for Phase 2 under the Contract				
8	<b>TOTAL PHASE 2 MANAGEMENT LUMP SUM FEE</b>			<b>\$849,120.00</b>	

9 Fill in applicable sections only

10 The Statement of Qualifications (SOQ) reflects our estimates and/or actual costs as of the date and by submitting this SOQ, the Proposer grants to the County's Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the SOQ as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to Contract award or execution of a Modification.

**FORM 70  
(PHASE 2 MANAGEMENT LUMP SUM FEE)  
COST/PRICE SUMMARY**

<b>CERTIFICATE</b>		
<p>11 The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. The Proposer represents: (a) that it has/has not ( <i>delete as appropriate</i> ) employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer) to solicit or secure a contract, and (b) that it has/has not ( <i>delete as appropriate</i> ), paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this Contract, and agrees to information relating to (a) and (b) above, as requested by the Contracting Officer.</p>		
<p>12 This SOQ as submitted represents our best estimates and/or actual costs as of this date.</p>		
<p>13 Type Name and Title of Proposer's Representative</p> <p>Paul King, Sr. Vice President</p>	<p>Signature</p> 	<p>Date**</p> <p>October 24, 2025</p>
<p>14 * Insert the day, month and year of the SOQ Due Date. October 24, 2025.</p>		
<p>15 ** Insert the day, month and year of signing. October 24, 2025.</p>		

**FORM 70  
(PHASE 2 MANAGEMENT LUMP SUM FEE)  
COST/PRICE SUMMARY**

Name of Proposer McCarthy Building Companies, Inc.	
Home office address 20401 SW Birch Street, CA 92660	
Division(s) and locations where Work is to be performed Home Office Division: 20401 SW Birch Street, Newport Beach, CA 92660 Location where Work is to be performed: 210 North Lena Road, San Bernardino, CA 92408	Project Number: 10.10.1777


**NOTE 1:** For proper calculations of cost elements link additional sheets to this summary page.  
**NOTE 2:** Please refer to Sections 4.2(c) and 4.6(b) of the RFQ for additional information.

1	Phase 2 Key Personnel Costs <small>(as defined in Appendix A (Definitions and Interpretation) of the RFQ)</small>	Rate per Week	Phase 2 Weeks	Rate for Phase 2	TOTAL
2	Project Manager	\$6,960.00	122	\$849,120.00	\$849,120.00
3			122		
4			122		
5			122		
6			122		
7	Any other costs for Key Personnel for Phase 2 under the Contract				
8	<b>TOTAL PHASE 2 MANAGEMENT LUMP SUM FEE</b>				<b>\$849,120.00</b>

9 Fill in applicable sections only

10 The Statement of Qualifications (SOQ) reflects our estimates and/or actual costs as of the date and by submitting this SOQ, the Proposer grants to the County's Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the SOQ as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to Contract award or execution of a Modification.

**FORM 70  
(PHASE 2 MANAGEMENT LUMP SUM FEE)  
COST/PRICE SUMMARY**

<b>CERTIFICATE</b>		
<p>11 The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. The Proposer represents: (a) that it has/has not ( <i>delete as appropriate</i> ) employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer) to solicit or secure a contract, and (b) that it has/has not ( <i>delete as appropriate</i> ), paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this Contract, and agrees to information relating to (a) and (b) above, as requested by the Contracting Officer.</p>		
<p>12 This SOQ as submitted represents our best estimates and/or actual costs as of this date.</p>		
<p>13 Type Name and Title of Proposer's Representative</p> <p>Paul King, Sr. Vice President</p>	<p>Signature</p> 	<p>Date**</p> <p>October 24, 2025</p>
<p>14 * Insert the day, month and year of the SOQ Due Date. October 24, 2025.</p>		
<p>15 ** Insert the day, month and year of signing. October 24, 2025.</p>		

**FORM 70  
(PHASE 2 MARGIN PERCENTAGE)  
COST/PRICE SUMMARY**

Name of Proposer McCarthy Building Companies		
Home office address 20401 SW Birch Street, Newport Beach, CA 92660		
Division(s) and locations where Work is to be performed Home Office Division: 20401 SW Birch Street, Newport Beach, CA 92660 Location where Work is to be performed: 210 North Lena Road, San Bernardino, CA 92408	Project Number: 10.10.1777	
<b>NOTE 1:</b> For proper calculations of cost elements link additional sheets to this summary page.		
<b>NOTE 2:</b> Please refer to Sections 4.2(c) and 4.6(b) of the RFQ for additional information.		
		<b>% Markup to Construction Cost</b>
1	Costs related to Contractor (and any and all Affiliated Subcontractors, at any tier) home (or main), branch and regional office G&A and support staff who provide corporate management oversight, corporate accounting, corporate safety, corporate quality control, corporate administration, corporate IT, legal services, corporate payroll and benefit accounting/administration. The pricing of this item should be based on actual and audited records of home office costs.	Included in 5% below
2	Profit for the Phase 2 Work, in the aggregate for the Contractor and any and all Affiliated Subcontractors (at any tier).	Included in 5% below
3	Contractor's costs of capital and interest for the Phase 2 Work.	Included in 5% below
4	Any other Contractor or Affiliated Subcontractor profit and markup costs, without contingencies, applied to all cost categories including labor, equipment, materials, and subcontractor costs.	5.0%
5	<b>Phase 2 Margin Percentage (total of lines 1 through 4; percentage must not be less than [ ]% or greater than [ ]%, as set forth in Section 4.6(b)(iii)(B) of the RFQ</b>	<b>5.0%</b>
7	Fill in applicable sections only. The Phase 2 Margin Percentage must be calculated in a manner that is transparent and avoids double-counting between rows 1-4.	
8	The Statement of Qualifications (SOQ) reflects our estimates and/or actual costs as of the date and by submitting the SOQ, the Proposer grants to the County's Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the SOQ as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to Contract award or execution of a Modification.	

**FORM 70  
(PHASE 2 MARGIN PERCENTAGE)  
COST/PRICE SUMMARY**

9	<b>CERTIFICATE</b>	
<p>The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. The Proposer represents: (a) that it has/has not (<i>delete as appropriate</i>) employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer) to solicit or secure a contract, and (b) that it has/has not (<i>delete as appropriate</i>), paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this Contract, and agrees to information relating to (a) and (b) above, as requested by the Contracting Officer.</p>		
10 The SOQ as submitted represents our best estimates and/or actual costs as of this date.		
11 Type Name and Title of Proposer's Representative Paul King, Sr. Vice President	Signature 	Date** October 24, 2025
12 * Insert the day, month and year of the SOQ Due Date		
13 ** Insert the day, month and year of signing.		



**EXHIBIT 9**

**FORMS OF PRESCRIBED CERTIFICATIONS**

**Part A: General Certifications (Form Vol 1-2.1)**

*[Complete for the Contractor (executed by the Contractor Representative) and for each first-tier Subcontractor that will enter into a Subcontract over one hundred thousand dollars (\$100,000.00) (executed by the authorized representative of the Subcontractor).]*

**CONTRACTOR:** \_\_\_\_\_

**SUBCONTRACTOR (if applicable):** \_\_\_\_\_

The Contractor and each first-tier Subcontractor that will enter into a Subcontract over one hundred thousand dollars (\$100,000.00) (if applicable), shall respond either "Yes" or "No" to each of the following where indicated. If the Contractor's/Subcontractor's response is "No", a full explanation shall be provided in the space following the last item.

**1.0 CERTIFICATE OF NON-DISCRIMINATION** Yes  No

The Contractor/Subcontractor hereby certifies: that it does not unlawfully discriminate against any employee or applicant for employment with regard to race, sex, color, religion, ancestry, national origin, marital status, age (over 40), or disability (including AIDS and cancer-related medical conditions); that it is in compliance with all applicable Federal, state, and local directives and executive orders regarding non-discrimination in employment; and that it agrees to pursue positively and aggressively the principle of equal opportunity in employment. The Contractor/Subcontractor and its subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (California Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder. The Contractor/Subcontractor agrees specifically to adhere to the following:

- (a) Establish and observe employment policies that actively promote opportunities for minority persons and women at all job levels.
- (b) Communicate this policy to all company employees, outside recruiting services, especially those serving minority communities and women, and minority communities and women at large.
- (c) State in all solicitations or advertisements for employees that the Contractor/Subcontractor will consider all qualified applicants for employment without regard to race, sex, color, religion, ancestry, national origin, marital status, age (over 40), or disability (including AIDS and cancer-related medical conditions).

**2.0 WHISTLEBLOWER REQUIREMENTS** Yes  No

The Contractor/Subcontractor certifies that it will comply with, and take no action, or adopt any rule, regulation, or policy which is contrary to the provisions set forth in California Labor Code Section 1101 et seq.

A full explanation of all "No" answers shall be provided below.

The Contractor/Subcontractor hereby declares under the penalty of perjury under the laws of the State of California that the certifications made above in No. 1-4 and the explanation given for any "No" answers are true and correct.

Executed on \_\_\_\_\_ **[insert date]** at \_\_\_\_\_ **[insert City]**, \_\_\_\_\_ **[insert State]**

\_\_\_\_\_ Name and Title

\_\_\_\_\_ Signature of Contractor Representative  
(or Subcontractor's authorized representative)

**Part B: Iran Contracting Certification**

*[Complete for the Contractor (executed by the Contractor Representative).]*

Section 2200 et seq. of the California Public Contract Code prohibits a person from submitting a bid for a contract with a public entity for goods and services of \$1,000,000 or more if that person is identified on a list created by the Department of General Services (DGS) pursuant to Section 2203(b) of the California Public Contract Code. The list will include persons providing goods or services of \$20,000,000 or more in the energy sector of Iran and financial institutions that extend \$20,000,000 or more in credit to a person that will use the credit to provide goods or services in the energy sector in Iran. DGS is required to provide notification to each person that it intends to include on the list at least 90 days before adding the person to the list.

In accordance with Section 2204 of the California Public Contract Code, the undersigned hereby certifies that:

1. It is not identified on a list created pursuant to Section 2203(b) of the California Public Contract Code as a person engaging in investment activities in Iran described in Section 2202.5(a), or as a person described in Section 2202.5(b), as applicable; or
2. It is on such a list but has received permission pursuant to Section 2203(c) or (d) to submit a Statement of Qualifications for the progressive design-build of the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project through a progressive design-build contract.

Note: Providing a false certification may result in civil penalties and sanctions.

Date: \_\_\_\_\_

Entity: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT 10**

**FORMS OF SECURITY**

(Section 13.2)

**Part A: Performance Bond**

**Project No. 10.10.1777**

**Department of Public Works (DPW) Headquarters Replacement  
Progressive Design-Build Project**

WHEREAS San Bernardino County ("**County**") has awarded to McCarthy Building Companies, Inc. ("**Principal**"), **Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project (RFQ No. 1777)**; and

WHEREAS Principal is required under the terms of the Contract to furnish a Bond for the faithful performance of the Contract;

NOW, THEREFORE, we McCarthy Building Companies, Inc., as Principal, and \_\_\_\_\_, ("**Surety**"), as Surety, are held and firmly bound unto County in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), this amount being not less than 100% of the applicable Early Works Package Contract Price and any other Early Works Package Contract Price to secure any earlier Modifications for any Early Works Packages, plus 100% of the Phase 2 Contract Price, in lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents. In case suit is brought upon this Bond, Surety shall pay reasonable attorneys' fees to County in an amount to be fixed by the court.

The condition of this obligation is such that, if the hereby-bonded Principal or its heirs, executors, administrators, successors, assigns, or Subcontractors shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions, and agreements in the Contract and any alteration thereof, made as therein provided, all within the time and in the manner therein designated and in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The following terms and conditions shall apply with respect to this Bond:

- (1) The Contract Documents are hereby incorporated by reference into this Bond.
- (2) Definitions of capitalized terms used and not otherwise defined in this Bond are set out in Exhibit 1 (Definitions) of the Contract.
- (3) The Surety shall not be entitled to commence performance of the Work, except with the written consent of the County. The Surety may take any other actions it deems appropriate to cause the completion of the Work and to mitigate its damages.

- (4) Upon receipt of any Cure Notice or demand from the County in accordance with Section 30.2 of the Contract, within 15 days after receipt of such Cure Notice or demand Surety shall immediately commence an independent investigation of any such Contractor Default or take any other action required to be performed under such provision, including:
- (a) making an election to take over performance of the Work;
  - (b) submitting a written cure plan to the Contracting Officer for approval and, after approval, diligently proceed to take over the Work within the time the Contracting Officer determines to be necessary;
  - (c) waiving its right to complete and reimburse the County the reasonable costs, not to exceed the penal sum of the Performance Bond, to complete the Work less the balance of the Contract Price; or
  - (d) denying the claim and citing the reasons for denial.
- (5) If the Contracting Officer makes demand on the Surety, the Surety may not select the Contractor or any Affiliate of the Contractor to perform the Work under the Contract for and on behalf of the Surety without the express written consent of the Contracting Officer.

Further, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Contract Documents, or of the Work to be performed thereunder, shall in any way affect its obligations under this Bond, and it does hereby waive notice of any such change, extension of time, alteration, or modification of the Contract Documents or of the Work to be performed thereunder.

IN WITNESS WHEREOF, three identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety named herein, on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

By:

By: \_\_\_\_\_  
(Principal)

\_\_\_\_\_

By: \_\_\_\_\_  
(Surety)

\_\_\_\_\_

By: \_\_\_\_\_

**Part B: Payment (Material and Labor) Bond**

**Project No. 10.10.1777**

**Department of Public Works (DPW) Headquarters Replacement  
Progressive Design-Build Project**

**PAYMENT (MATERIAL AND LABOR) BOND**

WHEREAS San Bernardino County ("**County**") has awarded to McCarthy Building Companies, Inc. ("**Principal**"), **Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project (RFQ No. 1777)**; and

WHEREAS Principal is required under the terms of the Contract to furnish a Bond to secure the payment of claims of laborers, mechanics, material men, and other persons as provided by law;

NOW, THEREFORE, we McCarthy Building Companies, Inc., as Principal, and \_\_\_\_\_, ("**Surety**"), as Surety, are held and firmly bound unto County in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), this amount being not less than 100% of the applicable Early Works Package Contract Price and any other Early Works Package Contract Price to secure any earlier Modifications for any Early Works Packages, plus 100% of the Phase 2 Contract Price, in lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents. In case suit is brought upon this Bond, Surety will pay reasonable attorneys' fees to County and the plaintiff(s) in an amount to be fixed by the court.

The condition of this obligation is such that, if the hereby-bonded Principal, or its heirs, executors, administrators, successors, or assigns, or Subcontractors shall fail to pay any of the persons named in Civil Code § 3181 or to pay amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or amounts due under the Contract, or any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal or its Subcontractors pursuant to § 13020 of the Unemployment Insurance Code with respect to Work or labor performed under the Contract, then the Surety herein named shall pay for the same in an amount not exceeding the sum specified in this Bond; otherwise the above obligation shall be void.

This Bond shall inure to the benefit of any of the persons named in Civil Code § 3181 as to give a right of action to such persons or their heirs, executor's, administrators, successors, or assigns in any suit brought upon this Bond.

Further, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Contract Documents, or of the Work to be performed thereunder, shall in any way affect its obligations on this Bond, and it does hereby waive notice of such change, extension of time, alteration, or modification of the Contract Documents, or of the Work to be performed thereunder.

IN WITNESS WHEREOF, three identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety named herein, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

By: \_\_\_\_\_  
(Principal)

By: \_\_\_\_\_  
(Surety)

By: \_\_\_\_\_

**EXHIBIT 11**

**FORM OF PHASE 2 PROPOSAL**

(Article 2)

**Part A: Conditions to Submittal of an Early Works Package Proposal**

(Section 2.3(a))

Each submittal of an Early Works Package Proposal to the County under Article 2 (Term and Phased Work) is subject to the satisfaction (or waiver by the County) of each of the following conditions, as determined by the County in its sole discretion:

1. each of the conditions under Part B (Conditions to Submittal of the Phase 2 Proposal) of this Exhibit 11 but only to the extent applicable to that Early Works Package;
2. the Parties have agreed, or the County has directed the Contractor, to make an assumption with respect to the validity period during which the Early Works Package Proposal will constitute an offer that is binding on the Contractor and capable of acceptance by the County;
3. the Parties have agreed upon or the County has directed, the utilization requirements for each of the Key Personnel with respect to the performance of the Early Works Package; and
4. any other condition expressly required under the Contract as a condition precedent to submission of an Early Works Package Proposal.

## Part B: Conditions to Submittal of the Phase 2 Proposal

(Section 2.3(b))

Submittal of the Phase 2 Proposal to the County under Article 2 (Term and Phased Work) of the Contract is subject to the satisfaction (or waiver by the County) of each of the following conditions, as determined by the County in its sole discretion:

1. the Basis of Design Report(s) has or have been submitted by the Contractor and Approved by the County;
2. the Design Work has progressed to such stage of development for Phase 2 Proposal submission as required under the Statement of Work for the Phase 1 Work or that the County otherwise determines by Notice is a sufficient basis for Phase 2 Proposal submission and that Design Work has been submitted by the Contractor and Approved by the County (and any Government Entity or Third Party, if applicable under the Project Requirements);
3. the County has confirmed that the basis for the Phase 2 Contract Price will remain as described in the Statement of Work or has directed an alternative basis for the Phase 2 Contract Price;
4. the Parties have agreed or the County has directed the relevant assumptions for the purposes of the Phase 2 Proposal (and the Parties have documented those relevant assumptions in a record of assumptions) including with respect to:
  - (a) an updated CPM Schedule to incorporate the Phase 2 Work and the Milestones and corresponding designated dates and liquidated damages for delay for the Phase 2 Work to be incorporated under the Work Completion Schedule;
  - (b) any changes to the Statement of Work for the Phase 2 Work and related Project Requirements and conditions to Substantial Completion of the Phase 2 Work;
  - (c) the quantification of risks retained by the Contractor and any changes to the risk allocation for the Phase 2 Work to be reflected in amendments to the Contract terms;
  - (d) any additional or modified Noncompliance Events;
  - (e) any changes to the scope of the County-Provided Approvals, Exhibit 6 (Worksite), Exhibit 7 (Required Insurance), and Exhibit 13 (Payment Terms) of the Contract;
  - (f) the resolution of the treatment and approach to any the County comments to a Contractor-Furnished Document provided as part of the Phase 1 Work that would give rise to a potential change to the Project Requirements or other terms of the Contract as they apply to the Phase 2 Work;
  - (g) any adjustment to the allocation of responsibilities for Utility Adjustments under Section 8.1(a)(iv) (Utility Adjustments) of the Contract;

- (h) any adjustments to the allocation of: (i) responsibility for obtaining and maintaining necessary Governmental Approvals under Section 10.2 (Responsibility for Governmental Approvals) of the Contract; or (ii) the risk of delay to Governmental Approvals;
- (i) the number of Adverse Weather Days (if any) that will be assumed and allocated for the Phase 2 Work under Section 17.3(e) (Adverse Weather Days) of the Contract;
- (j) the utilization requirements for each of the Key Personnel with respect to the performance of the Phase 2 Work;
- (k) the basis for the calculation of Delay Compensation with respect to the performance of the Phase 2 Work for the purposes of the definition of "Delay Compensation" in Exhibit 1 (Definitions) of the Contract;
- (l) the validity period during which the Phase 2 Proposal will constitute an offer that is binding on the Contractor and capable of acceptance by the County; and
- (m) any other amendments to the terms of the Contract as applicable to the Phase 2 Work,

in each case to be assumed for the purposes of the Phase 2 Proposal;

- 5. the Parties have reconciled the most recent Milestone OPC for the Phase 2 Work, if there were any discrepancies between the Milestone OPC and the Owner's Estimate;
- 6. the Contractor has submitted to the County any and all Project Plans required to be submitted prior to delivery of the Phase 2 Proposal in accordance with the Contract, including the Project Requirements;
- 7. the Contractor has identified and obtained (or the County has directed the Contractor to assume that such approvals will be obtained), any required Third Party approvals for identified variances, holiday season street closures, full street closures, and peak-hour exemptions required from Third Parties to extend work hours and time and reduce the duration of the Construction Work;
- 8. the Risk Management Plan and Subcontractor Bidding and Selection Plan has been submitted by the Contractor and Approved by the Contracting Officer; and
- 9. any other condition expressly required under the Contract as a condition precedent to submission of a Phase 2 Proposal.

**Part C: Form of Phase 2 Proposal**

(Section 2.3(c))

The Phase 2 Proposal must contain the following submittals in the sequence listed and under the tab indicated below:

Tab/ Section Number	Submittal	Required Information and Instructions	Form
<b>Tab 1</b>	<b>Certifications</b>		
1.1	<b>Certification of the Phase 2 Proposal</b>	Submit an original certification letter in accordance with the instructions included in the <u>Attachment 1 (Form of Certification of Phase 2 Proposal)</u> , executed by the Contractor Representative.	Attachment 1 to this Exhibit 11
1.2	<b>Prescribed Certifications</b>	Submit each of the prescribed certifications in accordance with the instructions included in <u>Exhibit 9 (Forms of Prescribed Certifications)</u> .	Exhibit 9
<b>Tab 2</b>	<b>Price Proposal</b>		
2.1	<b>Price Proposal</b>	Submit the proposed Phase 2 Contract Price, together with all supporting forms and information for that Phase 2 Contract Price as required under Part A ( <i>Principles for estimating cost of Phase 2 Work</i> ) of <u>Exhibit 16 (Principles for estimating and calculation of cost of Changes)</u> .	Exhibit 16
2.2	<b>Delay Compensation rate for Phase 2</b>	Submit the Delay Compensation rate for Phase 2 as required under <u>Section 2(d)(ix) (OPC and proposal for the Phase 2 Contract Price)</u> of Part A ( <i>Principles for estimating cost of Phase 2 Work</i> ) of <u>Exhibit 16 (Principles for estimating and calculation of cost of Changes)</u> .	Exhibit 16
<b>Tab 3</b>	<b>Other Required Information</b>		

Tab/ Section Number	Submittal	Required Information and Instructions	Form
3.1	<b>Updated CPM Schedule</b>	Submit the updated detailed CPM Schedule to incorporate the Phase 2 Work (which shall be consistent with any Schedule for the Phase 2 Work agreed by the Parties during the performance of the Phase 1 Work).	N/A
3.2	<b>List of Sub-contractors</b>	Submit the agreed updated list of the Major Subcontractors proposed to perform part of the Phase 2 Work and a report detailing how the Phase 2 Proposal complies with the Subcontractor Bidding and Selection Plan Approved by the County.	Part A, Exhibit 5
3.3	<b>Key Personnel</b>	Submit a proposed organization chart for Phase 2 and a description of any additions or changes to the Key Personnel, in each case in the form and with the supporting information required under <u>Section 5.3 (Key Personnel and other personnel)</u> of the Contract.	N/A
3.4	<b>Assumptions and risk report</b>	Submit a report summarizing: (i) by reference to each of the items under Section 4 of Part B ( <i>Conditions to submittal of the Phase 2 Proposal</i> ) of <u>Exhibit 11 (Form of Phase 2 Proposal)</u> of the Contract, the agreed assumptions upon which the Phase 2 Proposal is based; and (ii) the decisions during the Phase 1 Work for risk reduction and/or elimination and the associated value of each decision in terms of cost and savings in direct relationship with the Phase 2 Work.	N/A
3.5	<b>Contractor-Furnished Documents</b>	Submit an updated Contractor-Furnished Document Listing & Schedule containing all Construction Documents, prepared in accordance with <u>Section 12.1(d)(ii) (Contractor-Furnished Document Listing &amp; Schedule)</u> of the Contract.	N/A

<b>Tab/ Section Number</b>	<b>Submittal</b>	<b>Required Information and Instructions</b>	<b>Form</b>
3.6	<b>Other required documents, reports, or information</b>	Submit any other document, report, or information required under the terms of the Contract to be submitted with or as part of the Phase 2 Proposal.	N/A

## Attachment 1

### Form of Certification of Phase 2 Proposal

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

Enclosed with this certificate is the Phase 2 Proposal of the Contractor, consisting of each of the applicable items required under the Contract.

In accordance with the terms of Section 2.3(c) (Form of Phase 2 Proposal) of the Contract, the Contractor certifies that:

1. all of the conditions under Part B (Conditions to Submittal of the Phase 2 Proposal) of this Exhibit 11 (Form of Phase 2 Proposal) have been satisfied or waived;
2. it has carefully examined and is fully familiar with all of the provisions of the Contract;
3. it has carefully checked the accuracy of all the words, figures, and statements included in its Phase 2 Proposal;
4. this Phase 2 Proposal is otherwise submitted in accordance with the Contract; and
5. the Contractor understands that portions of its Phase 2 Proposal may be attached as exhibits and incorporated into the Contract under the Phase 2 Supplement.

In accordance with the terms of Section 2.3(b)(v) (Submittal of a Phase 2 Proposal) of the Contract, the Contractor's Phase 2 Proposal constitutes an offer that is binding on the Contractor and the Contractor undertakes to keep this Phase 2 Proposal open for acceptance by the County initially for a validity period of 180 consecutive Days after the date of this certificate.

The following individual(s) is/are authorized to enter into negotiations with the County on behalf of the Contractor in connection with this Phase 2 Proposal.

\_\_\_\_\_ [*insert names, titles*, including the Contractor Representative as one of the individuals]

If the enclosed Phase 2 Proposal is accepted by the County (with or without modification after negotiation), the Contractor undertakes to modify and restate the Contract by execution of a Phase 2 Supplement to incorporate the Phase 2 Proposal as accepted by the County.

Signed for and on behalf of the Contractor by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

(Contractor Representative)

Date: \_\_\_\_\_

**EXHIBIT 12**

**FORMS OF COMPLETION CERTIFICATIONS**

(Article 18)

**Part A: Contractor's Notice of Partial Acceptance**

(Section 18.1)

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.1 (Partial Acceptance) of the Contract, the Contractor certifies that the Contractor has completed the part of the Work described below in compliance with all the requirements of the Contract (including the Performance Requirements) and in a condition ready to be Accepted by the County in accordance with the terms of the Contract.

#	Description of completed part of the Work ready for Acceptance
1.	
2.	
3.	

Signed for and on behalf of the Contractor by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

(Contractor  
Representative)

Date: \_\_\_\_\_

**Part B: County's Certificate of Partial Acceptance**

(Section 18.1)

To: McCarthy Building Companies, Inc. (the "**Contractor**")

From: San Bernardino County (the "**County**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.1 (*Partial Acceptance*) of the Contract, this is a Certificate of Partial Acceptance issued by the County certifying Acceptance of the part of the Work performed by the Contractor described below.

For the purposes of the Contract, the date of Acceptance of the part of the Work described below is *[insert date]*.

#	Description of completed part of the Work ready for Acceptance
1.	
2.	
3.	

Signed for and on behalf of the County by:

Signature:

Name:

Position:

Date:

**Part C: Contractor's Notice of Substantial Completion**

(Section 18.2)

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.2 (Substantial Completion) of the Contract, the Contractor certifies that all of the requirements under Section 18.2(a) (Requirements for Substantial Completion) have been satisfied with respect to the Work under [Phase 1][Phase 2], subject to the elements of the Work under that Phase that remain to be completed and proposed by the Contractor as Punch List items, as listed in Annex A to this certificate.

Signed for and on behalf of the Contractor by:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
(Contractor Representative)  
Date: \_\_\_\_\_

**ANNEX A**

**Work remaining to be completed**

<b>No.</b>	<b>Item</b>	<b>Proposed action to be taken by the Contractor to complete item</b>	<b>Time period within which the Contractor will implement item</b>

**Part D: County's Certificate of Substantial Completion**

(Section 18.2)

To: McCarthy Building Companies, Inc. (the "**Contractor**")

From: San Bernardino County (the "**County**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.2 (*Substantial Completion*) of the Contract, this is a Certificate of Substantial Completion issued by the County certifying Substantial Completion of the [Phase 1]/[Phase 2] Work, subject to the Punch List items determined by the County, as listed in Annex A to this certificate.

For the purposes of the Contract, the date of Substantial Completion of the [Phase 1]/[Phase 2] Work is *[insert date]*.

Signed for and on behalf of the County by:

Signature:

Name:

Position:

Date:

ANNEX A

**Punch List**

<b>No.</b>	<b>Item</b>	<b>Action to be taken by the Contractor to complete item</b>	<b>Time period within which the Contractor will implement item</b>

**Part E: Contractor's Request for Final Acceptance**

(Section 18.3)

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.3 (Final Acceptance) of the Contract, the Contractor certifies that the entire [Phase 1][Phase 2] Work is complete, including completion of all Punch List items and all of the requirements under Section 18.3(b) (Requirements for Final Acceptance) have been satisfied with respect to the [Phase 1][Phase 2] Work.

The Contractor asserts that the [Phase 1][Phase 2] Work (including all Punch List items) was completed and all the requirements under Section 18.3(b) (Requirements for Final Acceptance) with respect to the [Phase 1][Phase 2] Work were satisfied as of [insert date].

Signed for and on behalf of the Contractor by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

(Contractor Representative)

Date: \_\_\_\_\_

**Part F: County's Certificate of Final Acceptance**

(Section 18.3)

To: McCarthy Building Companies, Inc. (the "**Contractor**")

From: San Bernardino County (the "**County**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

In accordance with the terms of Section 18.3 (Final Acceptance) of the Contract, this is a Certificate of Final Acceptance issued by the County certifying Final Acceptance of the [Phase 1]/[Phase 2] Work.

For the purposes of the Contract, the Date of Final Acceptance of the [Phase 1]/[Phase 2] Work is *[insert date]*.

Signed for and on behalf of the County by:

Signature:

Name:

Position:

Date:

**EXHIBIT 13**

**PAYMENT TERMS**

(Articles 22 and 23)

**Part A: Phase 1 Payment Terms**

1. The County will make monthly Progress Payments for the Phase 1 Work completed to the County's satisfaction based on the Phase 1 Contract Price and the percentage of the Phase 1 Work completed.
2. Following Final Acceptance of the Phase 1 Work and satisfaction of the other conditions to Final Payment set out under the Contract, the County will make a Final Payment for the Phase 1 Work.
3. The Progress Payments for the Phase 1 Work plus the Final Payment for the Phase 1 Work will not exceed the Phase 1 Contract Price.
4. All payments with respect to the Phase 1 Work may be subject to set-off, deductions, and retainage in accordance with the Contract.

**Part B: Early Works Package Payment Terms**

*[The payment terms for each Early Works Package will be as set out in the applicable Modification authorizing that Early Works Package.]*

**Part C: Phase 2 Payment Terms**

*[The payment terms for the Phase 2 Contract Price will be as set out in the Phase 2 Supplement (if agreed and executed).]*

**EXHIBIT 14**

**PAYMENT AND INVOICING FORMS**

(Article 23)

**Part A: Payment Certification (Progress Payment)**

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

1. I hereby certify to the best of my knowledge and belief that:
  - (a) this Payment Certification represents a true and correct statement of the Work performed;
  - (b) the Work completed to date under the Contract is in full accordance with the terms of the Contract;
  - (c) all Subcontractors who have performed Work on the Project through the closing date of the prior Application for payment under the Contract have been paid their proportionate share of all previous payments from the County;
  - (d) this Payment Certification does not include any amounts which the Contractor intends to withhold or retain from a Subcontractor in accordance with the terms and conditions of the applicable Subcontract; and
  - (e) the Contractor and its principals have not been placed on the California State Labor Commissioner's list of debarred contractors pursuant to California Labor Code Section 1777.1 within the last three years.
2. This Payment Certification is not to be construed as Final Acceptance of the Contractor's, and any Subcontractor's, performance.
3. I understand that it is a violation of both the federal False Claims Act and the California False Claims Act (California Government Code Section 12650 et seq.) (the "False Claims Acts") to knowingly present or cause to be presented to the County a false claim for payment or approval. A claim includes a demand or request for money. It is also a violation of the False Claims Acts to knowingly make use of a false Record or statement to get a false claim paid. The term "knowingly" includes either actual knowledge of information, deliberate ignorance of the truth or falsity of the information, or reckless disregard for the truth or falsity of the information. Proof of specific intent to defraud is not necessary under the False Claims Acts. I understand that the penalties under the federal

False Claims Act and California False Claims Act are non-exclusive, and are in addition to any other criminal and/or civil remedies which the County may have either under contract or law.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Part B: Payment Certification (Final Payment)**

To: San Bernardino County (the "**County**")

From: McCarthy Building Companies, Inc. (the "**Contractor**")

This certificate is given in accordance with the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**"). Words defined in the Contract have the same meaning in this certificate.

1. I hereby certify to the best of my knowledge and belief that:
  - (a) this Payment Certification represents a true and correct statement of the [Phase 1]/[Phase 2] Work performed and that the [Phase 1]/[Phase 2] Work has been completed in full;
  - (b) the [Phase 1]/[Phase 2] Work completed under the Contract is in full accordance with the terms of the Contract;
  - (c) all Subcontractors who have performed [Phase 1]/[Phase 2] Work have been paid their proportionate share of all previous payments from the County, in full;
  - (d) this Payment Certification does not include any amounts which the Contractor intends to withhold or retain from a Subcontractor in accordance with the terms and conditions of the applicable Subcontract;
  - (e) the Contractor and its Subcontractors have no outstanding Claims related to any unreserved (settled) Claims. Further, the Contractor releases and waives all unreserved (settled) Claims against the County, its officers, directors, employees, and Authorized Representatives;
  - (f) the Contractor has no reason to believe that any Person has a valid Claim against the Contractor or the County which has not been communicated in writing by the Contractor to the County as of the date of this Payment Certification (Final Payment);
  - (g) all Warranties are in full force and effect;
  - (h) releases and Warranties shall survive Final Payment; and
  - (i) the Contractor and its principals have not been placed on the California State Labor Commissioner's list of debarred contractors pursuant to California Labor Code Section 1777.1 within the last three years.
2. This Payment Certification is not to be construed as Final Acceptance of the Contractor's, and any Subcontractor's, performance.

3. I understand that it is a violation of both the federal False Claims Act and the California False Claims Act (California Government Code Section 12650 et seq.) (the "False Claims Acts") to knowingly present or cause to be presented to the County a false claim for payment or approval. A claim includes a demand or request for money. It is also a violation of the False Claims Acts to knowingly make use of a false Record or statement to get a false claim paid. The term "knowingly" includes either actual knowledge of the information, deliberate ignorance of the truth or falsity of the information, or reckless disregard for the truth or falsity of the information. Proof of specific intent to defraud is not necessary under the False Claims Acts. I understand that the penalties under the federal False Claims Act and California False Claims Act are non-exclusive, and are in addition to any other criminal and/or civil remedies which the County may have either under contract or law.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

**Part C: Release of Claims**

Pursuant to the terms of the progressive design-build contract for the Department of Public Works (DPW) Headquarters Replacement Progressive Design-Build Project between the County and the Contractor dated May 19, 2026 (the "**Contract**") and in consideration of the monies, which are to be paid under the Contract to McCarthy Building Companies, Inc., a Missouri Corporation (the "**Contractor**") or its assignees, if any, the Contractor hereby does remise, release, waive, and discharge San Bernardino County (the "**County**"), its officers, directors, agents, employees, and Authorized Representatives (as defined in the Contract) of and from all liabilities, obligations, claims, and demands whatsoever arising out of or under the Contract, except for those claims specifically reserved with the concurrence of the County and listed here:

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The Contractor acknowledges that the consideration of monies provided by the County in exchange for this release of claims shall be full and final payment for the amount due exclusive of the specifically reserved claims listed above.

(Note in the case of a corporation, the certificate below must be completed.)

**Certificate**

I \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation named as the Contractor; that \_\_\_\_\_, who signed said release on behalf of the Contractor was the \_\_\_\_\_ of said Corporation; that said release was duly signed for and in behalf of corporation by authority of its governing body and is within the scope of its corporate powers.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

**Part D: Conditional Waiver and Release on Progress Payment**

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

**Identifying Information**

Name of Claimant (Company): \_\_\_\_\_

Name of Customer: \_\_\_\_\_

Job Location: \_\_\_\_\_

Owner: \_\_\_\_\_

Through Date: \_\_\_\_\_

**Conditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check \_\_\_\_\_

Amount of Check: \$ \_\_\_\_\_

Check Payable to: \_\_\_\_\_

**Exceptions**

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:

Date(s) of waiver and release: \_\_\_\_\_

Amount(s) of unpaid progress payment(s): \$ \_\_\_\_\_

- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

**Signature**

Claimant's [Authorized  
Representative] Signature: \_\_\_\_\_

Claimant's Title: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Signer further certifies to the best of his/her knowledge and belief that the following statement is true:

The Claimant and its principals, (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (federal, state, or local); (2) have not in the past three years had one or more public transactions (federal, state, or local) terminated for cause or default; (3) have not within the past three years been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (4) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, local) with commission of any of the offenses listed above in number (3) of this paragraph.

Claimant (Company): \_\_\_\_\_

Signature [Authorized  
Representative]: \_\_\_\_\_

Name of Certifying Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

**Part E: Unconditional Waiver and Release on Progress Payment**

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

**Identifying Information**

Name of Claimant (Company): \_\_\_\_\_

Name of Customer: \_\_\_\_\_

Job Location: \_\_\_\_\_

Owner: \_\_\_\_\_

Through Date: \_\_\_\_\_

**Unconditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has received the following progress payment:

\$ \_\_\_\_\_

**Exceptions**

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

**Signature**

Claimant's [Authorized Representative] Signature: \_\_\_\_\_

Claimant's Title: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Signer further certifies to the best of his/her knowledge and belief that the following statement is true:

The Claimant and its principals, (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (federal, state, or local); (2) have not in the past three years had one or more public transactions (federal, state, or local) terminated for cause or default; (3) have not within the past three years been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (4) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, local) with commission of any of the offenses listed above in number (3) of this paragraph.

Claimant (Company): \_\_\_\_\_  
Signature [Authorized \_\_\_\_\_  
Representative]: \_\_\_\_\_  
Name of Certifying Official: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Execution: \_\_\_\_\_

**Part F: Conditional Waiver and Release on Final Payment**

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

**Identifying Information**

Name of Claimant (Company): \_\_\_\_\_

Name of Customer: \_\_\_\_\_

Job Location: \_\_\_\_\_

Owner: \_\_\_\_\_

**Conditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check \_\_\_\_\_

Amount of Check: \$ \_\_\_\_\_

Check Payable to: \_\_\_\_\_

**Exceptions**

This document does not affect any of the following: \_\_\_\_\_

Disputed claims for extras in the amount of: \$ \_\_\_\_\_

**Signature**

Claimant's [Authorized  
Representative] Signature: \_\_\_\_\_

Claimant's Title: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Signer further certifies to the best of his/her knowledge and belief that the following statement is true:

The Claimant and its principals, (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (federal, state, or local); (2) have not in the past three years had one or more public transactions (federal, state, or local) terminated for cause or default; (3) have not within the past three years been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (4) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, local) with commission of any of the offenses listed above in number (3) of this paragraph.

Claimant (Company): \_\_\_\_\_

Signature [Authorized  
Representative]: \_\_\_\_\_

Name of Certifying Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

**Part G: Unconditional Waiver and Release on Final Payment**

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

**Identifying Information**

Name of Claimant (Company): \_\_\_\_\_

Name of Customer: \_\_\_\_\_

Job Location: \_\_\_\_\_

Owner: \_\_\_\_\_

**Unconditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.

**Exceptions**

This document does not affect any of the following: \_\_\_\_\_

Disputed claims for extras in the amount of: \$\_\_\_\_\_

**Signature**

Claimant's [Authorized \_\_\_\_\_  
Representative] Signature:

Claimant's Title: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Signer further certifies to the best of his/her knowledge and belief that the following statement is true:

The Claimant and its principals, (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (federal, state, or local); (2) have not in the past three years had one or more public transactions (federal, state, or local) terminated for cause or default; (3) have not within the past

three years been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (4) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, local) with commission of any of the offenses listed above in number (3) of this paragraph.

Claimant (Company): \_\_\_\_\_

Signature [Authorized Representative]: \_\_\_\_\_

Name of Certifying Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

**EXHIBIT 15**

**FORM OF PHASE 2 SUPPLEMENT**

(Article 2)

**SUPPLEMENTAL (MODIFIED AND RESTATED) PROGRESSIVE DESIGN-BUILD  
CONTRACT FOR THE DEPARTMENT OF PUBLIC WORKS (DPW) HEADQUARTERS  
REPLACEMENT PROJECT**

Between

**SAN BERNARDINO COUNTY  
620 SOUTH E STREET,  
SAN BERNARDINO, CA 92415**

and

**MCCARTHY BUILDING COMPANIES, INC.**

**MODIFICATION NO. [ \_\_\_\_\_ ]**

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This Supplemental (Modified and Restated) Contract is entered into as of May 19, 2026 by and between San Bernardino County (as defined more fully in Exhibit 1 (Definitions), "**County**"), and McCarthy Building Companies, Inc. (as defined more fully in Exhibit 1 (Definitions), the "**Contractor**").

WHEREAS, following the RFQ process for the Project (as further described in the RFQ), the Contractor and the County entered into Progressive Design-Build Contract effective May 19, 2026, as modified by Modification No. [●] (collectively, the "**Existing Contract**").

WHEREAS, the Phase 1 Work includes preparation and submittal to the County of a Phase 2 Proposal for the Phase 2 Work.

WHEREAS, in accordance with the terms of the Existing Contract, the Contractor submitted, and the County evaluated, the Phase 2 Proposal.

WHEREAS, following evaluation and negotiation (if applicable) of the Phase 2 Proposal, the County and the Contractor desire to modify the Existing Contract by this Supplemental (Modified and Restated) Contract (the "**Phase 2 Supplement**").

WHEREAS, due to the nature of the modifications to the Existing Contract associated with the scope of the Phase 2 Work and the negotiated terms and conditions for the Phase 2 Work, the Parties have determined that it is appropriate for the Phase 2 Supplement to be in the form of a modified and restated agreement.

WHEREAS, on [●], the Board authorized and approved this Phase 2 Supplement.

In consideration of the mutual covenants of the Parties as set out below, the Parties hereby agree as follows:

*[Contract terms, as amended under the Phase 2 Proposal accepted by the County in accordance with Article 2 of the Contract, to be inserted prior to execution of this Phase 2 Supplement. This will include restatement and repetition of representations and warranties.]*

**EXHIBIT 16**

**PRINCIPLES FOR ESTIMATING AND CALCULATION OF COST OF CHANGES**

**Part A: Principles for estimating cost of Phase 2 Work**

(Article 2)

**1. General**

- (a) The Contractor shall maintain an OPC(s) unless and until a Phase 2 Supplement is agreed and executed by the Parties.
- (b) The County shall maintain an Owner's Estimate for the Phase 2 Work through Phase 1. The County may engage an Owner's Estimator to develop the Owner's Estimate.

**2. OPC and proposal for the Phase 2 Contract Price**

- (a) The Contractor shall prepare the initial OPC in accordance with the Project Requirements and update it periodically unless and until a Phase 2 Supplement is agreed and executed by the Parties.
- (b) At each Milestone OPC, the OPC will be compared to the Owner's Estimate. If the OPC and the Owner's Estimate is not within a percentage acceptable to the County, the County, the Contractor and, if applicable, the Owner's Estimator, will conduct a review to determine where the cost estimates or schedule differ and what assumptions or details were used to determine each difference.
- (c) When preparing any OPC for the Phase 2 Work (or any part of it under an Early Works Package) and any estimate or proposal for the Phase 2 Contract Price (or an estimate or proposal for the Early Works Package Contract Price):
  - (i) the estimated Construction Cost must include the estimated cost of all labor, materials, equipment, other direct costs, and costs of procurement that the Contractor will incur to complete the Phase 2 Work (or applicable part of it under an Early Works Package);
  - (ii) unless otherwise directed by the County or agreed by the Parties, Sections 3 (Construction Labor Costs) and 5 (Construction Equipment Costs) of Part B (Basis for establishing costs associated with a Change) of this Exhibit 16 shall apply as they relate to estimating the cost of labor and Construction Equipment, except that for the purposes of this Part A references to the "Changed Work" shall be deemed references to the "Phase 2 Work" (or applicable part of it under an Early Works Package);
  - (iii) the cost of Materials shall include freight, delivery, unloading, storage charges, taxes, normal wastage allowance in accordance with Good Industry Practice and all Supplier discounts;

- (iv) except as otherwise expressly permitted under the Contract in the case of an Early Works Package, the OPC or price proposal must utilize the Phase 2 Margin Percentage and the Contractor Management Fee, as applicable, to calculate the Contract Price to complete the Phase 2 Work (or applicable part of it under an Early Works Package). Costs included in the Phase 2 Margin Percentage and the Contractor Management Fee, must not be included in the Construction Costs;
- (v) the Contractor shall prepare its OPC or price proposal on the basis described in the Project Requirements or as otherwise directed by the County or agreed by the Parties. The Contractor shall, if requested by the County, incorporate an analysis in the OPC of the impact on the Contract Price to complete the Phase 2 Work (or applicable part of the Phase 2 Work under an Early Works Package) if developed on a firm fixed price basis compared with a guaranteed maximum price basis, including any price differential between a firm fixed price and a guaranteed maximum price;
- (vi) an OPC or price proposal for the whole of the Phase 2 Work must incorporate, as a separate line item, the Contract Price for any Early Works Packages for which a Modification has been executed prior to preparation of that OPC;
- (vii) the Contractor shall list indirect costs for each item in a separate list and the County will review and approve the list of costs at each OPC;
- (viii) the OPC or price proposal must be produced under an Open Book Basis (including allowing the County to review all underlying assumptions, documents, and data associated with pricing and financial terms) in accordance with the Project Requirements, the accepted Cost Model and the Estimating Methodology Report, so that the County and any Owner's Estimator can make accurate assumptions, calculate prices, and determine the quantification of risk in the Project;
- (ix) the OPC or price proposal must be supported in sufficient detail to be used in preparing budgets based on sub-trades, combinations of sub-trades, building systems, and Subcontractor bid packages in accordance with the Approved Subcontractor Bidding and Selection Plan. Lump sum estimates are not acceptable;
- (x) the OPC or price proposal must be consistent with the then current draft updated CPM Schedule incorporating the Phase 2 Work as part of an integrated and cohesive cost and schedule build-up for the Phase 2 Work. The OPC or price proposal must clearly delineate Work assumed to be self-performed by the Contractor and Work assumed to be performed by a Subcontractor;
- (xi) the Contractor must obtain such number of quotes from potential Subcontractors as is contemplated under the Approved Subcontractor

Bidding and Selection Plan. This information must be provided with each OPC and price proposal and the Contractor must allow its potential Subcontractors to share their information, quotes, scope of work bid, and product or services data with the County and any Owner's Estimator. Where the Approved Subcontractor Bidding and Selection Plan does not contemplate obtaining quotes from potential Subcontractors, the Contractor must provide the estimate for the applicable scope of work and supporting data, which shall include data from recent quotes obtained for equivalent scopes of work, products or services on other projects;

- (xii) any Contingency amounts included in the OPC or price proposal must be fully identified and delineated so that they are included as an express and transparent amount, in accordance with the Project Requirements and consistent with the risk allocation, risk mitigation and qualitative and quantitative analysis under the then current Risk Register. Contingency amounts included in the OPC or price proposal should not include Contingency held by the County for risks allocated to the County. Any Contingency amounts should be classified as allocated and unallocated where:
  - (A) allocated Contractor Contingency is Contingency assigned to a specific risk allocated to the Contractor; and
  - (B) unallocated Contractor Contingency is general Contingency proposed to be held by the Contractor to cover the overall risk allocation to the Contractor under the Contract but not assigned to a specific risk;
- (xiii) no OPC or price proposal shall include cost items already included in the Phase 1 Contract Price, expressly retained by the County, or not required by the County;
- (xiv) each OPC and price proposal shall be independently prepared by the Contractor but in coordination with the County and any Owner's Estimator including through the Working Group contemplated in Section 5.5(a)(ii)(A) (*Disciplines*) of the Contract; and
- (xv) in preparing an OPC and price proposal, the Contractor shall consult with the County and any applicable the County Contractors to determine the construction means and methods, schedule, risk allocation, mitigation, and quantitative and qualitative analysis, value engineering and assumptions as to any modifications to be made to the Contract under a Phase 2 Proposal (or an Early Works Package Proposal, as applicable), and any other assumptions to be used as the basis for the OPC or price proposal and each OPC and price proposal delivered to the County must be supported by the CPM Schedule and other assumptions used as the basis for that OPC or price proposal.

- (d) Each OPC or price proposal submitted by the Contractor must contain the following elements in the following order (except to the extent, in the case of submittal of a Phase 2 Proposal (or Early Works Package Proposal), the information is provided in another part of the Phase 2 Proposal in accordance with the Contract, in which case submittal under that part, together with a cross-reference here, will be sufficient):
  - (i) a summary memorandum consisting of a narrative summary of the cost estimate that includes:
    - (A) a summary of costing activities since the previous OPC or price proposal submittal;
    - (B) changes subsequent to the previous OPC or price proposal submittal and reasons for the changes;
    - (C) responses to the County's comments on the previous OPC or price proposal submittal;
    - (D) a list of proposed major Equipment to be installed and the procurement status for each (including Supplier selection activities);
    - (E) a list of proposed Construction Work package Subcontracts with the procurement status for each (including Subcontractor selection activities);
    - (F) the current allocated and unallocated Contingency value and the approach to determining the value; and
    - (G) a cost summary table;
  - (ii) an updated Cost Model (including a completed Schedule of Quantities and Prices) showing a line item cost breakdown;
  - (iii) a list of all assumptions, clarifications, and exclusions that the Contractor used to determine the OPC or price proposal;
  - (iv) proposed professional services scope and fees for any remaining professional services (including Design Support During Construction, permitting, and materials testing) to be performed during Phase 2;
  - (v) detailed description of any allowances, performance incentives or contingency risk sharing arrangements proposed by the Contractor;
  - (vi) the most recent Value Engineering Report prepared by the Contractor in accordance with the Project Requirements;

- (vii) a breakdown of Contractor contingencies including escalation of materials and goods, Contractor risks, and scope gap/exclusions not included in the direct costs and providing clear referencing to the Risk Register;
  - (viii) the most recent proposed updated CPM Schedule to incorporate the Phase 2 Work (including any proposed modifications to the Site Access Dates), Schedule of Values and organizational chart for the Phase 2 Work;
  - (ix) a certification from the Contractor that all costs included in the OPC or price proposal (as applicable) are allowable in accordance with the cost principles in 2 CFR part 200 subpart E, and the OPC or price proposal (as applicable) does not include any costs which are expressly unallowable under applicable cost principles of 2 CFR part 200 subpart E;
  - (x) the Delay Compensation rate for Phase 2;
  - (xi) such other information as is necessary, in the County's sole discretion, to satisfy the County as to the reasonableness of any OPC or price proposal and that the Contractor's pricing and other financial terms for construction are fair and reasonable.
- (e) Upon the County's request, the Contractor shall submit a copy of all Subcontractor quotes or bids received by the Contractor.

### 3. **Cost Model**

- (a) The specific cost coding structure, estimating guidelines, and breakdowns for OPCs or price proposals, including the form of Schedule of Quantities and Prices for the Phase 2 Work, shall be agreed by the County and the Contractor under the accepted Cost Model to enable all OPCs or price proposals developed by the Contractor, the County and any Owner's Estimator to be compared and reconciled.
- (b) Following the initial approach to cost Working Group meeting, the Contractor must prepare and submit the proposed baseline Cost Model to the County for review (and if agreed, acceptance) in accordance with the Project Requirements.
- (c) Following acceptance of the Cost Model by the County in accordance with the Contract:
  - (i) the Cost Model must be used by the Contractor, the County, and any Owner's Estimator to develop OPCs and any Owner's Estimates at each Milestone OPC and when each Early Works Package Contract Price under an Early Works Package Proposal and the Phase 2 Contract Price under the Phase 2 Proposal are prepared and submitted in accordance with Article 2 (Term and Phased Work) of the Contract; and
  - (ii) the Contractor must maintain an accurate Cost Model in accordance with the Project Requirements that must contain all details of the OPC, price

proposals, and any proposed Early Works Package Contract Price under an Early Works Package Proposal when submitted, and the proposed Phase 2 Contract Price under the Phase 2 Proposal when submitted.

- (d) If the Contractor and the County fail to agree the form of Schedule of Quantities and Prices, the County may direct the form of Schedule of Quantities and Prices to be utilized for the Phase 2 Work.

#### 4. **Schedule of Values**

- (a) Each Schedule of Values required to be prepared in accordance with the Contract must:
  - (i) be coordinated with and consistent with the draft updated CPM Schedule to incorporate the Phase 2 Work as submitted with that Schedule of Values;
  - (ii) break down line item amounts identified in the Schedule of Quantities and Prices as follows:
    - (A) delivered cost of product, with taxes paid; and
    - (B) total installation cost, with overhead and profit; and
  - (iii) break down costs of each lump sum and unit price line item to the list of major products and major operations for which the Contractor is seeking to receive progress payments for the Phase 2 Work (or Early Works Package, as applicable) to recover the amount for that line item.
- (b) To the extent that on-site material allowances are agreed to or required to be assumed for the purposes of the Phase 2 Proposal (or any Early Works Package Proposal, as applicable) in accordance with Section 22.4 (Allowances) of the Contract, the Contractor shall provide separate schedules of unit prices together with its Phase 2 Proposal (or any Early Works Package Proposal). Schedules shall show quantities and types of products that will be stored and the allowances shall consist of only the net cost of the product, the cost of delivery and unloading at the storage site, and the cost of sales taxes.

## **Part B: Basis for establishing costs associated with a Change**

(Articles 25 and 26)

### **1. GENERAL**

- (a) The amount payable for a Change is the sum of all eligible Costs the Contracting Officer determines are allowable, allocable, and reasonable to perform the Work and a mark-up for overhead and reasonable profit as further described in this Part B of Exhibit 16.
- (b) Article 25 (County Changes) of the Contract and this Part B of Exhibit 16 apply to any Changes proposed by the County to:
  - (i) the Phase 1 Work; or
  - (ii) the Phase 2 Work following execution of a Phase 2 Supplement (or, in the case of an Early Works Package, following execution of an applicable Modification).
- (c) Article 26 (Contractor Changes) of the Contract and this Part B of Exhibit 16 apply to any Changes proposed by the Contractor to:
  - (i) the Phase 1 Work; or
  - (ii) the Phase 2 Work following execution of a Phase 2 Supplement (or, in the case of an Early Works Package, following execution of an applicable Modification).
- (d) Subject to Section 2(c)(ii) (OPC and proposal for the Phase 2 Contract Price) of Part A (Principles for estimating cost of Phase 2 Work) of this Exhibit 16, this Part B of Exhibit 16 is not intended to apply to the process by which a Phase 2 Supplement (and any Modification for an Early Works Package) can be discussed, negotiated, and, potentially, agreed. The process applicable to the discussion, negotiation, and potential agreement of a Phase 2 Supplement (or a Modification for an Early Works Package) is set out in Article 2 (Term and Phased Work) of the Contract.

### **2. INELIGIBLE AND ELIGIBLE COSTS**

#### **2.1 Ineligible Costs**

Any increase in Costs shall exclude:

- (a) Costs caused by a breach of the Contract, or fault or negligence, or failure to act, of any Contractor-Related Entity; and
- (b) Costs which could reasonably be avoided or mitigated by the Contractor, including resequencing, reallocating, or redeploying its forces to other parts of the Work or

to other activities unrelated to the Work, adjusted for any additional Costs reasonably incurred in connection with such reallocation or redeployment.

## 2.2 **Eligible Costs**

Eligible Costs shall be only those Costs identified as such in Sections 3 (Construction Labor Costs) to 11 (Acceleration Costs).

## 3. **CONSTRUCTION LABOR COSTS**

### 3.1 **General**

Construction labor Costs shall be based, as a minimum, on the prevailing wage scale for each craft or type of Work used in the Changed Work, as well as payroll taxes and fringe benefits, as applicable. Payroll taxes shall be calculated on base wage only and not on fringe benefits. Fringe benefits shall be applied only to the straight-time component of Cost and shall not apply to the premium-time component unless otherwise required by the California Labor Code.

### 3.2 **Subsistence and Travel Allowance**

There will be no subsistence and travel allowances provided by the County.

### 3.3 **Excluded Cost Items**

Labor Costs shall not include Costs for management personnel above foreman, office personnel, timekeepers, and maintenance mechanics unless authorized by the Contracting Officer prior to commencement of the Changed Work.

### 3.4 **Construction Labor Reports**

Without limiting the Contractor's obligations under Section 13.6(a)(i) (Monthly Utilization Report) of the Contract, the Contractor shall maintain construction labor reports with respect to the Changed Work which must include names, hours worked, and rates of pay for all classifications that are engaged in the actual direct performance of the Changed Work. The rates of pay to be furnished in the construction labor report shall be as set out in Section 3(a) (General).

## 4. **MATERIAL COSTS**

### 4.1 **General**

Material Costs shall be the Cost of all Goods purchased by the Contractor and used in the Changed Work, including normal wastage allowance in accordance with Good Industry Practice. The Cost shall include freight, delivery, unloading, storage charges, taxes, and all Supplier discounts.

#### 4.2 **Supporting Cost Data**

The prices shall be supported by valid invoices, binding written quotations from reputable Suppliers, or shall be prices from existing purchase orders, blanket purchase orders, or other ordering agreements standard in the industry.

#### 4.3 **County Review of Subcontractor and Supplier Invoices/Quotations**

Without prejudice to Article 32 (Inspections, Access, Audit, and Records) of the Contract, if requested by the County, the invoices or quotations required under this Article 4 shall be made available to the County.

#### 4.4 **Other County Rights**

Without prejudice to Article 32 (Inspections, Access, Audit, and Records) of the Contract, the County reserves the right to review and accept Goods and sources of supply of Goods to be furnished by the Contractor or its Subcontractor(s).

### 5. **CONSTRUCTION EQUIPMENT COSTS**

#### 5.1 **General**

The rates described in this Article 5 include the Construction Equipment, plus the cost of fuel, oil, lubricants, supplies, small tools, necessary attachments, repairs and maintenance of all kinds, depreciation, storage, insurance, and all incidentals, subject to Sections 5.2 (Measurement of Construction Equipment Time) to 5.15 (Inoperative Construction Equipment).

#### 5.2 **Measurement of Construction Equipment Time**

- (a) Except as otherwise specified in this Article 5, the time for use of Construction Equipment shall:
  - (i) be computed in half and full hours. In computing the time for use of Construction Equipment, less than 31 minutes shall be considered one-half hour; and
  - (ii) include the time required to move the Construction Equipment to the location of the Changed Work and return it to the original location (or to another location requiring no more time than that required to return it to its original location).
- (b) Loading and transporting costs shall be allowed, in lieu of moving time contemplated in Section 5.2(a)(ii), when the Construction Equipment is moved by means other than its own power. No payment for loading and transporting shall be made if the Construction Equipment is also used at the Worksite for any other Work (other than the Changed Work).

### 5.3 Measurement of Construction Equipment Use Period

The Construction Equipment use period shall:

- (a) begin at the time the Construction Equipment is unloaded at the part of the Worksite where the Changed Work will be performed during standard work hours;
- (b) include each day that the Construction Equipment is at the part of the Worksite where the Changed Work will be performed, excluding Saturdays, Sundays, or federal or State public holidays unless such Work is performed on those days; and
- (c) terminate at the end of the day on which the Changed Work is completed, or the County's Authorized Representative instructs the Contractor to discontinue the use of such Construction Equipment.

### 5.4 Fixed Costs

Equipment ownership fixed Costs shall be limited to the following for multiple shift operations:

- (a) Overhead: at the hourly overhead rate listed in the Rental Rate Blue Book®, as updated from time to time and in effect as of the date of performance of the Changed Work (the "**Rental Rate Blue Book**") for the first shift each day and at 15% of that same hourly rate for the second shift each day. No additional overhead Costs will be allowed for a third shift; and
- (b) Depreciation: the hourly depreciation rate listed in the Rental Rate Blue Book for the first shift each day and at 50% of that same hourly rate for the second and third shifts each day.

### 5.5 Small Tools

Construction Equipment and tools having a replacement value of \$2,000 or less, whether or not consumed or used, shall be considered small tools and the Contractor shall not be entitled to payment for them.

### 5.6 Excluded Cost Items and Construction Equipment

- (a) **Excluded Cost Items.** Construction Equipment Costs shall not include Costs for items normally considered the Contractor's plant or fixed costs items (such as buildings, trailers, office equipment, utilities, rail, piping, electrical distribution systems, processing plants, material handling facilities, work platforms, scaffolding, and concrete forms).
- (b) **Construction Equipment Already Onsite and/or in Use on the Work.** No additional compensation shall be allowed for Construction Equipment used to perform Changed Work if such Construction Equipment is already on the Worksite and being used or will be used for any other work (other than the Changed Work).

## 5.7 Construction Equipment Reports

Without limiting the Contractor's obligations under Section 13.6(a)(i) (Monthly Utilization Report) of the Contract, the Contractor shall maintain Construction Equipment reports with respect to the Changed Work which must include the Construction Equipment size, type, identification number, rental rate (if applicable), and hours of operation calculated in accordance with this Article 5.

## 5.8 Rates for Standard Contractor-Owned Construction Equipment

The County will pay the Contractor for the use of Contractor-owned Construction Equipment at the total hourly cost rates listed for such Construction Equipment in the Rental Rate Blue Book. No adjustment to the total hourly cost rates listed in the Rental Rate Blue Book shall be made except as stated in this Article 5 for multiple shift operations and standby.

## 5.9 Rates for Specialized Contractor-Owned Construction Equipment

If the Contractor deems it necessary to use Contractor-owned specialized Construction Equipment not listed in the Rental Rate Blue Book, the Contractor shall submit all cost data to the County's Authorized Representative for its use in establishing the rate and the County's Authorized Representative will Notify the Contractor of the rate to be used in calculation of the Cost of the Changed Work.

## 5.10 Rates for Rented/Leased Construction Equipment

- (a) **Supporting Cost Data (for Rented Construction Equipment).** If the Contractor deems it necessary to use rental Construction Equipment due to the lack of availability of Contractor-owned Construction Equipment to perform the Changed Work, the Contractor shall submit supporting cost data to the County's Authorized Representative, for the County's use in estimating and verifying rental costs. Acceptable forms of cost data include the following:
- (i) Supporting Cost Data (prior to commencing the Changed Work): signed/written Supplier quotes, or published price lists (rate sheets); or
  - (ii) Supporting Cost Data (after performance of the Changed Work): paid Supplier invoices.
- (b) **Contractor Submittal of Supporting Cost Data.** The Contractor shall submit its supporting cost data for rented Construction Equipment with its current Construction Equipment reports (as required under Section 5.7); or, if not then available, submitted with subsequent Construction Equipment reports.
- (c) **County Fair Cost Determination for Rented Construction Equipment.** When the Contractor submits an invoice to the County for the Changed Work, if the Contractor does not submit acceptable supporting cost data (after performance of the Changed Work) as described in Section 5.10(a)(ii), or if in the County's opinion

the Cost of such rented Construction Equipment is excessive, then the Cost of renting the Construction Equipment shall be determined utilizing the Rental Rate Blue Book.

- (d) **Other Leasing/Rental Arrangements for Construction Equipment.** The County will pay for Construction Equipment rented under lease-purchase or sale-leaseback arrangements, or rented from an organization under the control of the Contractor or under common control with the Contractor, at the rates set forth in the Rental Rate Blue Book.

#### 5.11 **Rates for (Manufacturer-Approved) Modified Construction Equipment**

Unless otherwise specified, manufacturer-approved modifications shall be used to classify Construction Equipment for the determination of applicable rental rates.

#### 5.12 **Rates for Construction Equipment with No Direct Power Unit**

Applicable rental rates for Construction Equipment that has no direct power unit shall be based on being powered by a unit of at least the minimum rating recommended by the manufacturer of that Construction Equipment.

#### 5.13 **Construction Equipment Operators**

Construction Equipment operators shall be paid in accordance with Article 3 (Construction Labor Costs).

#### 5.14 **Idle/Standby Construction Equipment**

After Construction Equipment is idle for 16 hours in a 24 hour period it shall be deemed to be on standby, and compensation payable for such Construction Equipment shall be limited to the sum of the hourly overhead and depreciation rates for eight hours per 24 hour period.

#### 5.15 **Inoperative Construction Equipment**

The County will not pay compensation for Construction Equipment while it is inoperative due to breakdown, routine maintenance, or other Contractor-controlled or planned down time.

### 6. **ENGINEERING LABOR COSTS**

#### 6.1 **General**

- (a) For the purposes of this Article 6, "**Design/Engineering Services**" includes design, geotechnical investigations, surveying, permits, environmental, and similar aspects of the Work, performed by the Contractor's employees who are licensed professional architects, engineers, or surveyors, including the Engineer of Record.

- (b) For Design/Engineering Services that qualify as Engineering Labor (as described in this Article 6), Engineering Labor Costs shall be based on the actual base salary rates for the professional classifications performing the Design/Engineering Services, exclusive of any payroll taxes and fringe benefits, as applicable.

## 6.2 Engineering Labor Qualifications

"**Engineering Labor**" shall be limited to those direct labor Costs that meet all of the following elements:

- (a) the engineering Costs do not arise from incidental engineering as described in Section 7.3(b) (Incidental Engineering);
- (b) the engineering Costs arise directly from design/engineering Work specified in the Modification; and
- (c) the engineering Costs are in addition to those engineering Costs already included in the Phase 1 Contract Price, Early Works Package Contract Price (if applicable), and, after execution of the Phase 2 Supplement, Phase 2 Contract Price.

## 6.3 Non-qualifying Engineering Labor

Any design/engineering work which does not meet the criteria in this Article 6 shall be considered incidental engineering as described in Section 7.3(b) (Incidental Engineering), except that design/engineering work that meets the criteria in Article 8 (Subcontractor Costs) will be governed by those provisions.

## 6.4 Engineering Labor Reports

Without limiting the Contractor's obligations under Section 13.6(a)(i) (Monthly Utilization Report) of the Contract, the Contractor shall maintain engineering labor reports with respect to the Changed Work which must include names, hours worked, and rates of pay for all professional classifications that are engaged in the actual direct performance of the Changed Work. The rates of pay to be furnished in this report shall be as set out in Section 6.1 (General).

## 7. OVERHEAD AND PROFIT

For the avoidance of doubt, the mark-ups under this Article 7 (and the limitations to mark-ups) do not apply to the pricing of the Phase 2 Work (or any Early Works Packages) under the Phase 2 Proposal (or any Early Works Package Proposal).

### 7.1 Mark-ups for forward-priced Changed Work

If prior to commencement of performance of the Changed Work, the Parties agree on the amount of the direct Costs of such Work, the mark-ups (for overhead and profit) the County will pay to Contractor on such direct Costs are:

- (a) for construction labor Costs (as allowed under Article 3 (Construction Labor Costs)): 20%;
- (b) for material Costs (as allowed under Article 4 (Material Costs)): 15%;
- (c) for Construction Equipment use Costs (as allowed under Article 5 (Construction Equipment Costs)): 15%; and
- (d) if applicable, and subject to the limitations in Article 6 (Engineering Labor Costs), for engineering labor Costs: 100%.

## 7.2 Mark-ups for incurred-cost Changed Work

If the direct Cost of the Changed Work is based in whole or in part on the Contractor's actual incurred Costs, the mark-ups (for overhead and profit) the County will pay to the Contractor on such direct Costs shall be subject to determination by the Contracting Officer, based upon audited overhead rates and a reasonable profit, not to exceed the mark-ups set out in Section 7.1 (Mark-ups for forward-priced Changed Work).

## 7.3 Overhead Mark-Up

- (a) **Included Costs.** The mark-ups for overhead include, and are full compensation for, all indirect costs of any nature, including without limitation home and field office overhead, all taxes of any nature (except taxes allowed under Article 3 (Construction Labor Costs) and Article 4 (Material Costs)), all fringe benefits of any nature (except fringe benefits allowed under Article 3 (Construction Labor Costs)), small tools, incidental job burdens, incidental engineering (as described in Section 7.3(b) (Incidental Engineering)) insurance (except worker's compensation insurance), and all other indirect costs of the Changed Work.
- (b) **Incidental Engineering.** Incidental engineering Costs shall be a Cost element incorporated in the overhead mark-up (as described in Section 7.3(a) (Included Costs)), and shall include all time spent by engineers on:
  - (i) preparation, review, planning, coordination, and/or any other administration relating to Construction Documents, reports/logs, inspections scheduling, RFIs, RFCs, schedule/cost estimates, Modifications, Claims, and mix and shoring design;
  - (ii) preparation, review, planning, coordination, and/or any other administration relating to any other submittals (except as otherwise contemplated in Article 6 (Engineering Labor Costs));
  - (iii) attendance at any meeting or Working Groups required by the Contract; and
  - (iv) all other tasks normally performed to support Construction Work under similar contracts (except as otherwise contemplated in Article 6 (Engineering Labor Costs)).

8. **SUBCONTRACTOR COSTS**

For the avoidance of doubt, the mark-ups under this Article 8 do not apply to the pricing of the Phase 2 Work (or any Early Works Packages) under the Phase 2 Proposal (or any Early Works Package Proposal).

- (a) **Overhead and Profit.** When Changed Work is performed by a Subcontractor of any tier, the allowable mark-ups set out in Article 7 (Overhead and Profit) above shall be applied only to the Subcontractor's direct Costs. The Contractor shall not be allowed any mark-up(s) on Subcontractor Costs.
- (b) **Suppliers Goods.** The County will not pay a mark-up for Goods furnished by Suppliers, including, but not limited to, Goods specially fabricated or substantially modified for use in the Work.
- (c) **Unit Priced Items.** The County will not pay a mark-up for units with unit prices established in the Contract.
- (d) **County-furnished Goods.** The County will not pay a mark-up for the County-furnished Goods.
- (e) **Subcontract Management Fee.** The County will allow a single Subcontractor management fee to Contractor, up to 5% of the total aggregate of all Subcontractor allowable costs for the Changed Work, regardless of the number of intervening tiers of Subcontractors. The Subcontractor management fee may be shared with Subcontractors of all tiers at the Contractor's discretion. The County will not allow for any additional fee for Subcontractor(s) on their Subcontractors' costs.

9. **CREDIT ITEMS**

Where the Contractor's or Subcontractor's portion of the Changed Work involves credit items, or the proposed Change is a fully deductive Change, the Contractor shall utilize the same mark-ups in computing the value of the credit back to the County.

10. **BOND COSTS**

Changes to the Cost of Performance Bonds and Payment Bonds arising directly out of a Change are included as part of the mark-up for overhead and profit as contemplated in Section 7 (Overhead and Profit).

11. **ACCELERATION COSTS**

- (a) Acceleration Costs shall be payable only as part of a Change Order issued by the County under Section 25.9 (Request for Change) of the Contract following the occurrence of a Compensable Delay.
- (b) Calculation of profit, overhead, and indirect costs in connection with acceleration efforts shall not exceed the limits set out in this Part B.